

**TOWNSHIP OF BERKELEY HEIGHTS
COUNTY OF UNION
NEW JERSEY**

**REPORT ON
EXAMINATION OF ACCOUNTS
FOR THE YEAR 2013**

**SAMUEL KLEIN AND COMPANY
CERTIFIED PUBLIC ACCOUNTANTS**

TOWNSHIP OF BERKELEY HEIGHTS
COUNTY OF UNION, NEW JERSEY

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PART I
REPORT ON EXAMINATION
FINANCIAL STATEMENTS
NOTES TO FINANCIAL STATEMENTS
AND
SUPPLEMENTARY EXHIBITS
YEAR ENDED DECEMBER 31, 2013

SAMUEL KLEIN AND COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Members
of the Township Council
Township of Berkeley Heights
Berkeley Heights, New Jersey 07922

Report on the Financial Statements

We have audited the financial statements - regulatory basis of the various funds and account groups of the Township of Berkeley Heights in the County of Union, as of and for the years then ended December 31, 2013 and December 31, 2012 and the related notes to the financial statements - regulatory basis, as listed in the foregoing table of contents.

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

Auditor's Responsibility

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

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

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, these financial statements - regulatory basis have been prepared in conformity with accounting principles prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to demonstrate compliance with the modified accrual basis, with certain exceptions, and the budget laws of New Jersey. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "*Basis for the Adverse Opinion on U.S. Generally Accepted Accounting Principles*" paragraph, the financial statements - regulatory basis referred to in the first paragraph, do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2013, and the results of its operations for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements - regulatory basis referred to above, present fairly, in all material respects, the financial position of the various funds of the Township of Berkeley Heights at December 31, 2013, and the results of operations and changes in fund balance, where applicable, of such funds, thereof for the year then ended, in accordance with accounting principles on the basis of financial reporting provisions prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, as described in Note 1.

Other Matter

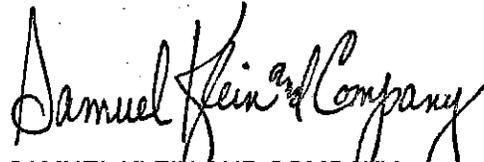
Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements - regulatory basis that collectively comprise the Township's financial statements. The supplementary schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the accompanying financial statements.

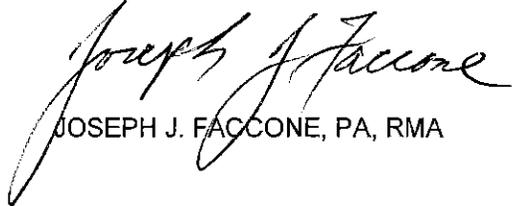
The supplementary schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary schedules are fairly stated, in all material respects, in relation to the financial statements - regulatory basis taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 14, 2014 on our consideration of the Township of Berkeley Heights's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Township of Berkeley Heights's internal control over financial reporting and compliance.



SAMUEL KLEIN AND COMPANY
CERTIFIED PUBLIC ACCOUNTANTS



JOSEPH J. FACCONI, PA, RMA

Newark, New Jersey
August 14, 2014

TOWNSHIP OF BERKELEY HEIGHTS
CURRENT FUND

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

A
Sheet #1

<u>ASSETS</u>	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2013</u>	<u>Balance</u> <u>Dec. 31, 2012</u>
<u>Regular Fund</u>			
Cash - Treasurer	A-4	\$ 3,809,055.05	\$ 3,207,019.15
Cash - Change Fund	A-8	400.00	400.00
Due to State of New Jersey per Chapter 20, P.L. 1971 - Senior Citizens' Deductions	A-10	11,875.31	15,591.76
		<u>3,821,330.36</u>	<u>3,223,010.91</u>
 Receivables and Other Assets with Full Reserves:			
Tax Title Liens Receivable	A-6	63,113.72	51,508.17
Sewer User Charges Receivable	A-18	9,942.77	32,299.67
Delinquent Property Taxes Receivable	A-11	447,574.21	952,442.98
Revenue Accounts Receivable	A-12	7,627.28	8,104.58
Interfunds Receivable	A-22	163,904.74	230,841.10
		<u>692,162.72</u>	<u>1,275,196.50</u>
 Deferred Charges:			
Overexpenditure of Appropriation	A-25		7,938.90
		<u>4,513,493.08</u>	<u>4,506,146.31</u>
 <u>Grant Fund</u>			
Interfunds Receivable	A-19	551,051.80	297,317.47
Grants Receivable	A-23	342,648.66	315,583.66
		<u>893,700.46</u>	<u>612,901.13</u>
		<u>\$ 5,407,193.54</u>	<u>\$ 5,119,047.44</u>

TOWNSHIP OF BERKELEY HEIGHTS
CURRENT FUND

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

A
Sheet #2

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2013</u>	<u>Balance</u> <u>Dec. 31, 2012</u>
<u>Regular Fund</u>			
Appropriation Reserves:			
Unencumbered	A-3,13	\$ 678,770.86	\$ 580,988.07
Encumbered	A-3,13	352,771.63	557,300.23
Accounts Payable - Current Fund	A-5	15,335.04	24,954.35
Sewer Overpayments	A-7	19,727.29	13,461.13
Prepaid Taxes	A-16	273,501.40	281,814.74
Tax Overpayments	A-17	14,257.01	4,390.73
Reserve for Various Deposits	A-24	6,867.00	6,867.00
County Taxes Payable	A-20	34,685.42	19,123.54
School Taxes Payable	A-21	2.00	1.00
Interfunds Payable	A-22	628,564.75	386,403.53
		2,024,482.40	1,875,304.32
Reserve for Receivables		692,162.72	1,275,196.50
Fund Balance	A-1	1,796,847.96	1,355,645.49
		4,513,493.08	4,506,146.31
 <u>Grant Fund</u>			
Reserve for Grants - Unappropriated	A-14	11,697.45	11,764.91
Reserve for Grants - Appropriated	A-15	882,003.01	601,136.22
		893,700.46	612,901.13
		\$ 5,407,193.54	\$ 5,119,047.44

See accompanying notes to financial statements.

