FINANCIAL STATEMENTS

AND

SUPPLEMENTARY DATA AND INFORMATION

BOROUGH OF MILLTOWN

39 Washington Avenue
Milltown, New Jersey 08850

FOR THE YEARS ENDED DECEMBER 31, 2015

AND

DECEMBER 31, 2014

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AND

DECEMBER 31, 2014

Presented by:
Denise Biancamano
Chief Financial Officer
Borough of Milltown

BOROUGH OF MILLTOWN
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PART I

Borough of Milltown

Middlesex County, New Jersey

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FINANCE DEPARTMENT

July 15, 2016

Honorable Mayor and Members
of the Borough Council
Borough of Milltown
County of Middlesex, New Jersey

The Comprehensive Annual Financial Report for the Borough of Milltown, County of Middlesex, State of New Jersey, for the year ended December 31, 2015 is submitted herewith and includes financial statements and supplemental schedules. I believe it is accurate in all material respects; that it is presented in a manner designated to set forth fairly the financial position and results of operations of the Borough of Milltown as measured by the financial activity of its various funds and account groups; and that all disclosures necessary to enable the reader to gain an understanding of the Borough's financial affairs have been included.

The Comprehensive Annual Financial Report is presented in five (5) sections: Introductory, Financial, Statistical, Single Audit and Auditor's Comments and Recommendations. The Introductory Section includes this transmittal letter, the Borough's organizational chart and a list of principal officials. The Financial Section includes the annual financial statements and individual fund financial schedules, as well as the independent auditor's report. The Statistical Section includes selected financial, economic and demographic information, generally presented on a multi-year basis. The Single Audit Section includes the auditor's report on the internal control structure and compliance with applicable laws and regulation, the schedule of expenditures of Federal awards and findings and recommendations. The fifth and final section is prepared by the Independent Auditor and contains their required annual comments and recommendations, if any, to the Mayor and Council. The Mayor and Council are required to adopt a plan of action on the implementation of any audit recommendations. Responsibility for completeness and clarity of the report, including disclosures, rests with the Chief Financial Officer and, ultimately, with the Mayor and Council.

The financial statements have been audited by Gerard Stankiewicz, Certified Public Accountant, Registered Municipal Accountant of Samuel Klein and Company, Freehold, New Jersey, independent certified public accountants whose opinion is expressed in the Financial Section. Please note that the auditor's report is unqualified and states that the financial statements are presented fairly in conformity with the basis of accounting as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

PRESENT AND FUTURE CHALLENGES

Current Fund

The Current Fund, which finances most of the operational areas of our local government, had total revenues of $8,316,951.42, exclusive of fund balance and total expenditures of $8,403,279.38 and a Fund Balance increase of $250,580.42 as of December 31, 2015. The following schedule summarizes revenues and expenses for 2015 and 2014.

			Increase/(Decrease)	
	2015	2014	Amount	Percent
Revenues				
Fund Balance	$ 447,000.00	$ 330,000.00	$ 117,000.00	35.45 %
Real Estate Taxes	5,161,661.66	4,970,046.76	191,614.90	3.86
Delinquent Tax Receipts	1,637.41	229.86	1,407.55	612.35
State Aid	387,169.00	387,169.00	0.00	0.00
School Aged Children	367,193.45	349,953.53	17,239.92	4.93
Election Utility Surplus	1,211,341.00	1,172,341.00	39,000.00	3.33
Miscellaneous Anticipated Revenues	774,940.95	991,357.23	(216,416.28)	(21.83)
Grants	76,864.73	72,109.57	4,755.16	6.59
Other Credits to Income	190,148.86	224,076.18	(33,927.32)	(15.14)
Nonbudget Revenue	145,994.36	39,271.37	106,722.99	271.76
	$ 8,763,951.42	$ 8,536,554.50	$ 227,396.92	2.66 %

1. Real Estate Taxes - These are the taxes levied on all real property within the Borough.
2. Delinquent Tax Receipts - This represents receipts from delinquent taxes and tax title liens.
3. Intergovernmental Revenue - This represents funds received from the State of New Jersey and the Federal Government in the form of grants or direct aid.
4. Miscellaneous Anticipated Revenues - This represents all of the miscellaneous revenues of the Borough including fees, fines, licenses, interest and other direct user charges, except those detailed separately above.

Current Fund (Continued)

The increase in budgetary expenditures in 2015 over 2014 was as follows:

Expenditures	2015	2014	Increase/(Decrease) Amount	Increase/(Decrease) Percent
General Government	$ 635,472.00	$ 625,877.00	$ 9,595.00	1.53 %
Public Safety	2,470,523.00	2,244,175.00	226,348.00	10.09
Public Works	1,205,530.00	1,174,318.00	31,212.00	2.66
Utility Expense and Bulk Purchases	90,900.00	101,700.00	(10,800.00)	(10.62)
Land Use	72,700.00	71,450.00	1,250.00	1.75
Insurance	836,600.00	739,400.00	97,200.00	13.15
Health and Human Services	66,035.00	68,525.00	(2,490.00)	(3.63)
School Age Child Care Program	335,000.00	300,000.00	35,000.00	11.67
Parks and Recreation	540,325.00	535,924.00	4,401.00	0.82
Education - Library	295,992.63	286,288.95	9,703.68	3.39
Deferred Charges and Statutory Expenditures	777,767.12	759,880.66	17,886.46	2.35
Grants	81,964.73	77,209.57	4,755.16	6.16
Capital Improvements	25,000.00		25,000.00	
Debt Service	554,469.90	991,426.45	(436,956.55)	(44.07)
Reserve for Uncollected Taxes	415,000.00	290,000.00	125,000.00	43.10
	$ 8,403,279.38	$ 8,266,174.63	$ 137,104.75	1.66 %

The Borough operates Electric, and Water-Sewer Utilities. These utilities are budgetary entities that allow for the segregation of the revenue and expenses of the utilities. The utilities are under the operational control of the Mayor and Council.

Electric Utility Fund

The Electric Utility serves the entire Borough, which encompasses approximately 3,146 accounts. Revenues in 2015 exclusive of fund balance utilized were $9,904,074.18 and expenditures exclusive of the transfer to the general budget were $7,299,153.30. Fund balance increased by $1,393,579.88. The Electric Utility debt was considered to be self-liquidating for 2015, and, as a result, the Fund's debt is not factored into the Borough's net debt. The following schedule summarizes revenue and expenses for 2015 and 2014.

	2015	2014	Increase/(Decrease) Amount	Increase/(Decrease) Percent
Revenues				
Fund Balance Utilized		$ 50,000.00	$ (50,000.00)	(100.00) %
Electric Charges	$ 8,094,391.90	8,105,594.29	(11,202.39)	(0.14)
Other Credits to Income	1,809,682.28	348,760.01	1,460,922.27	418.89
	$ 9,904,074.18	$ 8,504,354.30	$ 1,399,719.88	16.46 %
Expenditures				
Operating Expenses	$ 6,445,445.00	$ 7,192,000.00	$ (746,555.00)	(10.38) %
Capital Improvements	55,000.00	55,000.00	0.00	0.00
Debt Service	658,680.00	138,428.11	520,251.89	375.83
Deferred Charges	139,915.80	111,861.40	28,054.40	25.08
Surplus (General Budget)	622,341.00	622,341.00	0.00	0.00
Cancellation of Receivables	112.50	7,525.37	(7,412.87)	(98.51)
	$ 7,921,494.30	$ 8,127,155.88	$ (205,661.58)	(2.53) %

Water-Sewer Utility Fund

The Water-Sewer Utility serves the entire Borough, which encompasses approximately 2,656 accounts. Revenues exclusive of fund balance were $2,825,167.12 and expenditures were $2,707,803.55. Fund balance increased $117,363.57. The Water-Sewer Utility Fund was considered to be self-liquidating for 2015 and, as a result, the Fund's debt is not factored into the Borough's net debt. The following schedule summarizes revenues and expenses for 2015 and 2014.

	2015	2014	Increase/(Decrease) Amount	Increase/(Decrease) Percent
Revenues				
Fund Balance	$ 338,803.55	$ 206,413.04	$ 132,390.51	64.14 %
Water Rents	2,361,793.73	2,323,595.36	38,198.37	1.64
Miscellaneous Revenues	137,858.05	169,360.19	(31,502.14)	(18.60)
Other Credits to Income	325,515.34	276,645.63	48,869.71	17.67
	$ 3,163,970.67	$ 2,976,014.22	$ 187,956.45	6.32 %
Expenditures				
Operating Expenses	$ 1,959,610.74	$ 1,851,210.74	$ 108,400.00	5.86 %
Capital Improvements	160,000.00	85,000.00	75,000.00	88.24
Debt Service	513,085.01	515,167.57	(2,082.56)	(0.40)
Deferred Charges	75,107.80	81,861.40	(6,753.60)	(8.25)
	$ 2,707,803.55	$ 2,533,239.71	$ 174,563.84	6.89 %

MAJOR ACTIVITIES AFFECTING BUDGET/FINANCIAL CONDITIONS

The Borough of Milltown encompasses 1.4 square miles. The Borough is a fully developed mature community comprised of mostly residential dwellings. The Borough has eleven apartment complexes and is densely populated. The Borough relies heavily on its Electric Utility and thus dramatic changes in the weather pattern effect the Borough's revenues dramatically.

The Borough Council has, in recent years, become aggressive in their Capital Program of improvements. The Borough, annually, has appropriated monies for Parks and Recreation Equipment, Roadway Resurfacing and Improvements to the Infrastructure.

PROSPECTS FOR THE FUTURE

The 2016 Municipal Budget as adopted reflects a rate of $1.147 representing an increase from the prior year in the Local Purpose Tax Rate. The 2016 Budget as adopted will have increase of 496,856.29 or 6.13% compared to 2015 appropriations exclusive of the Library.

In 2015, the Borough is continuing a several year plan of beautifying the downtown area. In addition, park improvements are in process using a combination of grants and local funds. Initial plans for a Redevelopment program in the business district have advanced to the serious conceptual stage and a number of professionals have been consulted in this process.

LOCAL ECONOMIC EVENTS

Major infrastructure improvements were undertaken in a number of areas including:

- Road resurfacing and intersection improvements with local funds as well as a variety of other governmental sources to reduce the local financial burden of such work. Being a crossroads community in such a busy part of the region, Milltown has an unusually large infrastructure renewal burden for a community our size. By taking advantage of multiple sources and continuing to maintain our existing programs, Milltown is responsibly tending to the transportation needs of our citizens and visitors.

- Improvements to the Borough's parks and recreational facilities continue.

- Upgrade to various aspects of the Borough's water and sewer system are in the implementation stage.

- Various equipments are being purchased for all departments in order to provide a better level of service to the residents.

- Improvements to South Street Phase II and Wilson Avenue and Howard Street improvements, partially funded by the NJDOT and are projected to be completed in late 2016 or early 2017.

- Improvements to Wilson and Howard Street.

- Improvements to Lafayette Avenue are ongoing.

- The Governing Body is in constant pursuit of grants from the federal, state and county governments in order to improve the Borough at minimal cost to the local residents.

- The Governing Body is in constant pursuit of grants from the federal, state and county governments in order to improve the Borough at minimal cost to the local residents.
- Improvements to the Milltown Public Library parking lot.
- A retaining wall is being constructed on Elm St & School St.
- Improvements to the Borough pool are ongoing. There is a new Manager's office at the pool.
- The construction of the new electrical substation was completed subsequent to yearend and is being funded by federal state loans at favorable interest rates.
- The ongoing water main lining project JFK Drive, Nicholas Court, Booream Ave., Garden Place, Townsend Street, Ackerman Ave., and East Foch Ave awarded in 2015 is substantially completed.
- The acquisition of a new replacement fire truck is in process.
- Firefighter equipment has been purchased.
- Efforts are continuing to bring the redevelopment area to some conclusion; however, it is caught up in the court system.

CASH MANAGEMENT

The Borough invests all surplus funds for appropriate periods of time as determined by the Chief Financial Officer. During 2015, funds were deposited in interest bearing accounts.

DEBT ADMINISTRATION

The current outstanding net debt of the Borough is $7,222,269.99 which represents .844% of its average equalized value. Debt Service appropriations for 2015 were $1,726,141.00 for all Borough funds.

RISK MANAGEMENT

The Borough is a member of the Middlesex County Joint Insurance Fund along with the statewide Municipal Excess Liability Joint Insurance Fund, Municipal Excess Liability Residual Claims Fund and Environmental Joint Insurance Fund, as well as a Private Insurance Plan for Volunteer Firemen. The Borough is well insured. These funds provide professional risk management, legal defense, loss prevention, claims management and actuarial services and are regulated by the New Jersey Department of Insurance.

The Borough is a member of the New Jersey State Health Benefits Program, as well as having dental and prescription plans with Blue Cross and Blue Shield of New Jersey.

ACKNOWLEDGMENTS

The preparation of this report on a timely basis could not be accomplished without the help and dedicated services of the entire staff of the Finance Department and the Administration of the Borough.

Respectfully submitted,

Denise Biancamano
Chief Financial Officer/ Borough Business Administrator

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CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT

The Honorable Mayor and Members
of the Borough Council
Borough of Milltown
County of Middlesex
State of New Jersey

To the Honorable Mayor and Members of the Borough Council:

Report on the Financial Statements

We have audited the financial statements – regulatory basis of the various funds and account groups of the Borough of Milltown, County of Middlesex, State of New Jersey as of December 31, 2015, and the related statement of operations and change in fund balance – regulatory basis for the year then ended, the related statement of revenues – regulatory basis, statement of expenditures – regulatory basis, and the related notes to the financial statements for the year then ended. The financial statements – regulator basis for the year ended December 31, 2014 were audited by another firm whose opinion dated July 15, 2015 was unmodified.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements – regulatory basis, in accordance with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; this includes 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 an opinion on these financial statements – regulatory basis, 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 auditing standards prescribed by the Division of Local Government Service, 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 described in Note 1 of the financial statements – regulatory basis, the financial statements are prepared by the Borough on a basis of the financial reporting provisions of the regulatory basis of the accounting and budget laws of the Division of Local Government Services, Department of Community Affairs, State of 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 matters discussed in the "Basis for Adverse Opinion on the United States 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 each fund of the Borough of Milltown, County of Middlesex, State of New Jersey as of December 31, 2015, and change in financial position or cash flows thereof for the year then ended.

Basis for Disclaimer of Opinion on Length of Service Award Program Fund ("LOSAP")

As discussed in Note 1, the financial statements of the Length of Service Award Program Fund ("LOSAP") have not been audited, and we were not required by the Division to audit nor were we engaged to audit the LOSAP financial statements as part of our audit of the Borough's financial statements. The LOSAP financial activities are included in the Borough's Trust Fund, and represent 48.51% and 48.05% of the assets and liabilities, respectively, of the Borough's Trust Funds as of December 31, 2015 and 2014.

Disclaimer of Opinion on Length of Service Award Program Fund ("LOSAP")

Due to the fact that we were not required by the Division to audit nor were we engaged to audit the LOSAP financial statements as part of our audit of the Borough's financial statements, we do not express an opinion of the LOSAP financial statements.

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 financial statements – regulatory basis been audited, the financial statements referred to above present fairly, in all material respects the financial statements – regulatory basis of the various funds and account groups of the Borough of Milltown, County of Middlesex, State of New Jersey, as of December 31, 2015, and the results of its operations and change in fund balance of such funds – regulatory basis for the year then ended, and the revenues – regulatory basis, expenditures – regulatory basis of the various funds and account groups 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.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements – regulatory basis of the Borough of Milltown, County of Middlesex, New Jersey. This information included in the Introductory section as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements – regulatory basis of the Borough. The information included Single Audit section – the accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis required by U.S. Office of Management and Budget Uniform Guidance and schedule of expenditures of state financial assistance required by NJOMB #15-08 and are also not a required part of the basic financial statements.

Combining and Individual Fund Statements and the schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are required by the Uniform Guidance and NJOMB 15-08 and are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements – regulatory basis. The information has been subjected to auditing procedures applied in the audit of the financial statements – regulatory basis 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 – regulatory basis taken as a whole.

The schedules and information contained in the Introductory Section and in the Statistical Section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

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

Gerard Stankiewicz
Certified Public Accountant
Registered Municipal Accountant #431

SAMUEL KLEIN AND COMPANY

Freehold, New Jersey
July 15, 2016

SAMUEL KLEIN AND COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

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

The Honorable Mayor and Members
of the Borough Council
Borough of Milltown
County of Middlesex
State of New Jersey

To the Honorable Mayor and Members of the Borough Council:

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements – regulatory basis of the Borough of Milltown (herein referred to as "the Borough"), as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements, and have issued our report thereon dated July 15, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements – regulatory basis, we considered the Borough'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 Borough's internal control. Accordingly, we do not express an opinion on the effectiveness of the Borough'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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

INDEPDENDENT AUDITORS 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 (CONTINUED)*

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough's financial statements - regulatory basis are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of non-compliance that we have reported to the management of the Borough in the "General Comments and Recommendations" section of this report.

This report is intended solely for the information of the governing body, management and the Division of Local Government Services, Department of Community Affairs, State of New Jersey and is not intended to be and should not be used by anyone other than these specified parties.

Gerard Stankiewicz
Certified Public Accountant
Registered Municipal Accountant #431

SAMUEL KLEIN AND COMPANY

Freehold, New Jersey
July 15, 2016

FINANCIAL STATEMENT

BOROUGH OF MILLTOWN
MIDDLESEX COUNTY, NEW JERSEY
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
CURRENT FUND
DECEMBER 31, 2015 AND 2014

ASSETS	Ref.	Balance, December 31 2015	Balance, December 31 2014
Cash and Investments - Treasurer	A-4	$ 1,972,793.14	$ 1,495,202.13
Cash - Change Fund	A-5	350.00	350.00
Due from State of NJ per Ch. 20, P.L. 1976	A-6	16,838.60	16,587.23
		1,989,981.74	1,512,139.36
Receivables with Offsetting Reserves:			
Delinquent Taxes	A-7	19,417.60	13,777.74
Tax Title Liens	A-8	1,292,927.53	957,347.67
Property Acquired for Taxes (at Assessed Valuation)	A-9	3,400.00	3,400.00
Revenue Accounts Receivable	A-10	12,952.85	13,304.79
Due from Township of East Brunswick	A-12	8,450.00	8,450.00
		1,337,147.98	996,280.20
Total Regular Fund		3,327,129.72	2,508,419.56
Grant Fund:			
Cash	A-4	52,843.46	39,447.63
Grants Receivable	A-23	70,471.75	100,546.00
Due from Current Fund	A-11		34,043.50
Total Grant Fund		123,315.21	174,037.13
		$ 3,450,444.93	$ 2,682,456.69

See Notes to Financial Statements

BOROUGH OF MILLTOWN
MIDDLESEX COUNTY, NEW JERSEY
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
CURRENT FUND
DECEMBER 31, 2015 AND 2014

LIABILITIES, RESERVES AND FUND BALANCE	Ref.	Balance, December 31 2015	Balance, December 31 2014
Liabilities:			
Appropriation Reserves	A-3, A-13	$ 393,048.30	$ 292,777.99
Reserve for Encumbrances	A-20	179,907.04	176,763.84
Prepaid Taxes	A-19	219,148.00	123,551.80
Various Reserves	A-14	93,567.26	33,223.86
Commitments Payable	A-15	135,049.74	119,706.45
Tax Overpayments	A-16	25,132.51	38,601.45
School Tax Payable	A-17	215,836.00	215,836.00
Due to Animal Trust Fund	A-11	78.00	
Due to Grant Fund	A-11		34,043.50
		1,261,766.85	1,034,504.89
Reserve for Receivables	Reserve	1,337,147.98	996,280.20
Fund Balance	A-1	728,214.89	477,634.47
Total Regular Fund		3,327,129.72	2,508,419.56
Grant Fund:			
Reserve for Grants:			
Appropriated	A-24	68,871.76	118,826.19
Unappropriated	A-25	1,571.00	
Reserve for Encumbrances	A-26	2,872.45	5,210.94
Due to General Capital Fund	A-21	50,000.00	50,000.00
Total Grant Fund		123,315.21	174,037.13
		$ 3,450,444.93	$ 2,682,456.69

See Notes to Financial Statements

Exhibit A-1

BOROUGH OF MILLTOWN
MIDDLESEX COUNTY, NEW JERSEY
COMPARATIVE STATEMENT OF OPERATIONS AND
CHANGE IN FUND BALANCE - REGULATORY BASIS
CURRENT FUND
DECEMBER 31, 2015 AND 2014

		December 31,	
REVENUE AND OTHER INCOME REALIZED	Ref.	2015	2014
Fund Balance Utilized	A-1, A-2	$ 447,000.00	$ 330,000.00
Miscellaneous Revenues Anticipated	A-2	2,817,509.13	2,972,930.13
Receipts from Delinquent Taxes	A-2	1,637.41	229.86
Receipts from Current Taxes	A-7	22,848,148.15	22,149,868.26
Non-Budget Revenue	A-2	145,994.36	39,271.37
Other Credits to Income:			
Unexpended Balances of Appropriation Reserves	A-13	180,890.61	224,076.18
Cancellation of Grant Receivable/Reserves, Net	A-11	9,258.25	
		26,450,437.91	25,716,375.80
EXPENDITURES AND OTHER CHARGES			
Budget Appropriations:			
Operating:			
Salaries and Wages	A-3	3,596,575.28	3,391,100.00
Other Expenses	A-3	3,034,467.08	2,833,767.52
Deferred Charges and Statutory Expenditures	A-3	777,767.12	725,002.71
Municipal Debt Service	A-3	554,376.16	991,424.10
Capital Improvements	A-3	25,000.00	
County Tax	A-18	3,400,641.49	3,425,474.52
County Share of Added and Omitted Taxes			1,575.98
Local District School Taxes	A-17	14,363,642.00	14,042,771.00
Prior Year Senior Citizen Deductions Disallowed	A-6	138.36	229.86
Refund of Prior Year Revenue	A-4	250.00	
Total Expenditures		25,752,857.49	25,411,345.69
Excess in Revenue		697,580.42	305,030.11
Statutory Excess to Fund Balance		697,580.42	305,030.11
Balance - January 1	A	477,634.47	502,604.36
		1,175,214.89	807,634.47
Decreased by:			
Utilization as Anticipated Revenue	A-1	447,000.00	330,000.00
Balance - December 31	A	$ 728,214.89	$ 477,634.47

See Notes to Financial Statements

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

	Ref.	Anticipated 2015	N.J.S.A. 40A:4-87	Realized	Excess or (Deficit)
Surplus Anticipated	A-1	$ 447,000.00		$ 447,000.00	
Local Revenues:					
Licenses:					
Alcoholic Beverages	A-10	$ 4,725.00		$ 4,725.00	
Fees and Permits	A-10	33,300.00		35,192.41	$ 1,892.41
Fines and Costs:					
Municipal Court	A-10	184,350.00		162,061.06	(22,288.94)
Interest and Costs on Taxes	A-10	29,200.00		32,527.10	3,327.10
Interest on Investments and Deposits	A-10	10,000.00		10,438.57	438.57
Anticipated Utility Operating Surplus - Electric	A-10	622,341.00		622,341.00	
Swimming Pool Fees	A-10	115,200.00		118,342.00	3,142.00
Cable Television Franchise Fees	A-10	32,783.00		32,783.00	
Recreation Fees	A-10	76,350.00		86,844.84	10,494.84
		1,108,249.00		1,105,254.98	(2,994.02)
State Aid with Offsetting Appropriations:					
Consolidated Municipal Property Tax Relief Aid	A-10	57,688.00		57,688.00	
Energy Receipts Tax (P.L.1997, Chapters 162 & 167)	A-10	329,481.00		329,481.00	
		387,169.00		387,169.00	
Dedicated Uniform Construction Code Fees Offset with Appropriations (NJS 40A:4-36 & NJAC 5:23-417):					
Uniform Construction Code Fees	A-10	89,450.00		102,569.00	13,119.00

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

	Ref.	Anticipated 2015	N.J.S.A. 40A:4-87	Realized	Excess or (Deficit)
Special Items - Additional Revenues:					
School Age Child Care	A-10	$ 335,000.00		$ 367,193.45	$ 32,193.45
Donation - Milltown Revitalization Committee	A-14	12,460.00		12,460.00	
		347,460.00		379,653.45	32,193.45
Public and Private Revenues:					
Municipal Alliance on Alcoholism and Drug Abuse	A-23	12,276.00		12,276.00	
Middlesex County Office on Aging Grant	A-23	6,000.00		6,000.00	
Middlesex County HUD Block Grant	A-23	35,140.00		35,140.00	
Body Armor Replacement Program Fund	A-23		$ 1,762.91	1,762.91	
Clean Communities Program	A-23		14,475.28	14,475.28	
Drunk Driving Enforcement Fund	A-23	7,210.54		7,210.54	
		60,626.54	16,238.19	76,864.73	
Other Special Items:					
Utility Operating Surplus of Prior Year - Electric	A-10	589,000.00		589,000.00	
Payment in lieu of Taxes - Arisa Redevelopment	A-10	113,010.63		113,010.64	0.01
Cell Tower Lease	A-10	69,000.00		63,987.33	(5,012.67)
		771,010.63		765,997.97	(5,012.66)
Total Miscellaneous Revenue	A-2	2,763,965.17	16,238.19	2,817,509.13	37,305.77
Receipts from Delinquent Taxes	A-7			1,637.41	1,637.41
Subtotal General Revenues		3,210,965.17	16,238.19	3,266,146.54	38,943.18

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

	Ref.	Anticipated 2015	N.J.S.A. 40A:4-87	Realized	Excess or (Deficit)
Amount to be Raised by Taxes for Support of Municipal Budget:					(1,637.41)
Local Tax for Municipal Purposes including					
Reserve for Uncollected Taxes	A-7	$ 4,891,992.99		$ 4,877,578.63	$ (14,414.36)
Municipal Library Levy	A-7	284,083.03		284,083.03	
		5,176,076.02		5,161,661.66	(14,414.36)
Budget Totals		$ 8,387,041.19	$ 16,238.19	$ 8,427,808.20	$ 24,528.82
Non-Budget Revenues	A-1, A-10			145,994.36	145,994.36
		$ 8,387,041.19	$ 16,238.19	$ 8,573,802.56	$ 170,523.18
		A-3	A-3		

Detail of Realized Revenue - Miscellaneous		
Other Reserves	A-14	$ 12,460.00
Revenue Accounts Receivable:	A-10	2,728,184.40
Grants Receivable	A-23	76,864.73
	A-2	$ 2,817,509.13

See Notes to Financial Statements

BOROUGH OF MILLTOWN
MIDDLESEX COUNTY, NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2015

	Budget	Budget After Modification	- Expended - Paid or Charged	Encumbered	Reserved
GENERAL GOVERNMENT FUNCTIONS					
General Administration:					
Salaries and Wages	$ 7,900.00	$ 7,900.00	$ 7,800.67		$ 99.33
Other Expenses	760.00	760.00	239.95		520.05
Mayor and Council:					
Salaries and Wages	8,600.00	8,600.00	8,369.64		230.36
Other Expenses	3,150.00	3,150.00	3,040.71	$ 58.00	51.29
Payroll Processing Fees	3,000.00	3,000.00	1,819.57	225.70	954.73
Municipal Clerk:					
Salaries and Wages	118,500.00	118,500.00	114,840.69		3,659.31
Other Expenses	29,052.00	30,052.00	24,242.22	5,197.23	612.55
Financial Administration:					
Salaries and Wages	80,500.00	80,500.00	76,421.28		4,078.72
Other Expenses	21,725.00	21,725.00	13,194.98	6,451.06	2,078.96
Audit Services:					
Other Expenses	21,000.00	21,000.00		19,687.00	1,313.00
Collection of Taxes:					
Salaries and Wages	71,800.00	80,300.00	76,842.86		3,457.14
Other Expenses	7,735.00	7,735.00	6,815.19	574.35	345.46
Assessment of Taxes:					
Salaries and Wages	21,200.00	21,200.00	21,150.03		49.97
Other Expenses	6,550.00	6,550.00	5,033.26	400.55	1,116.19
Legal Services:					
Other Expenses	132,500.00	187,500.00	177,416.96	6,707.70	3,375.34
Engineering Services and Costs:					
Ground Water Monitoring	100.00	100.00			100.00
Misc. Other Expenses	15,900.00	15,900.00	13,072.03		2,827.97
LAND USE ADMINISTRATION					
Municipal Land Use Law (N.J.S.A. 40:55D-1 et seq.):					
Planning Board:					
Other Expenses	9,200.00	4,700.00	2,544.91		2,155.09
Board of Adjustment:					
Other Expenses	4,250.00	4,250.00	2,550.91		1,699.09
Zoning Board:					
Salaries and Wages	61,500.00	61,500.00	59,929.58		1,570.42
Other Expenses	2,250.00	2,250.00	1,532.24	285.11	432.65

BOROUGH OF MILLTOWN
MIDDLESEX COUNTY, NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2015

	Budget	Budget After Modification	- Expended - Paid or Charged	Encumbered	Reserved
INSURANCE					
Liability Insurance	$ 97,700.00	$ 97,700.00	$ 97,700.00		
Workers' Compensation	111,900.00	111,900.00	111,900.00		
Employee Group Health Insurance	600,432.00	573,932.00	522,235.44		$ 51,696.56
Unemployment Insurance	10,000.00	5,000.00			5,000.00
Health Benefits Waiver	31,000.00	31,000.00	29,859.51		1,140.49
PUBLIC SAFETY FUNCTIONS					
Police:					
Salaries and Wages	1,659,000.00	1,678,000.00	1,661,725.70		16,274.30
Other Expenses	114,780.00	116,780.00	110,440.76	$ 5,591.51	747.73
Telephone	16,500.00	16,500.00	15,171.63	862.95	465.42
Certification Study	39,000.00	39,000.00	16,250.00	22,750.00	
Crossing Guards:					
Salaries and Wages	137,000.00	126,000.00	119,746.72		6,253.28
Other Expenses	4,500.00	4,500.00	1,639.56	316.61	2,543.83
Police Dispatch/911:					
Salaries and Wages	110,500.00	100,500.00	91,091.93		9,408.07
Other Expenses	8,333.00	8,333.00	8,333.00		
Emergency Management Services:					
Salaries and Wages	2,000.00	2,000.00	1,795.00		205.00
Other Expenses	1,500.00	1,500.00	1,500.00		
First Aid Organization:					
Contribution	35,000.00	35,000.00	35,000.00		
Fire Protection Bureau (Uniform Fire Code P.L. 1983, C. 383):					
Salaries and Wages	15,120.00	10,500.00	10,434.00		66.00
Other Expenses	53,390.00	74,010.00	55,285.35	17,100.82	1,623.83
Municipal Prosecutor:					
Salaries and Wages	13,000.00	13,000.00	11,280.00		1,720.00
Municipal Court:					
Salaries and Wages	98,200.00	96,200.00	83,980.52		12,219.48
Other Expenses	12,850.00	12,850.00	9,405.40	1,297.47	2,147.13
Public Defender (P.L. 1997, C.256):					
Other Expenses	6,500.00	3,000.00			3,000.00

BOROUGH OF MILLTOWN
MIDDLESEX COUNTY, NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2015

	Budget	Budget After Modification	- Expended - Paid or Charged	Encumbered	Reserved
PUBLIC WORKS FUNCTIONS					
Road Repairs and Maintenance:					
Salaries and Wages	$ 170,700.00	$ 167,700.00	$ 160,189.59		$ 7,510.41
Other Expenses	30,000.00	30,500.00	29,656.60	$ 534.05	309.35
Street Cleaning:					
Salaries and Wages	112,800.00	110,800.00	104,842.61		5,957.39
Other Expenses	4,250.00	4,250.00	2,777.44	103.35	1,369.21
Garbage and Trash Removal:					
Salaries and Wages	294,500.00	284,500.00	274,300.00		10,200.00
Other Expenses	220,670.00	205,170.00	172,670.22	18,446.81	14,052.97
O.S.H.A Requirement:					
Other Expenses	6,600.00	6,600.00	1,796.80		4,803.20
Recycling:					
Salaries and Wages	58,500.00	58,500.00	56,194.55		2,305.45
Other Expenses	66,100.00	56,100.00	34,565.60	4,940.29	16,594.11
Public Buildings and Grounds:					
Salaries and Wages	2,800.00	2,800.00	2,387.97		412.03
Other Expenses	39,600.00	39,600.00	36,966.02	2,528.41	105.57
UST Remediation:					
Other Expenses	8,350.00	8,350.00		8,350.00	
Vehicle Maintenance:					
Salaries and Wages	42,700.00	42,700.00	40,117.20		2,582.80
Other Expenses (Emergency $4,000.00)	107,600.00	111,100.00	106,040.77	4,644.39	414.84
Snow Removal:					
Salaries and Wages	5,000.00	5,000.00	5,000.00		
Other Expenses	5,000.00	10,000.00	5,000.00	5,000.00	
Environmental Commission:					
Other Expenses	900.00	900.00	420.00		480.00
Shade Tree Commission:					
Other Expenses	14,000.00	14,000.00	729.33	6,100.00	7,170.67
HEALTH AND HUMAN SERVICES FUNCTIONS					
Board of Health:					
Salaries and Wages	6,400.00	6,400.00	6,137.55		262.45
Other Expenses	660.00	660.00	477.00		183.00
Dog Regulations:					
Other Expenses	100.00	100.00			100.00
Property Clean-Ups:					
Other Expenses	12,000.00	12,000.00	9,185.00		2,815.00

BOROUGH OF MILLTOWN
MIDDLESEX COUNTY, NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2015

	Budget	Budget After Modification	- Expended - Paid or Charged	Encumbered	Reserved
PARK AND RECREATION FUNCTIONS					
Department of Recreation :					
Salaries and Wages	$ 70,500.00	$ 70,500.00	$ 68,760.87		$ 1,739.13
Other Expenses	50,500.00	46,000.00	33,773.02	$ 622.65	11,604.33
Celebration of Public Events:					
Other Expenses	6,200.00	6,200.00	5,418.75	370.00	411.25
Office on Aging (Social Services)					
Salaries and Wages	70,600.00	61,600.00	47,041.99		14,558.01
Other Expenses	32,125.00	32,125.00	24,995.34	3,089.06	4,040.60
Pool Expenses					
Salaries and Wages	100,000.00	100,000.00	98,691.46		1,308.54
Other Expenses	55,000.00	55,000.00	53,043.32	138.49	1,818.19
Parks and Playgrounds:					
Salaries and Wages	150,000.00	147,000.00	139,462.13		7,537.87
Other Expenses	21,900.00	21,900.00	11,575.01	151.04	10,173.95
UTILITY EXPENSES AND BULK PURCHASES					
Telephone:					
Salaries and Wages	46,100.00	43,600.00	39,975.77		3,624.23
Other Expenses	7,800.00	7,800.00	6,987.34	469.28	343.38
Gasoline	38,000.00	28,000.00	13,874.86	6,010.94	8,114.20
Natural Gas Heating	11,500.00	11,500.00	7,177.64	411.72	3,910.64
UNCLASSIFIED					
Terminal Leave:					
Salaries and Wages	5,000.00	20,000.00	5,000.00	15,000.00	
UNIFORM CONSTRUCTION CODE - APPROPRIATIONS OFFSET BY DEDICATED REVENUES (N.J.A.C. 5:23-4.17)					
Construction Official (Chief Admin. Of Enforcement Agency)					
Salaries and Wages	54,800.00	56,300.00	55,561.22		738.78
Other Expenses	1,300.00	1,300.00	1,242.17		57.83
Total Operations within "CAPS"	5,735,932.00	5,730,932.00	5,273,667.34	164,416.54	292,848.12

BOROUGH OF MILLTOWN
MIDDLESEX COUNTY, NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2015

	Budget	Budget After Modification	- Expended - Paid or Charged	Encumbered	Reserved
CONTINGENT	$ 1,000.00	$ 1,000.00			$ 1,000.00
Total Operations Including Contingent - within "CAPS"	$ 5,736,932.00	$ 5,731,932.00	$ 5,273,667.34	$ 164,416.54	$ 293,848.12
Detail:					
Salaries and Wages	$ 3,595,220.00	$ 3,582,100.00	$ 3,404,095.76		$ 118,028.47
Other Expenses (Including Contingent)	2,141,712.00	2,149,832.00	1,869,571.58	164,416.54	175,819.65
DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"					
Statutory Expenditures:					
Contribution to:					
Public Employees' Retirement System	$ 155,451.12	$ 155,451.12	$ 155,451.12		
Social Security System (O.A.S.I.)	269,000.00	269,000.00	258,916.67		$ 10,083.33
Police and Firemen's Pension Fund	337,986.00	337,986.00	337,986.00		
Defined Contribution Retirement Plan	2,000.00	2,000.00			2,000.00
Total Deferred Charges and Statutory Expenditures - Municipal within "CAPS"	764,437.12	764,437.12	752,353.79		12,083.33
Total General Appropriations for Municipal Purposes within "CAPS"	$ 6,501,369.12	$ 6,496,369.12	$ 6,026,021.13	$ 164,416.54	$ 305,931.45
OPERATIONS - EXCLUDED FROM "CAPS"					
Maintenance of Free Public Library (P.L. 1985, C. 82 & 541)	$ 290,992.63	$ 295,992.63	$ 294,472.39	$ 50.96	$ 1,469.28
Length of Service Award Program (LOSAP)	60,000.00	60,000.00	60,000.00		
Insurance:					
Group Health Insurance (P.L.2007, C.62)	17,068.00	17,068.00	17,068.00		
NJPOEPS/Stormwater Permit (NJSA 40A:4-45.3(cc)) Engineering - Other Expenses	4,500.00	4,500.00	3,687.65	89.90	722.45
Total Other Operations - Excluded from "CAPS"	$ 372,560.63	$ 377,560.63	$ 375,228.04	$ 140.86	$ 2,191.73

BOROUGH OF MILLTOWN
MIDDLESEX COUNTY, NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2015

	Budget	Budget After Modification	- Expended - Paid or Charged	Encumbered	Reserved
OPERATIONS - EXCLUDED FROM "CAPS" (CONTINUED)					
Interlocal Municipal Service Agreements:					
Middlesex County Improvement Authority:					
Public Health Service Contract:					
Other Expenses	$ 36,100.00	$ 36,100.00	$ 36,012.09		$ 87.91
Borough of Helmetta - Shelter					
Other Expenses	200.00	200.00			200.00
MCIA:					
Recycling Program - Other Expenses	30,000.00	30,000.00	9,826.87	$ 5,866.97	14,306.16
Township of Woodbridge - Animal Control					
Other Expenses	9,625.00	9,625.00	2,625.00	5,250.00	1,750.00
Township of Helmetta - Animal Control					
Other Expenses	950.00	950.00			950.00
County of Middlesex Radio Network					
Other Expenses	1,750.00	1,750.00			1,750.00
Mobile Data Terminal System - South Brunswick					
Other Expenses	13,500.00	13,500.00	12,350.00		1,150.00
School Age Child Care Program	335,000.00	335,000.00	275,328.29	4,232.67	55,439.04
Donations - Milltown Revitalization Committee	12,460.00	12,460.00	5,167.99		7,292.01
Total Interlocal Municipal Service Agreements	$ 439,585.00	$ 439,585.00	$ 341,310.24	$ 15,349.64	$ 82,925.12
Public and Private Programs Offset by Revenues:					
Municipal Alliance on Alcohol and Drug Program:					
Matching Portion	$ 3,100.00	$ 3,100.00	$ 3,100.00		
Grant Portion	12,276.00	12,276.00	12,276.00		
Drunk Driving Enforcement	7,210.54	7,210.54	7,210.54		
Middlesex County Office on Aging - Grant Portion	6,000.00	6,000.00	6,000.00		
Clean Communities Program		14,475.28	14,475.28		
Middlesex County - CDBG Grant	35,140.00	35,140.00	35,140.00		
Matching Funds for Grant	2,000.00	2,000.00			$ 2,000.00
Body Armor Replacement Program		1,762.91	1,762.91		
Total Public and Private Programs Offset by Revenues	$ 65,726.54	$ 81,964.73	$ 79,964.73		$ 2,000.00
Total Operations - Excluded from "CAPS"	$ 877,872.17	$ 899,110.36	$ 796,503.01	$ 15,490.50	$ 87,116.85
Detail:					
Salaries and Wages		$ 14,475.28	$ 14,475.28		
Other Expenses	$ 877,872.17	884,635.08	782,027.73	$ 15,490.50	$ 87,116.85

BOROUGH OF MILLTOWN
MIDDLESEX COUNTY, NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2015

	Budget	Budget After Modification	- Expended - Paid or Charged	Encumbered	Reserved
CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"					
Capital Improvement Fund	$ 25,000.00	$ 25,000.00	$ 25,000.00		
MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"					
Payment of Bond Principal	$ 405,000.00	$ 405,000.00	$ 405,000.00		
Interest on Bonds	132,100.00	132,100.00	132,006.26		
Green Trust Loan Program:					
Loan Repayments for Principal and Interest	17,369.90	17,369.90	17,369.90		
Total Municipal Debt Service - Excluded from "CAPS"	$ 554,469.90	$ 554,469.90	$ 554,376.16		
DEFERRED CHARGES:					
Improvement Authorizations - Unfunded	$ 13,330.00	$ 13,330.00	$ 13,330.00		
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	$ 1,470,672.07	$ 1,491,910.26	$ 1,389,209.17	$ 15,490.50	$ 87,116.85
Total General Appropriations - Excluded from "CAPS"	$ 1,470,672.07	$ 1,491,910.26	$ 1,389,209.17	$ 15,490.50	$ 87,116.85
Subtotal General Appropriations	$ 7,972,041.19	$ 7,988,279.38	$ 7,415,230.30	$ 179,907.04	$ 393,048.30
RESERVE FOR UNCOLLECTED TAXES	415,000.00	415,000.00	415,000.00		
Total General Appropriations	$ 8,387,041.19	$ 8,403,279.38	$ 7,830,230.30	$ 179,907.04	$ 393,048.30
	Ref.			A-20	A

Detail:	Ref.		
Budget as Adopted	A-2	$ 8,387,041.19	
Added by NJSA 40A:4-87	A-2	16,238.19	
	A-2	$ 8,403,279.38	
Disbursed	A-4	$ 7,278,365.57	
Less: Contra Receipts	A-4	NONE	$ 7,278,365.57
Commitments Payable	A-15		60,000.00
Reserve for Uncollected Taxes	A-7		415,000.00
Grant Fund Appropriated Reserves	A-24		76,864.73
			$ 7,830,230.30

See Notes to Financial Statements

BOROUGH OF MILLTOWN
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
TRUST FUND
DECEMBER 31, 2015 AND 2014

ASSETS	Ref.	December 31, 2015	December 31, 2014
Animal Control Fund:			
Cash, Treasurer	B-1	$ 2,524.64	$ 1,164.64
Due from Borough Clerk	B-9		18.40
Due From Current Fund	A-11	78.00	
Total Animal Control Fund		2,602.64	1,183.04
Trust-Other Fund:			
Cash, Treasurer	B-1	825,770.18	803,949.47
Due from Municipal Court	B-4	6.00	
Total Trust-Other Fund		825,776.18	803,949.47
Payroll Trust Fund:			
Cash, Treasurer	B-1	65,123.68	63,172.66
Total Payroll Trust Fund		65,123.68	63,172.66
Public Assistance Trust Fund:			
Cash, Treasurer	B-1	8,973.76	8,973.76
Total Public Assistance Trust Fund		8,973.76	8,973.76
LOSAP Fund (Unaudited):			
Cash, Trustee	B	850,117.25	811,461.85
Total LOSAP Fund		850,117.25	811,461.85
		$ 1,752,593.51	$ 1,688,740.78

See Notes to Financial Statements

BOROUGH OF MILLTOWN
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
TRUST FUND
DECEMBER 31, 2015 AND 2014

LIABILITIES, RESERVES AND FUND BALANCE	Ref.	December 31, 2015	December 31, 2014
Animal Control Fund:			
Reserve for Animal Control	B-2	$ 2,602.64	$ 1,174.64
Due to State of New Jersey	B-3		8.40
Total Animal Control Fund		2,602.64	1,183.04
Trust-Other Fund:			
Reserve for Various Deposits	B-4	769,367.53	754,093.45
Reserve for Encumbrances	B-7	4,295.80	13,640.47
Reserve for Unemployment Compensation	B-5	52,112.85	36,215.55
Total Trust-Other Fund		825,776.18	803,949.47
Payroll Trust Fund:			
Payroll Deductions Payable	B-6	65,123.68	63,172.66
Total Payroll Trust Fund		65,123.68	63,172.66
Public Assistance Trust Fund:			
Reserve for Public Assistance	B-1	8,973.76	8,973.76
Total Public Assistance Trust Fund		8,973.76	8,973.76
LOSAP Fund (Unaudited):			
Res. For LOSAP Funds Held by Trustee	B	850,117.25	811,461.85
Total LOSAP Fund		850,117.25	811,461.85
		$ 1,752,593.51	$ 1,688,740.78

See Notes to Financial Statements

Exhibit C

BOROUGH OF MILLTOWN
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
GENERAL CAPITAL FUND
DECEMBER 31, 2015 AND 2014

ASSETS	Ref.	Balance, December 31 2015	Balance, December 31 2014
Cash, Treasurer	C-2, C-3	$ 928,436.86	$ 60,702.15
Due from State of New Jersey - DOT	C-4	1,060,871.09	804,794.00
Due from Grant Fund	C-14	50,000.00	50,000.00
Deferred Charges to Future Taxation:			
Funded	C-5	4,476,269.99	4,894,614.00
Unfunded	C-6	2,829,911.42	2,001,046.51
		$ 9,345,489.36	$ 7,811,156.66

LIABILITIES, RESERVES AND FUND BALANCE			
General Serial Bonds	C-7	$ 4,285,000.00	$ 4,690,000.00
Bond Anticipation Notes	C-9	1,360,000.00	
NJDEP Green Trust Loan	C-8	191,269.99	204,614.00
Reserve for Encumbrances	C-13	1,107,596.28	291,732.00
Improvement Authorizations:			
Funded	C-12	48,180.05	425,952.45
Unfunded	C-12	1,561,187.22	1,747,867.74
Reserve for:			
Capital Improvement Fund	C-10	63,005.74	65,005.74
Grant Receivable State of NJ - DOT	C-4	670,000.00	370,000.00
Water Retention	C-11	11,428.58	11,428.58
Fund Balance	C-1	47,821.50	4,556.15
Total Capital Fund		$ 9,345,489.36	$ 7,811,156.66

There were Bonds and Notes Authorized but not Issued at December 31, 2015 and December 31, 2014 in the amount of $1,386,000.00 and $2,001,046.51 respectively (See Exhibit C-15).

See Notes to Financial Statements

Exhibit C-1

BOROUGH OF MILLTOWN
GENERAL CAPITAL FUND
STATEMENT OF FUND BALANCE - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015

	Ref.		
BALANCE, DECEMBER 31, 2014	C		$ 4,556.15
INCREASED BY:			
Cancellation of Reserve for Encumbrances	C-12	28,687.43	
Cancellation of Reserve for Payment of Debt Service	C-2	15,151.83	43,839.26
			48,395.41
DECREASED BY:			
Utilized to Adjust Improvement Authorization	C-2		$ 573.91
BALANCE, DECEMBER 31, 2015	C		$ 47,821.50

See Notes to Financial Statements

BOROUGH OF MILLTOWN
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
WATER AND SEWER UTILITY FUND
DECEMBER 31, 2015 AND 2014

ASSETS	Ref.	Balance, December 31 2015	Balance, December 31 2014
Operating Fund:			
Cash, Treasurer	D-5	$ 1,867,212.27	$ 1,679,669.04
		1,867,212.27	1,679,669.04
Receivables and Inventory with Offsetting Reserves:			
Consumer Accounts Receivable	D-7	333,079.54	366,997.02
Inventory	D-8	31,774.04	16,310.00
		364,853.58	383,307.02
Total Operating Fund		2,232,065.85	2,062,976.06
Capital Fund:			
Cash, Treasurer	D-5, D-6	192,552.25	51,958.94
Fixed Capital	D-14	13,336,802.42	11,073,155.99
Fixed Capital Authorized and Uncompleted	D-15	2,339,859.69	4,181,173.74
Accounts Receivable - NJEIT Loan Receivable	D-26		296,051.00
Total Capital Fund		15,869,214.36	15,602,339.67
		$ 18,101,280.21	$ 17,665,315.73

See Notes to Financial Statements

BOROUGH OF MILLTOWN
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
WATER AND SEWER UTILITY FUND
DECEMBER 31, 2015 AND 2014

LIABILITIES, RESERVES AND FUND BALANCE	Ref.	Balance, December 31 2015	Balance, December 31 2014
Operating Fund:			
Appropriation Reserves	D-4, D-9	$ 523,533.32	$ 564,679.23
Reserve for Encumbrances	D-10	123,447.54	126,674.55
Consumer Overpayments	D-11	5,501.55	6,152.21
Commitments Payable	D-12	189,941.87	76,633.57
Accrued Interest on Bonds, Loans and Notes	D-13	49,014.35	47,119.41
		891,438.63	821,258.97
Reserve for Receivables and Inventory	Reserve	364,853.58	383,307.02
Fund Balance	D-1	975,773.64	858,410.07
Total Operating Fund		2,232,065.85	2,062,976.06
Capital Fund:			
Serial Bonds Payable	D-16	2,428,000.00	2,658,000.00
Bond Anticipation Notes	D-18	120,000.00	
NJEIT Loan:			
Federal	D-17	1,346,960.75	1,436,313.90
State	D-17	1,190,628.00	1,247,801.00
Improvement Authorizations:			
Funded	D-19	19,859.69	319,642.76
Unfunded	D-19	74,304.53	1,621,624.72
Capital Improvement Fund	D-20	30,087.05	87.05
Reserve for:			
Encumbrances	D-25	2,096,839.50	41,080.55
Paint Water Tower	D-21	50,000.00	
Amortization	D-23	8,202,873.36	8,070,482.83
Payment for Debt Service	D-22		7,019.85
Deferred Reserve for Amortization	D-24	255,100.00	180,100.00
Fund Balance	D-2	54,561.48	20,187.01
Total Capital Fund		15,869,214.36	15,602,339.67
		$ 18,101,280.21	$ 17,665,315.73

There were Water-Sewer Utility Bonds and Notes Authorized but not Issued at December 31, 2015 and 2014 in the amount of $2,133,100.00 and $1,661,632.00 respectively (Exhibit D-27 of Supplementary Schedules).

See Notes to Financial Statements

Exhibit D-1

BOROUGH OF MILLTOWN
WATER AND SEWER UTILITY OPERATING FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE - REGULATORY BASIS

	Ref.	Year 2015	Year 2014
REVENUE AND OTHER INCOME REALIZED			
Fund Balance Utilized	D-3	$ 338,803.55	$ 206,413.04
Water Rents	D-3	2,361,793.73	2,323,595.36
Water Tower Rental Fees	D-3	87,858.05	119,360.19
Morel Assessment	D-3	50,000.00	50,000.00
Non-Budget Revenues	D-3	30,518.92	46,749.38
Other Credits to Income:			
Unexpended Balances of Appropriation Reserves	D-9	291,852.24	229,896.25
Cancellation of Current Appropriations	D-4	3,144.18	
Total Income		$ 3,163,970.67	$ 2,976,014.22
EXPENDITURES			
Budget Appropriations:			
Operating	D-4	$ 1,959,610.74	$ 1,851,210.74
Capital Improvements	D-4	160,000.00	85,000.00
Debt Service	D-4	513,085.01	515,167.57
Deferred Charges and Statutory Expenditures	D-4	75,107.80	81,861.40
Total Expenditures		$ 2,707,803.55	$ 2,533,239.71
Excess in Revenue over Expenditures		$ 456,167.12	$ 442,774.51
Fund Balance, January 1	D	858,410.07	622,048.60
		$ 1,314,577.19	$ 1,064,823.11
Decreased By:			
Utilization as Anticipated Revenue	D-1	338,803.55	206,413.04
Fund Balance, December 31	D	$ 975,773.64	$ 858,410.07

See Notes to Financial Statements

Exhibit D-2

BOROUGH OF MILLTOWN
WATER AND SEWER UTILITY CAPITAL FUND
STATEMENT OF FUND BALANCE - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015

	Ref.		
BALANCE, DECEMBER 31, 2014	D		$ 20,187.01
INCREASED BY:			
Cancellation of:			
Funded Improvement Authorizations	D-19	$ 27,354.62	
Reserve for Payment of Debt Service	D-22	7,019.85	34,374.47
BALANCE, DECEMBER 31, 2015	D		$ 54,561.48

See Notes to Financial Statements

Exhibit D-3

BOROUGH OF MILLTOWN
WATER AND SEWER UTILITY OPERATING FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015

	Ref.	Anticipated	Realized	Excess/ (Deficit)
Operating Fund Balance Anticipated	D-1	$ 338,803.55	$ 338,803.55	
Water-Sewer Rents	D-7	2,200,000.00	2,361,793.73	$ 161,793.73
Water Tower Rental Fees	D-5	119,000.00	87,858.05	(31,141.95)
Moral Assessment	D-5	50,000.00	50,000.00	
		$ 2,707,803.55	$ 2,838,455.33	$ 130,651.78
Non-Budget Revenue	D-5		30,518.92	30,518.92
		$ 2,707,803.55	$ 2,868,974.25	$ 161,170.70
	Ref.	D-4		

ANALYSIS OF REALIZED REVENUE		Total
Non-Budget Revenue:		
Interest/Costs Water		$ 20,734.57
Water/Sewer Service Tie In		4,100.00
Outside Water Readers		200.00
Final Billing Fee		2,119.95
Tax Sale Cost		1,868.95
Cit-E-Net Fees		505.45
Miscellaneous		990.00
	D-5	$ 30,518.92

See Notes to Financial Statements

BOROUGH OF MILLTOWN
WATER AND SEWER UTILITY REGULATORY FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015

	Budget	Budget After Modification	- Expended - Paid or Charged	Encumbered	Reserved	Canceled
OPERATING						
Salaries and Wages	$ 337,000.00	$ 337,000.00	$ 282,719.45		$ 54,280.55	
Other Expenses - Operating	746,400.00	736,400.00	438,088.73	$ 102,209.26	196,102.01	
Water Purchase - City of New Brunswick	360,000.00	370,000.00	285,349.23		84,650.77	
Sewer Disposal - City of New Brunswick	465,000.00	465,000.00	339,402.78		125,597.22	
Sewer Back Charges - City of New Brunswick	46,210.74	46,210.74	46,210.73		0.01	
Terminal Leave	5,000.00	5,000.00	5,000.00			
Total Operating	$ 1,959,610.74	$ 1,959,610.74	$ 1,396,770.92	$ 102,209.26	$ 460,630.56	
CAPITAL IMPROVEMENTS						
Capital Improvement Fund	$ 30,000.00	$ 30,000.00	$ 30,000.00			
Capital Outlay	80,000.00	80,000.00		21,238.28	$ 58,761.72	
Reserve to Paint Water Tower	50,000.00	50,000.00	50,000.00			
Total Capital Improvements	$ 160,000.00	$ 160,000.00	$ 80,000.00	21,238.28	$ 58,761.72	
DEBT SERVICE						
Payment of Bond Principal	$ 230,000.00	$ 230,000.00	$ 230,000.00			
Interest on Bonds	68,481.00	68,481.00	68,481.00			
Interest on Notes	2,400.00	2,400.00	22.36			$ 2,377.64
NJEDA Loan 2008 Program - Principal & Interest	100,878.60	100,878.60	100,878.60			
NJEIT Loan 2012 Program - Principal & Interest	75,448.51	75,448.51	75,448.51			
NJEIT Loan 2013 Program - Principal & Interest	35,876.90	35,876.90	35,110.36			766.54
Total Debt Service	$ 513,085.01	$ 513,085.01	$ 509,940.83			$ 3,144.18
DEFERRED CHARGES AND STATUTORY EXPENDITURES						
Statutory Expenditures:						
Contribution to:						
Public Employees' Retirement System	$ 39,107.80	$ 39,107.80	$ 39,105.80		$ 2.00	
Social Security System (O.A.S.I.)	26,000.00	26,000.00	21,860.96		4,139.04	
Unemployment Compensation Insurance (NJSA 43:21 et. Seq.)	10,000.00	10,000.00	10,000.00			
Total Deferred Charges and Statutory Expenditures	$ 75,107.80	$ 75,107.80	$ 70,966.76		$ 4,141.04	
Total Water Utility Appropriations	$ 2,707,803.55	$ 2,707,803.55	$ 2,057,678.51	$ 123,447.54	$ 523,533.32	$ 3,144.18
Ref.	D-3	D-1		D, D-10	D	D-1

	Ref.	
Cash Disbursed	D-5	$ 1,924,263.83
Accrued Interest in Bonds, Loans and Notes	D-13	133,414.68
		$ 2,057,678.51

See Notes to Financial Statements

BOROUGH OF MILLTOWN
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
ELECTRIC UTILITY FUND
DECEMBER 31, 2015 AND 2014

ASSETS	Ref.	Balance, December 31 2015	Balance, December 31 2014
Operating Fund:			
Cash, Treasurer	E-5	$ 2,869,534.85	$ 2,648,312.90
Change Fund	E-6	100.00	100.00
Due from Electric Utility Capital Fund	E-5	1,000,000.00	1,795.63
Intergovernmental Accounts Receivable	E-9		112.50
		3,869,634.85	2,650,321.03
Receivables and Inventory with Offsetting Reserves:			
Consumer Accounts Receivable	E-8	762,768.21	670,691.25
Inventory	E-10	51,155.00	93,361.00
		813,923.21	764,052.25
Total Operating Fund		4,683,558.06	3,414,373.28
Capital Fund:			
Cash, Treasurer	E-5, E-7		1,510,818.44
Fixed Capital	E-17	6,616,229.77	5,135,341.42
Fixed Capital Authorized and Uncompleted	E-18	14,500,000.00	15,834,453.50
Total Capital Fund		21,116,229.77	22,480,613.36
		$ 25,799,787.83	$ 25,894,986.64

See Notes to Financial Statements

BOROUGH OF MILLTOWN
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
ELECTRIC UTILITY FUND
DECEMBER 31, 2015 AND 2014

LIABILITIES, RESERVES AND FUND BALANCE	Ref.	Balance Dec 31, 2015	Balance Dec 31, 2014
Operating Fund:			
Appropriation Reserves	E-4, E-11	$ 1,166,188.76	$ 1,415,064.27
Reserve for Encumbrances	E-12	227,454.48	163,533.20
Consumer Overpayments	E-13	11,545.56	10,159.76
Consumer Deposits	E-14	119,392.76	102,887.76
Commitments Payable	E-15	64,309.53	63,197.53
Accrued Interest on Bonds, and Notes	E-16	2,147.48	10,462.11
		1,591,038.57	1,765,304.63
Reserve for Receivables and Inventory	Reserve	813,923.21	764,052.25
Fund Balance	E-1	2,278,596.28	885,016.40
Total Operating Fund		4,683,558.06	3,414,373.28
Capital Fund:			
Cash Overdraft	E-5, E-7	1,059,019.01	
Serial Bonds Payable	E-19	1,649,000.00	1,784,000.00
Bond Anticipation Notes	E-20	10,190,000.00	2,000,000.00
Due to Electric Utility Operating Fund	E-5	1,000,000.00	1,795.63
Improvement Authorizations:			
Funded	E-21	8,687.20	94,975.91
Unfunded	E-21	792,816.06	636,632.31
Capital Improvement Fund	E-22	12,321.81	12,321.81
Reserve for:			
Encumbrances	E-26	1,120,806.24	12,819,763.25
Line Extensions	E-23	7,700.00	7,700.00
Various Reserves	E-27/28/29		90,115.00
Amortization	E-25	4,837,754.77	4,824,774.92
Payment of Debt Service	E-30		34,639.40
Deferred Reserve for Amortization	E-24	139,475.00	122,020.00
Fund Balance	E-2	298,649.68	51,875.13
Total Capital Fund		21,116,229.77	22,480,613.36
		$ 25,799,787.83	$ 25,894,986.64

There were Electric Utility Bonds and Notes Authorized but not Issued at December 31, 2015 and 2014 in the amount of $4,300,000 and $12,239,000.00 respectively (Exhibit E-31 of Supplementary Schedules).

See Notes to Financial Statements

BOROUGH OF MILLTOWN
ELECTRIC UTILITY OPERATING FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE - REGULATORY BASIS

	Ref.	Year 2015	Year 2014
REVENUE AND OTHER INCOME REALIZED			
Anticipated Surplus			$ 50,000.00
Electric Charges	E-3	$ 8,094,391.90	8,105,594.29
Non-Budget Revenues	E-3	100,020.90	76,859.43
Other Credits to Income:			
Current Appropriations Canceled	E-4	467,485.89	
Unexpended Balance of Appropriation Reserves	E-11	1,242,175.49	271,900.58
Total Income		$ 9,904,074.18	$ 8,504,354.30
EXPENDITURES			
Budget Appropriations:			
Operating	E-4	$ 6,445,445.00	$ 7,192,000.00
Capital Improvements	E-4	55,000.00	55,000.00
Debt Service	E-4	658,680.00	138,428.11
Deferred Charges and Statutory Expenditures	E-4	139,915.80	111,861.40
Surplus - General Budget	E-4	622,341.00	622,341.00
Cancellation of Receivable	E-9	112.50	7,525.37
Total Expenditures		$ 7,921,494.30	$ 8,127,155.88
Excess in Revenue over Expenditures		1,982,579.88	377,198.42
Statutory Excess to Fund Balance		$ 1,982,579.88	$ 377,198.42
Fund Balance, January 1	E	885,016.40	1,107,817.98
		$ 2,867,596.28	$ 1,485,016.40
Decreased By:			
Anticipated Surplus			$ 50,000.00
Surplus - Prior Years - General Budget	E-5	$ 589,000.00	550,000.00
		$ 589,000.00	$ 600,000.00
Fund Balance, December 31	E	$ 2,278,596.28	$ 885,016.40

See Notes to Financial Statements

Exhibit E-2

BOROUGH OF MILLTOWN
ELECTRIC UTILITY CAPITAL FUND
STATEMENT OF FUND BALANCE - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015

	Ref.		
BALANCE, DECEMBER 31, 2014	E	$	51,875.13
INCREASED BY:			
Cancellation of:			
Funded Improvement Authorizations	E-21		122,020.15
Reserve for Substation Upgrades	E-27		30,115.00
Reserve for Substation Relocation	E-28		30,000.00
Reserve for Electrical System Capital Improvements	E-29		30,000.00
Reserve for Payment of Debt Service	E-30		34,639.40
BALANCE, DECEMBER 31, 2015	E	$	298,649.68

See Notes to Financial Statements

Exhibit E-3

BOROUGH OF MILLTOWN
ELECTRIC UTILITY OPERATING FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015

	Ref.	Anticipated	Realized	Excess/ (Deficit)
Electric, Light and Power Sales	E-8	$ 7,921,381.80	$ 8,094,391.90	$ 173,010.10
Non-Budget Revenue	E-3		100,020.90	100,020.90
		$ 7,921,381.80	$ 8,194,412.80	$ 273,031.00
	Ref.	E-4		

ANALYSIS OF NON-BUDGET REVENUE

		Total
Non-Budget Revenue:		
Interest on Costs		$ 56,987.45
Cit-E-Net Fees		1,376.10
Ryders Lane Light		407.18
Reconnect Charge		110.00
Final Billing		3,275.00
Tax Sale		4,942.39
Miscellaneous		32,922.78
	E-5	$ 100,020.90

See Notes to Financial Statements

BOROUGH OF MILLTOWN
ELECTRIC UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2015

	Budget	Budget After Modification	- Expended - Paid or Charged	Encumbered	Reserved	Canceled
OPERATING						
Salaries and Wages	$ 676,000.00	$ 676,000.00	$ 544,714.06		$ 131,285.94	
Other Expenses	913,445.00	913,445.00	607,387.29	$ 52,218.97	253,838.74	
Bulk Energy Purchase	4,851,000.00	4,851,000.00	3,960,871.40	175,235.51	714,893.09	
Terminal Leave	5,000.00	5,000.00	5,000.00			
Total Operating	6,445,445.00	6,445,445.00	5,117,972.75	227,454.48	1,100,017.77	
CAPITAL IMPROVEMENTS						
Capital Outlay	55,000.00	55,000.00			55,000.00	
Total Capital Improvements	55,000.00	55,000.00			55,000.00	
DEBT SERVICE						
Payment of Bond Principal	135,000.00	135,000.00	135,000.00			
Interest on Bonds	54,583.00	54,583.00	54,583.00			
Interest on Notes	13,745.00	13,745.00	1,611.11			$ 12,133.89
NJEIT 2015 Principal and Interest	455,352.00	455,352.00				455,352.00
Total Debt Service	658,680.00	658,680.00	191,194.11			467,485.89
DEFERRED CHARGES AND STATUTORY EXPENDITURES						
Statutory Expenditures:						
Contribution to:						
Public Employees' Retirement System	78,215.80	78,215.80	78,215.80			
Social Security System (O.A.S.I.)	51,700.00	51,700.00	40,529.01		11,170.99	
Unemployment Compensation Insurance (N.J.S.A. 43:21-3 et. seq.)	10,000.00	10,000.00	10,000.00			
Total Deferred Charges and Statutory Expenditures	139,915.80	139,915.80	128,744.81		11,170.99	
Surplus (General Budget)	622,341.00	622,341.00	622,341.00			
Total Electric Utility Appropriations	$ 7,921,381.80	$ 7,921,381.80	$ 6,060,252.67	$ 227,454.48	$ 1,166,188.76	$ 467,485.89
Ref.	E-3	E-3		E, E-12	E	E-1

Disbursed	E-5	$ 6,004,058.56
Accrued Interest on Bonds and Notes	E-16	56,194.11
		$ 6,060,252.67

See Notes to Financial Statements

Exhibit F

BOROUGH OF MILLTOWN
GOVERNMENTAL FIXED ASSETS ACCOUNT
SCHEDULE OF CHANGES IN GOVERNMENTAL FIXED ASSETS

	Balance December 31, 2014	Increased by	Decreased by	Balance December 31, 2015
Governmental Fixed Assets:				
Land and Buildings	$ 6,122,350.00	$ 82,600.00		$ 6,204,950.00
Vehicles	3,564,296.00	88,498.00	$ 375,258.00	3,277,536.00
Equipment	3,822,826.00	112,203.00	370,695.00	3,564,334.00
	$ 13,509,472.00	$ 283,301.00	$ 745,953.00	$ 13,046,820.00

NOTES TO FINANCIAL STATEMENTS

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity - The Borough of Milltown is located in Middlesex County, New Jersey, just outside the City of New Brunswick and approximately 35 miles south of New York City and 50 miles North of Philadelphia. The population, according to the 2010 census, is 6,968.

The Borough of Milltown operates under the Borough form of government. The governing body consists of a Mayor and six Council members. All action is passed by a majority or, when required, a 2/3 vote of Council. The Mayor votes only in the event of a tie. The Mayor has veto power over all ordinances passed by the Borough Council. This veto can be overridden by a two-thirds (2/3) vote of the Council.

The financial statements do not include the operations of the Municipal Library, Redevelopment Agency or Volunteer Fire Companies, which are distinct entities subject to separate examinations or accounting requirements.

B. Description of Funds - The Governmental Accounting Standards Board (GASB) is the recognized standard setting body for establishing governmental accounting and financial reporting principles. However, the accounting policies of the Borough conform to the accounting principles applicable to municipalities that have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. These principles are an "Other Comprehensive Basis of Accounting" (OCBOA) which differs from accounting principles generally accepted in the United States of America ("GAAP") for governmental entities. 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 Borough accounts for its financial transactions through the following separate funds and an account which differs from GAAP.

Current Fund - Encompasses resources and expenditures for basic governmental operations. Fiscal activity of Federal, State and County grant programs are reflected in a segregated section of the Current Fund.

Trust Fund - The records of receipts, disbursement and custodianship of monies in accordance with the purpose for which each reserve was created are maintained in Trust Funds. These include the Animal Control Trust Fund, Trust Other Fund, Public Assistance Fund and other required funds.

General Capital Fund - The receipts and expenditure records for the acquisition of general infrastructure and other capital facilities, other than those acquired in the Current Fund, are maintained in this Fund, as well as related long-term debt accounts.

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Description of Funds (Continued)

Utilities Funds – Water-Sewer and Electric Utilities are treated as separate entities. Each maintains its own Operating and Capital Funds which reflect revenue, expenditures, stewardship, acquisitions of utility infrastructure and other capital facilities, debt service, long-term debt and other related activity.

Free Public Library - Budget Appropriations and State Aid are transferred to the Free Public Library bank account and are expended with the approval of the Library for its purposes. Interest on investments, Library fines and other revenue are retained by the Library and expended there from. The Library is the subject of a separate report.

Payroll Trust Fund - Net salaries, certain payroll deductions and social security contributions of municipal and utility operations are deposited into bank accounts of the Payroll Fund. Other deductions are retained by the operating funds and paid directly there from. A Payroll Fund does not exist under GAAP.