TOWNSHIP OF BERKELEY HEIGHTS
CURRENT FUND

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

A-1

	<u>Ref.</u>	<u>Year 2013</u>	<u>Year 2012</u>
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized	A-2	\$ 800,000.00	\$ 700,000.00
Miscellaneous Revenue Anticipated	A-2	3,901,094.56	4,077,037.83
Receipts from Delinquent Taxes	A-2	948,130.00	646,434.91
Receipts from Current Taxes	A-2a	65,277,492.25	63,264,642.64
Nonbudget Revenue	A-2a	380,563.04	505,314.36
Other Credits to Income:			
Interfunds Returned	A-22	66,936.36	
Unexpended Balance of Appropriation Reserves	A-13	206,698.86	364,416.61
Total Income		71,580,915.07	69,557,846.35
<u>Expenditures</u>			
Budget and Emergency Appropriations (Within "CAPS"):			
Operations (Including Contingent)		11,505,946.00	11,305,231.00
Deferred Charges and Statutory Expenditures -			
Municipal		1,505,001.90	1,495,697.77
Budget (Excluded from "CAPS"):			
Operations		1,763,037.38	1,641,934.21
Capital Improvements		95,000.00	95,000.00
Municipal Debt Service		1,825,618.46	1,751,951.37
County Taxes	A-3	16,694,603.74	16,289,814.35
Added and Omitted County Taxes	A-20	34,695.32	19,123.96
Local School District Taxes	A-21	37,528,612.00	37,469,383.00
Interfunds Advanced			224,198.20
Total Expenditures		70,339,712.60	68,935,822.84
Excess in Revenue		1,241,202.47	622,023.51
<u>Fund Balance</u>			
Balance January 1	A	1,355,645.49	1,433,621.98
		2,596,847.96	2,055,645.49
Decreased by:			
Utilized as Anticipated Revenue	A-1,2	800,000.00	700,000.00
Balance December 31	A	\$ 1,796,847.96	\$ 1,355,645.49

See accompanying notes to financial statements.

TOWNSHIP OF BERKELEY HEIGHTS
CURRENT FUND

STATEMENT OF REVENUE - REGULATORY BASIS

A-2

	Ref.	Anticipated		Realized	Excess or (Deficit)
		Budget	Special N.J.S. 40A:4-87		
Fund Balance Anticipated	A-1	\$ 800,000.00	\$	\$ 800,000.00	\$
Miscellaneous Revenues:					
Fees and Permits	A-2a	273,550.00		351,386.71	77,836.71
Licenses:					
Alcoholic Beverages	A-12	15,500.00		16,036.88	536.88
Other	A-12	2,500.00		3,169.00	669.00
Fines and Costs:					
Municipal Court	A-12	130,000.00		121,734.57	(8,265.43)
Construction Code Official	A-12	480,000.00		426,809.00	(53,191.00)
Cable TV Franchise Fee	A-12	170,000.00		174,934.99	4,934.99
Consolidated Municipal Property Tax Relief Aid	A-12	191,810.00		191,810.00	
Energy Receipts Tax	A-12	1,348,781.00		1,348,781.00	
Interest and Costs on Taxes	A-12	157,000.00		153,902.20	(3,097.80)
Interest on Investments and Deposits	A-12	500.00		0.53	(499.47)
Library Reimbursement of Costs	A-12	235,000.00		235,000.00	
Rents of Township Property	A-12	270,000.00		186,776.90	(83,223.10)
Uniform Fire Safety Act	A-12	15,000.00		44,677.02	29,677.02
Sewer User Charges	A-18	250,000.00		300,485.38	50,485.38
Click It or Ticket	A-23		4,000.00	4,000.00	
PSE&G Emergency Grant	A-23		156,396.00	156,396.00	
FEMA - Assistance to Firefighters Grant	A-23		105,274.00	105,274.00	
CDBG - Senior Citizen Center Program	A-23		6,600.00	6,600.00	
CDBG - Senior Citizen Transportation Program	A-23		7,600.00	7,600.00	
Clean Communities	A-23		23,752.68	23,752.68	
Recycling Tonnage Grant	A-23	11,764.91		11,764.91	
Alcohol Education and Rehabilitation	A-23		8,137.66	8,137.66	
Body Armor Grant	A-23		3,354.13	3,354.13	
Drive Sober or Get Pulled Over - Statewide Crackdown	A-23		8,800.00	8,800.00	
Municipal Alliance	A-23	9,911.00		9,911.00	
	A-1	<u>3,561,316.91</u>	<u>323,914.47</u>	<u>3,901,094.56</u>	<u>15,863.18</u>
Receipts from Delinquent Taxes	A-1,11	<u>800,000.00</u>		<u>948,130.00</u>	<u>148,130.00</u>
Amount to be Raised by Taxes for Support of Municipal Budget:					
Local Tax for Municipal Budget	A-11	11,120,028.00		11,541,750.39	421,722.39
Minimum Library Tax	A-11	<u>1,062,633.00</u>		<u>1,062,633.00</u>	
Total Amount to be Raised by Taxes for Support of Municipal Budget	A-2a	<u>12,182,661.00</u>		<u>12,604,383.39</u>	<u>421,722.39</u>
Total Budget Revenue		<u>17,343,977.91</u>	<u>323,914.47</u>	<u>18,253,607.95</u>	<u>585,715.57</u>
Nonbudget Revenue	A-2a			<u>380,563.04</u>	<u>380,563.04</u>
		<u>\$ 17,343,977.91</u>	<u>\$ 323,914.47</u>	<u>\$ 18,634,170.99</u>	<u>\$ 966,278.61</u>
Reference		A-3	A-3		

See accompanying notes to financial statements.

TOWNSHIP OF BERKELEY HEIGHTS
CURRENT FUND

STATEMENT OF REVENUE (Continued)
ANALYSIS OF REALIZED REVENUE - REGULATORY BASIS

A-2a

	<u>Ref.</u>	
<u>Allocation of Current Tax Collections</u>		
Collected on a Cash Basis	A-1,11	\$ 65,277,492.25
Allocated to:		
School and County Taxes		<u>53,645,108.86</u>
Balance for Support of Municipal Budget Appropriations		11,632,383.39
Add: Appropriation Reserve for Uncollected Taxes	A-3	<u>972,000.00</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u>\$ 12,604,383.39</u>
Fees and Permits:		
Clerk	A-12	\$ 254,438.66
Police Department	A-12	1,747.21
Engineering/Planning Board	A-12	78,822.84
Board of Health	A-12	17,750.00
		<u>352,758.71</u>
Less: Refunds	A-4	<u>1,372.00</u>
	A-2	<u>\$ 351,386.71</u>
<u>Analysis of Nonbudget Budget</u>		
Miscellaneous Revenue Not Anticipated:		
Treasurer:		
Senior Citizens - Administration Fee		\$ 2,088.03
Police Outside Overtime Administrative Fees		5,163.75
Insurance Coverage		35,608.00
Miscellaneous		57,946.36
FEMA Reimbursement - 2011 Storm		105,867.28
FEMA Reimbursement - Sandy		155,350.96
	A-4	<u>362,024.38</u>
Interfunds	A-22	<u>18,538.66</u>
	A-1,2	<u>\$ 380,563.04</u>

See accompanying notes to financial statements.