Fixed Asset Accounts - These accounts reflect estimated valuations of land, buildings and certain moveable fixed assets of the Borough as discussed under the caption of "Basis of Accounting".

C. Basis of Accounting - The accounting principles and practices prescribed for municipalities by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, differ in certain respects from GAAP. The accounting system is maintained on the modified accrual basis with certain exceptions. Significant accounting policies in New Jersey are summarized as follows:

Property Taxes and Other Revenue - Property Taxes and other revenue are realized when collected in cash or approved by regulation for accrual from certain sources of the State of New Jersey and the Federal Government. Accruals of taxes and other revenue are otherwise deferred as to realization by the establishment of offsetting reserve accounts. GAAP requires such revenue to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Grant Revenue – Federal, State and County grants, entitlements or shared revenue received for purposes normally financed through the Current Fund are recognized when anticipated in the Borough of Milltown's budget. GAAP requires such revenue to be recognized in the accounting period when they become susceptible to accrual.

Expenditures - Expenditures for general and utility operations are generally recorded on the accrual basis. Unexpended appropriation balances, except for amounts that may have been canceled by the governing body or by statutory regulation, are automatically recorded as liabilities at December 31st of each year, under the title of "Appropriation Reserves".

Grant appropriations are charged upon budget adoption to create spending reserves.

Budgeted transfers to the Capital Improvement Fund are recorded as expenditures to the extent permitted by law.

Expenditures from Trust and Capital Funds are recorded upon occurrence and charged to accounts statutorily established for specific purposes.

Budget Appropriations for interest on General Capital Long-Term Debt is raised on the cash basis and is not accrued on the records; interest on Utility Debt is raised on the accrual basis and so recorded.

GAAP requires expenditures to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, which should be recognized when due.

Encumbrances - As of January 1, 1986 all local units were required by Technical Accounting Directive No. 85-1, as promulgated by the Division of Local Government Services, to maintain an encumbrance accounting system. The directive states that contractual orders outstanding at December 31 are reported as expenditures through the establishment of an encumbrance payable. Encumbrances do not constitute expenditures under GAAP.

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Appropriation Reserves - Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding year. Lapsed appropriation reserves are recorded as additions to income. Appropriation reserves do not exist under GAAP.

Compensated Absences - Expenditures relating to obligations for unused vested accumulated sick, vacation and compensatory pay are not recorded until paid. GAAP requires that the amount that would normally be liquidated with expendable available financial resources be recorded as an expenditure in the operating funds and the remaining obligations be recorded as a long-term obligation.

Property Acquired for Taxes - Property Acquired for Taxes (Foreclosed Property) is recorded in the Current Fund at the assessed valuation during the year when such property was acquired by deed or foreclosure and is offset by a corresponding reserve account. GAAP requires such property to be recorded in the general fixed assets account group at market value on the date of acquisition.

Interfund Accounts Receivable - Interfund Accounts Receivable in the Current Fund are generally recorded with offsetting reserves that are established by charges to operations. Collections are recognized as income in the year that the receivables are realized. Interfund Accounts Receivable of all other funds are recorded as accrued and are not offset with reserve accounts. Interfund Accounts Receivable of one fund are offset with Interfund Accounts Payable of the opposite fund. GAAP does not require the establishment of an offsetting reserve.

Inventories of Supplies - Materials and supplies purchased by all funds are recorded as expenditures.

An annual inventory of materials and supplies for the Water-Sewer and Electric utilities is required, by regulation, to be prepared by Borough personnel for inclusion on the Water-Sewer and Electric Utility Operating Fund balance sheets. Annual changes in valuations, offset with a Reserve Account, are not considered as affecting results of operations. Materials and supplies of other funds are not inventoried nor included on their respective balance sheets.

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Fixed Assets

General - In accordance with Technical Accounting Directive No. 86-2, Accounting for Governmental Fixed Assets, as promulgated by the Division of Local Government Services, which differs in certain respects from GAAP, the Borough of Milltown has developed a fixed asset accounting and reporting system.

GAAP requires that fixed assets be capitalized at historical or estimated historical cost if actual historical cost is not available. Depreciation on utility fixed assets should also be recorded.

Fixed assets used in governmental operations (general fixed assets) are accounted for in the General Fixed Asset 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.

Acquisition of land, buildings, machinery, equipment and other capital assets are recorded on a perpetual fixed asset record.

Vehicles, furniture, equipment and other items are reflected at replacement values at time of inventory preparation. Additions to the established fixed assets are valued at cost.

Depreciation of assets is not recorded as an operating expense of the Borough.

Utilities - Capital acquisitions, including utility infrastructure costs of the Water-Sewer and Electric Utilities, are recorded at cost upon purchase or project completion in the Fixed Capital account of the utilities. The Fixed Capital Accounts are adjusted for dispositions or abandonments. The accounts include moveable fixed assets of the Utility but are not specifically identified and are considered as duplicated in the Fixed Asset Group of Accounts. The duplication is considered as insignificant on its effect on the financial statements taken as a whole.

Utility improvements that may have been constructed by developers are not recorded as additions to Fixed Capital.

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Fixed Assets (Continued)

Fixed Capital of the Utilities are offset by accumulations in Amortization Reserve Accounts. The accumulations represent costs of fixed assets purchased with budgeted funds or acquired by gift as well as grants, developer contributions or liquidations of related bonded debt and other liabilities incurred upon fixed asset acquisition.

The Borough has developed a governmental fixed asset accounting and reporting system and, accordingly, a Statement of Governmental Fixed Assets, which is required pursuant to generally accepted accounting principles and accounting practices prescribed for municipalities by the State of New Jersey, is included in the financial statements.

Total Columns on Combined Balance Sheet for all Funds – Supplementary Schedules - Total columns are captioned "memorandum only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

D. Basic Financial Statements - The GASB Codification also defines the financial statements of a governmental unit to be presented in the general purpose financial statements to be in accordance with GAAP. The Borough presents the financial statements listed in the table of contents which are required by the Division and which differ from the financial statements required by GAAP. In addition, the Division requires the financial statements listed in the table of contents to be referenced to the supplementary schedules. This practice differs from GAAP.

E. Subsequent Event

Management has reviewed and evaluated all events and transactions from December 31, 2015 through July 15, 2016, the date that the financial statements are issued for possible disclosure and recognition in the financial statements, and no items have come to the attention of the Authority that would require disclosure.

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Other Accounting Standards

The Borough is currently reviewing the following for applicability and potential impact on the financial statements:

- *GASB Statement No. 70 Accounting and Financial Reporting for Nonexchange Financial Guarantees.*

  Effective Date: The provisions of Statement are effective for financial statements for reporting beginning after June 15, 2013. Earlier application is encouraged. The Borough does not expect this Statement to impact its financial statements.

- *GASB Statement No. 74. Financial Reporting for Postemployment Benefit Other Than Pension Plans.*

  Effective Date: The provisions in Statement 74 are effective for fiscal years beginning after June 15, 2016. Earlier application is encouraged. The Borough does not expect this Statement to impact its financial statements.

- *GASB Statement No. 75. Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*

  Effective Date: The provisions in Statement 75 are effective for fiscal years beginning after June 15, 2017. Earlier application is encouraged. The Borough does not expect this Statement to impact its financial statements.

- *GASB Statement No. 76. The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments.*

  Effective Date: The provisions in Statement 76 are effective for reporting periods beginning after June 15, 2015. Earlier application is encouraged. The Borough does not expect this Statement to impact its financial statements.

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Other Accounting Standards (Continued)

- *GASB Statement No. 77. Tax Abatement Disclosures.*

  Effective Date: The requirements of this Statement are effective for reporting periods beginning after December 15, 2015. Earlier application is encouraged. The Borough does not expect this Statement to impact its financial statements.

- *GASB Statement No. 78. Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans.*

  Effective Date: The requirements of this Statement are effective for reporting periods beginning after December 15, 2015. Earlier application is encouraged. The Borough does not expect this Statement to impact its financial statements.

Note 2. CASH, CASH EQUIVALENTS AND INVESTMENTS

A. Cash and Cash Equivalents

New Jersey statutes permit the deposit of public funds in institutions located in New Jersey, which are insured by the Federal Deposit Insurance Corporation (FDIC) or any other agencies of the United States that insures deposits or the State of New Jersey Cash Management Fund.

The State of New Jersey Cash Management Fund is authorized by statute and regulations of the State Investment Council to invest in fixed income and debt securities that mature or are redeemed within one year. Twenty-five percent of the Fund may be invested in eligible securities that mature within two years provided, however, the arbitrage maturity of all investments in the Fund shall not exceed one year. Collateralization of Fund investments is generally not required.

In addition, by regulation of the Division of Local Government Services, municipalities are allowed to deposit funds in the Municipal Bond Insurance Association (MBIA) through their investment management company, the Municipal Investors Service Corporation.

In accordance with the provisions of the Governmental Unit Deposit Protection Act of New Jersey, public depositories are required to maintain collateral for deposits of public funds that exceed insurance limits as follows:

The market value of the collateral must equal five percent of the average daily balance of public funds or

If the public funds deposited exceed 75 percent of the capital funds of the depository, the depository must provide collateral having a market value equal to 100 percent of the amount exceeding 75 percent.

All collateral must be deposited with the Federal Reserve Bank, The Federal Home Loan Bank Board or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than $25,000,000.00.

Note 2. CASH, CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

B. Investments

New Jersey statutes permit the Borough to purchase the following types of securities:

- Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America. This includes instruments such as Treasury bills, notes and bonds.
- Government money market mutual funds.
- Any federal agency or instrumentality obligation authorized by Congress that matures within 397 days from the date of purchase, and has a fixed rate of interest not dependent on any index or external factors.
- Bonds or other obligations of the local unit or school districts of which the local unit is a part.
- Any other obligations with maturities not exceeding 397 days, as permitted by the Division of Investments.
- Local government investment pools, such as New Jersey CLASS and the New Jersey Arbitrage Rebate Management Program.
- New Jersey State Cash Management Fund.
- Repurchase agreements of fully collateralized securities, subject to special conditions.

In addition, a variety of State laws permit local governments to invest in a wide range of obligations issued by State governments and its agencies.

C. Risk

As of December 31, 2015, the Borough had funds on deposit in checking, New Jersey Cash Management Fund, statement savings accounts and certificates of deposit. The carrying amount of the Borough's Cash and Cash Equivalents as of December 31, 2015 was $8,996,217.15. The funds were covered by the Government Unit Deposit Protection Act "GUDPA". These funds constitute "deposits with financial institutions" as defined by GASB Statement #3 as amended by GASB Statement No. 40. There were no securities that the Borough held that could be categorized as investments.

Note 3. TAXES AND TAX TITLE LIENS RECEIVABLE

Property assessments are determined on true values and taxes are assessed based upon these values. The residential tax bill includes the levies for the Borough, County and School purposes. Certified adopted budgets are submitted to the County Board of Taxation by each taxing district. The tax rate is determined by the Board upon the filing of these budgets.

The tax bills are mailed by the Tax Collector annually in June and are payable in four quarterly installments due the first of August and November of the current year and a preliminary billing due the first of February and May of the subsequent year. The August and November billings represent the third and fourth quarter installments and are calculated by taking the total year tax levy less the preliminary first and second quarter installments due February and May. The preliminary levy is based on one-half of the current year's total tax.

Tax installments not paid by the above due dates are subject to interest penalties determined by a resolution of the governing body. The rate of interest in accordance with the aforementioned resolution is 8% per annum on the first $1,500.00 of delinquency and 18% on any delinquency in excess of $1,500.00. The governing body may also fix a penalty to be charged to a taxpayer with a delinquency in excess of $10,000.00 who fails to pay that delinquency as billed prior to the end of the fiscal year. The penalty so fixed shall not exceed 6% of the amount of the delinquency with respect to each most recent fiscal year only. The resolution also sets a grace period of ten days before interest is calculated.

Taxes unpaid on the 11th day of the eleventh month in the fiscal year when the taxes became in arrears are subject to the tax sale provisions of the New Jersey statutes. The municipality may institute in rem foreclosure proceedings after six months from the date of the sale if the lien has not been redeemed.

Note 3. TAXES AND TAX TITLE LIENS RECEIVABLE (CONTINUED)

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

Comparative Schedule of Tax Rates

	2015	2014	2013	2012	2011
Tax Rate	$ 5.199	$ 5.016	$ 4.871	$ 4.702	$ 4.596
Apportionment of Tax Rate:					
Municipal:					
Regular	1.092	1.065	1.035	1.004	0.922
Library	0.063	0.063	0.067	0.068	0.071
County:					
Regular	0.703	0.705	0.712	0.671	0.650
Open Space	0.058	0.058	0.061	0.062	0.064
Local School	3.283	3.125	2.996	2.897	2.889

Assessed Valuation

2015	$ 447,789,600.00
2014	449,462,134.00
2013	450,580,758.00
2012	454,712,953.00
2011	458,522,511.00

Comparison of Tax Levies and Collections

Year	Tax Levy	Cash Collections	Percentage of Collections
2015	$ 23,280,722.46	$ 22,898,148.15	98.36%
2014	22,555,381.08	22,149,868.26	98.20%
2013	21,965,078.62	21,580,924.96	98.25%
2012	21,382,608.39	20,965,413.94	98.05%
2011	21,092,063.91	21,013,189.71	99.63%

Note 3. TAXES AND TAX TITLE LIENS RECEIVABLE (CONTINUED)

Delinquent Taxes and Tax Title Liens

Year	Tax Title Liens	Delinquent Taxes	Total Delinquent	Percentage of Tax Levy
2015	$ 1,292,927.53 *	$ 19,417.60	$ 1,312,345.13	5.67%
2014	957,437.67	13,777.74	971,215.41	4.31%
2013	633,579.92	5,411.79	638,991.71	2.91%
2012	319,681.94	None	319,681.94	1.50%
2011	15,730.56	72.56	15,803.12	0.07%

* Borough utilizes accelerated tax sale method for current year tax delinquencies. Of the tax title liens all are owned by the same entity and are in bankruptcy.

Note 4. PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

Properties were acquired by foreclosure or deed, as a result of liquidation of tax title liens.

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, was as follows:

Year	Amount
2015	$ 3,400.00
2014	3,400.00
2013	3,400.00
2012	3,400.00
2011	3,400.00

Note 5. UTILITY RECEIVABLES AND COLLECTIONS

The Borough operates an Electric Utility and a Water-Sewer for the benefit of its residents.

Comparison of Electric Utility Levies and Collections

The Borough's Electric Utility Customers are billed monthly based on usage.

Year	Levy	Cash Collections *
2015	$ 8,186,468.86	$ 8,094,391.90
2014	7,974,551.89	8,105,594.29
2013	8,280,024.00	8,083,644.15
2012	8,278,060.58	8,513,850.00
2011	8,419,194.74	8,393,658.33

* Cash collections include amounts that were levied in prior years.

Comparison of Water-Sewer Levies and Collections

The Borough's Water-Sewer Utility Customers are billed based on usage quarterly on a cycle basis.

Year	Levy	Cash Collections *
2015	$ 2,327,331.82	$ 2,361,249.30
2014	2,315,606.45	2,323,595.36
2013	2,310,866.50	2,222,692.02
2012	2,335,068.27	2,413,232.06
2011	2,472,896.08	2,501,094.39

* Cash collections include amounts that were levied in prior years.

Any unpaid levies are subject to the same provision as unpaid taxes under the provision of the New Jersey Statutes.

Note 6. FUND BALANCES APPROPRIATED

The following schedule details the amount of fund balances available at the end of each year and the amounts utilized in the subsequent year's budget.

Year	Balance December 31	Utilized in Budget of Succeeding Year	Transferred to Current Fund as Revenue in Succeeding Year	Percentage of Fund Balance Used
Current Fund				
2015	$ 728,214.89	$ 675,000.00	N/A	92.69%
2014	477,634.47	447,000.00	N/A	93.59%
2013	502,604.36	330,000.00	N/A	65.66%
2012	242,788.17	200,000.00	N/A	82.38%
2011	504,627.86	365,000.00	N/A	72.33%
Water-Sewer Utility Operating Fund				
2015	$ 975,773.64	$ 500,814.15	$ None	51.32%
2014	858,410.07	338,803.55	None	39.47%
2013	622,048.60	206,413.04	None	33.18%
2012	663,298.91	316,770.00	None	47.76%
2011	556,597.25	327,770.00	100,000.00	58.89%
Electric Utility Operating Fund				
2015	$ 2,278,596.28	$ None	$ 1,211,341.00	53.16%
2014	885,016.40	None	622,341.00	70.32%
2013	1,107,817.98	50,000.00	622,341.00	56.18%
2012	1,094,048.36	199,375.00	622,341.00	56.88%
2011	892,823.15	None	527,919.00	59.13%

Note 7. DEFERRED CHARGES

The Borough's General Capital Fund reflects Deferred Charges to Future Taxation to unfunded that must be raised in the annual budgets since there is no debt authorization available to finance a portion of the projects.

Improvement Authorization	Original Amount	Balance 12/31/2015	Raised in 2016 Budget	To be Raised in Subsequent Years Budgets
Improvements to Boaream Ave Ochi Ave and Main Street Ordinance #1074	$ 66,648.50	$ 39,988.50	$ 13,330.00	$ 26,658.50
Improvements to South Street Phase I and Other Roads Ordinance #1329/1352	43,922.91	43,922.91		43,922.91
		$ 83,911.41	$ 13,330.00	$ 70,581.41

It is anticipated that funds will be provided in future budgets to finance these deferred charges.

Note 8. MUNICIPAL DEBT

The Local Bond Law governs the issuance of bonds and notes to finance general capital expenditures. All bonds are retired in serial installments with the statutory period of usefulness. Bonds issued by the Borough are general obligation bonds, backed by the full faith and credit of the Borough. Bond anticipation notes, which are issued to temporarily finance capital projects, must be paid off within ten years and five months or retired by the issuance of bonds.

Summary of Municipal Debt (Excluding Current and Operating Debt)

	Year 2015	Year 2014	Year 2013
Issued:			
General:			
Bonds, Loans and Notes	$ 5,836,269.99	$ 4,894,614.00	$ 5,642,695.08
Electric Utility:			
Bonds and Notes	11,839,000.00	3,784,000.00	3,854,000.00
Water-Sewer Utility:			
Bonds, Loans and Notes	5,085,588.75	5,342,114.00	5,714,531.44
Total Issued	$ 22,760,858.74	$ 14,020,728.00	$ 15,211,226.52
Authorized But Not Issued:			
General:			
Bonds and Notes	$ 1,386,000.00	$ 2,001,046.51	$ 141,376.51
Electric Utility:			
Bonds and Notes	4,300,000.00	12,239,000.00	12,049,000.00
Water-Sewer Utility:			
Bonds, Loans and Notes	2,133,100.00	1,661,632.00	203,632.00
Total Authorized But Not Issued	$ 7,819,100.00	$ 15,901,678.51	$ 12,394,008.51
Net Bonds and Notes Issued and Authorized But Not Issued	$ 30,579,958.74	$ 29,922,406.51	$ 27,605,235.03

Note 8. MUNICIPAL DEBT (CONTINUED)

Summary of Statutory Debt Condition, Annual Debt Statement

The summarized statement of debt condition that follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicated a statutory net debt of .844%.

	Gross Debt	Deductions	Net Debt
Local School District Debt	$ 5,382,000.00	$ 5,382,000.00	$ None
Electric Utility Debt	16,139,000.00	16,139,000.00	None
Water-Sewer Utility Debt	7,218,688.75	7,218,688.75	None
General Debt	7,222,269.99	None	7,222,269.99
	$ 35,961,958.74	$ 28,739,688.75	$ 7,222,269.99

Net Debt $7,222,269.99 divided by Equalized Valuation basis per N.J.S. 40A:2-2 As Amended, $855,374,830.00 equals .844%. The Annual Debt Statement has been filed.

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

3½% of Average Equalized Valuation Basis (Municipal)	$ 29,938,119.05
Net Debt	7,222,269.99
Remaining Borrowing Power	$ 22,715,849.06

School Debt Deduction

School debt is deductible up to the extent of 3.0% of the Average Equalized Assessed Valuation of real property for the Local School District.

Note 8. MUNICIPAL DEBT (CONTINUED)

Calculation of "Self-Liquidating Purpose", Electric Utility Per N.J.S. 40A:2-45

Cash Receipts for Fees, Rents and Other Charges for the Year		$ 8,160,113.92
Deductions:		
Operating and Maintenance Costs	$ 6,585,360.80	
Debt Service	191,194.11	
Total Deductions		6,776,554.91
Excess in Revenue		$ 1,383,559.01

There being an excess in revenue for the Electric Utility, the fund was self liquidating and therefore, all the related debt is deductible for purposes of the annual debt statement and resultant net debt calculation.

Calculation of "Self-Liquidating Purpose", Water-Sewer Per N.J.S. 40A:2-45

Cash Receipts for Fees, Rents and Other Charges for the Year		$ 2,867,478.80
Deductions:		
Operating and Maintenance Costs	$ 2,034,718.54	
Debt Service	509,940.83	
Total Deductions		2,544,659.37
Excess in Revenue		$ 322,819.43

There being an excess in revenue for the Water-Sewer Utility, the fund was not self liquidating and therefore, all the related debt is deductible for purposes of the annual debt statement and resultant net debt calculation.

Note 8. MUNICIPAL DEBT (CONTINUED)

Long-Term Debt

As of December 31, 2015, the Borough's long-term debt is as follows:

General Capital Fund - Serial Bonds:		
$2,250,000.00 General Obligation Refunding Bonds, Series 2013. Annual maturities of $190,000.00 to $210,000.00 through August 1, 2025 at interest rates ranging from 2.0% to 3.0%.	$ 2,005,000.00	**
$2,580,000.00 General Obligation Bonds, Series 2013 Annual maturities of $130,000.00 to $175,000.00 through December 15, 2025 at interest rates ranging from 3.0% to 3.5%.	2,280,000.00	*
	$ 4,285,000.00	
Electric Utility Capital - Serial Bonds:		
$1,854,000.00 Electric Utility Bonds, Series 2013 Annual remaining maturity of $135,000.00 to $140,000.00 through December 15, 2027 at interest rates ranging from 3.0% to 3.5%.	$ 1,649,000.00	*
	$ 1,649,000.00	
Water-Sewer Utility Capital Fund - Serial Bonds:		
$2,270,000.00 Water-Sewer System Refunding Bonds, Series 2013 - Annual maturities from $190,000.00 to $215,000.00 through August 1, 2025 interest rates ranging from 2.0% to 3.0%.	$ 2,030,000.00	**
$448,000.00 Water-Sewer System Improvement Bonds, Series 2013 - Annual remaining maturity of $25,000.00 to $38,000.00 through December 15, 2021 at interest rates ranging from 3.0% to 3.5%.	398,000.00	*
	$ 2,428,000.00	
	$ 8,362,000.00	

* The General Obligation Bonds Series 2013 are subject to early redemption.

** The General Obligation Refunding Bonds 2013 are subject to early redemption.

Note 8. MUNICIPAL DEBT (CONTINUED)

Long-Term Debt (Continued)

Redemption Provisions

General Obligation Bonds 2013 – the bonds maturing on or before December 15, 2022 are not subject to redemption prior to their stated maturity. The bonds of each series maturing on or after December 12, 2023 are subject to redemption prior to maturity at the option of the Borough, as a whole or in part on any date on or after December 15, 2022 at the redemption price equal to 100% of the principal amount to be redeemed, plus accrued interest thereon to the date fixed for redemption.

General Obligation Refunding Bonds 2013 – the bonds maturing on or before August 1, 2023 are not subject to redemption prior to their stated maturity. The bonds of each series maturing on or after August 1, 2024 are subject to redemption prior to maturity at the option of the Borough, as a whole or in part on any date on or after August 1, 2023, at the redemption price equal to 100% of the principal amount to be redeemed plus accrued interest thereon to the date fixed for redemption.

Note 8. MUNICIPAL DEBT (CONTINUED)

Schedule of Annual Debt Service for Principal and Interest for Bonded Debt Issued and Outstanding

Calendar Year	General Capital Fund Principal	Interest	Total
2016	$ 400,000.00	$ 121,906.26	$ 521,906.26
2017	405,000.00	109,906.26	514,906.26
2018	405,000.00	97,756.26	502,756.26
2019	410,000.00	85,606.26	495,606.26
2020	405,000.00	75,406.26	480,406.26
	2,025,000.00	490,581.30	2,515,581.30
2021	405,000.00	65,306.26	470,306.26
2022	400,000.00	55,206.26	455,206.26
2023	395,000.00	44,956.26	439,956.26
2024	390,000.00	33,106.26	423,106.26
2025	365,000.00	21,406.26	386,406.26
	1,955,000.00	219,981.30	2,174,981.30
2026	175,000.00	10,237.50	185,237.50
2027	130,000.00	4,550.00	134,550.00
	305,000.00	14,787.50	319,787.50
	$ 4,285,000.00	$ 725,350.10	$ 5,010,350.10

Note 8. MUNICIPAL DEBT (CONTINUED)

Schedule of Annual Debt Service for Principal and Interest for Bonded Debt Issued and Outstanding (Continued)

Calendar Year	Electric Utility Capital Fund Principal	Interest	Total
2016	$ 135,000.00	$ 50,690.00	$ 185,690.00
2017	135,000.00	46,640.00	181,640.00
2018	135,000.00	42,590.00	177,590.00
2019	135,000.00	38,540.00	173,540.00
2020	135,000.00	34,490.00	169,490.00
	675,000.00	212,950.00	887,950.00
2021	135,000.00	30,440.00	165,440.00
2022	140,000.00	26,390.00	166,390.00
2023	140,000.00	22,190.00	162,190.00
2024	140,000.00	17,990.00	157,990.00
2025	140,000.00	13,790.00	153,790.00
	695,000.00	110,800.00	805,800.00
2026	140,000.00	9,415.00	149,415.00
2027	139,000.00	4,865.00	143,865.00
	279,000.00	14,280.00	293,280.00
	$ 1,649,000.00	$ 338,030.00	$ 1,987,030.00

Note 8. MUNICIPAL DEBT (CONTINUED)

Schedule of Annual Debt Service for Principal and Interest for Bonded Debt Issued and Outstanding (Continued)

Calendar Year	Water-Sewer Utility Capital Fund		
	Principal	Interest	Total
2016	$ 230,000.00	$ 65,280.00	$ 295,280.00
2017	240,000.00	58,380.00	298,380.00
2018	245,000.00	51,180.00	296,180.00
2019	240,000.00	43,830.00	283,830.00
2020	235,000.00	38,730.00	273,730.00
	1,190,000.00	257,400.00	1,447,400.00
2021	230,000.00	33,730.00	263,730.00
2022	230,000.00	28,830.00	258,830.00
2023	235,000.00	23,680.00	258,680.00
2024	235,000.00	16,630.00	251,630.00
2025	230,000.00	9,580.00	239,580.00
	1,160,000.00	112,450.00	1,272,450.00
2026	40,000.00	2,630.00	42,630.00
2027	38,000.00	1,330.00	39,330.00
	78,000.00	3,960.00	81,960.00
	$ 2,428,000.00	$ 373,810.00	$ 2,801,810.00

Note 8. MUNICIPAL DEBT (CONTINUED)

Schedule of Annual Debt Service for Principal and Interest for Bonded Debt Issued and Outstanding (Continued)

Calendar Year	Total for all Funds - Bonds		
	Principal	Interest	Total
2016	$ 765,000.00	$ 237,876.26	$ 1,002,876.26
2017	780,000.00	214,926.26	994,926.26
2018	785,000.00	191,526.26	976,526.26
2019	785,000.00	167,976.26	952,976.26
2020	775,000.00	148,626.26	923,626.26
	3,890,000.00	960,931.30	4,850,931.30
2016	770,000.00	129,476.26	899,476.26
2017	770,000.00	110,426.26	880,426.26
2018	770,000.00	90,826.26	860,826.26
2019	765,000.00	67,726.26	832,726.26
2020	735,000.00	44,776.26	779,776.26
	3,810,000.00	443,231.30	4,253,231.30
2021	355,000.00	22,282.50	377,282.50
2022	307,000.00	10,745.00	317,745.00
	662,000.00	33,027.50	695,027.50
	$ 8,362,000.00	$ 1,437,190.10	$ 9,799,190.10

Note 8. MUNICIPAL DEBT (CONTINUED)

Schedule of Annual Debt Service for Principal and Interest for Bonded Loans Issued and Outstanding – New Jersey Department of Environmental Protection (NJDEP) Green Trust Loan

Calendar Year	NJDEP Green Trust - Mill Pond Park - General Capital Fund		
	Principal	Interest	Total
2016	$ 13,612.22	$ 3,757.68	$ 17,369.90
2017	13,885.83	3,484.07	17,369.90
2018	14,164.93	3,204.97	17,369.90
2019	14,449.65	2,920.25	17,369.90
2020	14,740.09	2,629.81	17,369.90
	70,852.72	15,996.78	86,849.50
2021	15,036.36	2,333.54	17,369.90
2022	15,338.59	2,031.31	17,369.90
2023	15,646.90	1,723.00	17,369.90
2024	15,961.41	1,408.49	17,369.90
2025	16,282.23	1,087.67	17,369.90
	78,265.49	8,584.01	86,849.50
2026	16,609.50	760.40	17,369.90
2027	16,943.35	426.55	17,369.90
2028	8,598.93	85.99	8,684.92
	42,151.78	1,272.94	43,424.72
	$ 191,269.99	$ 25,853.73	$ 217,123.72

NJDEP Green Trust Loan of $279,334.33 is for Improvements to Mill Pond Park – originating in 2008, principal and interest payable semi-annually commencing January 2009 through January 2028 at interest rate of 2.0%.

Note 8. MUNICIPAL DEBT (CONTINUED)

Schedule of Annual Debt Service for Principal and Interest for Bonded Loans Issued and Outstanding – Water-Sewer Capital Fund New Jersey Environmental Infrastructure Trust (NJEIT)

Calendar Year	NJEIT Water-Sewer Utility Capital Fund		
	Federal	State	Total
2016	$ 91,472.72	$ 123,742.74	$ 215,215.46
2017	90,412.94	118,439.86	208,852.80
2018	89,353.16	114,944.30	204,297.46
2019	88,293.36	117,194.84	205,488.20
2020	90,208.55	119,106.88	209,315.43
	449,740.73	593,428.62	1,043,169.35
2021	88,876.25	115,657.28	204,533.53
2022	90,571.91	117,207.62	207,779.53
2023	89,073.07	118,482.20	207,555.27
2024	90,602.19	119,507.62	210,109.81
2025	89,088.21	115,506.66	204,594.87
	448,211.63	586,361.38	1,034,573.01
2026	90,602.18	121,507.00	212,109.18
2027	88,936.80	117,007.26	205,944.06
2028	90,299.61	118,206.90	208,506.51
	374,132.69	464,471.62	838,604.31
	$ 1,346,960.75	$ 1,710,468.94	$ 3,057,429.69
Principal	$ 1,346,960.75	$ 1,190,628.00	$ 2,537,588.75
Interest		519,840.64	519,840.64
	$ 1,346,960.75	$ 1,710,468.64	$ 3,057,429.39

Note 8. MUNICIPAL DEBT (CONTINUED)

Schedule of Annual Debt Service for Principal and Interest for Bonded Loans Issued and Outstanding – Water-Sewer Capital Fund New Jersey Environmental Infrastructure Trust (NJEIT) (Continued)

Water-Sewer Utility Capital Fund:	
$745,000.00 New Jersey Wastewater Trust 2008 - State Portion Annual maturities of $35,000.00 to $60,000.00 through August 1, 2028 at interest rates ranging from 5.0% to 5.5%.	$ 580,000.00
$735,700.00 New Jersey Wastewater Trust 2008 - Federal Portion - Semi-annual maturities in varying amounts with a maximum of approximately $38,000.00 per year through August 1, 2028. There is no interest being charged on this loan.	489,879.30
	$ 1,069,879.30
Water-Sewer Utility Capital Fund:	
$745,000.00 New Jersey Wastewater Trust 2012 - State Portion Annual maturities of $20,000.00 to $40,000.00 through August 1, 2031 at interest rates ranging from 5.125% to 5.0%.	$ 470,000.00
$735,700.00 New Jersey Wastewater Trust 2012 - Federal Portion - Semi-annual maturities in varying amounts with a maximum of approximately $29,419.00 per year through August 1, 2031. There is no interest being charged on this loan.	470,700.25
	$ 940,700.25
Water-Sewer Utility Capital Fund:	
$745,000.00 New Jersey Wastewater Trust 2013 - State Portion Annual maturities of $7,198.00 to $10,098.00 through August 1, 2032 at interest rates ranging from .54% to 3.26%.	$ 140,628.00
$735,700.00 New Jersey Wastewater Trust 2013 - Federal Portion - Semi-annual maturities in varying amounts with a maximum of approximately $22,728.00 per year through August 1, 2032. There is no interest being charged on this loan.	386,381.20
	$ 527,009.20
	$ 2,537,588.75

Note 8. MUNICIPAL DEBT (CONTINUED)

Summary of all long term debt is as follows:

Calendar Year	Summary of Long Term Debt		
	Principal	Interest	Total
2016	$ 462,937.89	$ 194,095.18	$ 657,033.07
2017	477,151.72	177,071.57	654,223.29
2018	481,371.04	159,442.47	640,813.51
2019	485,595.96	141,607.75	627,203.71
2020	492,801.59	123,479.81	616,281.40
	2,399,858.20	795,696.78	3,195,554.98
2021	491,765.56	104,983.54	596,749.10
2022	498,763.45	86,481.31	585,244.76
2023	497,572.92	67,098.00	564,670.92
2024	504,416.55	48,308.49	552,725.04
2025	503,223.39	28,887.67	532,111.06
	2,495,741.87	335,759.01	2,831,500.88
2026	110,064.63	9,260.40	119,325.03
2027	108,733.10	6,176.55	114,909.65
2028	106,751.49	3,085.99	109,837.48
	325,549.22	18,522.94	344,072.16
	$ 5,221,149.29	$ 1,149,978.73	$ 6,371,128.02

Subsequent Event

NJEIT – Electric Utility Fund: On May 16, 2016 the Borough permanently financed the Electric Substation Ordinance (#1360/1408). The total financing was $13,865,000.00, which consisted of a NJEIT loan of $3,345,000.00 at prevailing interest rates, a federal loan of $7,840,000.00 at no interest and a federal grant of $2,660,000.00. The average annual debt service is $651,747.64 with final maturity on August 1, 2035.

NJEIT – Water-Sewer Capital Fund: In November of 2016 the Borough will permanently finance the 2014 water main lining project. The total financing of $2,133,100.00 consists of a NJEIT loan of $549,115.00 at prevailing rates, a federal loan of $1,583,985.00 at no interest. The average annual debt service is approximately $120,000.00 with final maturity on August 1, 2035.

Note 8. MUNICIPAL DEBT (CONTINUED)

Bond Anticipation Notes

At December 31, 2015, the Borough's outstanding Bond Anticipation Notes (BAN's) are as follows:

Fund	Interest Rate	Original Issue Date	Amount	Required First	Required Final
General Capital - BAN	0.85%	2015	$ 1,360,000.00	2018	2026
Electric Utility Capital					
BAN	0.85%	2015	$ 190,000.00	2018	2026
NJEIT - Interim Financing	0.00%	2015	10,000,000.00	N/A	N/A
			$ 10,190,000.00		
Water-Sewer Utility Capital					
BAN	0.85%	2015	$ 120,000.00	2018	2026
			$ 11,670,000.00		

The NJEIT – Note of $10,000,000.00 was paid off subsequent to yearend with the proceeds for an NJEIT permanent loan.

Summary of Municipal Debt

Reconciliation of Supplementary Schedules for Combined Balance Sheet:

Bonds	$ 8,362,000.00
Loans	2,728,858.74
BAN's	11,670,000.00
Total	$ 22,760,858.74

Note 8. MUNICIPAL DEBT (CONTINUED)

Bonds and Notes Authorized But Not Issued

At December 31, 2015, the Borough had authorized but not issued bonds and notes as follows:

General Capital Fund	$ 1,386,000.00
Electric Utility Capital Fund	4,300,000.00
Water-Sewer Utility Capital Fund	2,133,100.00
	$ 7,819,100.00

Municipal Debt - Subsequent Event

Subsequent to December 31, 2015, the Governing Body adopted improvement authorizations totaling $720,000.00 for the acquisition of a new fire truck. The funding consists of capital improvement fund of $36,000.00, and bonds and notes authorized but not issued of $684,000.00.

Continuing Disclosure Requirement

As a result of the 2013 General Obligation Bond Sales, the Borough is required to comply with the Securities and Exchange Commission Rule 15c2-12, which is related to the Annual Continuing Disclosure Requirement. The Borough complied with the requirement in 2015.

Note 9. DEFERRED LOCAL SCHOOL DISTRICT TAXES

The Local School District Tax was raised on the school year basis and liability deferred by statute, resulting in school tax payable set forth in liabilities computed as follows:

	Local School District Taxes Balance, December 31		Increase/
	2015	2014	(Decrease)
Balance of Tax *	$ 7,105,055.00	$ 6,767,852.00	$ 337,203.00
Deferred	6,889,219.00	6,552,016.00	337,203.00
Payable	$ 215,836.00	$ 215,836.00	$ None

* Required for school operations for the six-month period following December 31st.

Note 10. PENSION PLANS

Description of Systems

Substantially all of the Borough's employees participate in one of the following contributory defined benefit public employee retirement systems which have been established by State statute: the Public Employees' Retirement System (PERS) or the Police and Firemen's Pension Fund (PFRS). These systems are sponsored and administered by the New Jersey Division of Pensions and Benefits. The Public Employees' Retirement System (PERS) and the Police and Firemen's Retirement System (PFRS) are considered cost sharing multiple-employer plans. The PERS and PFRS issue a publicly available financial report that includes financial statements and required supplementary information and separate actuarial valuations. Those reports may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295 or by visiting their website at www.state.nj.us/treasury/pensions/gasb-43-sept2008.pdf.

Public Employees' Retirement System

The Public Employees' Retirement System (PERS) was established January 1, 1955 under the provisions of N.J.S.A. 43:15A to provide coverage, including post-retirement health care, to substantially all full-time employees of the State or any county, municipality, school district or public agency provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees and vesting occurs after eight to ten years of service and twenty-five years for health care coverage. Members are eligible for retirement at age sixty with an annual benefit generally determined to be 1/55th of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of creditable service. Pension benefits for members enrolled in the system after May 21,2010 would be based on 1/60th of the average annual compensation for the last five (5) years of service or any five fiscal years of membership that provide the largest benefit to the member or the member's beneficiary. Early retirement is available to those under age sixty with twenty-five or more years of credited service. Anyone who retires early and is under age fifty-five receives retirement benefits as calculated in the above-mentioned formula but at a reduced rate (one quarter of one percent for each month the member lacks of attaining age fifty-five).

Police and Firemen's Retirement System

The Police and Firemen's Retirement System (PFRS) was established July 1, 1944 under the provisions of N.J.S.A. 43:16A to provide coverage to substantially all full time county and municipal police or firemen and State firemen appointed after June 30, 1944. Membership is mandatory for such employees. Members may opt for Service Retirement if over age 55 or Special Retirement at any age if they have a minimum of 25 years of service or 20 years of service if enrolled in the PFRS as of January 18, 2000. Retirement benefits vary depending on age and years of service.

Note 10. PENSION PLANS (CONTINUED)

Contributions Required to be Made

Employee contributions for 2015 were six and 92/100 percent (6.92%) through June 30, 2015 and seven and 06/100 percent (7.06%) thereafter of the employee's base wages for PERS and eight and one-half percent (8.5%) through June 30, 2015 and ten percent (10%) thereafter for employee base wages for PFRS. Employer's contributions are actuarially determined annually by the Division of Pensions. The Borough's contributions to the plan for the past three (3) years are as follows:

	PERS		
	2015	2014	2013
Covered Payroll	$ 2,225,106	$ 2,390,500	$ 2,337,545
Covered Employee - Payroll	2,977,476	3,054,525	3,009,277
Actuarial Contribution Requirements	279,940	246,356	260,658
Total Contributions Employer Share	279,940	246,356	260,658
Percent of Covered Employee - Payroll	9.25 %	8.07 %	8.66 %
Employee's Share	155,541	166,566	156,871
Percent of Covered Payroll	6.97 %	6.85 %	6.71 %

Pension (PERS) Accrual

The Borough is required to report on its financial statements on an "Other Comprehensive Basis of Accounting" (OCBOA) Regulatory Basis, which does not require an accrual for its obligations inclusive of pension. If the Borough were required to reflect the obligation under Generally Accepted Accounting Principles (GAAP), an accrual for the PERS obligation due April 1, 2016 would be needed in the amount of $297,887 since the obligation relates to the period December 31, 2015 and prior. The accrual would affect the fund balance at yearend.

Note 10. PENSION PLANS (CONTINUED)

Contributions Required to be Made (Continued)

	PFRS		
	2015	2014	2013
Covered Payroll	$ 1,299,299	$ 1,275,798	$ 1,261,260
Covered Employee - Payroll	1,671,420	1,507,935	1,542,868
Actuarial Contribution Requirements	323,807	309,449	325,986
Total Contributions Employer Share	323,807	309,449	325,986
Percent of Covered Employee - Payroll	19.38 %	20.52 %	21.13 %
Employee's Share	129,992	127,579	126,126
Percent of Covered Payroll	9.98 %	10.01 %	10.09 %

Pension Deferral – Chapter 19 P.L.2009

In April of 2009 the Borough applied to the State of New Jersey Local Finance Board and received approval to defer a portion of its 2009 pension liability for PERS and PFRS in the amount of $87,610.00 and $145,865.00, respectively. The repayment would be made over a fifteen (15) year period beginning 2013 with interest. The amounts that were due in 2016 were $13,447.00 for PERS and $21,961.00 for PERS, which were included in the amount pension liability due in April.

Pension (PFRS) Accrual

The Borough is required to report on its financial statements on an "Other Comprehensive Basis of Accounting" (OCBOA) Regulatory Basis, which does not require an accrual for its obligations inclusive of pension. If the Borough were required to reflect the obligation under Generally Accepted Accounting Principles (GAAP), an accrual for the PFRS obligation due April 1, 2016 would be needed in the amount of $332,330.00 since the obligation relates to the period December 31, 2015 and prior. The accrual would affect the fund balance at yearend.

Note 10. PENSION PLANS (CONTINUED)

Government-Wide Financial Statements GASB#68

Public Employees Retirement System (PERS)

The information for PERS was abstracted from State of New Jersey Public Employees' Retirement System Schedules of Employer Allocations and Schedules of Pension Amounts by Employer as of June 30, 2015 and June 30, 2014 Independent Auditor's Report dated April 14, 2016 and November 13, 2015, respectively.

The Borough's reported liability of $7,777,968.00 and $6,357,756.00 for its proportionate share of the net pension liability at December 31, 2015 (*measurement date of June 30, 2015*) and December 31, 2014 (*measurement date of June 30, 2014*), respectively. The net pension liability was measured as of June 30, 2015 and June 30, 2014 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of those dates. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined.

	June 30, (*Measurement Date*)	
	2015	2014
Local Group Share	$ 22,447,996,119	$ 18,722,735,003
Borough Proportionate Percentage	0.0346488287 %	0.0339574112 %
Difference - Increase	0.0006914175 %	

Note 10. PENSION PLANS (CONTINUED)

Government-Wide Financial Statements GASB#68 (Continued)

Public Employees Retirement System (PERS) (Continued)

For the year ended December 31, 2015, the Borough's recognizable pension expense of $610,775.00. At December 31, 2015, the Borough reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	$ 185,555	
Net difference between expected and actual experience	835,292	
Net difference between projected and actual investment earnings on pension plan investment		$ 125,055
Changes in proportion	459,919	-
Total	$ 1,480,766	$ 125,055

The $1,473,666.00 reported as deferred outflows of resources related to pensions resulting from entities contributions subsequent to the measurement date (i.e. for the Borough year ending December 31, 2015, the plan measurement date is June 30, 2015) will be recognized as a reduction of the net pension liability in the Borough year ended December 31, 2015. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense based on local share is as follows:

Year Ended December 31,	Amount
2016	$ 163,079
2017	163,079
2018	163,079
2019	259,729
2020	146,824

Note 10. PENSION PLANS (CONTINUED)

Government-Wide Financial Statements GASB#68 (Continued)

Public Employees Retirement System (PERS) (Continued)

Additional Information:

Collective (local and state employers) balances at June 30, 2015 and June 30, 2014 are as follows:

	June 30, 2015	June 30, 2014
Collective deferred outflows of resources		
Local Group	$ 3,578,755,666	$ 952,194,675
State Group	2,244,541,929	500,510,863
	$ 5,823,297,595	$ 1,452,705,538
Collective deferred inflows of resources		
Local Group	$ 993,410,455	$ 1,479,224,662
State Group	221,779,892	667,494,350
	$ 1,215,190,347	$ 2,146,719,012
Collective net pension liability		
Local Group	$ 22,447,996,119	$ 18,722,735,003
State Group	23,722,135,537	20,127,103,950
	$ 46,170,131,656	$ 38,849,838,953
Borough's proportion (of Local Group)	0.0346488287 %	0.0339574112 %

Actuarial Assumptions

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which rolled forward to June 30, 2015. The total pension liability for the December 31, 2015 measurement date was determined by an actuarial valuation as of June 30, 2015. This actuarial valuation used the following assumptions, applied to all periods in the measurement.

Inflation	3.04 Percent
Salary Increases:	
2012-2021	2.15-4.40 Percent (based on age)
Thereafter	3.15-5.40 Percent (based on age)
Investment Rate of Return	7.90 Percent

The actuarial assumptions used in the June 30, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2013.

Note 10. PENSION PLANS (CONTINUED)

Government-Wide Financial Statements GASB #68 (Continued)

Public Employees Retirement System (PERS) (Continued)

Mortality Rates

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback one 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.

Long-Term 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:

Note 10. PENSION PLANS (CONTINUED)

Government-Wide Financial Statements GASB#68 (Continued)

Public Employees Retirement System (PERS) (Continued)

Long-Term Rate of Return

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	5.00 %	1.04 %
U.S. Treasuries	1.75	1.64
Investment Grade Credit	10.00	1.79
Mortgages	2.10	1.62
High Yield Bonds	2.00	4.03
Inflation-Indexed Bonds	1.50	3.25
Broad U.S. 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 U.S.	3.50	-0.40
REIT	4.25	5.12
	100.00 %	

Discount Rate

The discount rate used to measure the total pension liability was 4.90% as of June 30, 2015. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, 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 municipal 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 recommended 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.

Note 10. PENSION PLANS (CONTINUED)

Government-Wide Financial Statements GASB #68 (Continued)

Public Employees Retirement System (PERS) (Continued)

Sensitivity of The Collective Net Pension Liability to Changes in the Discount Rate.

The following presents the collective net pension liability of the participating employers as of (*measurement dates*) June 30, 2015 and June 30, 2014, respectively, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 -percentage point lower or 1- percentage-point higher than the current rate:

	December 31, 2015		
	1% Decrease 3.90%	At Current Discount Rate 4.90%	1% Increase 5.90%
Borough's proportionate share of the pension liability	$ 9,667,062	$ 7,777,968	$ 6,194,164

	December 31, 2014		
	1% Decrease 4.39%	At Current Discount Rate 5.39%	1% Increase 6.39%
Borough's proportionate share of the pension liability	$ 7,998,273	$ 6,357,756	$ 4,975,739

Pension Plan Fiduciary Net Position.

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System (PERS).

Note 10. PENSION PLANS (CONTINUED)

Government-Wide Financial Statements GASB #68 (Continued)

Police and Firemen's Retirement System (PFRS)

The information for PFRS was abstracted from State of New Jersey Police and Firemen Retirement System Schedules of Employer Allocations and Schedules of Pension Amounts by Employer as of June 30, 2015 and June 30, 2014 Independent Auditor's Report dated April 19, 2016 and November 13, 2015, respectively.

The Borough's reported liability of $6,810,055.00 and $5,176,773.00 for its proportionate share of the net pension liability at December 31, 2015 (*measurement date of June 30, 2015*) and December 31, 2014 (*measurement date of June 30, 2014*), respectively. The net pension liability was measured as of June 30, 2015 and June 30, 2014 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of those dates. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined.

	June 30, (*Measurement Date*)	
	2015	2014
Local Group Share	$ 16,656,514,197	$ 12,579,072,493
Borough Proportionate Percentage	0.0408852377 %	0.0411538511 %
Difference - Decrease	0.0002686134	

Note 10. PENSION PLANS (CONTINUED)

Government-Wide Financial Statements GASB #68 (Continued)

Police and Firemen's Retirement System (PFRS) (Continued)

For the year ended December 31, 2015, the Borough's recognizable pension expense of $291,874.00. At December 31, 2015, the Borough reported deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	$ 1,257,305	
Net difference between expected and actual experience		$ 38,378
Net difference between projected and actual investment earnings on pension plan investment		77,439
Changes in proportion	15,729	498,568
Total	$ 1,273,034.00	$ 614,385

The $1,273,034.00 reported as deferred outflows of resources related to pensions resulting from entities contributions subsequent to the measurement date (i.e. for the Borough year ending December 31, 2015, the plan measurement date is June 30, 2015) will be recognized as a reduction of the net pension liability in the Borough year ended December 31, 2015. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense based on local share is as follows:

Year Ended December 31,	Amount
2016	$ 205,119
2017	205,119
2018	205,119
2019	336,326
2020	128,358

Note 10. PENSION PLANS (CONTINUED)

Government-Wide Financial Statements GASB #68 (Continued)

Police and Firemen's Retirement System (PFRS) (Continued)

Additional Information:

Collective (local and state employers) balances at June 30, 2015 and June 30, 2014 are as follows:

	June 30, 2015	June 30, 2014
Collective deferred outflows of resources		
Local Group	$ 3,512,729,953	$ 750,532,959
State Group	464,261,671	82,119,052
	$ 3,976,991,624	$ 832,652,011
Collective deferred inflows of resources		
Local Group	$ 871,083,367	$ 1,659,597,993
State Group	44,897,905	97,674,059
	$ 915,981,272	$ 1,757,272,052
Collective net pension liability		
Local Group	$ 16,656,514,197	$ 12,579,072,492
Special Funding Situation	1,460,730,421	1,354,554,686
State Group	4,293,672,366	3,553,051,440
	$ 22,410,916,984	$ 17,486,678,618
Borough's proportion (of Local Group)	0.0408852377 %	0.0411538511 %

Actuarial Assumptions

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which rolled forward to June 30, 2015. The total pension liability for the December 31, 2015 measurement date was determined by an actuarial valuation as of June 30, 2015. This actuarial valuation used the following assumptions, applied to all periods in the measurement.

Inflation	3.04 Percent
Salary Increases:	
2012-2021	2.60-9.48 Percent (based on age)
Thereafter	3.60-10.48 Percent (based on age)
Investment Rate of Return	7.90 Percent

The actuarial assumptions used in the June 30, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2013.

Note 10. PENSION PLANS (CONTINUED)

Government-Wide Financial Statements GASB #68 (Continued)

Police and Firemen's Retirement System (PFRS) (Continued)

Mortality Rates

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 Healthy 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.

Long-Term Rate of Return

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

Note 10. PENSION PLANS (CONTINUED)

Government-Wide Financial Statements GASB #68 (Continued)

Police and Firemen's Retirement System (PFRS) (Continued)

Long-Term Rate of Return (Continued)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	5.00 %	1.04 %
U.S. Treasuries	1.75	1.64
Investment Grade Credit	10.00	1.79
Mortgages	2.10	1.62
High Yield Bonds	2.00	4.03
Inflation-Indexed Bonds	1.50	3.25
Broad U.S. 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 U.S.	3.50	-0.40
REIT	4.25	5.12
	100.00 %	

Discount Rate

The discount rate used to measure the total pension liability was 5.79% as of June 30, 2015. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, 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 municipal 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 recommended 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.

Note 10. PENSION PLANS (CONTINUED)

Government-Wide Financial Statements GASB #68 (Continued)

Police and Firemen's Retirement System (PFRS) (Continued)

Sensitivity of The Collective Net Pension Liability to Changes in the Discount Rate.

The following presents the collective net pension liability of the participating employers as of (*measurement dates*) June 30, 2015 and June 30, 2014, respectively, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 -percentage point lower or 1- percentage-point higher than the current rate:

	December 31, 2015		
	1% Decrease 4.79%	At Current Discount Rate 5.79%	1% Increase 6.79%
Borough's proportionate share of the pension liability	$ 8,231,778	$ 6,810,055	$ 5,807,101

	December 31, 2014		
	1% Decrease 5.32%	At Current Discount Rate 6.32%	1% Increase 7.32%
Borough's proportionate share of the pension liability	$ 6,149,851	$ 5,176,773	$ 4,469,564

Pension Plan Fiduciary Net Position.

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Police and Firemen's Retirement System (PFRS).

Note 11. POST EMPLOYMENT RETIREMENT BENEFITS

In addition to the pension benefits described in Note 7, the Borough provides post retirement healthcare benefits for employees who retire with 25 years or more of service and their dependents. Any school traffic guard hired prior to January 1, 1996 is entitled to the same benefits listed above for full time employees except that the Borough shall be obligated to pay only fifty percent of the premium cost for said health insurance. Benefits consist of full medical coverage as if the individuals were still employed, until they become eligible for Medicare, at which time Medicare becomes the primary insurer and the Borough plan becomes the secondary insurer.

Plan Description – New Jersey State Health Benefits Program ("NJSHBP")

The NJSHBP as of July 1, 2013 had "local employees" statewide of 383,862 active and 243,857 retired for a total of 598,719 members. The Borough at December 31, 2014 had 41 active and 13 retired employees for a total participation of 54.

The Borough contributes to the NJSHBP, a cost-sharing, multiple-employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. NJSHBP was established in 1961 under N.J.S.A. 52:14-17.25 et seq., to provide health benefits to State employees, retirees, and their dependents. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. NJSHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents. In accordance with GASB's 43 and 45, the NJSHBP has been determined to be a cost-sharing multiple-employer plan. Under GASB 45, the Borough is not required nor allowed to accrue reserves to fund the ultimate payment of the retirees health benefit obligation that is being earned.

The NJSHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the NJSHBP. The Borough authorized participation in the NJSHBP's post-retirement benefit program through resolution.

The New Jersey State Health Benefits ("NJSHB") Commission is the executive body established by statute to be responsible for the operation of the NJSHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the NJSHBP and an annual actuarial valuation report. Those reports may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295 or by visiting their website at www.state.nj.us/treasury/pensions/gasb-43-sept2008.pdf.

Note 11. POST EMPLOYMENT RETIREMENT BENEFITS (CONTINUED)

Funding Policy

Participating employers are contractually required to contribute based on the amount of premiums attributable to their retirees. Post-retirement medical benefits under the plan have been funded on a pay-as-you-go basis since 1994. Prior to 1994, medical benefits were funded on an actuarial basis. The NJSHB Commission sets the employer contribution rate based on the annual required contribution (ARC) of the employers as established in an annual rate recommendation report.

Contributions to pay for the health premiums of participating retirees in the NJSHBP are billed to the Borough on a monthly basis. The number of employees covered and approximate cost for the past three years were as follows:

Fiscal Year	Number of Employees	Employer's Cost
2015	13	$ 53,430.00
2014	10	42,104.00
2013	10	42,542.00

Note 12. INTERFUNDS RECEIVABLE AND PAYABLE

Interfund receivable and payable balances at December 31, 2015 were as follows:

Fund:	Interfund Receivable	Interfund Payable
Current		$ 78.00
Animal Control Trust	$ 78.00	
Electric Utility Operating	1,000,000.00	
Electric Utility Capital		1,000,000.00
General Capital	50,000.00	
Grant		50,000.00
	$ 1,050,078.00	$ 1,050,078.00

These interfunds will be liquidated in the next succeeding fiscal year.

Note 13. RISK MANAGEMENT

Property and Liability Insurance

The Borough, together with other governmental units, are members of the Middlesex County Municipal Joint Insurance Fund (the "Fund"). The Fund, which is organized and operated pursuant to the regulatory authority of the Departments of Insurance and Community Affairs, State of New Jersey, provides for a pooling of risks, subject to established limits and deductibles. In addition, the Fund has obtained cost effective reinsurance and excess liability coverages for participant local units.

For the year ended December 31, 2015, the Fund provided coverage for Property, Boiler and Machinery, Automobile Liability, General Liability, Workmen's Compensation, Public Employee Blanket Bond and public officials surety bond coverage. The coverage is subject to certain policy limits and deductible amounts. The coverage is designed to minimize the impact of any potential losses to the Borough for matters that may have been caused or related to the Borough or its employees.

New Jersey Unemployment Compensation Insurance

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

Year Ended December 31,	Employer Contributions	Interest Earned	Amount Reimbursed	Ending Balance
2015	$ 38,311.72	$ None	$ 22,414.42	$ 52,112.85
2014	None	None	25,631.36	36,215.55
2013	15,000.00	None	27,072.94	61,846.91

Note 14. DEFERRED COMPENSATION PLAN

The Borough of Milltown offers its employees a Deferred Compensation Plan created in accordance with the provisions of N.J.S. 43:15B-1 et seq., and the Internal Revenue Code, Section 457. The Plan, available to all municipal employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

Statutory and regulatory requirements governing the establishment and operation of Deferred Compensation Plans have been codified in the New Jersey Administrative Code under the reference N.J.A.C. 5:37. The "Small Business Job Protective Act of 1996" modified several provisions of Section 457 of the Internal Revenue Code. The most significant change in the law related to the ownership of the fund.

The Borough of Milltown authorized such modifications to their plan by resolution of the Borough Council adopted September 10, 1997. The Deferred Compensation Plan is administered by the Nationwide Retirement Solutions.

Note 15. LENGTH OF SERVICE AWARDS PROGRAM

On November 2, 1999, the voters of the Borough approved a referendum authorizing the establishment of a Length of Service Awards Program (LOSAP). On November 2, 1999 the voters of the Borough approved the annual appropriation subject to a per member minimum of $1,150.00 plus annual cost of living increase and a maximum of $85,000.00. The LOSAP will provide tax-deferred income benefits to the active volunteer fire fighters and first aid members who are eligible to participate.

The LOSAP funds are administered independently and distinct from the Borough and are subjected to a review in accordance with the American Institute of Certified Public Accounts Standards for Accounting and Review Services. A separate report as of December 31, 2015 revealed net assets available for benefits of $850,117.25. The Borough's contribution for December 31, 2015 is approximately $58,836.17 chargeable to the 2015 budget.

	Total	Per Member		
		From		To
2015	$ 55,422.07	$ 1,168.40	-	$ 1,269.81
2014	63,271.91	1,152.88	-	1,269.81
2013	56,131.50	1,152.88	-	1,269.81

Note 16. COMMITMENTS AND CONTINGENT LIABILITIES

A. Accrued Sick and Vacation Benefits

The Borough of Milltown has contractual agreements with two unions, which allow employees, upon retirement, to be compensated for unused sick time. The contract with the P.B.A. states that employees hired after January 1, 1990 will not carryover or accumulate sick leave from year to year for retirement purposes. Employees who retire will receive a lump sum payment for unused sick time at the rate of one-half day for every full day earned and unused in an amount not to exceed $15,000.00, credited on their employment records and certified by the Borough on the effective date of their retirement, at the prevailing rate of pay at the time of retirement.

Other union employees, upon retirement, will be compensated at the rate of one-half day for every full day earned and unused, at the current rate of pay at the time of retirement, but not to exceed $12,000.00. A similar policy exists for non-union employees.

All vacation time earned by employees can be carried over and is to be paid to the employee, upon termination with the Borough, at the current rate of pay. The Borough's estimated total liability for sick and vacation time as at December 31, 2015 was $512,000.00. Management believes this amount approximates the calculation as required by GASB #16; however, the actual potential liability could ultimately be lower than the reported amount.

The Borough has earmarked funds over the past several years for the ultimate payout of compensated absences upon retirement. The balances at December 31, 2015 for $145,698.64 are included in Trust Other Fund reserve for accumulated absences.

B. Grants

The Borough of Milltown participates in federally and state assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The Borough is potentially liable for expenditures which may be disallowed pursuant to the terms of these grant programs. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.

Note 16. COMMITMENTS AND CONTINGENT LIABILITIES (CONTINUED)

C. Interlocal Agreement

The Borough has an agreement with a neighboring municipality to provide sewer flow-through services to the county sewerage authority for treatment. In years 2006 through 2010 the provider did not properly bill the Borough. In 2011, the Borough entered into a memorandum of understanding with regards to payment of the backcharges which were the result of an inquiry by both parties. The understanding is that $462,107.38 in total will be paid; however, in ten (10) equal annual installments, commencing in 2012 with final payment due in 2021. There are various remedies in the event of tardiness or default.

D. Reserve for State Tax Appeals

The Borough has a Reserve for State Tax Appeals at December 31, 2015 of $50,000.00 which represents an estimate for tax appeals that are pending for 2015. In the event the appeals are awarded in excess of that amount, then a charge to Fund Balance/(Operations) will be needed.

E. Litigation

The Borough is a party to various legal proceedings. These legal proceedings are not likely to have an adverse financial impact on the Borough, based on inquiry of management and the various attorneys.

PART II – SUPPLEMENTARY DATA AND SCHEDULES

CURRENT FUND

Exhibit A-4

BOROUGH OF MILLTOWN
SCHEDULE OF CASH, TREASURER
CURRENT FUND

	Ref.		Current Fund		Grant Fund
BALANCE, DECEMBER 31, 2014	A		$ 1,495,202.13		$ 39,447.63
INCREASED BY:					
Due from State of NJ - Seniors & Veterans	A-6	$ 92,255.48			
Taxes Receivable	A-7	22,669,845.08			
Revenue Accounts Receivable	A-10	2,874,178.76			
Grants Receivable	A-23			$ 97,407.57	
Unappropriated Reserves	A-25			1,571.00	
Grant Match	A-24			3,100.00	
Other Reserves	A-14	356,544.47			
Prepaid Taxes	A-19	219,148.00			
Tax Overpayments	A-16	860.88			
Contra Receipts - 2014 Appropriation Reserves	A-13	361.00			
Interfunds	A-11	78.00		24,785.25	
			26,213,271.67		126,863.82
			27,708,473.80		166,311.45
DECREASED BY:					
2015 Appropriations	A-3	$ 7,278,365.57			
2014 Appropriation Reserves	A-13	275,332.22			
Appropriated Reserves	A-24			109,420.55	
Other Reserves	A-14	333,741.07			
Reserve for Encumbrances	A-26			4,047.44	
Commitments Payable	A-15	58,336.71			
Tax Overpayments	A-16	586.35			
Local School District Tax	A-17	14,363,642.00			
County Taxes	A-18	3,400,641.49			
Refund of Prior Year Revenue	A-1	250.00			
Interfunds	A-11	24,785.25			
			25,735,680.66		113,467.99
BALANCE, DECEMBER 31, 2015	A		$ 1,972,793.14		$ 52,843.46

Exhibit A-5

BOROUGH OF MILLTOWN
SCHEDULE OF CHANGE FUNDS
CURRENT FUND

	Ref.	Total	Collector	Clerk
BALANCE, DECEMBER 31, 2014	A	$ 350.00	$ 200.00	$ 150.00
AND				
BALANCE, DECEMBER 31, 2015	A	$ 350.00	$ 200.00	$ 150.00

Exhibit A-6

SCHEDULE OF DUE FROM STATE OF NEW JERSEY
FOR ALLOWABLE DEDUCTIONS PER CHAPTER 20, P.L. 1976
CURRENT FUND

	Ref.		
BALANCE, DECEMBER 31, 2014	A		$ 16,587.23
INCREASED BY:			
Allowable Deductions per Tax Billings	A-7	$ 92,500.00	
Senior Citizens and Veterans Deduction Allowed by Collector Year 2015	A-7	1,000.00	
			93,500.00
			110,087.23
DECREASED BY:			
Collected	A-4	$ 92,255.48	
Collected - Customer Senior Citizens and Veterans Deduction Allowed by Collector			
Year 2014	A-1	138.36	
Year 2015	A-7	854.79	
			93,248.63
BALANCE, DECEMBER 31, 2015			$ 16,838.60
Analysis of Senior Citizens and Veterans Deductions Allowed - 2015 Taxes			
Per Tax Billings	A-6		$ 92,500.00
Allowed (Disallowed) by Tax Collector (Net)	A-7		145.21
	A-7		$ 92,645.21

BOROUGH OF MILLTOWN
CURRENT FUND
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

Year	Balance December 31, 2014	Tax Levy	Added Taxes	Collections 2014	Collections 2015	State Share Senior Citizens and Veterans Deductions Allowed	Tax Over-payments Applied	County Tax Board Judgments	Transferred to Tax Title Liens Receivable	Balance December 31, 2015
2013	$ 5,411.79									$ 5,411.79
2014	8,365.95		$ 138.36		$ 1,637.41					6,866.90
	13,777.74		138.36		1,637.41					12,278.69
2015		$ 23,280,722.46		123,551.80	22,668,207.67	$ 92,645.21	$ 13,743.47	$ 39,855.54	$ 335,579.86	$ 7,138.91
	$ 13,777.74	$ 23,280,722.46	$ 138.36	$ 123,551.80	$ 22,669,845.08	$ 92,645.21	$ 13,743.47	$ 39,855.54	$ 335,579.86	$ 19,417.60
Ref	A	A-7	A-7	A-19	A-4	A-6	A-16		A-8	A

BOROUGH OF MILLTOWN
CURRENT FUND
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

ANALYSIS OF 2015 PROPERTY TAX LEVY	Ref.		
Tax Yield:			
General Purpose Tax			$ 23,277,562.51
Added Taxes			3,159.95
	A-7		$ 23,280,722.46
TAX LEVY			
Local School District Tax	A-17		$ 14,700,845.00
County Taxes:			
County Tax	A-18	$ 3,144,089.89	
County Open Space Tax	A-18	256,551.60	
			3,400,641.49
Total Local School and County Taxes			18,101,486.49
Local Tax for Municipal Purposes	A-2	$ 4,891,992.99	
Municipal Library Tax	A-2	284,083.03	
Add: Taxes Levied		3,159.95	
Total Local Tax for Municipal Purposes Levied			5,179,235.97
Total Tax Levy	A-7		$ 23,280,722.46
ANALYSIS OF ADDED TAXES - 2014			
Senior Citizens and Veterans Deduction Disallowed by Collector	A-1, A-6		$ 138.36
	A-7		$ 138.36
CURRENT TAXES REALIZED - 2015:			
Tax Overpayments Applied	A-7		$ 13,743.47
Senior Citizens & Veterans	A-7		92,645.21
Cash Receipts	A-7		22,668,207.67
Prepayments	A-7		123,551.80
	A-2		22,898,148.15
Less: Reserve for State Tax Appeals	A-15		50,000.00
	A-1		22,848,148.15
Add: Reserve for Uncollected Tax	A-3		415,000.00
			23,263,148.15
Less: Allocated to School and County	A-17/A-18		18,101,486.49
	A-2		$ 5,161,661.66

Exhibit A-8

BOROUGH OF MILLTOWN
CURRENT FUND
SCHEDULE OF TAX TITLE LIENS RECEIVABLE

	Ref.	
BALANCE, DECEMBER 31, 2014	A	$ 957,347.67
INCREASED BY:		
Transferred from Taxes Receivable	A-7	335,579.86
BALANCE, DECEMBER 31, 2015	A	$ 1,292,927.53

Exhibit A-9

BOROUGH OF MILLTOWN
CURRENT FUND
SCHEDULE OF PROPERTY ACQUIRED FOR TAXATION

	Ref.		
BALANCE, DECEMBER 31, 2014	A	$	3,400.00
AND			
BALANCE, DECEMBER 31, 2015	A	$	3,400.00

There was no change during the year.