TOWNSHIP OF BERKELEY HEIGHTS
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3
Sheet #1

Appropriation	Appropriations		Paid or Charged	Reserved		Unexpended Balance Cancelled
	Budget	Modified Budget		Encumbered	Unencumbered	
GENERAL GOVERNMENT						
Administrative and Executive:						
Salaries and Wages	\$ 175,000.00	\$ 172,500.00	\$ 172,134.27	\$ 365.73	\$	\$
Other Expenses	36,705.00	46,705.00	34,882.40	1,412.73	10,409.87	
Mayor and Council:						
Salaries and Wages	4,000.00	4,000.00	4,000.00		970.00	
Other Expenses	1,475.00	1,475.00	505.00			
Township Council:						
Salaries and Wages	21,000.00	21,000.00	21,000.00			
Other Expenses	3,425.00	3,425.00	1,064.87		2,360.13	
Municipal Clerk:						
Salaries and Wages	96,000.00	94,500.00	93,935.13		564.87	
Other Expenses	79,500.00	79,500.00	44,863.25	15,236.78	19,399.97	
Financial Administration:						
Salaries and Wages	146,000.00	134,000.00	131,735.46		2,264.54	
Other Expenses	35,650.00	25,650.00	15,365.05	4,027.55	6,257.40	
Annual Audit	53,000.00	53,000.00	47,850.00		5,150.00	
Tax Collection:						
Salaries and Wages	62,000.00	60,500.00	60,202.75		297.25	
Other Expenses	6,750.00	6,750.00	3,942.94		2,807.06	
Municipal Prosecutor:						
Salaries and Wages	16,000.00	16,000.00	15,524.86		475.14	
Assessment of Taxes:						
Salaries and Wages	84,000.00	82,750.00	82,668.04		81.96	
Other Expenses	13,060.00	13,060.00	11,424.11		1,635.89	
Legal Services and Costs:						
Other Expenses	150,000.00	250,000.00	231,968.50	16,206.66	1,824.84	
Municipal Court:						
Salaries and Wages	90,000.00	90,000.00	86,612.60		1,387.40	
Other Expenses	34,660.00	34,660.00	26,478.92	465.78	7,715.30	
Engineering Services and Costs:						
Salaries and Wages	250,000.00	252,000.00	250,248.55		1,751.45	
Other Expenses	35,974.00	20,724.00	4,698.71	3,760.72	12,264.57	
Public Defender:						
Salaries and Wages	7,250.00	5,750.00	5,684.28		65.72	

TOWNSHIP OF BERKELEY OF HEIGHTS
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3
Sheet #2

Appropriation	Appropriations		Paid or Charged	Reserved		Unexpended Balance Cancelled
	Budget	Modified Budget		Encumbered	Unencumbered	
APPROPRIATIONS WITHIN "CAPS"						
GENERAL GOVERNMENT						
Planning Board:						
Other Expenses						
Zoning Board of Adjustment:						
Salaries and Wages			7,149.37	991.50	8,309.13	
Other Expenses	2,000.00	2,000.00	2,000.00		1,472.00	
Affordable Housing:						
Other Expenses	3,700.00	3,700.00	2,744.79	600.00	355.21	
Insurance:						
General Liability	295,000.00	295,000.00	263,415.94	425.08	31,158.98	
Worker's Compensation	175,000.00	175,000.00	166,041.00		8,959.00	
Group Health	2,193,473.00	2,193,473.00	2,147,666.41	6,158.71	39,647.88	
	<u>4,112,272.00</u>	<u>4,163,772.00</u>	<u>3,945,958.27</u>	<u>49,862.44</u>	<u>167,951.29</u>	
PUBLIC SAFETY						
Fire Prevention:						
Fire Official:						
Salaries and Wages	28,000.00	30,550.00	30,227.12		322.88	
Fire:						
Salaries and Wages	2,750.00	3,500.00	3,352.70		147.30	
Other Expenses	118,880.00	118,880.00	109,966.54	8,826.48	86.98	
Fire Hydrant Services	176,000.00	176,000.00	175,795.20	0.40	204.40	
Police:						
Salaries and Wages	3,210,000.00	3,190,000.00	3,162,241.06	13,690.36	27,758.94	
Other Expenses	134,065.00	134,065.00	101,922.07		18,452.57	
Traffic Control Schools:						
Salaries and Wages	132,000.00	112,000.00	104,732.68	1,793.50	7,267.32	
Other Expenses	7,700.00	7,700.00	1,275.00		4,631.50	
Emergency Management:						
Salaries and Wages	5,000.00	6,800.00	6,769.32		30.68	
Other Expenses	1,500.00	1,500.00	1,216.50		283.50	
Snow Removal:						
Other Expenses	89,000.00	104,000.00	58,405.89	44,051.40	1,542.71	
	<u>3,904,895.00</u>	<u>3,884,995.00</u>	<u>3,755,904.08</u>	<u>68,362.14</u>	<u>60,728.78</u>	

TOWNSHIP OF BERKELEY HEIGHTS
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3
Sheet #3

Appropriation	Appropriations		Paid or Charged	Reserved		Unexpended Balance Cancelled
	Budget	Modified Budget		Encumbered	Unencumbered	
APPROPRIATIONS WITHIN "CAPS"						
PUBLIC WORKS						
Road Repairs and Maintenance:						
Salaries and Wages	\$ 500,000.00	\$ 538,000.00	\$ 535,592.54	\$ 2,407.46	\$	
Other Expenses	57,800.00	57,800.00	49,906.54	914.18	6,978.28	
Sanitation:						
Solid Waste Transportation:						
Other	240,000.00	240,000.00	185,808.74	29,807.05	24,384.21	
Maintenance of Sewer Plant:						
Salaries and Wages	405,000.00	318,000.00	314,794.21	86,403.36	3,205.79	
Other Expenses	411,639.00	434,639.00	345,215.41	3,315.66	802.50	
Public Buildings and Grounds:						
Salaries and Wages	85,000.00	75,000.00	74,197.50	34,928.94	2,884.98	
Other Expenses	34,000.00	34,000.00	27,799.36	155,369.19	49,089.61	
Maintenance of Vehicles:						
Salaries and Wages	125,000.00	117,000.00	116,340.36	1,230.00	16,175.00	
Other Expenses	135,000.00	145,000.00	105,325.54	1,656.49	60,008.36	
	<u>1,993,439.00</u>	<u>1,959,439.00</u>	<u>1,754,980.20</u>			
HEALTH AND WELFARE						
Public Health Services:						
Other Expenses	70,000.00	70,000.00	34,312.50	250.00	35,437.50	
Animal Control:						
Other Expenses	10,000.00	10,000.00	1,808.57	176.49	8,014.94	
Environmental Commission:						
Other Expenses	1,070.00	1,070.00	689.08		380.92	
Welfare Administration:						
Salaries and Wages	4,000.00	4,000.00	4,000.00			
Community on Cable	23,810.00	23,810.00	6,405.00			
	<u>108,880.00</u>	<u>108,880.00</u>	<u>47,215.15</u>			
RECREATION AND EDUCATION						
Board of Recreation Commissioners:						
Salaries and Wages	282,000.00	242,000.00	238,736.30		3,263.70	
Other Expenses	38,000.00	38,000.00	36,568.96	1,413.73	17.31	
	<u>320,000.00</u>	<u>280,000.00</u>	<u>275,305.26</u>	<u>1,413.73</u>	<u>3,281.01</u>	

TOWNSHIP OF BERKELEY HEIGHTS
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3
Sheet #4

Appropriation	Appropriations		Paid or Charged	Reserved		Unexpended Balance Cancelled
	Budget	Modified Budget		Encumbered	Unencumbered	
APPROPRIATIONS WITHIN "CAPS"						
UNIFORM CONSTRUCTION CODE - APPROPRIATIONS OFFSET BY DEDICATED REVENUES						
Construction Code Officials:						
Salaries and Wages	\$ 202,000.00	\$ 225,000.00	\$ 221,398.44	\$ 3,601.56	\$	
Other Expenses	57,855.00	57,855.00	32,071.05	10,698.00	15,085.95	
	<u>259,855.00</u>	<u>282,855.00</u>	<u>253,469.49</u>	<u>10,698.00</u>	<u>18,687.51</u>	
UNCLASSIFIED						
Utilities:						
Telephone	110,000.00	110,000.00	92,310.84	11,327.22	6,361.94	
Street Lighting	140,000.00	140,000.00	126,075.09	10,815.63	3,109.28	
Salary Adjustment	20,000.00					
Postage	12,000.00	12,000.00	10,000.00		2,000.00	
Accumulated Absence	5.00	5.00	5.00			
Electricity	250,000.00	260,000.00	250,703.97	8,291.26	1,004.77	
Water	24,000.00	24,000.00	20,771.65	1,265.41	1,962.94	
Gasoline	200,000.00	175,000.00	99,844.56	10,843.68	64,311.76	
Gas (Natural or Propane)	85,000.00	85,000.00	63,318.50	11,543.01	10,138.49	
Condominium Service Law	20,000.00	20,000.00			20,000.00	
	<u>861,005.00</u>	<u>826,005.00</u>	<u>663,029.61</u>	<u>54,086.21</u>	<u>108,839.18</u>	
Total Operations	11,560,346.00	11,505,946.00	10,695,862.06	341,448.20	468,635.74	
DEFERRED CHARGES AND STATUTORY EXPENDITURES						
Contributions to:						
Public Employees' Retirement System	327,000.00	327,000.00	327,000.00			
Social Security	480,000.00	505,000.00	501,717.59		3,282.41	
Police and Firemen's Retirement System	645,063.00	645,063.00	645,063.00			
Unemployment Compensation Insurance	20,000.00	20,000.00	20,000.00			
Deferred Charges:						
Overexpenditure of Improvement Authorization	7,938.90	7,938.90	7,938.90			
	<u>1,480,001.90</u>	<u>1,505,001.90</u>	<u>1,501,719.49</u>		<u>3,282.41</u>	
Total Appropriations Within "CAPS"	13,040,347.90	13,010,947.90	12,197,581.55	341,448.20	471,918.15	

TOWNSHIP OF BERKELEY HEIGHTS
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3
Sheet #5

Appropriation	Appropriations		Paid or Charged	Reserved		Unexpended Balance Cancelled
	Budget	Modified Budget		Encumbered	Unencumbered	
APPROPRIATIONS EXCLUDED FROM "CAPS"						
OTHER OPERATIONS						
Maintenance of Free Public Library Planning Board (P.L. 1985, Ch. 222):	\$ 1,062,633.00	\$ 1,062,633.00	\$ 1,023,856.86	\$ 38,776.14		\$
Other Sewer	150,000.00	150,000.00		150,000.00		
Group Insurance for Employees	107,936.00	107,936.00	107,936.00			
Reserve for Tax Appeals	65,000.00	94,400.00	65,000.00	11,323.43	18,076.57	
	1,385,569.00	1,414,969.00	1,196,792.86	11,323.43	206,852.71	
PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES						
PSE&G Emergency Grant	156,396.00	156,396.00	156,396.00			
FEMA FY 2012 Assistance to Firefighters	105,274.00	105,274.00	105,274.00			
Recycling Tonnage Aid	11,764.91	11,764.91	11,764.91			
Alcohol Education and Rehabilitation	8,137.66	8,137.66	8,137.66			
Municipal Alliance	9,911.00	9,911.00	9,911.00			
Municipal Alliance - Local Match	2,478.00	2,478.00	2,478.00			
Clean Community Grant	23,752.68	23,752.68	23,752.68			
Click It or Ticket	4,000.00	4,000.00	4,000.00			
CDBG Senior Citizen Transportation Program	7,600.00	7,600.00	7,600.00			
CDBG Senior Citizen	6,600.00	6,600.00	6,600.00			
Drive Sober or Get Pulled Over Labor Day Crackdown	4,400.00	4,400.00	4,400.00			
Drive Sober or Get Pulled Over Year End Crackdown	4,400.00	4,400.00	4,400.00			
Body Armor Replacement Fund	3,354.13	3,354.13	3,354.13			
	348,068.38	348,068.38	348,068.38			
Total Operations	1,733,637.38	1,763,037.38	1,544,861.24	11,323.43	206,852.71	
CAPITAL IMPROVEMENTS						
Capital Improvement Fund	95,000.00	95,000.00	95,000.00			
DEBT SERVICE						
Payment of Bond Principal	700,000.00	700,000.00	700,000.00			
Interest on Bonds	233,400.00	233,400.00	233,400.00			
Payment of Bond Anticipation Notes and Capital Notes	273,330.00	273,330.00	273,330.00			