BOROUGH OF MILLTOWN
CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	Ref.	Balance December 31, 2014	Accrued 2015	Collected	Balance December 31, 2015
Local Revenues:					
Alcoholic Beverages	A-2		$ 4,725.00	$ 4,725.00	
Fees and Permits	A-2		35,593.71	35,192.41	$ 401.30
Municipal Court	A-2	$ 13,304.79	160,907.82	162,061.06	12,151.55
Interest and Costs on Taxes	A-2		32,527.10	32,527.10	
Interest on Investments and Deposits	A-2		10,438.57	10,438.57	
Anticipated Utility Operating Surplus - Electric	A-2		622,341.00	622,341.00	
Swimming Pool Fees	A-2		118,342.00	118,342.00	
Cable Television Franchise Fees	A-2		32,783.00	32,783.00	
Recreation Fees	A-2		86,844.84	86,844.84	
		13,304.79	1,104,503.04	1,105,254.98	12,552.85
State Aid with Offsetting Appropriations:					
Consolidated Municipal Property Tax Relief Aid	A-2		57,688.00	57,688.00	
Energy Receipts Tax (P.L.1997, Chapters 162&167)	A-2		329,481.00	329,481.00	
			387,169.00	387,169.00	
Dedicated Uniform Construction Code Fees Offset with Appropriations (NJSA 40A:4-36 and NJAC 5:23-4.17):					
Uniform Construction Code Fees	A-2		102,569.00	102,569.00	
Special Items - Additional Revenue:					
Donation - Milltown Revitalization Committee	A-2		12,460.00	12,460.00	
School Age Child Care	A-2		367,193.45	367,193.45	
			379,653.45	379,653.45	
Other Special Items:					
Payment in Lieu of Taxes - ARISA Redevelopment	A-2		113,010.64	113,010.64	
Utility Operating Surplus of Prior Year - Electric	A-2		589,000.00	589,000.00	
Cell Tower Lease	A-2		63,987.33	63,987.33	
			765,997.97	765,997.97	
		$ 13,304.79	$ 2,739,892.46	$ 2,740,644.40	$ 12,552.85

BOROUGH OF MILLTOWN
CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	Ref.	Balance December 31, 2014	Accrued 2015	Collected	Balance December 31, 2015
Non-Budget Revenue:					
State of NJ - DMV Inspection Fines			$ 2,187.50	$ 2,187.50	
Admin Fee Senior Citizen & Veterans Deductions			1,845.11	1,845.11	
Senior Citizen Program			4,052.00	4,052.00	
NSF Check Fee			70.00	70.00	
Duplicate Bill Fee			15.00	15.00	
Snack Shack Revenue			3,376.00	3,376.00	
Restitution			2,696.00	2,696.00	
Miscellaneous			2,322.22	2,322.22	
Towing Fee			4,025.00	3,625.00	$ 400.00
Tax Search			10.00	10.00	
Police Construction			8,355.49	8,355.49	
Soccer Field Activities			1,426.88	1,426.88	
Settlement Claim (Senior Center)			2,755.55	2,755.55	
Property Damage Reimbursement			1,252.00	1,252.00	
Catch Basin Cleaning (Helmetta)			1,200.00	1,200.00	
Baseball Field Activities			1,450.00	1,450.00	
FEMA (Hurricane Irene)			90,222.00	90,222.00	
Cit-E-Net Fees			157.05	157.05	
Void Prior Year Outstanding Checks			4,435.68	4,435.68	
Refund Prior Year - Group Insurance			14,540.88	14,540.88	
	A-1, A-2		$ 146,394.36	$ 145,994.36	$ 400.00
		$ 13,304.79	$ 2,886,286.82	$ 2,886,638.76	$ 12,952.85
	Ref.	A	Reserve		A

	Ref.	
Analysis of Miscellaneous Revenues:		
Revenue Account Receivable Collections	A-14	$ 12,460.00
Current Year Collections	A-4	2,728,184.40
		$ 2,740,644.40
Analysis of Non Budget Revenue:		
Cash Receipts	A-2, A-11	$ 145,994.36
		$ 2,886,638.76

Exhibit A-11

BOROUGH OF MILLTOWN
CURRENT FUND
SCHEDULE OF INTERFUNDS RECEIVABLE/(PAYABLE)

	Ref.	Balance December 31, 2014	Decreases	Balance December 31, 2015
Due from/(to) Grant Fund	A-22	$ 34,043.50	$ 34,043.50	
Due from/(to) Animal Control Trust Fund	B-1		78.00	$ (78.00)
		$ 34,043.50	$ 34,121.50	$ (78.00)
	Ref.	A	A-4/A-22	A

Detail:				
Receivable	A	$ 34,043.50		
Payable	A			$ (78.00)
		$ 34,043.50		$ (78.00)

Cancellation of Appropriated Reserves	A-22/A-24	$ 18,789.66
Cancellation of Grants Receivable	A-22/A-23	9,531.41
	A-1	9,258.25
Add: Cash Disbursed	A-4	24,785.25
		34,043.50
Add: Due to Animal Control Trust Fund	A-4	78.00
	A-11	$ 34,121.50

Exhibit A-12

BOROUGH OF MILLTOWN
CURRENT FUND
SCHEDULE OF DUE FROM TOWNSHIP OF EAST BRUNSWICK

	Ref.	
BALANCE, DECEMBER 31, 2014	A	8,450.00
AND		
BALANCE, DECEMBER 31, 2015	A	$ 8,450.00

BOROUGH OF MILLTOWN
CURRENT FUND
SCHEDULE OF 2014 APPROPRIATION RESERVES

	Balance December 31, 2014			Balance After Transfers	Paid or Charged	Balance Lapsed
	Appropriation Reserves	Reserve for Encumbrances	Transfers			
Salaries and Wages:						
Operations - Within "CAPS":						
General Administration	$ 50.83			$ 50.83		$ 50.83
Mayor and Council	30.36			30.36		30.36
Municipal Clerk	2,459.75		$ (1,000.00)	1,459.75		1,459.75
Financial Administration	1,947.65			1,947.65		1,947.65
Assessment of Taxes	902.04			902.04	$ 350.00	552.04
Collection of Taxes	561.38			561.38		561.38
Municipal Land Use Law (N.J.S.A. 40:55D-1 et seq.):						
Zoning/Board of Adjustments	127.92			127.92		127.92
Municipal Prosecutor	1,240.00	$ 2,400.00		3,640.00	2,400.00	1,240.00
Municipal Court	1,897.79			1,897.79	938.77	959.02
Police						
Regular	30,864.73		(8,500.00)	22,364.73	9,694.79	12,669.94
Dispatchers	7,967.41		(4,500.00)	3,467.41	1,663.04	1,804.37
Crossing Guards	4,877.44			4,877.44	4,877.44	
Emergency Management Services	205.00			205.00		205.00
Road Repairs and Maintenance	3,674.14		(2,000.00)	1,674.14		1,674.14
Vehicle Maintenance (Central Garage)	2,271.95		(1,000.00)	1,271.95	109.69	1,162.26
Street Cleaning	3,775.88		(1,500.00)	2,275.88		2,275.88
Garbage and Trash Removal	5,787.49		(4,000.00)	1,787.49		1,787.49
Public Buildings and Grounds	506.94			506.94		506.94
Recycling	1,819.96			1,819.96		1,819.96
Board of Health	676.03			676.03	100.00	576.03
Parks and Playgrounds	4,349.06		(2,000.00)	2,349.06		2,349.06
Department of Recreation	758.34			758.34		758.34
Office on Aging (Social Services)	5,070.36		(2,500.00)	2,570.36	355.60	2,214.76
Telephone	2,954.04			2,954.04	976.62	1,977.42
Terminal Leave:						
Sick and Vacation			10,000.00	10,000.00	10,000.00	
Planning Board:						
Dedicated Revenues (N.J.A.C. 5:23-4.17)						
Construction Code Official	129.24			129.24		129.24
Total Salaries and Wages	$ 84,905.73	$ 2,400.00	(17,000.00)	$ 70,305.73	$ 31,465.95	$ 38,839.78

BOROUGH OF MILLTOWN
CURRENT FUND
SCHEDULE OF 2014 APPROPRIATION RESERVES

	Balance December 31, 2014			Balance After Transfers	Paid or Charged	Balance Lapsed
	Appropriation Reserves	Reserve for Encumbrances	Transfers			
Other Expenses:						
Operations - Within "CAPS":						
General Administration	$ 266.79	$ 110.00		$ 376.79	$ 110.00	$ 266.79
Mayor and Council	517.91	670.60		1,188.51	785.60	402.91
Payroll Processing Fees	1,206.47	352.06		1,558.53	817.80	740.73
Municipal Clerk	1,816.51	2,272.59		4,089.10	3,055.40	1,033.70
Financial Administration:						
Annual Audit	1,488.00			1,488.00		1,488.00
Misc. Other Expenses	2,238.49	310.91		2,549.40	910.91	1,638.49
Assessment of Taxes	60.59	1,738.80		1,799.39	1,747.43	51.96
Collection of Taxes	701.90	523.14		1,225.04	560.64	664.40
Legal Services	4,520.58	13,396.20	$ 9,000.00	26,916.78	26,916.78	
Engineering Services and Costs:						
Misc. Other Expenses	4,531.62	1,051.54	(3,000.00)	2,583.16	1,184.04	1,399.12
Ground Water Monitoring	100.00			100.00		100.00
Municipal Land Use Law (N.J.S.A. 40:55D-1 et seq.):						
Zoning/Board of Adjustment	528.23	610.52		1,138.75	610.52	528.23
Planning Board	1,850.00		(500.00)	1,350.00		1,350.00
Board of Adjustment	1,966.25		(500.00)	1,466.25		1,466.25
Insurance:						
Surety Bonds	305.00			305.00		305.00
Other Insurance Premiums	4.65			4.65		4.65
Workers' Compensation	25.80			25.80		25.80
Group Insurance Plan for Employees	8,928.85	232.00	(2,000.00)	7,160.85	2,547.04	4,613.81
Unemployment Insurance	3,500.00			3,500.00	3,500.00	
Health Benefit Waiver	279.01			279.01		279.01
Fire:						
Other Misc. Expenses	5,049.11	17,669.22		22,718.33	20,626.19	2,092.14
Municipal Court	3,308.77	1,624.19		4,932.96	1,624.19	3,308.77
Public Defender (P.L. 1997, C.256)	5,100.00	350.00		5,450.00	350.00	5,100.00
Police:						
Telephone	215.79	1,363.84		1,579.63	1,363.84	215.79
Other Misc. Expenses	1,826.12	17,954.75	2,000.00	21,780.87	21,350.93	429.94
Crossing Guards	2,696.56	175.00		2,871.56	175.00	2,696.56
Emergency Management Services	219.20	152.04		371.24	152.04	219.20
Road Repairs and Maintenance	1,469.18	1,594.24		3,063.42	2,385.92	677.50
Snow Removal			25,000.00	25,000.00	25,000.00	
Vehicle Maintenance (Central Garage)	206.28	18,283.77	1,000.00	19,490.05	18,376.38	1,113.67
Street Cleaning	1,815.76	248.55		2,064.31	278.85	1,785.46
Shade Tree Commission	1,183.71	12,500.00		13,683.71	12,620.00	1,063.71
Garbage and Trash Removal:	10,248.23	31,405.24	(1,500.00)	40,153.47	37,109.11	3,044.36
Environmental Commission	550.00			550.00	60.00	490.00

BOROUGH OF MILLTOWN
CURRENT FUND
SCHEDULE OF 2014 APPROPRIATION RESERVES

	Balance December 31, 2014			Balance After Transfers	Paid or Charged	Balance Lapsed
	Appropriation Reserves	Reserve for Encumbrances	Transfers			
Other Expenses (Continued):						
Operations - Within "CAPS" (Continued):						
O.S.H.A. Requirement (P.L. 1983 Ch. 516)						
Public Works	$ 2,535.71			$ 2,535.71		$ 2,535.71
Public Works:						
UST Remediation	4,167.42	$ 235.92	$ (2,500.00)	1,903.34	$ 466.67	1,436.67
Public Buildings and Grounds	1,814.17	9,193.63		11,007.80	10,230.60	777.20
Recycling	2,805.27	1,141.52	(1,000.00)	2,946.79	922.50	2,024.29
Board of Health	218.00			218.00		218.00
Dog Regulation	500.00			500.00		500.00
Property Clean-Ups	11,700.00		(6,000.00)	5,700.00	325.00	5,375.00
Parks and Playgrounds	2,498.81	6,716.87		9,215.68	6,761.15	2,454.53
Department of Recreation	7,057.99	6,484.90	(2,000.00)	11,542.89	6,262.40	5,280.49
Celebration of Public Events	5,453.42	343.00		5,796.42	343.00	5,453.42
Office on Aging (Social Services)	111.10	4,057.98		4,169.08	3,568.50	600.58
Pool Expenses	85.26	1,507.36		1,592.62		1,592.62
Telephone	590.23	816.96		1,407.19	816.96	590.23
Gasoline	6,443.32	4,899.62	(1,000.00)	10,342.94	6,734.89	3,608.05
Natural Gas - Heating	1,563.95	691.42		2,255.37	2,204.24	51.13
Uniform Construction Code - Appropriations Offset by Dedicated Revenues (N.J.A.C. 5:23-4.17):						
Construction Code Official	608.67			608.67		608.67
Contingent	1,000.00			1,000.00		1,000.00
Deferred Charges and Statutory Expenditures - Municipal within "CAPS":						
Statutory Expenditures:						
Contribution to:						
Social Security System (O.A.S.I.)	9,900.29			9,900.29	1,142.17	8,758.12
Operations - Excluded from "CAPS":						
Other Operations - Excluded from "CAPS":						
Maintenance of Free Public Library	13,077.32	76.45		13,153.77	13,153.77	0.00
NJPDES/Stormwater Permit (N.J.S.A. 40A:4-45.3(cc))						
Engineering - Other Expenses	2,317.82			2,317.82		2,317.82
Interlocal Municipal Service Agreements						
Board of Health - County of Middlesex						
Public Health Service Contract						
Other Expenses & EDRS	194.03			194.03		194.03

BOROUGH OF MILLTOWN
CURRENT FUND
SCHEDULE OF 2014 APPROPRIATION RESERVES

	Balance December 31, 2014			Balance After Transfers	Paid or Charged	Balance Lapsed
	Appropriation Reserves	Reserve for Encumbrances	Transfers			
Other Expenses (Continued):						
Operations - Excluded from "CAPS": (Continued)						
Middlesex County Improvement Authority						
Recycling Program	$ 16,531.03	$ 4,518.15		$ 21,049.18	$ 5,940.63	$ 15,108.55
Township of East Brunswick						
Public Safety Comm. System	3,600.00			3,600.00		3,600.00
Borough of Helmetta						
Animal Control	196.00			196.00		196.00
Shelth	704.25	204.00		908.25	204.00	704.25
Township of South Brunswick						
Mobile Data Terminal System	1,500.00	3,000.00		4,500.00	3,000.00	1,500.00
County of Middlesex Radio Network	1,650.00			1,650.00		1,650.00
Additional Appropriations Offset by Revenues (NJSA 40A:4-45.3h)						
School Age Child Care Program	38,322.84	5,486.86		43,809.70	10,890.18	32,919.52
Donations-Milltown Revital. Comm.		400.00		400.00		400.00
Matching Funds for Grants	2,000.00			2,000.00		2,000.00
Total Other Expenses	$ 207,872.26	$ 174,363.84	$ 17,000.00	$ 399,236.10	$ 257,185.27	$ 142,050.83
Grand Total	$ 292,777.99	$ 176,763.84		$ 469,541.83	$ 288,651.22	$ 180,890.61
Ref.	A	A, A-20				A-1

Details:	Ref.		
Cash Disbursed	A-4	$ 275,332.22	
Less: Contra Receipts	A-4	(361.00)	$
Commitments Payable	A-15		13,680.00
			$ 288,651.22

Exhibit A-14

BOROUGH OF MILLTOWN
CURRENT FUND
SCHEDULE OF OTHER RESERVES

Purpose	Ref.	Balance December 31, 2014	Increases	Decreases	Balance December 31, 2015
DCA Fees		$ 1,942.00	6,791.00	7,072.00	$ 1,661.00
Developers Agreement - Storm Drainage		7,150.00			7,150.00
Milltown Revitalization		12,460.00	6,539.08	12,732.04	6,267.04
Milltown Revitalization - Clock		3,879.33		1,062.04	2,817.29
Reserve for DPW Garage Repair		7,792.53			7,792.53
Reserve for Other Liens			343,214.39	325,334.99	17,879.40
State Tax Appeals			50,000.00		50,000.00
		$ 33,223.86	$ 406,544.47	$ 346,201.07	$ 93,567.26
	Ref.	A	Reserve		A

Cash Disbursements	A-4	$ 333,741.07
Transfer to Miscellaneous Anticipated Revenue	A-2	12,460.00
		$ 346,201.07

Detail:

Cash Receipt	A-4	$ 356,544.47
Allocation of Current Tax Collections	A-7	50,000.00
		$ 406,544.47

Exhibit A-15

BOROUGH OF MILLTOWN
SCHEDULE OF COMMITMENTS PAYABLE
CURRENT FUND

	Ref.		
BALANCE, DECEMBER 31, 2014	A		$ 119,706.45
INCREASED BY:			
Charged to 2014 Appropriation Reserves	A-13	$ 13,680.00	
Charged to 2015 Appropriations	A-3	60,000.00	
			73,680.00
			193,386.45
DECREASED BY:			
Cash Disbursed	A-4	$ 58,336.71	
			58,336.71
BALANCE, DECEMBER 31, 2015	A		$ 135,049.74

Analysis of Balance at December 31, 2015	
LOSAP	$ 85,865.37
Appropriations	49,184.37
	$ 135,049.74

Exhibit A-16

SCHEDULE OF TAX OVERPAYMENTS
CURRENT FUND

	Ref.		
BALANCE, DECEMBER 31, 2014	A		$ 38,601.45
INCREASED BY:			
Collected	A-4		860.88
			39,462.33
DECREASED BY:			
Refunded	A-4	$ 586.35	
Applied to 2015 Taxes Receivables	A-7	13,743.47	
			14,329.82
BALANCE, DECEMBER 31, 2015	A		$ 25,132.51

Exhibit A-17

BOROUGH OF MILLTOWN
SCHEDULE OF LOCAL DISTRICT SCHOOL TAX PAYABLE
CURRENT FUND

	Ref.		
BALANCE, DECEMBER 31, 2014			
Payable	A	$ 215,836.00	
Deferred School Taxes	A-17	6,552,016.00	$ 6,767,852.00
INCREASED BY:			
Levy, School Year July 1, 2015 to June 30, 2016	A-7		14,700,845.00
			21,468,697.00
DECREASED BY:			
Cash Disbursed - Charged to Operations	A-1, A-4		14,363,642.00
BALANCE, DECEMBER 31, 2015			
Payable	A	$ 215,836.00	
Deferred School Taxes	A-17	6,889,219.00	$ 7,105,055.00

Exhibit A-18

SCHEDULE OF COUNTY TAXES PAYABLE
CURRENT FUND

	Ref.		
INCREASED BY:			
2015 Tax Levy:			
County Tax	A-1, A-7	$ 3,144,089.89	
County Open Space Tax	A-1, A-7	256,551.60	
			$ 3,400,641.49
DECREASED BY:			
2015 Levy Payment	A-4		3,400,641.49

Exhibit A-19

BOROUGH OF MILLTOWN
SCHEDULE OF PREPAID TAXES
CURRENT FUND

	Ref.		
BALANCE, DECEMBER 31, 2014	A	$	123,551.80
INCREASED BY:			
2016 Prepaid Taxes	A-4		219,148.00
			342,699.80
DECREASED BY:			
Applied to 2015 Taxes	A-7		123,551.80
BALANCE, DECEMBER 31, 2015	A	$	219,148.00

Exhibit A-20

SCHEDULE OF RESERVE FOR ENCUMBRANCES
CURRENT FUND

	Ref.		
BALANCE, DECEMBER 31, 2014	A	$	176,763.84
INCREASED BY:			
Charged to 2015 Appropriations	A-3		179,907.04
			356,670.88
DECREASED BY:			
Transferred to 2014 Appropriation Reserves	A-13		176,763.84
BALANCE, DECEMBER 31, 2015	A	$	179,907.04

Exhibit A-21

BOROUGH OF MILLTOWN
CURRENT FUND
SCHEDULE OF DUE TO GENERAL CAPITAL FUND

	Ref.		
BALANCE, DECEMBER 31, 2014	A	$	50,000.00
AND			
BALANCE, DECEMBER 31, 2015	A	$	50,000.00

There was no change during the year.

Exhibit A-22

BOROUGH OF MILLTOWN
SCHEDULE OF DUE FROM/(TO) CURRENT FUND
GRANT FUND

	Ref.		
BALANCE, DECEMBER 31, 2014 (DUE FROM)	A		$ 34,043.50
INCREASED BY:			
Cancellation of Grants Receivable	A-23		9,531.41
			43,574.91
DECREASED BY:			
Cancellation of Appropriated Reserves	A-24	$ 18,789.66	
Cash Received	A-11	24,785.25	
			43,574.91

Exhibit A-23

BOROUGH OF MILLTOWN
GRANT FUND
SCHEDULE OF GRANTS RECEIVABLE

	Balance December 31, 2014	Increased by: 2015 Budget Revenue Realized	Increased by: Added by 40A:4-87	Decreased by: Cash Received	Decreased by: Canceled	Balance December 31, 2015
Federal:						
HUD Block Grant-Senior Program						
2012	$ 16,701.59			$ 16,701.59		
2013	22,629.00			22,629.00		
2014	37,940.00			15,852.80		$ 22,087.20
2015		$ 35,140.00				35,140.00
Office on Aging						
2009	215.00					215.00
2014	285.00			285.00		
2015		6,000.00		5,215.00		785.00
	$ 77,770.59	$ 41,140.00		$ 60,683.39		$ 58,227.20
State:						
ANJEC Smart Growth Planning Grant:	$ 2,400.00				$ 2,400.00	
Body Armor Replacement Program			$ 1,762.91	1,762.91		
Clean Communities Program			14,475.28	14,475.28		
Middlesex County Sustainable Econ Growth Grant	945.00				945.00	
Sustainable Jersey Small Grant 2013	5,000.00			5,000.00		
NJLM Education Fund	1,150.00				1,150.00	
2012 Quality of Life Grant	2,000.00				2,000.00	
Drunk Driving Enforcement Fund		7,210.54		7,210.54		
Municipal Alliance on Alcoholism and Drug Abuse:						
2010	1,017.75				1,017.75	
2011	2,018.66				2,018.66	
2014	8,244.00			1,835.50		$ 6,408.50
2015		12,276.00		6,439.95		5,836.05
	$ 22,775.41	$ 19,486.54	$ 16,238.19	$ 36,724.18	9,531.41	$ 12,244.55
	$ 100,546.00	$ 60,626.54	$ 16,238.19	$ 97,407.57	$ 9,531.41	$ 70,471.75
Ref.	A			A-4	A-11	A

Detail:

Adopted Budget	A-2	$ 60,626.54
Added by NJSA 40A:4-87	A-2	16,238.19
	A-2	$ 76,864.73

BOROUGH OF MILLTOWN
GRANT FUND
SCHEDULE OF APPROPRIATED RESERVES

	Balance December 31, 2014	Transferred from 2015 Budget Appropriations: Budget	Transferred from 2015 Budget Appropriations: Appropriation by 40A:4-87	Paid or Charged: Cash Disbursed	Paid or Charged: Reserve for Encumbrances/ (Canceled)	Canceled	Balance December 31, 2015
Federal:							
County of Middlesex:							
Community Development Block Grant	$ 3,636.32						$ 3,636.32
Office on Aging Grant							
2015		$ 6,000.00		$ 6,000.00			
Community Development Block Grant:							
2011	13,173.92			13,173.92			
2012	12,992.97			12,992.97			
2013	10,225.82			2,026.11	$ 235.65		7,964.06
2014	25,118.37			15,843.35			9,275.02
2015		35,140.00		14,640.00	1,500.00		19,000.00
Bikeway Program	5,665.25					$ 5,665.25	
	$ 70,812.65	$ 41,140.00		$ 64,676.35	$ 1,735.65	$ 5,665.25	$ 39,875.40
State:							
Clean Communities Program							
2013	$ 3,633.73			$ 3,633.73			
2014	3,819.74			3,819.74			
2015			$ 14,475.28	8,268.58			$ 6,206.70
Municipal Alliance on Alcohol and Drug Abuse:							
Grant							
2012	4,178.76					$ 4,178.76	
2014	823.42			787.25			36.17
2015		12,276.00		8,282.09	$ 614.95		3,378.96
Match							
2012	2,061.00					2,061.00	
2013	1,889.96					1,889.96	
2014	3,100.00			2,847.08			252.92
2015		3,100.00					3,100.00
Probation Department	893.42					893.42	
Municipal Stormwater Grant							
Prior	107.00					107.00	
2008	5.03					5.03	
Drunk Driving Enforcement Fund							
2012	11,321.09			11,321.09			
2015		7,210.54		410.91			6,799.63

BOROUGH OF MILLTOWN
GRANT FUND
SCHEDULE OF APPROPRIATED RESERVES

	Balance December 31, 2014	Transferred from 2015 Budget Appropriations: Budget	Transferred from 2015 Budget Appropriations: Appropriation by 40A:4-87	Paid or Charged: Cash Disbursed	Paid or Charged: Reserve for Encumbrances/ (Canceled)	Canceled	Balance December 31, 2015
State: (Continued)							
Alcohol Education and Rehabilitation Program							
2011	$ 1,884.67						$ 1,884.67
2012	2,482.30						2,482.30
2013	449.65						449.65
Body Armor Replacement Program							
2012	2.00			$ 2.00			
2014	3,371.79			3,269.40			102.39
2015			$ 1,762.91				1,762.91
Law Enforcement Response to Communities Grant	50.00					$ 50.00	
2012 Quality of Life Grant	3,000.00					3,000.00	
Sustainable Jersey Small Grants Program	4,000.74			2,920.74	$ (33.00)		1,113.00
Target Crime Prevention Grant				(818.41)	(608.65)		1,427.06
	$ 47,074.30	$ 22,586.54	$ 16,238.19	$ 44,744.20	$ (26.70)	12,185.17	$ 28,996.36
County of Middlesex:							
Open Space, Recreation, Farmland 2005	$ 5.59					5.59	$
Mill Pond Improvements	438.25					438.25	
Revitalization Program	495.40					495.40	
	$ 939.24					$ 939.24	$
	$ 118,826.19	$ 63,726.54	$ 16,238.19	$ 109,420.55	$ 1,708.95	$ 18,789.66	$ 68,871.76
Ref.	A	A-3	A-3	A-4	A-26	A-11	A

Analysis of Detail:

Grant	$ 60,626.54	$ 16,238.19
Match	3,100.00	
	$ 63,726.54	$ 16,238.19

Transfer	$ 2,353.60
Cancelled	644.65
	$ 1,708.95
	A-26

Exhibit A-25

BOROUGH OF MILLTOWN
GRANT FUND
STATEMENT OF UNAPPROPRIATED RESERVES

	Increased by Cash Received	Balance December 31, 2015
Federal:		
County of Middlesex - Office on Aging	$ 1,571.00	$ 1,571.00
	$ 1,571.00	$ 1,571.00
	A-4	A

Exhibit A-26

BOROUGH OF MILLTOWN
GRANT FUND
SCHEDULE OF RESERVES FOR ENCUMBRANCES

	Ref.		
BALANCE, DECEMBER 31, 2014	A		$ 5,210.94
INCREASED BY:			
Transferred from Appropriated Reserves	A-24		2,353.60
			7,564.54
DECREASED BY:			
Cash Disbursed	A-4	$ 4,047.44	
Canceled	A-24	644.65	4,692.09
BALANCE, DECEMBER 31, 2015	A		$ 2,872.45

TRUST FUND

BOROUGH OF MILLTOWN
SCHEDULE OF CASH, TREASURER
TRUST FUND

	Ref.	Animal Control Fund		Other Trust Fund	
BALANCE, DECEMBER 31, 2014	B		$ 1,164.64		$ 803,949.47
INCREASED BY RECEIPTS:					
Municipal License Fees	B-2	$ 2,525.00			
Various Reserves	B-4			$ 267,951.45	
Unemployment Trust	B-5			38,311.73	
Due from Boro Clerk	A-11, B-1			6.00	
			2,525.00		306,269.18
			3,689.64		1,110,218.65
DECREASED BY DISBURSEMENTS:					
Expenditures	B-2	$ 1,097.00			
Various Reserves	B-4			$ 262,028.04	
Unemployment Trust	B-5			22,414.43	
			1,097.00		284,442.47
BALANCE, DECEMBER 31, 2015	B		$ 2,592.64		$ 825,776.18

BOROUGH OF MILLTOWN
SCHEDULE OF CASH, TREASURER
TRUST FUND

	Ref.	Payroll Trust Fund		Public Assistance Trust Fund
BALANCE, DECEMBER 31, 2014	B		$ 63,172.66	$ 8,973.76
INCREASED BY RECEIPTS:				
Payroll Deductions	B-6	$ 1,727,922.70		
Payroll Taxes - Employer Share	B-6	354,936.96		
			2,082,859.66	
			2,146,032.32	8,973.76
DECREASED BY DISBURSEMENTS:				
Payroll Deductions	B-6	$ 2,080,897.35		
Adjustments	B-6	11.29		
			2,080,908.64	
BALANCE, DECEMBER 31, 2015	B		$ 65,123.68	$ 8,973.76

Exhibit B-2

BOROUGH OF MILLTOWN
SCHEDULE OF RESERVE FOR ANIMAL CONTROL EXPENDITURES
ANIMAL CONTROL FUND

	Ref.		
BALANCE, DECEMBER 31, 2014	B		$ 1,174.64
INCREASED BY:			
Dog License Fees		$ 2,285.00	
Late Fees and Other Charges		78.00	
Cat License Fees		162.00	
	B-1		2,525.00
			3,699.64
DECREASED BY:			
Expenditures	B-1		$ 1,097.00
BALANCE, DECEMBER 31, 2015	B		$ 2,602.64

License Fees Collected:

Year	Amount
2014	$ 2,650.00
2013	2,623.00
	$ 5,273.00

Note: R.S.4:19.11

"..... there shall be transferred from such special account to the general funds of the municipality any amount then in such special account which is in excess of the total amount paid into such special account during the last two fiscal years next preceding."

Exhibit B-3

BOROUGH OF MILLTOWN
SCHEDULE OF DUE TO STATE OF NEW JERSEY
ANIMAL CONTROL FUND

	Ref.		
BALANCE, DECEMBER 31, 2014	B	$	8.40
INCREASED BY:			
Cash Receipts - By Borough Clerk	B-7		635.40
DECREASED BY:			
Cash Disbursements - By Borough Clerk	B-7		643.80

Exhibit B-4

BOROUGH OF MILLTOWN
SCHEDULE OF OTHER RESERVES
TRUST OTHER FUND

Purpose	Balance Dec 31, 2014	Cash Receipts	Cash Disbursements	Due From Municipal Court	Reserve For Encumbrances P/Y	Reserve for Encumbrances C/Y	Balance Dec 31, 2015
Deposits and Performance Bonds	$ 138,796.93	$ 153.39	$ 15,151.83				$ 123,798.49
Developer's Escrow	62,773.58	83.73	925.00		$ (605.25)		62,537.56
Engineering Inspection Escrow Fees	48,645.55	27,062.62	13,721.00			$ 1,196.50	60,790.67
Fire Fines-Fire Department	-		2,632.20		(2,632.20)		-
History Book	3,950.00	-	-				3,950.00
Parking Offense Adjudication Act	576.00	24.00		$ 6.00			606.00
Public Defender Fees	384.79	6,775.21	4,025.00		(700.00)	1,225.00	2,610.00
Recreation Programs	4,917.17	21,644.95	16,528.25		(4,855.00)	1,382.50	13,506.37
Recycling	22,264.04	3,290.11	29,404.14		(3,991.50)		141.51
Senior Citizen Donation	13,143.07	2,550.00	300.00			458.30	14,934.77
Shade Tree Donations	800.00						800.00
Snow Removal	42,562.60	36,567.44	39,879.87		(856.52)	18.80	40,087.89
Street Opening Deposits	6,000.00	1,500.00	500.00				7,000.00
Tax Sale Premium	247,700.00	141,300.00	102,000.00				287,000.00
Teen Council	3,816.15						3,816.15
Translator Services	20.93					14.70	6.23
UCC Penalty	83.25	2,000.00					2,083.25
Accumulated Absences - Current	30,740.17	15,000.00	8,329.45				37,410.72
Accumulated Absences - Water/Sewer	56,918.98	5,000.00	9,340.00				52,578.98
Accumulated Absences - Electric	70,000.24	5,000.00	19,291.30				55,708.94
	$ 754,093.45	$ 267,951.45	$ 262,028.04	$ 6.00	$ (13,640.47)	$ 4,295.80	$ 769,367.53
Ref.	B	B-1	B-1	B	B-7	B-7	B

Exhibit B-5

BOROUGH OF MILLTOWN
SCHEDULE OF RESERVE FOR UNEMPLOYMENT COMPENSATION
TRUST OTHER FUND

	Ref.	
BALANCE, DECEMBER 31, 2014	B	$ 36,215.55
INCREASED BY:		
Cash Receipts from:		
Refund from State of NJ	B-1	38,311.73
		74,527.28
DECREASED BY:		
Cash Disbursed	B-1	22,414.43
BALANCE, DECEMBER 31, 2015	B	$ 52,112.85

Exhibit B-6

BOROUGH OF MILLTOWN
SCHEDULE OF PAYROLL DEDUCTIONS PAYABLE
PAYROLL TRUST FUND

	Balance Dec 31, 2014	Increases: Borough Share	Increases: Payroll Deduction	Decreases	Adjustments	Balance Dec 31, 2015
Federal Withholding Tax			$ 528,449.51	$ 528,449.51		
FICA and Medicare	$ (3.60)	$ 352,469.69	352,367.57	704,837.29	$ 0.03	$ (3.60)
State of NJ Withholding Tax	-		144,862.18	144,862.18		
State of NJ Disability Tax		2,467.27	18,874.61	21,341.87	(0.01)	0.00
PERS	29,921.50		157,871.24	157,945.87		29,846.87
PERS Contributory Group Insurance	2,268.15		10,999.57	11,064.82		2,202.90
PERS Loan	3,881.29		28,525.55	29,211.59		3,195.25
PFRS	19,201.95		129,716.44	129,536.80		19,381.59
PFRS Loan	60.51		44,053.10	42,336.24		1,777.37
NY Life Insurance	(1,127.39)		7,279.28	7,234.83	849.90	(233.04)
Dental Insurance	2,649.63		1,711.02	1,711.02	(1,790.43)	859.20
Health Insurance	-		184,109.95	184,109.95		
Union Dues	1,607.29		18,236.10	18191.4		1,651.99
Arrears - PERS	626.40					626.40
PERS Supplemental Annuity	772.00		2,848.00	3,208.00		412.00
PFRS Supplemental Annuity	41.10					41.10
Deferred Compensation	(1,790.43)		44,429.04	44,429.04	1,790.43	
Garnishment	1,815.78		1,699.32	1,401.24	(820.99)	1,292.87
Child Support	(820.99)		30,377.12	30,377.12	820.99	(0.00)
AFLAC	2,509.47		11,447.02	11,408.02	(849.90)	1,698.57
Dental Copay: "732"			9,286.08	9,240.56		45.52
Taxable Fringe Benefits	1,560.00		780.00			2,340.00
ADP Adjustments					(11.31)	(11.31)
	$ 63,172.66	$ 354,936.96	$ 1,727,922.70	$ 2,080,897.35	$ (11.29)	$ 65,123.68
Ref.	B	B-1	B-1	B-1	B-1	B

( ) Defines deficit.