TOWNSHIP OF BERKELEY HEIGHTS
TRUST FUNDS

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

B

<u>ASSETS</u>	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2013</u>	<u>Balance</u> <u>Dec. 31, 2012</u>
<u>Animal Control Fund</u>			
Cash	B-1	\$ 38,683.85	\$ 13,647.75
<u>Other Funds</u>			
Cash	B-1	2,897,868.11	2,249,428.70
Interfunds	B-3		305.39
Community Development Block Grants Receivable	B-4	10,000.00	10,000.00
		<u>2,907,868.11</u>	<u>2,259,734.09</u>
		<u>\$2,946,551.96</u>	<u>\$2,273,381.84</u>
 <u>LIABILITIES AND FUND BALANCES</u>			
<u>Animal Control Fund</u>			
Reserve for Animal Control Expenditures	B-2	\$ 37,070.85	\$ 13,647.75
Prepaid Revenue	B-2	1,613.00	
		<u>38,683.85</u>	<u>13,647.75</u>
<u>Other Funds</u>			
Interfunds	B-3	164,763.74	231,700.10
Reserve for Payroll Deductions	B-5	22,662.01	62,531.21
Reserve for Community Development Block Grant	B-7	1,843.97	1,843.97
Various Reserves and Deposits	B-9	1,949,175.04	1,222,957.90
Reserve for Affordable Housing Deposit	B-10	573,364.76	510,720.26
Reserve for Unemployment Compensation Insurance	B-11	90,992.42	84,806.53
Reserve for Recreation Expenditures	B-12	105,066.17	145,174.12
		<u>2,907,868.11</u>	<u>2,259,734.09</u>
		<u>\$2,946,551.96</u>	<u>\$2,273,381.84</u>

See accompanying notes to financial statements.

TOWNSHIP OF BERKELEY HEIGHTS
GENERAL CAPITAL FUND

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

C

<u>ASSETS AND DEFERRED CHARGES</u>	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2013</u>	<u>Balance</u> <u>Dec. 31, 2012</u>
Cash	C-1	\$ 3,465.25	\$ 1,018,869.87
Due from Current Fund	C-3	78,371.95	89,639.67
Deferred Charges to Future Taxation:			
Funded	C-4	14,175,339.39	15,298,595.42
Unfunded	C-5	3,132,248.27	2,561,648.27
State Aid Receivable	C-8	518,750.00	518,750.00
New Jersey Environmental Infrastructure Loan Receivable	C-13	<u>563,402.52</u>	<u>563,402.52</u>
		<u>\$18,471,577.38</u>	<u>\$20,050,905.75</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Capital Improvement Fund	C-6	\$ 201,839.80	\$ 208,287.80
Improvement Authorizations:			
Funded	C-7	437,329.36	1,162,318.87
Unfunded	C-7	592,618.83	1,291,603.66
General Serial Bonds	C-9	7,884,000.00	8,584,000.00
New Jersey Environmental Infrastructure Loan Payable	C-10	6,291,339.39	6,714,595.42
Bond Anticipation Notes	C-11	3,055,950.00	2,081,600.00
Reserve for Senior Citizens' Bus	C-12	<u>8,500.00</u>	<u>8,500.00</u>
		<u>\$18,471,577.38</u>	<u>\$20,050,905.75</u>
 Bonds and Notes Authorized but Not Issued	 C-14	 <u>\$ 76,298.27</u>	 <u>\$ 480,048.27</u>

See accompanying notes to financial statements.

TOWNSHIP OF BERKELEY HEIGHTS
CAPITAL FIXED ASSETS

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

Exhibit G

<u>ASSETS</u>	Balance <u>Dec. 31, 2013</u>	Balance <u>Dec. 31, 2012</u>
Land	\$ 17,842,543.01	\$ 17,842,543.01
Buildings	10,749,304.94	10,749,304.94
Vehicles, Machinery and Equipment	<u>12,985,795.81</u>	<u>12,030,418.88</u>
	<u>\$ 41,577,643.76</u>	<u>\$ 40,622,266.83</u>
 <u>RESERVE</u>		
Investment in Capital Assets	<u>\$ 41,577,643.76</u>	<u>\$ 40,622,266.83</u>

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

TOWNSHIP OF BERKELEY HEIGHTS

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

B. Description of Funds

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB codification establishes the presentation of basic financial statements into three fund types, the governmental, propriety and fiduciary as well as government-wide financial reporting funds that must be used by governmental units when reporting financial position and results of operations in accordance with U.S. Generally Accepted Accounting Principles (GAAP).

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

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

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 generally accepted accounting principles. 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.

Grant Revenue

Federal and State grants, entitlements or shared revenue received for purposes normally financed through the Current Fund are recognized when anticipated in the Borough of Roselle Park'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 which may have been cancelled 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 31st are reported as expenditures through the establishment of an encumbrance payable. Encumbrances do not constitute expenditures under GAAP.

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 capital fixed assets account group at market value on the date of acquisition.

Self-Insurance Contributions

Contributions to self-insurance funds are charged to budget appropriations. GAAP requires that payments be accounted for as an operating transfer and not as an expenditure.

Interfunds Receivable

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

Capital Fixed Assets

N.J.A.C. 5:30-5.6, Accounting for Governmental Fixed Assets, as promulgated by the Division of Local Government Services, which differs in certain respects from generally accepted accounting principles, requires the inclusion of a statement of general fixed assets of the Township as part of its basic financial statements. Capital fixed assets are defined as nonexpendable personal property having a physical existence, a useful life of more than one year and an acquisition cost of \$1,000.00 or more per unit.

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Accounting (Continued)

Capital Fixed Assets (Continued)

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

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

Inventories of Supplies

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

D. Basic Financial Statements

The GASB codification also defines the financial statements of a governmental unit to be presented in the general purpose financial statements to be in accordance with GAAP. The Township presents the financial statements listed in the table of contents of the "Requirements of Audit and Accounting Revision of 1987" as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and which differ from the financial statements by GAAP. The differences, although not reasonably determinable, are presumed to be material.

2. CASH AND CASH EQUIVALENTS

The Township considers petty cash, change funds, cash in banks and certificates of deposit as cash and cash equivalents.

A. Deposits

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

As of December 31, 2013, the Township had funds invested and on deposit in checking accounts. The amount of the Township's cash and cash equivalents as of December 31, 2013 was \$6,807,908.45. These funds constitute "deposits with financial institutions" as defined by GASB Statement No. 40. There were no securities that the Township held that could be categorized as investments.

Custodial Credit Risk - Deposits - Custodial credit risk is the risk that in the event of a bank failure, the deposits may not be returned. The Township does not have a specific deposit policy for custodial credit risk other than those policies that adhere to the requirements of statute. As of December 31, 2013, based upon the coverage provided by FDIC and NJGUDPA, no amount of the bank balance was exposed to custodial credit risk. Of the cash on balance in the bank, \$1,449,467.29 was covered by Federal Depository Insurance and \$5,358,441.16 was covered under the provisions of NJGUDPA.

2. CASH AND CASH EQUIVALENTS (Continued)

B. Investments

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

1. Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America.
2. Government money market mutual funds which are purchased from an investment company or investment trust which is registered with the Securities and Exchange Commission under the "Investment Company Act of 1940," 15 U.S.C. 80a-1 et seq., and operated in accordance with 17 C.F.R. § 270.2a-7 and which portfolio is limited to U.S. Government securities that meet the definition of an eligible security pursuant to 17 C.F.R. § 270.2a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 5-15.1. These funds are also required to be rated by a nationally recognized statistical rating organization.
3. Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor.
4. Bonds or other obligations of the Local Unit or bonds or other obligations of school districts of which the Local Unit is a part or within which the school district is located.
5. Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Investment of the Department of Treasury for investment by Local Units.
6. Local government investment pools that are fully invested in U.S. Government securities that meet the definition of eligible security pursuant to 17 C.F.R. § 270a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 5-15.1. This type of investment is also required to be rated in the highest category by a nationally recognized statistical rating organization.
7. Deposits with the State of New Jersey Cash Management Fund established pursuant to Section 1 of P.L. 1977, c.281 (C. 52:18A-90.4); or
8. Agreements for the repurchase of fully collateralized securities if:
 - a. the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection;
 - b. the custody of collateral is transferred to a third party;
 - c. the maturity of the agreement is not more than 30 days;
 - d. the underlying securities are purchased through a public depository as defined in Section 1 of P.L. 1970, c.236 (C. 17:19-41); and
 - e. a master repurchase agreement providing for the custody and security of collateral is executed.

2. CASH AND CASH EQUIVALENTS (Continued)

B. Investments (Continued)

The Township of Berkeley Heights had no investments outstanding as of December 31, 2013.

Based upon the limitations set forth by New Jersey Statutes 40A:5-15.1 and existing investment practices, the Township is generally not exposed to credit risks, custodial credit risks, concentration of credit risks and interest rate risk for its investments nor is it exposed to foreign currency risk for its deposits and investments.

3. 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 within the statutory period of usefulness. Bonds issued by the Borough are general obligation bonds, backed by the full faith and credit of the Borough. Pursuant to N.J.S.A. 40A:2-8, bond anticipation notes, which are issued to temporarily finance capital projects, cannot be renewed past the third anniversary unless an amount equal to at least the first legally required installment is paid prior to each anniversary and must be paid off within ten years and five months or retired by the issuance of bonds.

Summary of Municipal Debt

	<u>Year 2013</u>	<u>Year 2012</u>	<u>Year 2011</u>
<u>Issued</u>			
General:			
Bonds, Notes and Loans	\$17,231,289.39	\$17,380,195.42	\$17,509,896.32
Less: Reserve to Pay Debt Service			208,276.44
Total Issued	<u>17,231,289.39</u>	<u>17,380,195.42</u>	<u>17,301,619.88</u>
<u>Authorized but Not Issued</u>			
General:			
Bonds and Notes	<u>76,298.27</u>	<u>480,048.27</u>	<u>480,252.04</u>
Total Authorized but Not Issued	<u>76,298.27</u>	<u>480,048.27</u>	<u>480,252.04</u>
Net Bonds and Notes Issued and Authorized but Not Issued	<u>\$17,307,587.66</u>	<u>\$17,860,243.69</u>	<u>\$17,781,871.92</u>

Summary of Statutory Debt Condition Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 0.539%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$ 21,194,000.00	\$ 21,194,000.00	\$
General Debt	<u>17,307,587.66</u>		<u>17,307,587.66</u>
	<u>\$ 38,501,587.66</u>	<u>\$ 21,194,000.00</u>	<u>\$ 17,307,587.66</u>

Net Debt \$17,307,587.66 divided by equalized valuation basis per N.J.S.A. 40A:2-2, as amended, \$3,210,995,816.00 equals 0.539%.

3. MUNICIPAL DEBT (Continued)

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

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

Equalized Valuation Basis* - December 31, 2013	<u>\$ 3,210,995,816.00</u>
3 1/2% of Equalized Valuation Basis	\$ 112,384,853.56
Net Debt	<u>17,307,587.66</u>
Remaining Borrowing Power	<u>\$ 95,077,265.90</u>

Long-Term Debt

As of December 31, 2013, the Township's long-term debt is as follows:

General Serial Bonds

\$4,000,000.00, 2003 Bonds due in annual installments of \$300,000.00 to \$305,000.00 through October, 2018 at interest rates between 3.60% and 4.00%.	\$1,510,000.00
\$7,604,000.00, 2009 Bonds due in annual installments of \$430,000.00 to \$460,000.00 through October, 2027 at interest rates between 2.00% and 4.00%.	<u>6,374,000.00</u>
	<u>\$7,884,000.00</u>

Environmental Infrastructure Loans

\$980,000.00, 2001 Loan due in annual remaining installments of \$55,000.00 to \$80,000.00 through August, 2021 at interest rates between 4.75% and 5.50%.	\$ 530,000.00
\$1,000,000.00, 2001 Interest Free Loan due in annual remaining installments of between \$51,152.52 and \$54,183.53 through August, 2021.	422,434.79
\$290,000.00, 2004 Loan due in annual remaining installments of \$15,000.00 and \$25,000.00 through August, 2024 at interest rates between 4.00% and 5.00%.	200,000.00
\$294,120.00, 2004 Interest Free Loan due in annual remaining installments of between \$14,114.32 and \$16,783.69 through August, 2024.	167,800.29
\$2,190,000.00, 2007 Loan due in annual remaining installments of \$95,000.00 and \$175,000.00 through August, 2027 at interest rates between 3.60% and 5.00%.	1,835,000.00

3. MUNICIPAL DEBT (Continued)

Long-Term Debt (Continued)

Environmental Infrastructure Loans (Continued)

\$2,030,000.00, 2007 Interest Free Loan due in annual remaining installments of between \$111,658.75 and \$114,719.74 through August, 2027.	\$1,576,954.80
\$905,000.00, 2009 Loan due in annual remaining installments of \$35,000.00 and \$65,000.00 through August, 2029 at interest rates between 3.50% and 5.00%.	800,000.00
\$901,490.00, 2009 Interest Free Loan due in annual remaining installments of between \$47,446.83 and \$47,447.06 through August, 2029.	<u>759,149.51</u>
	<u><u>\$6,291,339.39</u></u>

Bonds and Notes Authorized but Not Issued

At December 31, 2013, the Township has authorized but not issued bonds and notes as follows:

General Capital Fund	<u><u>\$76,298.27</u></u>
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Schedule of Annual Debt Service for Principal and Interest for Bonded Debt Issued and Outstanding December 31, 2013