Exhibit B-7

BOROUGH OF MILLTOWN
SCHEDULE OF DUE FROM BOROUGH CLERK
ANIMAL CONTROL FUND

	Ref.				
BALANCE, DECEMBER 31, 2014	B			$	18.40
INCREASED BY:					
Collected by Borough Clerk					
Animal Control Trust Fund					
State Portion	B-3	$	635.40		
Borough Portion	B-2		2,350.00	$	2,985.40
DECREASED BY:					
Remitted by Borough Clerk to:					
Animal Control Reserve	B-1	$	643.80		
State of New Jersey	B-3		2,360.00		3,003.80

GENERAL CAPITAL FUND

Exhibit C-2

BOROUGH OF MILLTOWN
GENERAL CAPITAL FUND
SCHEDULE OF CASH, TREASURER

	Ref.		
BALANCE, DECEMBER 31, 2014	C, C-3		$ 60,702.15
INCREASED BY:			
Capital Improvement Fund	C-10	$ 25,000.00	
Bond Anticipation Notes	C-9	1,360,000.00	
Deferred Charges to Future Taxation - Unfunded	C-6	13,330.00	
Fund Balance	C-1	15,151.83	
			1,413,481.83
			1,474,183.98
DECREASED BY:			
Improvement Authorizations	C-12	$ 273,194.71	
Reserve for Encumbrances	C-13	271,978.50	
Fund Balance	C-1	573.91	545,747.12
BALANCE, DECEMBER 31, 2015	C, C-3		$ 928,436.86

BOROUGH OF MILLTOWN
GENERAL CAPITAL FUND
ANALYSIS OF CASH

		Balance December 31, 2014	Receipts - Miscellaneous	Disbursements: Improvement Authorizations	Disbursements: Miscellaneous	Transfer: From	Transfer: To	Balance December 31, 2015
Fund Balance		$ 4,556.15	$ 15,151.83		$ 573.91		$ 28,687.43	$ 47,821.50
Capital Improvement Fund		65,005.74	25,000.00			$ 27,000.00		63,005.74
Reserve for Encumbrances		291,732.00			271,978.50	19,306.75	1,107,149.53	1,107,596.28
Reserve for Water Retention		11,428.58						11,428.58
Due from Grant Fund		(50,000.00)						(50,000.00)
Due from NJDOT		(434,794.00)					43,922.91	(390,871.09)
Improvement Authorizations:								
Ordinance Number	Description							
1074	Improve. To Intersection at Booream Ave, Ochs Ave, Main St	(53,318.51)	13,330.00					(39,988.51)
1212	2005 Road Improvements and Improvements to Borough Hall	81.41				81.41		
1237	Brook Drive Phase II Road Improvements	1,424.34				1,424.34		
1249/1320	Various Capital Improvements	3,639.61				3,639.61		
1282	Preliminary Expense New Firehouse	3,001.14					9,980.59	12,981.73
1293	2009 Milling and Paving Program	1,515.51				1,515.51		
1295	Acquisition of a Garbage Truck and Garbage Packer	2,404.63				2,404.63		
1319/1342	Improvement to Brook Dr and Construction of the School Street retaining Wall	391,170.41		$ 366.50		348,013.00	2,388.00	45,178.91
1329/1352	Improvements to South Street Area Roadway					43,922.91	697.05	(43,225.86)
1335	Refunding Bonds 2011	2,711.23				2,711.23		
1349	Acquisition of Kuhlthau Avenue	1,944.98		123.00		7,691.34	5,869.36	

BOROUGH OF MILLTOWN
GENERAL CAPITAL FUND
ANALYSIS OF CASH

		Balance December 31, 2014	Receipts - Miscellaneous	Disbursements: Improvement Authorizations	Disbursements: Miscellaneous	Transfer: From	Transfer: To	Balance December 31, 2015
1356	Purchase of Police Car Video Cameras	$ 6,624.84				$ 6,624.84		
1357	Acquisition of New Radio Communication System	1,059.31		$ 946.09		113.22		
1363	Tree Removal Services	2,481.30				2,481.30		
1393	Phase II of the South Street Area Roadway Improvements	(26,590.98)	$ 50,000.00	2,425.00		306,028.02	$ 11.75	$ (285,032.25)
1397	Construction, Rehabilitation and Repair of COAH Housing	7,893.74	100,000.00	57,414.20				50,479.54
1399/1415	Various Capital Improvements	(173,269.28)	750,000.00	89,572.59		350,977.10	3,610.00	139,791.03
1411	Acquisition of Various Capital Equipment		400,000.00	94,063.94		102,131.41	23,750.00	227,554.65
1418	Improvement to Howard St. & Wilson Ave		60,000.00	28,283.39				31,716.61
		$ 60,702.15	$ 1,413,481.83	$ 273,194.71	$ 272,552.41	$ 1,226,066.62	$ 1,226,066.62	$ 928,436.86
	Ref.	C, C-2	C-1, C-6, C-9, C-10	C-12	C-13	C-1, C-10, C-12, C-13		C, C-2, C-4

Bracketed ( ) Amount Denotes Deficit.

Exhibit C-4

BOROUGH OF MILLTOWN
GENERAL CAPITAL FUND
STATEMENT OF INTERGOVERNMENTAL GRANTS RECEIVABLE

			NJDOT			
	Ref.	Total	South Street Phase I Ord. 1329/1352	Brook Drive Phase IV & V Ord. 1319/1342	Phase II South Street Area Roadway Improve. Ord. 1393	Wilson Ave. & Howard Street Improve. Ord. 1418
BALANCE, DECEMBER 31, 2014	C	$ 804,794.00	$ 239,148.96	$ 205,645.04	$ 360,000.00	
INCREASED BY:						
Awarded	C-12	300,000.00				$ 300,000.00
DECREASED BY:						
Cancelled	C-6	43,922.91	43,922.91			
BALANCE, DECEMBER 31, 2015	C	$ 1,060,871.09	$ 195,226.05	$ 205,645.04	$ 360,000.00	$ 300,000.00
Detail:						
Reserved	C	$ 670,000.00		$ 10,000.00	$ 360,000.00	$ 300,000.00
Unreserved	C-3	390,871.09	$ 195,226.05	195,645.04		
		$ 1,060,871.09	$ 195,226.05	$ 205,645.04	$ 360,000.00	$ 300,000.00

Exhibit C-5

BOROUGH OF MILLTOWN
GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

	Ref.		
BALANCE, DECEMBER 31, 2014	C		$ 4,894,614.00
DECREASED BY:			
Serial Bonds	C-7	$ 405,000.00	
Loans Payable	C-8	13,344.01	
			418,344.01
BALANCE, DECEMBER 31, 2015	C		$ 4,476,269.99

Exhibit C-6

BOROUGH OF MILLTOWN
GENERAL CAPITAL FUND
STATEMENT OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

Ordinance Number	Description	Balance December 31, 2014	2015 Authorizations	Decreased By: 2015 Budget Appropriation	Decreased By: Cancelled (Transferred)	Balance December 31, 2015	Analysis of Balance December 31, 2015: Bond Anticipation Notes	Analysis of Balance December 31, 2015: Expenditures	Analysis of Balance December 31, 2015: Unexpended Improvement Authorizations
1074	Improve. To Intersection at Booream Ave, Ochs Ave., Main St.	$ 53,318.51		$ 13,330.00		$ 39,988.51		$ 39,988.51	
1237	Brook Dr Phase II Road Improvements	37,000.00			$ 37,000.00				
1295	Acquisition of a Garbage Truck and Garbage Packer	5,728.00			5,728.00				
1329/1352	Improvements to South Street Phase I Area Roadway				(43,922.91)	43,922.91		43,225.86	$ 697.05
1349	Acquisition of 120 Kuhlthau Avenue	32,000.00			32,000.00				
1393	Phase II of the South Street Area Roadway Improvements	396,000.00				396,000.00	$ 50,000.00	285,032.25	60,967.75
1397	Construction, Rehabilitation and Repair of COAH Housing	261,000.00				261,000.00	100,000.00		161,000.00
1399/1415	Various Capital Improvements	1,216,000.00	$ 61,750.00			1,277,750.00	750,000.00		527,750.00
1411	Various Capital Equipment		451,250.00			451,250.00	400,000.00		51,250.00
1418	Improvements to Wilson Ave and Howard Street		360,000.00			360,000.00	60,000.00		300,000.00
		$ 2,001,046.51	$ 873,000.00	$ 13,330.00	$ 30,805.09	$ 2,829,911.42	$ 1,360,000.00	368,246.62	$ 1,101,664.80
	Ref.	C	C-12, C-15	C-2	C-4, C-12, C-15	C	C-9	C-3	C-12

Detail of Unexpended:	Ref.	
Improvement Authorization, Unfunded	C-12	$ 1,561,187.22
Less: Unexpended Balance of BAN's	C-3	459,522.42
		$ 1,101,664.80

Exhibit C-7

BOROUGH OF MILLTOWN
GENERAL CAPITAL FUND
SCHEDULE OF SERIAL BONDS

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding December 31, 2015 Date	Amount	Interest Rate	Balance December 31, 2014	Decrease	Balance December 31, 2015
General Obligation Refunding Bonds	6/11/2013	$ 2,250,000.00	8/1/2016	$ 200,000.00	3.000%	$ 2,210,000.00	$ 205,000.00	$ 2,005,000.00
			8/1/2017-18	205,000.00	3.000%			
			8/1/2019	210,000.00	2.000%			
			8/1/2020-21	205,000.00	2.000%			
			8/1/2022	200,000.00	2.125%			
			8/1/2023	195,000.00	3.000%			
			8/1/2024-25	190,000.00	3.000%			
General Obligation Bonds	12/17/2013	2,580,000.00	12/15/2016-24	200,000.00	3.000%	2,480,000.00	200,000.00	2,280,000.00
			12/15/2025	175,000.00	3.125%			
			12/15/2026	175,000.00	3.250%			
			12/15/2027	130,000.00	3.500%			
						$ 4,690,000.00	$ 405,000.00	$ 4,285,000.00
					Ref.	C	A-3, C-5	C

Exhibit C-8

BOROUGH OF MILLTOWN
GENERAL CAPITAL FUND
SCHEDULE OF NJDEP GREEN TRUST LOAN

Purpose	Date of Issue	Maturity	Interest Rate	Balance December 31, 2014	Decreased by	Balance December 31, 2015
Improvements to Mill Pond Park -	01/21/ 2016	$ 6,772.25	2.00%	$ 204,614.00	$ 13,344.01	$ 191,269.99
Phase II	07/21/ 2016	6,839.97	2.00%			
Original Amount of Issue: $279,334.33	01/21/ 2017	6,908.37	2.00%			
	07/21/ 2017	6,977.46	2.00%			
	01/21/ 2018	7,047.23	2.00%			
	07/21/ 2018	7,117.70	2.00%			
	01/21/ 2019	7,188.88	2.00%			
	07/21/ 2019	7,260.77	2.00%			
	01/21/ 2020	7,333.38	2.00%			
	07/21/ 2020	7,406.71	2.00%			
	01/21/ 2921	7,480.78	2.00%			
	07/21/ 2021	7,555.58	2.00%			
	01/21/ 2022	7,631.14	2.00%			
	07/21/ 2022	7,707.45	2.00%			
	01/21/ 2023	7,784.53	2.00%			
	07/21/ 2023	7,862.37	2.00%			
	01/21/ 2024	7,941.00	2.00%			
	07/21/ 2024	8,020.41	2.00%			
	01/21/ 2025	8,100.61	2.00%			
	07/21/ 2025	8,181.62	2.00%			
	01/21/ 2026	8,263.43	2.00%			
	07/21/ 2026	8,346.07	2.00%			
	01/21/ 2027	8,429.53	2.00%			
	07/21/ 2027	8,513.82	2.00%			
	01/21/ 2028	8,598.93	2.00%			
				$ 204,614.00	$ 13,344.01	$ 191,269.99
			Ref.	C	A-3, A-4	C

Exhibit C-9

BOROUGH OF MILLTOWN
GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES (BANS)

Ordinance Number	Improvement Description	Date of Original Issue	Date of Issue	Date of Maturity	Interest Rate	Increased by BAN Sale Proceeds	Balance December 31, 2015
1393	South Street Area Roadway Improvements - Phase II	12/23/2015	12/23/2015	12/22/2016	0.85%	$ 50,000.00	$ 50,000.00
1397	Construction, Rehabilitation & Repair of COAH Housing	12/23/2015	12/23/2015	12/22/2016	0.85%	100,000.00	100,000.00
1399/1415	2014 Capital Improvement Program	12/23/2015	12/23/2015	12/22/2016	0.85%	750,000.00	750,000.00
1411	Acquisition of Various Capital Equipment	12/23/2015	12/23/2015	12/22/2016	0.85%	400,000.00	400,000.00
1418	Improvements to Wilson Ave. & Howard Street	12/23/2015	12/23/2015	12/22/2016	0.85%	60,000.00	60,000.00
						$ 1,360,000.00	$ 1,360,000.00
					Ref.	C-2	C

Exhibit C-10

BOROUGH OF MILLTOWN
GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	Ref.	
BALANCE, DECEMBER 31, 2014	C	$ 65,005.74
INCREASED BY		
2015 Budget Appropriations	C-2	25,000.00
		$ 90,005.74
DECREASED BY:		
Appropriated to Finance Improvement Authorizations:	C-12	27,000.00
BALANCE, DECEMBER 31, 2015	C	$ 63,005.74

Exhibit C-11

BOROUGH OF MILLTOWN
GENERAL CAPITAL FUND
SCHEDULE OF RESERVE FOR WATER RETENTION

	Ref.		
BALANCE, DECEMBER 31, 2014	C	$	11,428.58
AND			
BALANCE, DECEMBER 31, 2015	C	$	11,428.58

BOROUGH OF MILLTOWN
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ordinance Number	Description	Ordinance Date	Ordinance Amount	Balance December 31, 2014 Funded	Balance December 31, 2014 Unfunded	2015 Authorizations: Capital Improvement Fund	2015 Authorizations: Deferred Charges For Future Taxation Unfunded	Reserve for Encumbrances Cancelled	Cancelled	Paid or Charged	Balance December 31, 2015 Funded	Balance December 31, 2015 Unfunded
1212	2005 Road Improvements and Improvements to Borough Hall	08/22/05	$ 235,000.00	$ 81.41					$ 81.41			
1237	Brook Dr Phase II Road Improve. (NJ Transp.Trust $215,000)	06/12/06	280,000.00	1,424.34	$ 37,000.00				38,424.34			
1249/ 1320	Various Capital Improvements	05/28/07	733,500.00	3,639.61					3,639.61			
1282	Preliminary Expense - New Firehouse	12/08/08	350,000.00	3,001.14				$ 9,980.59			$ 3,001.14	$ 9,980.59
1293	2009 Milling and Paving Program	06/22/09	100,000.00	1,515.51					1,515.51			
1295	Acquisition of a Garbage Truck and Garbage Packer	09/14/09	210,000.00	2,404.63	5,728.00				8,132.63			
1319/ 1342	Improvement to Brook Dr. and the Construction of the School St. Retaining Wall (NJDOT $441,000)	08/23/10	1,027,000.00	391,170.41				2,388.00		$ 348,379.50	45,178.91	
1329/ 1352	Improvements to South Street Phase I Area Roadway (NJDOT $350,000 and $300,000)	04/25/11 05/29/12	400,000.00 330,000.00					697.05				697.05
1335	Refunding Bonds 2011	05/23/11	240,000.00	2,711.23					2,711.23			
1349	Acquisition of Kuhlthau Avenue	05/29/12	390,000.00	1,944.98	32,000.00			5,869.36	39,691.34	123.00		
1356	Purchase of Police Car Video Cameras	06/25/12	52,000.00	6,624.84					6,624.84			
1357	Acquisition of New Radio Communication System	06/25/12	525,000.00	1,059.31					113.22	946.09		
1363	Tree Removal Services	10/09/12	20,000.00	2,481.30					2,481.30			
1393	Phase II of the South Street Area Roadway Improvements (NJDOT $360,000)	02/24/14	396,000.00		369,409.02			11.75		308,453.02		60,967.75
1397	Construction, Rehabilitation and Repair of COAH Housing	04/14/14	275,000.00	7,893.74	261,000.00					57,414.20		211,479.54

BOROUGH OF MILLTOWN
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ordinance Number	Description	Ordinance Date	Ordinance Amount	Balance December 31, 2014 Funded	Balance December 31, 2014 Unfunded	2015 Authorizations: Capital Improvement Fund	2015 Authorizations: Deferred Charges For Future Taxation Unfunded	Reserve for Encumbrances Cancelled	Cancelled	Paid or Charged	Balance December 31, 2015 Funded	Balance December 31, 2015 Unfunded
1399/ 1415	Various Capital Improvements	07/18/14 05/26/15 06/08/15	$ 1,278,000.00		$ 1,042,730.72	$ 3,250.00	$ 61,750.00	$ 360.00		$ 440,549.69		$ 667,541.03
1411	Acquisition of Various Capital Equipment	04/13/15	475,000.00			23,750.00	451,250.00			196,195.35		278,804.65
1418	Improvement to Howard St. & Wilson Ave. (NJDOT $300,000)	09/09/15	360,000.00				360,000.00			28,283.39		331,716.61
				$ 425,952.45	$ 1,747,867.74	$ 27,000.00	$ 873,000.00	$ 19,306.75	$ 103,415.43	$ 1,380,344.24	$ 48,180.05	$ 1,561,187.22
			Ref.	C	C	C-10	C-6	C-13			C	C

	Ref.	
Cash Disbursed	C-2	$ 273,194.71
Reserve for Encumbrances	C-13	1,107,149.53
		$ 1,380,344.24

Fund Balance:	C-1	$ 28,687.43
Deferred Charged to Future Taxation - Unfunded:	C-6	74,728.00
		$ 103,415.43

Exhibit C-13

BOROUGH OF MILLTOWN
GENERAL CAPITAL FUND
SCHEDULE OF RESERVE FOR ENCUMBRANCES

	Ref.	
BALANCE, DECEMBER 31, 2014	C	$ 291,732.00
INCREASED BY:		
Charged to Improvement Authorizations	C-12	1,107,149.53
		1,398,881.53
DECREASED BY:		
Cash Disbursed	C-2	271,978.50
Cancellation to Improvement Authorizations	C-12	19,306.75
BALANCE, DECEMBER 31, 2015	C	$ 1,107,596.28

Exhibit C-14

BOROUGH OF MILLTOWN
GENERAL CAPITAL FUND
SCHEDULE OF DUE FROM GRANT FUND

	Ref.		
BALANCE, DECEMBER 31, 2014	C	$	50,000.00
AND			
BALANCE, DECEMBER 31, 2015	C	$	50,000.00

Exhibit C-15

BOROUGH OF MILLTOWN
GENERAL CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Ordinance Number	Improvement Description	Balance December 31, 2014	2015 Authorizations	Decreased By BAN's Issued	Decreased By 2015 Budget Appropriation	Decreased By Cancelled	Balance December 31, 2015
1074	Improve. To Intersection at Booream Ave, Ochs Ave, Main St	$ 53,318.51			$ 13,330.00	$ 39,988.51	
1237	Brook Drive Phase II Road Improvements	37,000.00				37,000.00	
1295	Acquisition of Garbage Truck and Garbage Picker	5,728.00				5,728.00	
1349	Acquisition of 120 Kuhlthau Avenue	32,000.00				32,000.00	
1393	Phase II of the South Street Area Roadway Improve.	396,000.00		$ 50,000.00			$ 346,000.00
1397	Construction, Rehab. And Repair of COAH Housing	261,000.00		100,000.00			161,000.00
1399/1415	Various Capital Improvements	1,216,000.00	$ 61,750.00	750,000.00			527,750.00
1411	Various Capital Equipment		451,250.00	400,000.00			51,250.00
1418	Improvements to Wilson Ave and Howard Street		360,000.00	60,000.00			300,000.00
		$ 2,001,046.51	$ 873,000.00	$ 1,360,000.00	$ 13,330.00	$ 114,716.51	$ 1,386,000.00
	Ref.	C	C-6, C-12	C-9	C-6	C-6, C-12	C

WATER AND SEWER UTILITY FUND

Exhibit D-5

BOROUGH OF MILLTOWN
SCHEDULE OF WATER AND SEWER UTILITY CASH, TREASURER

	Ref.	Operating Fund		Capital Fund	
BALANCE, DECEMBER 31, 2014	D		$ 1,679,669.04		$ 51,958.94
INCREASED BY RECEIPTS:					
Non-Budget Revenues	D-3	$ 30,518.92			
Consumer Accounts Receivable	D-7	2,361,793.73			
Morel Assessment	D-3	50,000.00			
Consumer Overpayments	D-11	7,638.81			
Rents Revenue - Tower Leases	D-3	87,858.05			
Capital Improvement Fund	D-20			$ 30,000.00	
Reserve to Paint Water Tower	D-21			50,000.00	
Due from NJEIT	D-26			79,270.00	
Bond Anticipation Notes	D-18			120,000.00	
			2,537,809.51		279,270.00
			$ 4,217,478.55		$ 331,228.94
DECREASED BY DISBURSEMENTS:					
2015 Appropriations	D-4	$ 1,924,263.83			
2014 Appropriation Reserves	D-9	286,193.24			
Overpayments Refunded	D-11	8,289.47			
Accrued Interest on Bonds, Loans and Notes	D-13	131,519.74			
Improvement Authorizations	D-19			$ 98,914.39	
Reserve for Encumbrances	D-25			39,762.30	
			2,350,266.28		138,676.69
BALANCE, DECEMBER 31, 2015	D		$ 1,867,212.27		$ 192,552.25

Exhibit D-6

BOROUGH OF MILLTOWN
WATER AND SEWER UTILITY CAPITAL FUND
ANALYSIS OF CASH

		Balance December 31, 2014	Receipts	Disbursements		Transfers		Balance December 31, 2015
			Miscellaneous	Improvement Authorizations	Miscellaneous	From	To	
Fund Balance		$ 20,187.01					$ 34,374.47	$ 54,561.48
Capital Improvement Fund		87.05	$ 30,000.00					30,087.05
Encumbrances Payable		41,080.55			$ 39,762.30	$ 1,318.25	2,096,839.50	2,096,839.50
Reserve to Paint Water Tower			50,000.00					50,000.00
Reserve for Payment of Debt Service		7,019.85				7,019.85		
Due to NJEIT		(296,051.00)	79,270.00				216,781.00	
Ordinance Number	Description							
1248	Cleaning and Lining of Water Main - Main Street	3,519.25				3,519.25		
1254	Installation and Replacement of Water Main - West Lawrence	1,815.74				1,815.74		
1317/1330 /1344	Sewer Pump Station Improvements Washington Ave (NJEIT)	235,470.94		$ 148.50		216,781.00	1,318.25	19,859.69
1364	Replacement of Riva Avenue Water Main	22,019.63				22,019.63		
1401	Acquisition of Equipment	(40,007.28)	120,000.00	8,003.00				71,989.72
1404/1416	Various Improvements to Water System (NJEIT)	56,817.20		90,762.89		2,096,839.50		(2,130,785.19)
		$ 51,958.94	$ 279,270.00	$ 98,914.39	$ 39,762.30	$ 2,349,313.22	$ 2,349,313.22	$ 192,552.25
	Ref.	D, D-5	D-18, D-20, D-21, D-26	D-19	D-25	D-2, D-19, D-22, D-25		D, D-5

Bracketed ( ) amounts denote deficit.

Exhibit D-7

BOROUGH OF MILLTOWN
WATER AND SEWER UTILITY OPERATING FUND
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE

	Ref.		
BALANCE, DECEMBER 31, 2014	D		$ 366,997.02
INCREASED BY:			
Water Charges Levied		$ 2,327,331.82	
Adjustment		544.43	2,327,876.25
			2,694,873.27
DECREASED BY:			
Collections	D-3, D-5		2,361,793.73
BALANCE, DECEMBER 31, 2015	D		$ 333,079.54

Exhibit D-8

BOROUGH OF MILLTOWN
WATER AND SEWER UTILITY OPERATING FUND
SCHEDULE OF INVENTORY

	Ref.		
BALANCE, DECEMBER 31, 2014	D	$	16,310.00
INCREASED BY:			
2015 Inventory - Adjustment			15,464.04
BALANCE, DECEMBER 31, 2015	D	$	31,774.04

Exhibit D-9

BOROUGH OF MILLTOWN
WATER AND SEWER UTILITY OPERATING FUND
SCHEDULE OF 2014 APPROPRIATION RESERVES

	Balance December 31, 2014		Balance After Transfers	Paid or Charged	Balance Lapsed
	Appropriation Reserves	Reserve for Encumbrances			
OPERATING					
Salaries and Wages	$ 37,878.32		$ 37,878.32	$ 1,519.41	$ 36,358.91
Other Expenses	184,297.45	$ 121,674.55	293,972.00	134,886.47	159,085.53
Bulk Water - City New Brunswick	160,797.10		160,797.10	69,835.17	90,961.93
Sewer Disposal - City of New Brunswick	102,270.37		114,270.37	113,144.27	1,126.10
Sewer Back Charges - City of New Brunswick	0.01		0.01		0.01
Total Operating	$ 485,243.25	$ 121,674.55	$ 606,917.80	$ 319,385.32	$ 287,532.48
CAPITAL IMPROVEMENTS					
Capital Outlay	$ 75,000.00		$ 75,000.00	$ 75,000.00	
Total Capital Improvements	$ 75,000.00		$ 75,000.00	$ 75,000.00	
DEFERRED CHARGES AND STATUTORY EXPENDITURES					
Statutory Expenditures:					
Contribution to:					
Social Security System (O.A.S.I.)	$ 4,435.98		$ 4,435.98	$ 116.22	$ 4,319.76
Unemployment Compensation Insurance (N.J.S.A. 43:21-3 et. Seq.)		$ 5,000.00	5,000.00	5,000.00	
Total Deferred Charges and Statutory Expenditures	$ 4,435.98	$ 5,000.00	$ 9,435.98	$ 5,116.22	$ 4,319.76
Grand Total	$ 564,679.23	$ 126,674.55	$ 691,353.78	$ 399,501.54	$ 291,852.24
Ref.	D	D, D-10			

	Ref.	
Cash Disbursed	D-5	$ 286,193.24
Commitments Payable	D-12	113,308.30
		$ 399,501.54
Lapsed to Fund balance	D-1	$ 291,852.24

Exhibit D-10

BOROUGH OF MILLTOWN
WATER AND SEWER UTILITY OPERATING FUND
SCHEDULE OF RESERVE FOR ENCUMBRANCES

	Ref.	
BALANCE, DECEMBER 31, 2014	D	$ 126,674.55
INCREASED BY:		
Charged to 2015 Appropriations	D-4	123,447.54
		250,122.09
DECREASED BY:		
Transferred to 2014 Appropriation Reserves	D-9	126,674.55
BALANCE, DECEMBER 31, 2015	D	$ 123,447.54

Exhibit D-11

WATER AND SEWER UTILITY OPERATING FUND
SCHEDULE OF CONSUMER OVERPAYMENTS

	Ref.	
BALANCE, DECEMBER 31, 2014	D	$ 6,152.21
INCREASED BY:		
Overpayments Received	D-5	7,638.81
		13,791.02
DECREASED BY:		
Overpayments Refunded	D-5	8,289.47
BALANCE, DECEMBER 31, 2015	D	$ 5,501.55

Exhibit D-12

BOROUGH OF MILLTOWN
WATER AND SEWER UTILITY OPERATING FUND
SCHEDULE OF COMMITMENTS PAYABLE

	Ref.	
BALANCE, DECEMBER 31, 2014	D	$ 76,633.57
INCREASED BY:		
Charged to 2014 Appropriation Reserves	D-9	113,308.30
BALANCE, DECEMBER 31, 2015	D	$ 189,941.87

Exhibit D-13

BOROUGH OF MILLTOWN
WATER AND SEWER UTILITY OPERATING FUND
SCHEDULE OF ACCRUED INTEREST ON BONDS, LOANS AND NOTES

	Ref.		
BALANCE, DECEMBER 31, 2014	D		$ 47,119.41
INCREASED BY:			
Budget Appropriation:			
Interest on Bonds	D-4	$ 68,481.00	
Interest on BAN's	D-4	22.36	
Interest on NJEIT Loan	D-4	64,911.32	133,414.68
			180,534.09
DECREASED BY:			
Cash Disbursed	D-5		131,519.74
BALANCE, DECEMBER 31, 2015	D		$ 49,014.35

ANALYSIS OF ACCRUED INTEREST - DECEMBER 31, 2015

	Outstanding December 31, 2015	Interest Rate	From	To	Period	Amount
Bonds - 2013	$ 2,030,000.00	Various	8/1/2015	12/31/2015	5 months	$ 22,083.33
Bonds - 2013	398,000.00	Various	12/15/2015	12/31/2015	15 days	511.68
Loan - NJEIT - 2008	580,000.00	Various	8/1/2015	12/31/2015	5 months	13,405.21
Loan - NJEIT - 2012	470,000.00	Various	8/1/2015	12/31/2015	5 months	10,512.40
Loan - NJEIT - 2013	140,628.00	Various	8/1/2015	12/31/2015	5 months	2,479.37
Bond Anticipation Note	120,000.00	0.85%	12/23/2015	12/31/2015	8 days	22.36
						$ 49,014.35

Exhibit D-14

BOROUGH OF MILLTOWN
WATER AND SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL

	Ref.		
BALANCE, DECEMBER 31, 2014	D		$ 11,073,155.99
INCREASED BY:			
Transferred from Fixed Capital Authorized and Uncompleted	D-15	$ 2,215,646.43	
Charged to 2014 Appropriation Reserves	D-9	75,000.00	2,290,646.43
			$ 13,363,802.42
DECREASED BY			
Adjustment to Prior Year Balance	D-23		27,000.00
BALANCE, DECEMBER 31, 2015	D		$ 13,336,802.42

Detail:	BALANCE December 31, 2015
Water Storage Facility	$ 254,258.00
Transmission Mains and Accessories	19,682.00
Distribution Mains and Accessories	348,816.00
Auxiliary Water Main	7,494.00
Service Pipes and Stops	7,789.00
Meter, Meter Boxes and Vaults	91,056.75
Fire Hydrants and Cisterns	32,647.28
General Equipment	11,186.37
Engineering and Superintendence	1,168.00
Repainting and Refurbishing of Storage Tanks	33,772.67
Replacement of sewer pumps and Purchase of Sewer Equipment	78,761.89
Computer System	26,000.00
Improvement to Water System - 1993	83,884.60
Construction of Municipal Building	189,000.00
Construction of Water Main	1,018,979.81
Repairs to Washington Ave	30,040.28
Construction of Water Tower and Pump Station	3,142,321.29
Relocation of Water Main	116,922.03
Capital Outlay - 1999	827.75
Pump Station Equipment - 1999	86,831.65
Pump Truck and Back Hoe - 1999	180,000.00
Purchase of Computer System - 1995	30,000.00
Acquisition of Computer Equipment - 1999	40,000.00
Acquisition of Dump Truck - 1999	38,000.00
Improvement to Church Street Pump Station - 2002	3,000,000.00
Looping of Various Water Mains	279,490.36
Conestoga Storage Building - 2006	19,000.00
2008/2009 Appropriation Reserves	11,500.00
Cleaning and Lining of Water Mains - 2007	1,796,480.75
Installation & Replacement of Water Main - West Lawrence - 2007	71,184.26
Replacement of Riva Avenue Water Main - 2012	402,980.37
2014 Capital Outlay	75,000.00
Washington Avenue Pump Station Improvements	1,811,727.31
	$ 13,336,802.42
Ref.	D

Exhibit D-15

BOROUGH OF MILLTOWN
WATER AND SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

Ordinance Number	Improvement Description	Ordinance Date	Ordinance Amount	Balance December 31, 2014	Increased by Fixed Capital Authorized	Decreased by Transferred to Fixed Capital	Decreased by Canceled	Balance December 31, 2015
1248	Cleaning and Lining of Water Mains	05/28/07	$ 1,800,000.00	$ 2,075.75		$ (1,443.50)	$ 3,519.25	
1254	Installation & Replacement of Water Main - West Lawrence	08/27/07	100,000.00	4,197.99		2,382.25	1,815.74	
1317/1330/ 1344	Sewer Pump Station Improvements Washington Avenue	7/26/2010; 04/05/11; 01/23/12	2,225,000.00	2,225,000.00		1,811,727.31	393,413.00	$ 19,859.69
1364	Replacement of Riva Avenue Water Main	11/26/12	425,000.00	425,000.00		402,980.37	22,019.63	
1401	Acquisition of Equipment	07/28/14	120,000.00	120,000.00				120,000.00
1404/1416	Various Improvements to Water System (NJEIT)	9/8/2014; 07/25/15	1,404,900.00	1,404,900.00	$ 795,100.00			2,200,000.00
				$ 4,181,173.74	$ 795,100.00	$ 2,215,646.43	$ 420,767.62	$ 2,339,859.69
			Ref.	D	D-19, D-27	D-14	D-2, D-19, D-23	D

Exhibit D-16

BOROUGH OF MILLTOWN
WATER AND SEWER UTILITY CAPITAL FUND
SCHEDULE OF SERIAL BONDS

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding December 31, 2015 Date	Amount	Interest Rate	Balance December 31, 2014	Decreased	Balance December 31, 2015
General Obligation Refunding Bonds	06/11/13	$ 2,770,000.00	08/01/2016	$ 205,000.00	3.000%	$ 2,230,000.00	$ 200,000.00	$ 2,030,000.00
			08/01/2017	215,000.00	3.000%			
			08/01/2018	215,000.00	3.000%			
			08/01/2019	210,000.00	2.000%			
			08/01/2020	205,000.00	2.000%			
			08/01/2021	200,000.00	2.000%			
			08/01/2022	200,000.00	2.125%			
			08/01/2023	195,000.00	3.000%			
			08/01/2024	195,000.00	3.000%			
			08/01/2025	190,000.00	3.000%			
Water-Sewer Utility Bonds	12/17/13	448,000.00	12/15/2016-17	25,000.00	3.000%	428,000.00	30,000.00	398,000.00
			12/15/2018-22	30,000.00	3.000%			
			12/15/2023-24	40,000.00	3.000%			
			12/15/2025	40,000.00	3.125%			
			12/15/2026	40,000.00	3.250%			
			12/15/2027	38,000.00	3.500%			
						$ 2,658,000.00	$ 230,000.00	$ 2,428,000.00
					Ref.	D	D-4, D-23	D