<u>Year</u>	<u>General Capital</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2014	\$ 730,000.00	\$ 254,830.00	\$ 984,830.00
2015	735,000.00	235,430.00	970,430.00
2016	755,000.00	214,542.50	969,542.50
2017	765,000.00	192,905.00	957,905.00
2018	765,000.00	169,510.00	934,510.00
2019	460,000.00	144,660.00	604,660.00
2020	460,000.00	130,860.00	590,860.00
2021	460,000.00	116,485.00	576,485.00
2022	460,000.00	101,535.00	561,535.00
2023	460,000.00	86,585.00	546,585.00
2024	460,000.00	70,485.00	530,485.00
2025	460,000.00	53,810.00	513,810.00
2026	460,000.00	36,560.00	496,560.00
2027	454,000.00	18,160.00	472,160.00
	<u><u>\$7,884,000.00</u></u>	<u><u>\$1,826,357.50</u></u>	<u><u>\$9,710,357.50</u></u>

3. MUNICIPAL DEBT (Continued)

Schedule of Annual Debt for Infrastructure Loan Payable

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 427,144.96	\$ 152,103.76	\$ 579,248.72
2015	439,203.88	143,593.76	582,797.64
2016	446,878.21	133,243.76	580,121.97
2017	457,628.80	122,393.76	580,022.56
2018	464,731.72	110,893.76	575,625.48
2019	483,127.00	98,893.76	582,020.76
2020	493,578.88	87,793.76	581,372.64
2021	508,865.29	76,431.26	585,296.55
2022	386,231.70	63,131.26	449,362.96
2023	394,335.27	53,381.26	447,716.53
2024	406,276.19	44,168.76	450,444.95
2025	376,528.99	34,125.00	410,653.99
2026	385,150.45	24,862.50	410,012.95
2027	396,764.16	15,037.50	411,801.66
2028	112,446.83	5,200.00	117,646.83
2029	112,447.06	2,600.00	115,047.06
	<u>\$6,291,339.39</u>	<u>\$1,167,853.86</u>	<u>\$7,459,193.25</u>

4. FUND BALANCES APPROPRIATED

Fund balance at December 31, 2013, which was appropriated and included as anticipated revenue in the annual budget for the succeeding year is as follows:

	<u>Year</u>	<u>Balance December 31,</u>	<u>Budget of Succeeding Year</u>
Current Fund:	2013	\$ 1,796,847.96	\$ 825,000.00
	2012	1,355,645.19	800,000.00
	2011	1,433,671.98	700,000.00

5. PROPERTY TAXES

Property assessments are determined on true values and taxes are assessed based upon these values. The residential tax bill includes the levies for the Town, 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.

5. PROPERTY TAXES (Continued)

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 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 become 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.

The following is one year of certain statistical information relative to property taxes and property tax collections for the current year.

Schedule of Tax Rates

	<u>2013</u>	<u>2012</u>
Tax Rate	<u>\$ 3.701</u>	<u>\$ 3.613</u>
Apportionment of Tax Rate:		
Municipal	\$ 0.625	\$ 0.605
Municipal Library	0.060	0.062
County*	0.905	0.839
School	2.111	2.107

*Including County Vocational School

Assessed Valuations

<u>Year</u>	<u>Amount</u>
2013	\$ 1,777,854,550.00
2012	1,779,094,202.00

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2013	\$65,940,979.84	\$65,277,492.25	98.99%
2012	64,360,284.76	63,419,932.48	98.50

Delinquent Taxes and Tax Title Liens

<u>Year</u>	<u>Amount of Delinquent Taxes</u>	<u>Tax Title Liens</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2013	\$ 447,574.21	\$ 63,113.72	\$ 510,687.93	.75%
2012	952,442.98	51,508.17	1,003,751.15	2.00

6. SEWER BILLINGS AND COLLECTION

<u>Year</u>	<u>Billing</u>	<u>Sewer Collections</u>
2013	\$ 278,128.48	\$ 300,485.38
2012	266,129.67	256,385.26

Collections include realization of prior year uncollected balances and water liens.

7. PENSION PLANS

Description of Systems

Substantially all of the Township'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 Retirement System (PFRS). These systems are sponsored and administered by the New Jersey Division of Pensions and Benefits. The Public Employees' Retirement System and the Police and Firemen's Retirement System is considered a cost sharing multiple-employer plan.

Public Employees' Retirement System:

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

Significant Legislation

P.L. 2011, c. 78, effective June 28, 2011, made various changes to the manner in which PERS operates and to the benefit provisions of that system.

This new legislation's provisions impacting employee pension and health benefits include:

- New members of PERS hired on or after June 28, 2011 (Tier 5 members), will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of $\frac{1}{4}$ to 1 percent for each month that the member is under age 65.
- The eligibility age to qualify for a service retirement in the PERS is increased from age 62 to 65 for Tier 5 members.
- Active member contribution rates will increase. PERS active member rates increase from 5.5 percent of annual compensation to 6.5 percent plus an additional 1 percent phased-in over 7 years. For Fiscal Year 2013, the member contribution rates increased in July 2013. The phase-in of the additional incremental member contributions for PERS members will take place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law.

In addition, this new legislation changes the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay).

7. PENSION PLANS (Continued)

Police and Firemen's Retirement System:

The Police and Firemen's Retirement System (PFRS) was established in July 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.

Chapter 428, Public Law of 1999, effective January 18, 2000, allows a member, age 55 and older with 20 or more years of service, to retire with a benefit equaling 50% of final compensation, in lieu of the regular retirement allowance available to the member. Final compensation means the compensation received by the member in the last twelve months of creditable service preceding retirement.

In addition, a member of the system as of the effective date of this law may retire with 20 or more years of service with a retirement allowance of 50% of final compensation, regardless of age, and, if required to retire because of attaining the mandatory retirement age of 65, an additional 3% of final compensation for every additional year of creditable service up to 25 years.

Significant Legislation

P.L. 2011, c. 78, effective June 28, 2011, made various changes to the manner in which PFRS operates and to the benefit provisions of that system.

This new legislation's provision impacting employee pension and health benefits include:

- The annual benefit under special retirement for new PFRS members enrolled after June 28, 2011 (Tier 3 members), will be 60 percent instead of 65 percent of the member's final compensation plus 1 percent for each year of creditable service over 25 years but not to exceed 30 years.

Consolidated Police and Firemen's Pension Fund:

The Consolidated Police and Firemen's Retirement System (CPFPR) is a closed system with no active members and was established in January 1952 to provide coverage to municipal police and firemen who were appointed prior to July 1, 1944.

Contributions Required and Made

Contributions made by employees for PERS and PFRS are currently 6.78% and 10.0% of their base wages, respectively. Employer contributions are actuarially determined on an annual basis by the Division of Pensions. Contributions to the plan for the past two (2) years are as follows:

<u>Year</u>	<u>PERS</u>		<u>PFRS</u>	
	<u>Township</u>	<u>Employees</u>	<u>Township</u>	<u>Employees</u>
2013	\$ 327,000.00	\$208,597.08	\$645,063.00	\$275,205.25
2012	369,969.00	201,580.39	622,085.00	262,767.29

8. DEFINED CONTRIBUTION RETIREMENT PROGRAM

Description of System

The Defined Contribution Retirement Program (DCRP) was established on July 1, 2007 for certain public employees under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007. The program provides eligible members, with a minimum base salary of \$1,500.00 or more, with a tax-sheltered, defined contribution retirement benefit, in addition to life insurance and disability coverage. The DCRP is jointly administered by the Division of Pensions and Benefits and Prudential Financial.