BOROUGH OF MILLTOWN
WATER AND SEWER UTILITY CAPITAL FUND
SCHEDULE OF NEW JERSEY ENVIRONMENTAL TRUST (NJEIT) LOAN

Purpose	Date of Issue	Amount of Original Issue	Maturities of Loans Outstanding December 31, 2015 Date	Amount	Interest Rate	Balance December 31, 2014	Decreased by	Balance December 31, 2015
Water Systems Improvement - State Portion	11/06/08	$ 745,000.00	08/01/16	$ 35,000.00	5.000%	$ 610,000.00	$ 30,000.00	$ 580,000.00
			08/01/17	35,000.00	5.000%			
			08/01/18	35,000.00	5.000%			
			08/01/19	35,000.00	5.000%			
			08/01/20	40,000.00	5.250%			
			08/01/21	40,000.00	5.500%			
			08/01/22	45,000.00	5.500%			
			08/01/23	45,000.00	5.500%			
			08/01/24	50,000.00	5.500%			
			08/01/25	50,000.00	5.000%			
			08/01/26	55,000.00	5.000%			
			08/01/27	55,000.00	5.000%			
			08/01/28	60,000.00	5.000%			
Water System Improvements - Federal Portion	11/06/08	735,700.00	02/01/16	9,064.96		527,085.40	37,206.10	489,879.30
			08/01/16	30,260.71				
			02/01/17	8,535.07				
			08/01/17	29,730.82				
			02/01/18	8,005.18				
			08/01/18	29,200.93				
			02/01/19	7,475.28				
			08/01/19	28,671.03				
			02/01/20	6,918.89				
			08/01/20	31,142.61				
			02/01/21	6,252.74				
			08/01/21	30,476.46				
			02/01/22	5,586.59				
			08/01/22	32,838.27				
			02/01/23	4,837.17				
			08/01/23	32,088.85				
			02/01/24	4,087.75				
			08/01/24	34,367.39				
			02/01/25	3,330.76				
			08/01/25	33,610.40				
			02/01/26	2,573.76				
			08/01/26	35,881.37				
			02/01/27	1,741.07				
			08/01/27	35,048.68				
			02/01/28	908.38				
			08/01/28	37,244.18				
Water Systems Improvement - State Portion	05/03/12	$ 530,000.00	08/01/16	$ 20,000.00	5.000%	$ 490,000.00	$ 20,000.00	$ 470,000.00
			08/01/17	20,000.00	5.000%			
			08/01/18	20,000.00	5.000%			
			08/01/19	25,000.00	5.000%			
			08/01/20	25,000.00	5.000%			
			08/01/21	25,000.00	5.000%			
			08/01/22	25,000.00	5.000%			
			08/01/23	30,000.00	5.000%			
			08/01/24	30,000.00	5.000%			
			08/01/25	30,000.00	5.000%			
			08/01/26	35,000.00	5.000%			
			08/01/27	35,000.00	3.000%			
			08/01/28	35,000.00	3.000%			
			08/01/29	35,000.00	3.125%			
			08/01/30	40,000.00	3.200%			
			08/01/31	40,000.00	3.250%			

BOROUGH OF MILLTOWN
WATER AND SEWER UTILITY CAPITAL FUND
SCHEDULE OF NEW JERSEY ENVIRONMENTAL TRUST (NJEIT) LOAN

Purpose	Date of Issue	Amount of Original Issue	Maturities of Loans Outstanding December 31, 2015 Date	Amount	Interest Rate	Balance December 31, 2014	Decreased by	Balance December 31, 2015
Water System Improvements - Federal Portion	05/03/12	$ 578,569.00	02/01/16	$ 9,806.25		$ 500,119.00	$ 29,418.75	$ 470,700.25
			08/01/16	19,612.50				
			02/01/17	9,806.25				
			08/01/17	19,612.50				
			02/01/18	9,806.25				
			08/01/18	19,612.50				
			02/01/19	9,806.25				
			08/01/19	19,612.50				
			02/01/20	9,806.25				
			08/01/20	19,612.50				
			02/01/21	9,806.25				
			08/01/21	19,612.50				
			02/01/22	9,806.25				
			08/01/22	19,612.50				
			02/01/23	9,806.25				
			08/01/23	19,612.50				
			02/01/24	9,806.25				
			08/01/24	19,612.50				
			02/01/25	9,806.25				
			08/01/25	19,612.50				
			02/01/26	9,806.25				
			08/01/26	19,612.50				
			02/01/27	9,806.25				
			08/01/27	19,612.50				
			02/01/28	9,806.25				
			08/01/28	19,612.50				
			02/01/29	9,806.25				
			08/01/29	19,612.50				
			02/01/30	9,806.25				
			08/01/30	19,612.50				
			02/01/31	9,806.25				
			08/01/31	19,612.75				
Water Systems Improvement - State Portion	05/29/13	$ 154,956.00	08/01/16	7,198.00	0.540%	$ 147,801.00	$ 7,173.00	$ 140,628.00
			08/01/17	7,237.00	0.740%			
			08/01/18	7,290.00	0.980%			
			08/01/19	7,362.00	1.310%			
			08/01/20	7,458.00	1.590%			
			08/01/21	7,577.00	1.830%			
			08/01/22	7,716.00	2.040%			
			08/01/23	7,873.00	2.230%			
			08/01/24	8,049.00	2.360%			
			08/01/25	8,238.00	2.460%			
			08/01/26	8,441.00	2.840%			
			08/01/27	8,681.00	2.930%			
			08/01/28	8,935.00	3.000%			
			08/01/29	9,203.00	3.080%			
			08/01/30	9,487.00	3.140%			
			08/01/31	9,785.00	3.200%			
			08/01/32	10,098.00	3.260%			

BOROUGH OF MILLTOWN
WATER AND SEWER UTILITY CAPITAL FUND
SCHEDULE OF NEW JERSEY ENVIRONMENTAL TRUST (NJEIT) LOAN

Purpose	Date of Issue	Amount of Original Issue	Maturities of Loans Outstanding December 31, 2015 Date	Amount	Interest Rate	Balance December 31, 2014	Decreased by	Balance December 31, 2015
Water System Improvements - Federal Portion	05/03/12	$ 578,569.00	02/01/16	$ 7,576.10		$ 409,109.50	$ 22,728.30	$ 386,381.20
			08/01/16	15,152.20				
			02/01/17	7,576.10				
			08/01/17	15,152.20				
			02/01/18	7,576.10				
			08/01/18	15,152.20				
			02/01/19	7,576.10				
			08/01/19	15,152.20				
			02/01/20	7,576.10				
			08/01/20	15,152.20				
			02/01/21	7,576.10				
			08/01/21	15,152.20				
			02/01/22	7,576.10				
			08/01/22	15,152.20				
			02/01/23	7,576.10				
			08/01/23	15,152.20				
			02/01/24	7,576.10				
			08/01/24	15,152.20				
			02/01/25	7,576.10				
			08/01/25	15,152.20				
			02/01/26	7,576.10				
			08/01/26	15,152.20				
			02/01/27	7,576.10				
			08/01/27	15,152.20				
			02/01/28	7,576.10				
			08/01/28	15,152.20				
			02/01/29	7,576.10				
			08/01/29	15,152.20				
			02/01/30	7,576.10				
			08/01/30	15,152.20				
			02/01/31	7,576.10				
			08/01/31	15,152.20				
			02/01/32	7,576.10				
			08/01/32	15,152.30				
						$ 2,684,114.90	$ 146,526.15	$ 2,537,588.75
					Ref.	D	D-4/D-23	D

Detail:		Ref.	
	Federal Portion	D, D-17	$ 1,346,960.75
	State Portion	D, D-17	1,190,628.00
		D	$ 2,537,588.75

Exhibit D-18

BOROUGH OF MILLTOWN
WATER AND SEWER UTILITY CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES (BAN)

Ordinance Number	Description	Original Issue Date	Date of Issuance	Maturity Date	Interest Rate	Increased By BAN Sale Proceeds	Balance, December 31, 2015
1401	Acquisition of Equipment	12/23/15	12/23/15	12/22/16	0.85%	$ 120,000.00	$ 120,000.00
						$ 120,000.00	$ 120,000.00
					Ref.	D-5	D

Exhibit D-19

BOROUGH OF MILLTOWN
WATER AND SEWER UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ordinance Number	Description	Ordinance Date	Ordinance Amount	Balance December 31, 2014 Funded	Balance December 31, 2014 Unfunded	2015 Authorizations	Reserve for Encumbrances Cancelled	Cancelled	Paid or Charged	Balance, December 31, 2015 Funded	Balance, December 31, 2015 Unfunded
1248	Cleaning and Lining of Water Mains	05/28/07	$ 1,800,000.00	$ 3,519.25				$ 3,519.25			
1254	Installation & Replacement of Water Main - West Lawrence	08/27/07	100,000.00	1,815.74	$ 27,000.00			28,815.74			
1317/1330 /1344	Washington Ave Pump Station Improvements (NJEIT $3,513,808.00)	07/26/10 04/05/11 01/23/12	2,225,000.00	235,470.94	176,632.00		$ 1,318.25	393,413.00	$ 148.50	$ 19,859.69	
1364	Replacement of Riva Avenue Water Main	11/26/12	425,000.00	22,019.63				22,019.63			
1401	Acquisition of Equipment	07/28/14	120,000.00		79,992.72				8,003.00		$ 71,989.72
1404/1416	Various Improvements to Water System (NJEIT)	09/08/14 07/27/15	2,200,000.00	56,817.20	1,338,000.00	$ 795,100.00			2,187,602.39		2,314.81
				$ 319,642.76	$ 1,621,624.72	$ 795,100.00	$ 1,318.25	$ 447,767.62	$ 2,195,753.89	$ 19,859.69	$ 74,304.53
			Ref.	D	D	D-15	D-25			D	D

Detail:	Ref.	
Cash Disbursed	D-5	$ 98,914.39
Reserve for Encumbrances	D-25	2,096,839.50
		$ 2,195,753.89

Capital Fund Balance	D-2	$ 27,354.62
Fixed Capital	D-15	203,632.00
Due from NJEIT	D-26	216,781.00
		$ 447,767.62

Exhibit D-20

BOROUGH OF MILLTOWN
WATER AND SEWER UTILITY CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	Ref.	
BALANCE, DECEMBER 31, 2014	D	$ 87.05
INCREASED BY:		
2015 Budget Appropriation	D-5	30,000.00
BALANCE, DECEMBER 31, 2015	D	$ 30,087.05

Exhibit D-21

BOROUGH OF MILLTOWN
WATER AND SEWER UTILITY CAPITAL FUND
SCHEDULE OF RESERVE TO PAINT WATER TOWER

	Ref.	
INCREASED BY:		
2015 Budget Appropriation	D-5	$ 50,000.00
BALANCE, DECEMBER 31, 2015	D	$ 50,000.00

Exhibit D-22

BOROUGH OF MILLTOWN
WATER AND SEWER UTILITY CAPITAL FUND
SCHEDULE OF RESERVE PAYMENT OF DEBT SERVICE

	Ref.	
BALANCE, DECEMBER 31, 2014	D	$ 7,019.85
Decreased by:		
Cancelled to Fund Balance	D-2	$ 7,019.85

Exhibit D-23

BOROUGH OF MILLTOWN
WATER AND SEWER UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR AMORTIZATION

	Ref.		
BALANCE, DECEMBER 31, 2014	D		$ 8,070,482.83
INCREASED BY:			
Payment of Serial Bonds	D-16	$ 230,000.00	
Payment of NJEIT Loan	D-17	146,526.15	376,526.15
			8,447,008.98
DECREASED BY:			
Adjustment to Prior Year's Fixed Capital Balance	D-14	$ 27,000.00	
Adjustment from Current Year's Fixed Capital Authorized and Uncompleted Balance	D-15	217,135.62	244,135.62
BALANCE, DECEMBER 31, 2015	D		$ 8,202,873.36

Exhibit D-24

BOROUGH OF MILLTOWN
WATER AND SEWER UTILITY CAPITAL FUND
SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

Ordinance Number	Improvement Description	Date of Ord.	Balance December 31, 2014	Charged to 2014 Appropriation Reserves	Balance December 31, 2015
1033	Acquisition of Computer Equipment	05/10/99	$ 2,000.00		$ 2,000.00
1051	Acquisition of Dump Truck	12/13/99	1,900.00		1,900.00
1248	Cleaning and Lining of Water Main - Main Street	05/28/07	100,300.00		100,300.00
1254	Sewer Pump Station Improvements - Washington Avenue	08/27/07	5,000.00		5,000.00
N/A	2008/2009 Various Capital	12/31/09	4,000.00		4,000.00
1317/1330/ 1344	Sewer Pump Station Improvements - Washington Avenue	09/08/14	66,900.00		66,900.00
N/A	2014 Appropriation Reserve	12/31/15		$ 75,000.00	75,000.00
			$ 180,100.00	$ 75,000.00	$ 255,100.00
		Ref.	D	D-9	D

Exhibit D-25

BOROUGH OF MILLTOWN
WATER AND SEWER UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR ENCUMBRANCES

	Ref.		
BALANCE, DECEMBER 31, 2014	D		$ 41,080.55
INCREASED BY:			
Charged to Improvement Authorizations	D-19		2,096,839.50
			$ 2,137,920.05
DECREASED BY:			
Cash Disbursed	D-5	$ 39,762.30	
Cancelled	D-19	1,318.25	
			41,080.55
BALANCE, DECEMBER 31, 2015	D		$ 2,096,839.50

Exhibit D-26

BOROUGH OF MILLTOWN
WATER AND SEWER UTILITY CAPITAL FUND
SCHEDULE OF DUE FROM (RESERVE FOR) STATE OF NEW JERSEY
ENVIRONMENTAL INFRASTRUCTURE TRUST (NJEIT)

	Ref.	Total
BALANCE, DECEMBER 31, 2014		
(DUE FROM)	D	$ 296,051.00
DECREASED BY:		
Cash Receipts	D-5	$ 79,270.00
Cancellation	D-19	216,781.00
		$ 296,051.00

Exhibit D-27

BOROUGH OF MILLTOWN
WATER AND SEWER UTILITY CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Ordinance Number	Improvement Authorizations	Balance December 31, 2014	2015 Authorization	BAN'S Issued	Cancelled	Balance December 31, 2015
1254	Installation and Replacement of Water Main - West Lawrence Street	$ 27,000.00			$ 27,000.00	
1317/1330/ 1344	Sewer System Pump Station Improvements - Washington Avenue	176,632.00			176,632.00	
1401	Acquisition of Equipment	120,000.00		$ 120,000.00		
1404/1416	Various Improvements to Water System (NJEIT)	1,338,000.00	$ 795,100.00			$ 2,133,100.00
		$ 1,661,632.00	$ 795,100.00	$ 120,000.00	$ 203,632.00	$ 2,133,100.00
	Ref.	D	D-19	D-18	D-19	D

ELECTRIC UTILITY FUND

BOROUGH OF MILLTOWN
ELECTRIC UTILITY OPERATING FUND
SCHEDULE OF ELECTRIC UTILITY CASH, TREASURER

	Ref.	Operating Fund		Capital Fund	
BALANCE, DECEMBER 31, 2014	E		$ 2,648,312.90		$ 1,510,818.44
INCREASED BY RECEIPTS:					
Consumer Accounts Receivable	E-8	$ 8,094,391.90			
Non-Budget Revenue	E-3	100,020.90			
Consumer Overpayments	E-13	11,594.86			
Consumer Deposits	E-14	34,300.00			
Bond Anticipation Notes	E-20			$ 10,190,000.00	
Due from Electric Operating	E-5			1,050,000.00	
Due from Electric Utility Capital	E-5	51,795.63			
			8,292,103.29		11,240,000.00
			$ 10,940,416.19		$ 12,750,818.44
DECREASED BY DISBURSEMENTS:					
Surplus - Prior Year (General Budget)	E-1	$ 589,000.00			
2015 Appropriations	E-4	6,004,058.56			
2014 Appropriation Reserves	E-11	335,309.98			
Overpayment Refunded	E-13	10,209.06			
Consumer Deposit - Refunds	E-14	17,795.00			
Accrued Interest on Bonds and Notes	E-16	64,508.74			
Reserve for Encumbrances	E-26				
Bonds Anticipation Notes	E-20			$ 2,000,000.00	
Improvement Authorizations	E-21			88,370.44	
Due to Electric Capital	E-5	1,050,000.00		51,795.63	
			8,070,881.34		2,140,166.07
BALANCE, DECEMBER 31, 2015	E		$ 2,869,534.85		$ 10,610,652.37

Exhibit E-6

BOROUGH OF MILLTOWN
ELECTRIC UTILITY OPERATING FUND
SCHEDULE OF CHANGE FUND

		Balance December 31,	
		2015	2014
Collector		$ 100.00	$ 100.00
	Ref.	E	E

Exhibit E-7

BOROUGH OF MILLTOWN
ELECTRIC UTILITY CAPITAL FUND
ANALYSIS OF CASH

		Balance December 31, 2014	Receipts: Miscellaneous	Receipts: Bond Anticipation Notes	Disbursements: Improvement Authorizations	Disbursements: Miscellaneous	Transfers: From	Transfers: To	Balance December 31, 2015
Fund Balance		$ 51,875.13						$ 248,569.87	$ 300,445.00
Capital Improvement Fund		12,321.81							12,321.81
Due to Electric Utility Operating Fund		1,795.32	$ 1,050,000.31			$ 51,795.63			1,000,000.00
Reserve for Substation Upgrades		30,115.00					$ 30,115.00		
Reserve for Substation Relocation		30,000.00					30,000.00		
Reserve for Electric System Capital		30,000.00					30,000.00		
Reserve for Extension of Electric Line		7,700.00							7,700.00
Reserve for Payment of Debt Service		34,639.40					34,639.40		
Encumbrances Payable		12,819,763.25				11,669,671.38	37,115.63	7,830.00	1,120,806.24
Ordinance Number	Improvement Authorizations								
1241	Acquisition of Utility Vehicles	494.75				0.31	494.44		
1313	Acquisition of Real Property	78,805.11			$ 54.00		82,601.11	3,850.00	
1318	Acquisition of Transformer	2,674.93					2,674.93		
1340	Various Electric Utility	4,808.67					38,044.99	33,236.32	
1360/1408	Electric Substation (NJEIT)	(11,602,862.13)		$ 10,000,000.00	88,316.44	2,000,000.00	7,830.00	29.31	(3,698,979.26)
1400	Acquisition of Bucket Truck	8,687.20		190,000.00					198,687.20
		$ 1,510,818.44	$ 1,050,000.31	$ 10,190,000.00	$ 88,370.44	$ 13,721,467.32	$ 293,515.50	$ 293,515.50	$ (1,059,019.01)
	Ref.	E, E-5	E-27,28,29	E-20	E-21	E-21, E-26	E-21,E-26		E, E-5

Bracket ( ) amounts denote deficit.

Exhibit E-8

BOROUGH OF MILLTOWN
ELECTRIC UTILITY OPERATING FUND
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE

	Ref.		
BALANCE, DECEMBER 31, 2014	E		$ 670,691.25
INCREASED BY:			
Electric Charges Levied			8,186,468.86
			$ 8,857,160.11
DECREASED BY:			
Collections	E-5	$	8,094,391.90
BALANCE, DECEMBER 31, 2015	E		$ 762,768.21

Exhibit E-9

SCHEDULE OF INTERGOVERNMENTAL ACCOUNTS (RECEIVABLE) - DUE/(FROM) STATE OF NJ - LIFELINE FEE

	Ref.	
BALANCE, DECEMBER 31, 2014	E	$ 112.50
DECREASED BY:		
Cancelled to Fund Balance	E-1	112.50

Exhibit E-10

SCHEDULE OF INVENTORY

	Ref.	
BALANCE, DECEMBER 31, 2014	E	$ 93,361.00
DECREASED BY:		
2015 Inventory - Adjustment		42,206.00
BALANCE, DECEMBER 31, 2015	E	$ 51,155.00

BOROUGH OF MILLTOWN
ELECTRIC UTILITY OPERATING FUND
SCHEDULE OF 2014 APPROPRIATION RESERVES

	Balance December 31, 2014		Balance After Transfers	Paid or Charged	Balance Lapsed
	Appropriation Reserves	Reserve for Encumbrances			
OPERATING					
Salaries and Wages	$ 70,152.18		$ 70,152.18	$ 4,304.89	$ 65,847.29
Other Expenses	229,065.69	$ 41,419.00	270,484.69	51,116.91	219,367.78
Bulk Energy Purchase	1,080,654.08	94,669.20	1,175,323.28	253,312.07	922,011.21
Total Operating	$ 1,379,871.95	$ 136,088.20	$ 1,515,960.15	$ 308,733.87	$ 1,207,226.28
CAPITAL IMPROVEMENTS					
Capital Outlay	$ 27,880.00	$ 17,445.00	$ 45,325.00	$ 17,445.00	$ 27,880.00
Total Capital Improvements	$ 27,880.00	$ 17,445.00	$ 45,325.00	$ 17,445.00	$ 27,880.00
DEFERRED CHARGES AND STATUTORY EXPENDITURES					
Statutory Expenditures:					
Contribution to:					
Public Employees' Retirement System					
Social Security System (O.A.S.I.)	$ 7,312.32		$ 7,312.32	$ 243.11	$ 7,069.21
Unemployment Compensation Insurance (NJSA 43:21-3 et.seq.)		$ 10,000.00	10,000.00	10,000.00	
Total Deferred Charges and Statutory Expenditures	$ 7,312.32	$ 10,000.00	$ 17,312.32	$ 10,243.11	$ 7,069.21
Total Electric Utility Appropriations	$ 1,415,064.27	$ 163,533.20	$ 1,578,597.47	$ 336,421.98	$ 1,242,175.49
Ref.	E	E, E-12			E-1

	Ref.	
Cash Disbursed	E-5	$ 335,309.98
Commitments Payable	E-15	1,112.00
		$ 336,421.98

Exhibit E-12

BOROUGH OF MILLTOWN
ELECTRIC UTILITY OPERATING FUND
SCHEDULE OF RESERVE FOR ENCUMBRANCES

	Ref.	
BALANCE, DECEMBER 31, 2014	E	$ 163,533.20
INCREASED BY:		
Charged to 2015 Appropriations	E-4	227,454.48
		390,987.68
DECREASED BY:		
Transferred to 2014 Appropriation Reserves	E-11	163,533.20
BALANCE, DECEMBER 31, 2015	E	$ 227,454.48

Exhibit E-13

ELECTRIC UTILITY OPERATING FUND
SCHEDULE OF CONSUMER OVERPAYMENTS

	Ref.	
BALANCE, DECEMBER 31, 2014	E	$ 10,159.76
INCREASED BY:		
Overpayments Collected	E-5	11,594.86
		21,754.62
DECREASED BY:		
Cash Disbursed - Refunded	E-5	10,209.06
BALANCE, DECEMBER 31, 2015	E	$ 11,545.56

Exhibit E-14

BOROUGH OF MILLTOWN
ELECTRIC UTILITY OPERATING FUND
SCHEDULE OF CONSUMER DEPOSITS

	Ref.	
BALANCE, DECEMBER 31, 2014	E	$ 102,887.76
INCREASED BY:		
Cash Receipts	E-5	34,300.00
		137,187.76
DECREASED BY:		
Cash Disbursed	E-5	17,795.00
BALANCE, DECEMBER 31, 2015	E	$ 119,392.76

Exhibit E-15

ELECTRIC UTILITY OPERATING FUND
SCHEDULE OF COMMITMENTS PAYABLE

	Ref.	
BALANCE, DECEMBER 31, 2014	E	$ 63,197.53
INCREASED BY:		
Transfer From 2014 Appropriation Reserves	E-11	$ 1,112.00
BALANCE, DECEMBER 31, 2015	E	$ 64,309.53

Exhibit E-16

BOROUGH OF MILLTOWN
ELECTRIC UTILITY OPERATING FUND
SCHEDULE OF ACCRUED INTEREST ON BONDS AND NOTES

	Ref.		
BALANCE, DECEMBER 31, 2014	E		$ 10,462.11
INCREASED BY:			
Budget Appropriation:			
Interest on Bonds	E-4	$ 54,583.00	
Interest on BAN's	E-4	1,611.11	56,194.11
			66,656.22
DECREASED BY:			
Cash Disbursed	E-5		64,508.74
BALANCE, DECEMBER 31, 2015	E		$ 2,147.48

ANALYSIS OF ACCRUED INTEREST - DECEMBER 31, 2015

	Amount Outstanding December 31, 2015	Interest Rate	From	To	Period	Amount
Bond Anticipation Notes	$ 190,000.00	0.85%	12/23/2015	12/31/2015	8 Days	$ 35.40
Bonds	1,649,000.00	Various	12/16/2015	12/31/2015	15 Days	2,112.08
						$ 2,147.48

BOROUGH OF MILLTOWN
ELECTRIC UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL

	Ref.		
BALANCE, DECEMBER 31, 2014	E		$ 5,135,341.42
INCREASED BY:			
Transferred from Fixed Capital Authorized and Uncompleted	E-18	$ 1,463,433.35	
Charged to 2014 Appropriation Reserves	E-11	17,455.00	1,480,888.35
BALANCE, DECEMBER 31, 2015	E		$ 6,616,229.77

Detail:	
Property	$ 109,850.00
Structures and Improvement	10,870.00
Overhead Conductors and Devices	252,506.00
Station Equipment	653,267.00
Poles, Towers and Fixtures	81,139.17
Underground Conductors and Devices	3,172.00
Line Transformers	194,177.00
Services	27,534.30
Electrical Circuits and Lines	289,476.47
Meters	90,365.56
Street Lighting and Signal System	47,851.00
Dump Trucks	19,511.62
Structures and Improvements+A36	29,727.00
Office Furniture and Equipment	52,646.00
Transportation Equipment	101,101.00
Tools and Work Equipment	3,156.00
Laboratory Equipment	759.00
Power Operated Equipment	889.00
Communications Equipment	579.00
Paving and Fencing Parking Lot	11,537.98
Backhoe and Bucket Truck	129,475.48
Telescoping Boom Bucket Truck	49,447.18
Computer System	36,857.85
Equipment and Improvements - 1990	154,469.77
Utility Vehicle and Equipment - 1991	107,357.42
Improvements to System - 1990	138,144.39
Purchase of Electric Utility Vehicles - 1993	465.84
Construction of Municipal Building	646,894.48
Improvements to No. Side Circuit - East Mill -1998	521,310.46
Capital Outlay - 1999	3,276.00
Computer System - 1999	39,142.15
Improvement to Substation - 1999	247,700.00
Electric System Improvement 1999	156,318.80
Computer Equipment	30,800.00
Utility Truck	78,000.00
Michelin Field	64,000.00
Conestoga Storage Building	19,000.00
Utility Truck - 2008	197,300.88
2009 Appropriation for Reserves	93,300.00
2010 Appropriations	18,720.00
Acquisition of Transformer - 2010	432,325.07
Acquisition of Real Property - 2010	967,398.89
Various Electric Improvement - 2011	486,955.01
Various Electric Improvement - 2014	17,455.00
	$ 6,616,229.77

Exhibit E-18

BOROUGH OF MILLTOWN
ELECTRIC UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

Ordinance Number	Improvement Authorizations	Ordinance Date	Ordinance Amount	Balance December 31, 2014	Fixed Capital Authorized	Transferred to Fixed Capital	Cancelled	Balance December 31, 2015
1241	Utility Vehicle	12/25/06	$ 200,000.00	$ 8,174.66		$ 5,475.54	$ 2,699.12	
1313	Acquisition of Real Property	12/22/10	1,050,000.00	1,050,000.00		967,398.89	82,601.11	
1318	Acquisition of Transformer	12/22/10	480,000.00	51,278.84		3,603.91	47,674.93	
1340	Various Electric Improvement	09/26/11	525,000.00	525,000.00		486,955.01	38,044.99	
1360/1408	Electric Substation	8/27/12; 2/23/15	14,000,000.00	14,000,000.00	$ 300,000.00			$ 14,300,000.00
1400	Acquisition of Bucket Truck	07/28/14	200,000.00	200,000.00				200,000.00
				$ 15,834,453.50	$ 300,000.00	$ 1,463,433.35	$ 171,020.15	$ 14,500,000.00
			Ref.	E	E-21	E-17	E-21	E

Exhibit E-19

BOROUGH OF MILLTOWN
ELECTRIC UTILITY CAPITAL FUND
SCHEDULE OF SERIAL BONDS

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding December 31, 2015 Date	Amount	Interest Rate	Balance December 31, 2014	Decreased	Balance December 31, 2015
Electric Utility Bonds	12/17/2013	$ 1,854,000.00	12/15/2015-21	$ 135,000.00	3.000%	$ 1,784,000.00	$ 135,000.00	$ 1,649,000.00
			12/15/2022-24	140,000.00	3.000%			
			12/15/2025	140,000.00	3.125%			
			12/15/2026	140,000.00	3.250%			
			12/15/2027	139,000.00	3.500%			
						$ 1,784,000.00	$ 135,000.00	$ 1,649,000.00
					Ref.	E	E-4/E-25	E

Exhibit E-20

BOROUGH OF MILLTOWN
ELECTRIC UTILITY CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES (BAN)

Ordinance Number	Description	Original Issue Date	Date of Issuance	Maturity Date	Interest Rate	Balance December 31, 2014	Increased by BAN Sale Proceeds	Decreased	Balance December 31, 2015
1400	Acquisition of Bucket Truck	07/28/14	12/23/15	12/22/16	0.85%		$ 190,000.00		$ 190,000.00
1360/1408	Electric Substation	2014	Various	2016	0.00%	$ 2,000,000.00		$ 2,000,000.00	
1360/1408	Electric Substation	2015	Various	2016	0.00%		10,000,000.00		10,000,000.00
						$ 2,000,000.00	$ 10,190,000.00	$ 2,000,000.00	$ 10,190,000.00
					Ref.	E	E-5	E-5	E

BOROUGH OF MILLTOWN
ELECTRIC UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ordinance Number	Description	Ordinance Date	Ordinance Amount	Balance December 31, 2014 Funded	Balance December 31, 2014 Unfunded	2015 Authorizations	Cancelled	Reserve for Encumbrances Cancelled	Paid or Charged	Balance December 31, 2015 Funded	Balance December 31, 2015 Unfunded
1241	Acquisition of an Utility Vehicle	12/25/06	$ 200,000.00		$ 2,699.12		$ 2,699.12				
1313	Acquisition of Real Property	12/22/10	1,050,000.00	$ 78,805.11			82,601.11	$ 3,850.00	$ 54.00		
1318	Acquisition of Transformer	12/22/10	480,000.00	2,674.93	45,000.00		47,674.93				
1340	Various Electric Utility	09/26/11	525,000.00	4,808.67			38,044.99	33,236.32			
1360/ 1408	Electric Substation (NJEIT)	08/27/12 02/23/15	14,300,000.00		398,933.19	$ 300,000.00		29.31	96,146.44		$ 602,816.06
1400	Acquisition of Bucket Truck	07/28/14	200,000.00	8,687.20	190,000.00					$ 8,687.20	190,000.00
				$ 94,975.91	$ 636,632.31	$ 300,000.00	$ 171,020.15	$ 37,115.63	$ 96,200.44	$ 8,687.20	$ 792,816.06
			Ref.	E	E	E-18	E-18	E-26		E	E

Detail:

	Ref.	
Cash Disbursed	E-5	$ 88,370.44
Reserve for Encumbrances	E-26	7,830.00
		$ 96,200.44

Fund Balance	E-2	$ 122,020.15
Fixed Capital Authorized	E-18	49,000.00
		$ 171,020.15

Exhibit E-22

BOROUGH OF MILLTOWN
ELECTRIC UTILITY CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	Ref.	
BALANCE, DECEMBER 31, 2014	E	
AND		
BALANCE, DECEMBER 31, 2015		$ 12,321.81

Exhibit E-23

ELECTRIC UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR EXTENSION OF ELECTRICAL LINE

	Ref.	
BALANCE, DECEMBER 31, 2014	E	
AND		
BALANCE, DECEMBER 31, 2015		$ 7,700.00

Exhibit E-24

BOROUGH OF MILLTOWN
ELECTRIC UTILITY CAPITAL FUND
SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

Ordinance Number	Improvement Description	Date of Ordinance	Balance December 31, 2014	Charged to 2014 Appropriations Reserves	Balance December 31, 2015
N/A	2009, 2010 and 2014 Various Capital	12/31/10 03/12/15	$ 112,020.00	$ 17,455.00	$ 129,475.00
1400	Acquisition of Bucket Truck	07/28/14	10,000.00		10,000.00
			$ 122,020.00	$ 17,455.00	$ 139,475.00
		Ref.	E	E-11, E-17	E

Exhibit E-25

BOROUGH OF MILLTOWN
ELECTRIC UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR AMORTIZATION

	Ref.	
BALANCE, DECEMBER 31, 2014	E	$ 4,824,774.92
INCREASED BY:		
Serial Bonds Paid	E-19	135,000.00
DECREASED BY:		
Adjustment to Prior Years Balance		122,020.15
BALANCE, DECEMBER 31, 2015	E	$ 4,837,754.77

Exhibit E-26

ELECTRIC UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR ENCUMBRANCES

	Ref.		
BALANCE, DECEMBER 31, 2014	E		$ 12,819,763.25
INCREASED BY:			
Charged to Improvement Authorizations	E-21		7,830.00
			12,827,593.25
DECREASED BY:			
Cash Disbursed	E-5	$ 11,669,671.38	
Cancellation:			
To Improvement Authorization	E-21	37,115.63	11,706,787.01
BALANCE, DECEMBER 31, 2015	E		$ 1,120,806.24

Exhibit E-27

BOROUGH OF MILLTOWN
ELECTRIC UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR SUBSTATION UPGRADES

	Ref.	
BALANCE, DECEMBER 31, 2014	E	$ 30,115.00
Decreased by:		
Cancelled to Fund Balance	E-2	30,115.00

Exhibit E-28

ELECTRIC UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR SUBSTATION RELOCATION

	Ref.	
BALANCE, DECEMBER 31, 2014	E	$ 30,000.00
Decreased by:		
Cancelled to Fund Balance	E-2	30,000.00

Exhibit E-29

ELECTRIC UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR ELECTRICAL SYSTEM CAPITAL IMPROVEMENTS

	Ref.	
BALANCE, DECEMBER 31, 2014	E	$ 30,000.00
Decreased by:		
Cancelled to Fund Balance	E-2	30,000.00

BOROUGH OF MILLTOWN
ELECTRIC UTILITY CAPITAL FUND
SCHEDULE OF RESERVE PAYMENT OF DEBT SERVICE

	Ref.	
BALANCE, DECEMBER 31, 2014	E	$ 34,639.40
Decreased by:		
Cancelled to Fund Balance	E-2	34,639.40

BOROUGH OF MILLTOWN
ELECTRIC UTILITY CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Ordinance Number	Improvement Authorizations	Balance December 31, 2014	2015 Authorization	BAN's Issued	Cancelled	Balance December 31, 2015
1241	Acquisition of Utility Vehicle	$ 4,000.00			$ 4,000.00	
1318	Acquisition of Transformer	45,000.00			45,000.00	
1360/1408	Electric Substation (NJEIT)	12,000,000.00	$ 300,000.00	$ 8,000,000.00		$ 4,300,000.00
1400	Acquisition of Bucket Truck	190,000.00		190,000.00		
		$ 12,239,000.00	$ 300,000.00	$ 8,190,000.00	$ 49,000.00	$ 4,300,000.00
	Ref.	E	E-21	E-20	E-21	E

SUPPLEMENTARY DATA

BOROUGH OF MILLTOWN
MIDDLESEX COUNTY, NEW JERSEY
COMBINED BALANCE SHEET ALL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015

ASSETS	Current Fund	Trust Fund	General Capital Fund	Water-Sewer Utility Fund	Electric Utility Fund	Governmental Fixed Assets Account	Totals (Memorandum Only) 2015	Totals (Memorandum Only) 2014
Cash	$ 2,025,986.60	$ 902,392.26	$ 928,436.86	$ 2,059,764.52	$ 1,810,615.84		$ 7,727,196.08	$ 7,552,359.91
Cash Held by Plan Administrator (LOSAP)		850,117.25					850,117.25	811,461.85
Accounts Receivable:								
Grants	70,471.75		1,060,871.09				1,131,342.84	1,201,391.00
Due from State of New Jersey	16,838.60						16,838.60	16,587.23
Taxes, Liens and Utility Charges	1,312,345.13			333,079.54	762,768.21		2,408,192.88	2,008,813.68
Interfund Loans		78.00	50,000.00		1,000,000.00		1,050,078.00	85,839.13
Other Accounts Receivable	21,402.85	6.00					21,408.85	21,885.69
Inventory				31,774.04	51,155.00		82,929.04	109,671.00
Property Acquired for Taxes-Assessed Valuation	3,400.00						3,400.00	3,400.00
Charges to Future Taxation:								
General Capital Fund			7,306,181.41				7,306,181.41	6,895,660.51
Fixed Capital				13,336,802.42	6,616,229.77		19,953,032.19	16,208,497.41
Fixed Capital Authorized and Uncompleted				2,339,859.69	14,500,000.00		16,839,859.69	20,015,627.24
Fixed Assets						$ 13,046,820.00	13,046,820.00	13,509,472.00
	$ 3,450,444.93	$ 1,752,593.51	$ 9,345,489.36	$ 18,101,280.21	$ 24,740,768.82	$ 13,046,820.00	$ 70,437,396.83	$ 68,440,666.65

See Notes to Financial Statements.

BOROUGH OF MILLTOWN
MIDDLESEX COUNTY, NEW JERSEY
COMBINED BALANCE SHEET ALL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015

	Current Fund	Trust Fund	General Capital Fund	Water-Sewer Utility Fund	Electric Utility Fund	Governmental Fixed Assets Account	Totals (Memorandum Only) 2015	Totals (Memorandum Only) 2014
LIABILITIES, RESERVES AND FUND BALANCE								
Bonds, Notes and Loans Payable			$ 5,836,269.99	$ 5,085,588.75	$ 11,839,000.00		$ 22,760,858.74	$ 14,020,728.90
Prepaid Taxes	$ 219,148.00						219,148.00	123,551.80
Tax, Utility Charges and Other Overpayments	25,132.51			5,501.55	11,545.56		42,179.62	54,913.42
School Taxes Payable	215,836.00						215,836.00	215,836.00
Appropriation Reserves	393,048.30			523,533.32	1,166,188.76		2,082,770.38	2,391,347.68
Reserve for Encumbrances	182,779.49		1,107,596.28	2,220,287.04	1,348,260.72		4,858,923.53	13,628,398.80
Amounts Pledged to Specific Purposes (LOSAP)		$ 850,117.25					850,117.25	811,461.85
Developers Deposits and Escrow Funds		769,367.53					769,367.53	754,083.45
Improvement Authorizations			1,609,367.27	94,164.22	801,503.26		2,505,034.75	4,846,695.89
Interfund Loans	50,078.00				1,000,000.00		1,050,078.00	85,839.13
Other Liabilities	299,059.76	133,108.73	744,434.32	319,043.27	205,871.58		1,701,517.66	359,641.28
Reserve for Certain Assets Receivable	1,337,147.98			364,853.58	813,923.21		2,515,924.77	2,143,639.47
Reserve for Amortization of Costs of Fixed Capital - Acquired or Authorized				8,202,873.36	4,837,754.77		13,040,628.13	12,895,257.75
Deferred Reserve for Amortization				255,100.00	139,475.00		394,575.00	302,120.00
Investment in Governmental Fixed Assets								13,509,472.00
Fund Balance	728,214.89		47,821.50	1,030,335.12	2,577,245.96	$ 13,046,820.00	17,430,437.47	2,297,679.23
Total Liabilities, Reserves and Fund Balance	$ 3,450,444.93	$ 1,752,593.51	$ 9,345,489.36	$ 18,101,280.21	$ 24,740,768.82	$ 13,046,820.00	$ 70,437,396.83	$ 68,440,666.65

See Notes to Financial Statements.

BOROUGH OF MILLTOWN
MIDDLESEX COUNTY, NEW JERSEY
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE
CURRENT FUND

	Balance December 31, 2015	Percent	Balance December 31, 2014	Percent
Revenue and Other Income Realized				
Fund Balance Utilized	$ 447,000.00	1.69%	$ 330,000.00	1.28%
Miscellaneous - from other than Local Property Tax Levies	3,153,652.35	11.92%	3,236,277.68	12.59%
Collection of Delinquent Taxes and Tax Title Liens	1,637.41	0.01%	229.86	0.00%
Collection of Current Tax Levy	22,848,148.15	86.38%	22,149,868.26	86.13%
Total Income	26,450,437.91	100.00%	25,716,375.80	100.00%
Expenditures				
Budget Expenditures - Municipal Purposes	$ 7,988,185.64	31.02%	$ 7,941,294.33	31.25%
County Taxes	3,400,641.49	13.20%	3,427,050.50	13.49%
Local School Taxes	14,363,642.00	55.78%	14,042,771.00	55.26%
Other Expenditures	388.36	0.00%	229.86	0.00%
Total Expenditures	25,752,857.49	100.00%	25,411,345.69	100.00%
Excess in Revenue	$ 697,580.42		$ 305,030.11	
Statutory Excess to Fund Balance	697,580.42		305,030.11	
Fund Balance, January 1	$ 477,634.47		$ 502,604.36	
	1,175,214.89		807,634.47	
Less: Utilized as Anticipated Revenue	447,000.00		330,000.00	
Fund Balance, December 31	$ 728,214.89		$ 477,634.47	

BOROUGH OF MILLTOWN
MIDDLESEX COUNTY, NEW JERSEY
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE
WATER AND SEWER UTILITY OPERATING FUND

	Balance December 31, 2015	Percent	Balance December 31, 2014	Percent
Revenue and Other Income Realized				
Fund Balance Utilized	$ 338,803.55	10.71%	$ 206,413.04	6.93%
Collection of Water and Sewer Rents	2,361,793.73	74.65%	2,323,595.36	78.08%
Miscellaneous - from other than Water and Sewer Rents	463,373.39	14.64%	446,005.82	14.99%
Total Income	3,163,970.67	100.00%	2,976,014.22	100.00%
Expenditures				
Budget Expenditures:				
Operating	$ 1,959,610.74	72.37%	$ 1,851,210.74	73.08%
Capital Improvements	160,000.00	5.91%	85,000.00	3.35%
Debt Service	513,085.01	18.95%	515,167.57	20.34%
Deferred Charges and Statutory Expenditures	75,107.80	2.77%	81,861.40	3.23%
Total Expenditures	2,707,803.55	100.00%	2,533,239.71	100.00%
Excess/(Deficit) in Revenue over Expenditures	$ 456,167.12		$ 442,774.51	
Statutory Excess to Fund Balance	$ 456,167.12		$ 442,774.51	
Fund Balance, January 1	858,410.07		622,048.60	
	1,314,577.19		1,064,823.11	
Less:				
Utilized as Anticipated Revenue	338,803.55		206,413.04	
Fund Balance, December 31	$ 975,773.64		$ 858,410.07	

BOROUGH OF MILLTOWN
MIDDLESEX COUNTY, NEW JERSEY
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE
ELECTRIC UTILITY OPERATING FUND

	Balance December 31, 2015	Percent	Balance December 31, 2014	Percent
Revenue and Other Income Realized				
Anticipated Surplus	$ None		$ 50,000.00	0.59%
Collection of Electric Rents	8,094,391.90	81.73%	8,105,594.29	95.31%
Miscellaneous - from other than Electric Rents	1,809,682.28	18.27%	348,760.01	4.10%
Total Income	9,904,074.18	100.00%	8,504,354.30	100.00%
Expenditures				
Budget Expenditures:				
Operating	6,445,445.00	81.37%	7,192,000.00	88.49%
Capital Improvements	55,000.00	0.69%	55,000.00	0.68%
Debt Service	658,680.00	8.31%	138,428.11	1.70%
Deferred Charges and Statutory Expenditures	139,915.80	1.77%	111,861.40	1.38%
Other Expenditures	112.50	0.00%	7,525.37	0.09%
Surplus (General Budget)	622,341.00	7.86%	622,341.00	7.66%
Total Expenditures	7,921,494.30	100.00%	8,127,155.88	100.00%
Excess in Revenue	$ 1,982,579.88		$ 377,198.42	
Statutory Excess to Fund Balance	1,982,579.88		377,198.42	
Fund Balance, January 1	$ 885,016.40		$ 1,107,817.98	
	2,867,596.28		1,485,016.40	
Less:				
Anticipated Surplus	None		50,000.00	
Surplus - Prior Year - General Budget	589,000.00		550,000.00	
Fund Balance, December 31	$ 2,278,596.28		$ 885,016.40	

BOROUGH OF MILLTOWN
MIDDLESEX COUNTY, NEW JERSEY

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

	2015	2014	2013
Tax Rate	5.199	5.016	4.871
Appointment of Tax Rate:			
County Regular	0.703	0.705	0.712
County Open Space	0.058	0.058	0.061
Local School	3.283	3.125	2.996
Municipal	1.092	1.065	1.035
Municipal Library	0.063	0.063	0.067

ASSESSED VALUATIONS

2015	$447,789,600.00		
2014		$449,462,134.00	
2013			$450,580,758.00

COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY

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

Year	Tax Levy	Cash Collections	Percentage of Collection
2015	$23,280,722.46	$22,898,145.15	98.36%
2014	$22,555,381.08	$22,149,868.26	98.20%
2013	$21,965,078.62	$21,580,924.96	98.25%

DELINQUENT TAXES AND TAX TITLE LIENS

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

Year	Amount of Tax Title Liens	Amount of Delinquent Taxes	Total Delinquent	Percentage of Tax Levy
2015	$1,292,927.53	$19,417.60	$1,312,345.13	5.64%
2014	$957,347.67	$13,777.74	$971,125.41	4.31%
2013	$633,579.92	$5,411.79	$638,991.71	2.91%

BOROUGH OF MILLTOWN
MIDDLESEX COUNTY, NEW JERSEY

PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

No properties have been acquired in 2015 by foreclosure or deed as a result of liquidation of tax title liens.

There was no property acquired by liquidation of tax title liens on December 31, for the last three years.

COMPARISON OF WATER AND SEWER UTILITY LEVIES

Year	Levy	Cash Collections *
2015	$ 2,327,331.82	$ 2,361,249.30
2014	2,315,606.45	2,323,595.36
2013	2,310,866.50	2,222,692.02

COMPARISON OF ELECTRIC UTILITY LEVIES

Year	Levy	Cash Collections *
2015	$ 8,186,468.86	$ 8,094,371.90
2014	7,974,551.89	8,105,594.29
2013	8,280,024.00	8,083,644.15

* Cash collections include amounts which were levied in prior years.

COMPARATIVE SCHEDULE OF FUND BALANCES

Fund	Year	Balance, December 31	Utilized in Budget Budget of Succeeding Year	Transferred to Current Fund in Succeeding Year
Current	2015	$ 728,214.89	$ 675,000.00	N/A
	2014	477,634.47	447,000.00	N/A
	2013	502,604.36	330,000.00	N/A
	2012	242,788.17	200,000.00	N/A
	2011	504,627.86	365,000.00	N/A
Water-Sewer	2015	$ 975,773.64	$ 500,814.15	None
	2014	858,410.07	338,803.55	None
	2013	622,048.60	206,413.04	None
	2012	663,298.91	316,901.13	None
	2011	556,597.25	327,770.00	None
Electric	2015	$ 2,278,596.28	None	$ 1,172,341.00
	2014	885,016.40	None	622,341.00
	2013	1,107,817.98	$ 50,000.00	622,341.00
	2012	1,094,048.36	199,375.00	622,341.00
	2011	892,823.15	None	527,919.00

BOROUGH OF MILLTOWN
ROSTER OF OFFICIALS
DECEMBER 31, 2015

Governing Body

Eric Steeber, Mayor
Neil Raciti, Councilperson
Ronald Dixon, Councilperson
Gerard Guthlein, Councilperson
Francis Guyette, Councilperson
Doriann Kerber, Councilperson
Patricia Murray, Councilperson

Other Officials

Denise Biancamano, Chief Financial Officer/Business Administrator
Michael S. Januszka, Borough Clerk
Christine Heitman, Magistrate
Dione Longuillo, Court Administrator
Diane Wagner, Tax Collector, Tax and Sewer Assessment Search Officer/Utility Collector
Sandra Potkulski, Tax Assessor
Michael McClelland, Borough Engineer
Thomas J. Buck, Borough Attorney
Lorraine Nielson, Prosecutor

SINGLE AUDIT SECTION

SAMUEL KLEIN AND COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

550 BROAD STREET, 11TH FLOOR
NEWARK, N.J. 07102-9969
PHONE (973) 624-6100
FAX (973) 624-6101

36 WEST MAIN STREET, SUITE 303
FREEHOLD, N.J. 07728-2291
PHONE (732) 780-2600
FAX (732) 780-1030

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND MAJOR STATE PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE

Independent Auditors' Report

The Honorable Mayor and Members
of the Borough of Council
Borough of Milltown
County of Middlesex
Milltown, New Jersey

Report on Compliance for Each Major Federal Program and Major State Program

We have audited the Borough of Milltown ("Borough"), compliance with the types of compliance requirements described in *the Uniform Guidance* and *NJOMB 15-08* that could have a direct and material effect on each of Borough's major federal and state programs for the year ended December 31, 2015. The Borough's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedules of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Borough's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, *and* the audit requirements of Title 2 U.S. Code of *Federal Regulations* Part 200, *Uniform Administrative Requirements*, *Cost Principles* and *Audit Requirements for Federal Awards* (Uniform Guidance) and NJOMB 15-08 Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards and the Uniform Guidance and NJOMB 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether on compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal and major state program occurred. An audit includes examining, on a test basis, evidence about the Borough's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND MAJOR STATE PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE (CONTINUED)

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and major state program. However, our audit does not provide a legal determination of the Borough's compliance.

Opinion on Each Major Federal Program and Major State Program

In our opinion, the Borough complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and major state programs for the year ended December 31, 2015.

Report on Internal Control over Compliance

Management of the Borough is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Borough's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and major state program and to test and report on internal control over compliance in accordance with Uniform Guidance and NJOMB 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Borough's internal control over compliance.

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

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

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND MAJOR STATE PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE (CONTINUED)

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance and NJOMB 15-08 Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid

We have audited the financial statements – regulatory basis financial statements consisting of the activities of the Borough as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements. We issued our report thereon dated July 15, 2016, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards and schedule of expenditure of state financial assistance are presented for purposes of additional analysis as required by the Uniform Guidance and NJOMB 15-08 and are not a required part of the basic 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and schedule of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

Purpose of Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and NJOMB 15-08. Accordingly, this report is not suitable for any other purposes.

Gerard Stankiewicz
Certified Public Accountant
Registered Municipal Accountant #431

SAMUEL KLEIN AND COMPANY

Freehold, New Jersey
July 15, 2016

Schedule I

BOROUGH OF MILLTOWN
COUNTY OF MIDDLESEX NEW JERSEY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2015

Federal Grantor/Program Title	Federal CFDA Number	State Agency Pass-through Number	Grant Period	Award Amount	Current Year Cash Receipts	Current Year Expenditures
U.S. Environmental Protection Agency						
Passed through NJS Department of Environmental Protection:						
Drinking Water	66.468	1214001-004 (IFP)	Open	$ 1,583,985.00	$ 21,355.70	$ 21,355.70
New Electrical Sub-Station	66.458	5340102-03 (DRAA)	Open	10,500,000.00	8,521,496.00	8,521,476.00
Department of Housing & Urban	14.218	N/A	10/1/2011 - 9/30/2012	38,658.00		13,173.92
Development Community Block	14.218	N/A	10/1/2012 - 9/30/2013	35,140.00	16,701.59	12,992.97
Grant Program	14.218	N/A	10/1/2013 - 9/30/2014	40,769.00	22,629.00	2,026.11
	14.218	N/A	10/1/2014 - 9/30/2015	37,940.00	15,852.80	15,843.35
	14.218	N/A	10/1/2015 - 9/30/2016	35,140.00		14,640.00
Department of Health & Human Services						
Older American Act Title III - Office on Aging	93.044	N/A	1/1/2015 - 12/30/2015	6,000.00	5,215.00	6,000.00
					$ 8,603,250.09	$ 8,607,508.05

Schedule II

BOROUGH OF MILLTOWN
COUNTY OF MIDDLESEX NEW JERSEY
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2015

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Current Year Cash Receipts	Current Year Expenditures	Cumulative Expenditures
NJ Department of Environmental Protection:						
NJ Environmental Infrastructure Loan:						
Drinking Water (1)	1214001-004 (IFP)	Open	$ 549,115.00	$ 7,118.66	$ 7,118.66	$ 7,118.66
New Electrical Sub-Station (1)	5340102-03 (DRAA)	Open	3,640,000.00	2,840,492.00	2,840,492.00	3,227,117.00
Clean Communities Program	042-4900-765-004	7/1/2013 - 6/30/2014	12,699.61		3,632.73	12,699.61
Clean Communities Program	042-4900-765-004	7/1/2014 - 6/30/2015	11,910.17		3,819.14	11,910.71
Clean Communities Program	042-4900-765-004	7/1/2015 - 7/1/2016	14,475.28	14,475.28	8,268.58	8,268.58
NJ Department of Law & Public Safety:						
Drunk Driving Enforcement Fund	066-1020-100-001	1/1/2012 - 12/31/2012	19,965.09		11,321.09	19,965.09
Drunk Driving Enforcement Fund	066-1020-100-001	1/1/2015 - 12/31/2015	7,210.54	7,210.54	410.91	410.91
Body Armor Replacement Fund	066-1020-718-001	1/1/2012 - 12/31/2012	1,813.49		2.00	1,813.49
Body Armor Replacement Fund	066-1020-718-001	1/1/2014 - 12/31/2014	3,893.40		3,269.40	3,893.40
Body Armor Replacement Fund	066-1020-718-001	1/1/2015 - 12/31/2016	1,762.91	1,762.91		
Passed-through County of Middlesex:						
Municipal Alliance Program	082-2000-100-044	7/1/2012 - 6/30/2013	10,305.00		787.25	10,268.83
Municipal Alliance Program	082-2000-100-044	7/1/2013 - 6/30/2014	12,366.00	1,835.50		12,366.00
Municipal Alliance Program	082-2000-100-044	7/1/2014 - 6/30/2015	12,276.00		8,282.04	8,282.04
Sustainable Economic Growth	N/A	1/1/2013 - 12/31/2013	12,000.00	6,439.95	2,920.74	2,920.74
				$ 2,879,334.84	$ 2,890,324.54	

(1) Matching funds for Federal Grant

BOROUGH OF MILLTOWN
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
YEAR ENDED DECEMBER 31, 2015

1. GENERAL

The accompanying schedule of expenditures of federal awards (Schedule A) includes the federal award and state financial assistance activity (Schedule B) of the Borough of Milltown ("Borough") under programs of the federal government for the year ended December 31, 2015. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance) and NJOMB 15-08 Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Because the Schedules presents only a selected portion of the operations of the Borough, it is not intended to and does not present the financial position, changes in net position or cash flows of the Borough.

2. BASIS OF ACCOUNTING

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in (the Uniform Guidance and/or OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governments*), wherein certain types of expenditures are not allowable or are limited as to reimbursement. The Borough has not elected to use the 10 percent *de minimis* indirect cost rate as allowed under the Uniform Guidance.

3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

The accompanying schedule of expenditures of federal awards is presented using the basis of accounting as described in Note 1 for the Borough's financial statements.

4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

5. FEDERAL AND STATE LOANS OUTSTANDING

The Borough had loan outstanding payable to federal or state entities at December 31, 2015.

Federal	
USEPA:	
2008 - Drinking Water	$ 489,879.30
2012 - Drinking Water	470,700.25
2013 - Clean Water	386,381.20
	$ 1,346,960.75
State	
NJEIT/NJDEP:	
2008 - Drinking Water	$ 580,000.00
2012 - Drinking Water	470,000.00
2013 - Clean Water	140,628.00
	$ 1,190,628.00

BOROUGH OF MILLTOWN
COUNTY OF MIDDLESEX, NEW JERSEY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2015

MAJOR FEDERAL AWARD PROGRAMS

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified dated July 15, 2016

Internal control over financial reporting:

1. Material weakness(es) identified? ____ yes X no
2. Significant deficiencies identified that are not considered to be material weaknesses? ____ yes X none reported

Noncompliance material to basic financial statements noted? ____ yes X no

Federal Awards

Internal control over major programs:

1. Material weakness(es) identified? ____ yes X no
2. Significant deficiencies identified that are not considered to be material weaknesses? ____ yes X none reported

Type of auditor's report issued on compliance for major programs: Unmodified dated July 15, 2016

Any audit findings disclosed that are required to be reported in accordance with Section .510(a) of Circular A-133? ____ yes X no

Identification of major programs:

CFDA Number	Name of Federal Program or Cluster
66.458	USEPA - Electric Substation

Dollar threshold used to distinguish between Type A and Type B Programs: $ 750,000.00

Auditee qualified as low-risk auditee? ____ Yes X No

BOROUGH OF MILLTOWN
COUNTY OF MIDDLESEX, NEW JERSEY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2015

STATE FINANCIAL ASSISTANCE PROGRAMS

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified July 15, 2016

Internal control over financial reporting:

1. Material weakness(es) identified? ____ yes __X__ no
2. Significant deficiencies identified that are not considered to be material weaknesses? ____ yes __X__ none reported

Noncompliance material to basic financial statements noted? ____ yes __X__ no

State Financial Assistance

Internal control over major programs:

1. Material weakness(es) identified? ____ yes __X__ no
2. Significant deficiencies identified that are not considered to be material weaknesses? ____ yes __X__ none reported

Type of auditor's report issued on compliance for major programs: Unmodified dated July 15, 2016

Any audit findings disclosed that are required to be reported in accordance with Section .510(a) of NJOMB 15-08? ____ yes __X__ no

Identification of major programs:

CFDA Number	Name of State Program or Cluster
42-4860-510-009-09	New Electric Substation

Dollar threshold used to distinguish between Type A and Type B Programs: $ 750,000.00

Auditee qualified as low-risk auditee? ____ Yes ____X____ No

Section II - Schedule of Financial Statement Findings

No financial statement findings noted that are required to be reported under *Government Auditing Standards.*

Section III - Schedule of Federal Awards Findings and Questioned Costs

No federal award or state financial assistance findings or questioned costs noted that are required to be reported in accordance with the Uniform Guidance and NJOMB 15-08.

BOROUGH OF MILLTOWN
COUNTY OF MIDDLESEX, NEW JERSEY
SUMMARY SCHEDULE OF PRIOR YEAR'S AUDIT FINDINGS
YEAR ENDED DECEMBER 31, 2015

FOR THE YEAR ENDED DECEMBER 31, 2014:

There were no findings for the year ended January 31, 2014.

COMMENTS AND RECOMMENDATIONS

GENERAL COMMENTS
DECEMBER 31, 2015

Contracts and Agreements Required to be Advertised Per N.J.S. 40A:11-4

N.J.S. 40A:11-4 states "every contract or agreement, for the performance of any work or the furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only 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 of $17,500.00 in the absence of a Qualified Purchasing Agent ("QPA"), except by contract or agreement."

The Governing Body of the Municipality has the responsibility of determining whether the expenditures in any category will exceed $17,500.00 within the fiscal year. Where questions arise as to whether any contract or agreement might result in violation of the statute, the Borough Attorney's opinion should be sought before a commitment is made.

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

Water Distribution System Improvement	2015 Capital Improvements – Various Roads and Retaining wall
Packer Body Dump Truck	Asphalt Hot Box

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

Our examination revealed that there were purchases under the state contract method made for the following:

911 System Upgrade	Firefighter Equipment
Annual Server Maintenance Fee – Police Department	Tree Removal
Line Clearing (Trees) Removal	Ford F 350's (2) and Ford F 250's (2)
	Equipment Maintenance

Our examination of expenditures did not reveal any individual payments, contracts or agreements in excess of $17,500.00 "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. 40A:11-6.

Collection of Interest on Delinquent Taxes and Assessments

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

The Borough, on January 5, 2015, adopted the following resolution authorizing interest to be charged on delinquent taxes and assessments:

> WHEREAS, it is advisable that taxes and other assessments be paid promptly so to enable the Borough to meet its obligations as they fall due and payable; and
>
> WHEREAS, N.J.S.A. 40A:54-5-67, as amended, permits a municipality to charge interest on delinquent taxes and assessments; and
>
> WHEREAS, the Borough Council has decided that such stated interest rate shall prevail for 2015, as set forth in said Statute, be charged on any such delinquent taxes and/or assessments; and
>
> NOW, THEREFORE, BE IT AND IT IS HEREBY RESOLVED by the Borough Council of the Borough of Milltown in the County of Middlesex, New Jersey, that the following interest rates shall be charged:
>
> 8% per annum on the first $1,500.00 of such delinquency;
> 18% per annum on any amount in excess of said $1,500.00; and
>
> BE IT FURTHER RESOLVED that a penalty of 6% of the amount of the delinquency with interest included, shall be charged to a taxpayer with a delinquency in excess of $10,000.00 who fails to pay said delinquency prior to the end of the year.
>
> BE IT FURTHER RESOLVED that the Tax Collector of the Borough of Milltown is hereby authorized to allow a ten (10) day grace period (taxes are due quarterly - February 1st, May 1st, August 1st and November 1st) and if unpaid within the ten (10) days after these dates, the account becomes delinquent and subject from the due date at the interest rate above mentioned.

It appears, from an examination of the Tax Collector's records, that interest was collected in accordance with the foregoing ordinance for delinquent taxes.

Delinquent Taxes and Tax Title Liens

The detail of all unpaid taxes for 2015 is being properly carried in the Tax Collector's records. An abstract taken from these records as at December 31, 2015, covering all unpaid charges on that date, was verified with the accounting control figures shown in this report. The detail of unpaid prior year's taxes and tax title liens is being properly carried in the Tax Collector's records. The Borough utilizes the accelerated tax sale method for current year delinquent taxes. The last tax sale was held on December 30, 2015 and was complete with respect to taxes.

The following comparison is made of the number of tax title liens receivable on December 31st of the last three (3) years:

	Number of Liens		
Year	Tax Title	Water	Electric
2015	5	0	0
2014	5	0	0
2013	5	0	0

It is essential to good management that all means provided by statute be utilized to liquidate tax title liens in order to get such properties back on a tax paying basis; however, the owners of the properties that are on tax title lien are in bankruptcy.

Delinquent Electric and Water-Sewer Utility Rents

Electric Utility Receivables

The detail of the Consumer Accounts Receivable as reflected on the Balance Sheet (Exhibit E-8) has been proven to the detail as maintained for utility billings and collections on file in the Electric Utility Collector's office.

Water-Sewer Utility Receivables

The detail of the Consumer Accounts Receivable as reflected on the Balance Sheet (Exhibit D-7), have been proven to the detail as maintained for utility billings and collections on file in the Water and Sewer Utility Collector's office.

GENERAL COMMENTS (CONTINUED)
DECEMBER 31, 2015

Cash Balances

The cash balances in all funds were verified by independent confirmation from the depositories as of December 31, 2015 and May 31, 2016 in connection with supplemental reconciliation.

Cash counts were made at various dates in all departments of the Borough and bank balances were independently reconciled to the books and records or to such schedules of receipts and disbursements provided for audit.

Revenues

Receipts from licenses, fees, fines and costs, etc., for major departments, including the Municipal Court, were checked to the records maintained to the extent deemed necessary.

Expenditures

The vouchers for all funds were examined to the extent deemed necessary to determine that they carried the properly executed certifications as required by statute. Our examination of expenditures revealed several deficiencies in most cases where invoices are dated before purchase orders. This problem has been addressed in prior audits and is not fully developed.

Recommendation: That the Borough move toward a complete requisition and encumbrance system for budgetary purposes and that all department heads be trained in the area of proper requisition and encumbrance procedures.

Payroll

An examination was made of the employees' compensation records for the year 2015 to determine that salaries were paid in conformity with the amounts of salaries and wages authorized by ordinance.

Our examination of payroll did not cover verification of the validity and reasonableness of the allocation of salaries for individuals whose job encompasses activities that relate to more than one of the Borough's operating funds or Departments. The allocation of salaries for individuals whose duties encompass more than one fund or appropriation is done at the sole discretion of the management of the Borough. It is proper and legal to allocate salaries amongst funds as long as the duties of the individuals relate to the costs charged to the fund or appropriation.

The Borough utilizes an outside vendor as a service bureau for the processing and transmitting of the Borough's net payroll and payroll (withholding) agencies. The Borough obtained the required Statement on Standards for Attestation Engagements (SSAE #16) – Report on Internal Control of Service Organizations as it is related to the year 2015.

Miscellaneous Comments

Interfunds Receivable/Payable

The balance sheets of the various funds as of December 31, 2015 reflect interfunds receivable and payable at year end. These interfunds must be liquidated prior to the end of the next succeeding fiscal year. There is no recommendation since we have been advised that the balances will be liquidated in the current year.

Surety Bonds

Surety Bonds were tested as part of our normal annual audit procedures. The Surety Bonds for the Tax Collector, Municipal Court Employees and Chief Financial Officer were tested for adequacy and deemed to be sufficient.

General Capital Fund

The General Capital Fund reflects deferred charges to future taxation unfunded on two (2) Improvement Authorizations that were as a result of shortfalls in grant funding. Improvement authorization #1074 in the amount of $39,988.51, of which $13,330.00 is being raised in the annual budget and improvement authorization #1329/1352 in the amount of $43,922.91, which was a result of 2015 activity which should be raised commencing in 2017 not to exceed five (5) years.

Other

The payment made and amount due to the Local School District as of December 31, 2015 was verified by the School Board Secretary.

The Borough appropriates and pays the annual "Maintenance of the Free Public Library" budget appropriation and other expenses periodically to the Library Board of Trustees. The audit report for the Borough of Milltown Free Public Library as of December 31, 2015 has been filed.

The Borough by referendum authorized a Length of Service Awards Program (LOSAP) which is accounted for in a separate and distinct fund from the Borough. A separate Accountant's Review Report has been prepared for its operations as of December 31, 2015.

Uniform Construction Code

Our examination of the Uniform Construction Code Official's records revealed that the Construction Code Department was in compliance with regards to N.J.A.C. 5:23-4:17. The revenues for 2015 in accordance with the report were $104,569.00 and the expenditures were $69,629.00.

Miscellaneous Comments (Continued)

Reserves

Reserves, unexpended appropriations and improvements authorizations in all funds should be reviewed annually for utilization or cancellation to the appropriate fund balance.

Technical Directives – State of New Jersey

The general ledger for 2015 was maintained in accordance with acceptable accounting control standards. A more detailed general ledger should be maintained for the payroll fund.

An encumbrance system for budgetary purposes was maintained during 2015 with exception as noted in the report.

A fixed assets detail was maintained in 2015.

Minutes of Governing Body Meeting

The minute of the Mayor and Council meetings for all of 2015 and January and February of 2016 were not prepared and presented to the governing body for approval. In order to perform the audit we were required to utilize resolution and ordinance books. Subsequent to yearend the Borough Clerk of Record retired and the replacement Clerk has indicated that she will make efforts to bring the minutes up to date. It should be noted that the minutes for March of 2016 through August of 2016 are up to date.

Financial Procedure Review

It is suggested that for all financial processes within each department and for every borough function related to finance that a review, updating and documentation of all procedures be done in order to be in compliance with recent accounting and auditing requirements related to internal control. It is essential to the operation of an entity the size of the Borough that compliance with the procedures be emphasized and adhered in order to avoid errors and misunderstandings, assist in periods of employee turnover and to present an early warning system for defalcation. Similar comments have been made in all prior audits.

Appreciation

I desire to express my appreciation for the cooperation received from the Borough Officials and Employees and the courtesies extended to us during the course of the audit.

A formal exit conference, in accordance with audit requirements generally accepted in the United States of America, has been held on the contents of this audit with the appropriate Borough Officials.

Miscellaneous Comments (Continued)

Corrective Action Plan

A corrective action plan must be designed and implemented to insure that procedures are corrected or implemented which lead to the recommendations as reflected below. A corrective action plan was adopted for the 2014 audit recommendations.

A similar plan of action should be adopted for 2015 audit recommendation; however, it is the ultimate responsibility of the Mayor and Council to implement and enforce the recommendations.

Follow up on Prior Year Audit Recommendations

2014-1 Recommendation: That the practice of issuing confirming purchase order.

Status: Not full implementation and is included as part of Recommendation 2015-1.

RECOMMENDATIONS
DECEMBER 31, 2015

It is recommended that:

2015-1

Recommendation: That the Borough move toward a complete requisition and encumbrance system for budgetary purposes and that all department heads be trained in the area of proper requisition and encumbrance procedures.

The problems and weaknesses noted in my audit were not of such a magnitude that they would affect my ability to express an opinion on the financial statements taken as a whole.

Should any questions arise as to my comments or recommendations, or should you desire assistance in implementing my recommendations, please do not hesitate to contact me.

Very truly yours,

Gerard Stankiewicz
Certified Public Accountant
Registered Municipal Accountant #431

For the Firm
SAMUEL KLEIN AND COMPANY