If the eligible elected or appointed official will earn less than \$5,000.00 annually, the official may choose to waive participation in the DCRP for that office or position. This waiver is irrevocable.

As of May 21, 2010, the municipal base salary required for eligibility in the DCRP was increased to \$5,000.00.

This retirement program is a new pension system where the value of the pension is based on the amount of the contribution made by the employee and employer and through investment earnings. It is similar to a Deferred Compensation Program where the employee has a portion of tax deferred salary placed into an account that the employee manages through investment options provided by the employer.

The law requires that three classes of employees enroll in the DCRP, detailed as follows:

- All elected officials taking office on or after July 1, 2007, except that a person who is reelected to an elected office held prior to that date without a break in service may remain in the Public Employees' Retirement System (PERS).
- A Governor appointee with the advice and consent of the Legislature or who serves at the pleasure of the Governor only during that Governor's term of office.
- Employees enrolled in the PERS on or after July 1, 2007 or employees enrolled in the PFR&S after May 21, 2010 who earn salary in excess of established "maximum compensation" limits.
- Employees otherwise eligible to enroll in the PERS on or after November 2, 2008 who do not earn the minimum salary for PERS Tier 3, but who earn salary of at least \$5,000.00.
- Employees otherwise eligible to enroll in the PERS after May 21, 2010, who do not work the minimum number of hours per week required for PERS Tier 4 or Tier 5 enrollment (32 hours per week) but who earn salary of at least \$5,000.00 annually.

Notwithstanding the foregoing requirements, other employees who hold a professional license or certificate or meet other exceptions are permitted to join or remain in PERS.

Contributions Required and Made

During the calendar year 2013, there were no employees enrolled in the DCRP.

9. COMPENSATED ABSENCES

Under the terms of various contracts, employees are compensated for unused vacation time and personal days. The accumulated cost of such unpaid compensation is not required to be reported in the financial statements as presented but is estimated by the Township to be \$570,109.46. The Township appropriates annually the amounts required to be paid in any fiscal year in that year's budget and no liability is accrued at December 31, 2013.

10. LITIGATION

The Township Attorney's letter did not indicate any litigation, claims or contingent liabilities that are either not covered by the Township's insurance or would have a material financial impact on the Township.

11. CONTINGENT LIABILITIES

The Township participates in several federal and state financial assistance grant programs. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditures of funds for eligible purposes. These programs are subject to compliance and financial audits by the grantors or their representatives. As of December 31, 2013, the Township does not believe that any material liabilities will result from such audits.

12. RISK MANAGEMENT

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

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

<u>Year</u>	<u>Township Contributions and Interest</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2013	\$20,000.00	\$ *	\$ 13,814.11	\$ 90,992.42
2012	25,599.94	*	2,793.55	84,806.53
2011	12,779.86	11,434.23	77,708.85	62,000.14

*\$23,407.40 for employee contributions was not transferred as of December 31, 2013.

13. INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at December 31, 2013:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Current Fund	\$ 163,904.74	\$627,394.75
Grant Fund	551,051.80	
Community Development Block Grant		8,156.03
Recreation Trust		18,392.70
Trust Other Fund		138,215.01
General Capital Fund	<u>77,201.95</u>	
	<u>\$792,158.49</u>	<u>\$792,158.49</u>

Interfunds

The balance sheets of the various funds as of December 31, 2013 reflect Interfunds Receivable and Payable. Subsequent to year-end, efforts should be undertaken to review and liquidate the interfunds that have occurred.

The cause of these interfunds relate to interest earned but not remitted to the corresponding fund, disbursements made by one fund on behalf of another fund, and lack of transferring budget revenue and/or appropriations from one fund to another.

In the case of the Current Fund, the effect of the Interfunds not being liquidated is a charge to operations (Fund Balance) and a decrease in surplus available. In other funds, the Interfunds do not represent charges to operations but should be liquidated regardless since each fund's cash requirements should stand on their own.

All Interfunds should be liquidated on a current basis.

14. DEFERRED COMPENSATION PLAN

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

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

The Plan is administered by the Metlife.

The accompanying financial statements do not include the Township's Deferred Compensation Plan activities. The Township's Deferred Compensation Plan financial statements are contained in a separate review report.

15. OTHER POST-RETIREMENT EMPLOYEE BENEFITS

• Actuarial Accrued Liability

The Actuarial Accrued Liability ("AAL") as of December 31, 2011 is \$33,831,379 based upon a discount rate of 4.50% per annum and the plan provisions in effect on December 31, 2011.

• Annual Required Contribution

The Annual Required Contribution ("ARC") is the measure of annual cost on an accrual basis. It is comprised of the "Normal Cost" which is the portion of future liabilities attributable to the measurement year, plus 30 year amortization of the Unfunded Actuarial Accrued Liability ("UAAL"). As of the measurement date, the plan had no assets to offset any portion of the AAL, so the UAAL and AAL are equal.

The ARC as of December 31, 2011 is \$2,879,895 based upon a discount rate of 4.50% per annum and the plan provisions in effect on December 31, 2011. The breakdown of the ARC is as follows:

(1) Normal Cost	\$ 802,934
(2) Actuarial Accrued Liability	33,831,379
(3) Assets	-
(4) UAAL = (2) - (3)	33,831,379
(5) 30 Year Amortization of UAAL at Discount Rate.	2,076,961
(6) ARC = (1) + (5)	2,879,895

This valuation has been conducted as of December 31, 2011 based upon census, plan design and claims information provided by The Fund. Census includes 50 participants currently receiving retiree benefits, and 57 active participants of whom 19 are eligible to retire as of the valuation date. The average age of the active population is 56 and the average age of the retiree population is 56.

Actuarial assumptions were selected with the intention of satisfying the requirements of New Jersey Local Finance Notice 2007-15 in addition to Statement of Government Accounting Standard Number 45.

Demographic assumptions were selected based on those used in by the State Division of Pensions and Benefits in calculating pension benefits taken from the July 1, 2011 report from Buck Consultants. While some assumptions were simplified to reflect the smaller population, and to simplify the valuation process, the valuation results reasonably conform to the requirements of LFN 2007-15.

Health care (economic) assumptions were selected based on those used by the State Health Benefits Program in calculating SHBP member OPEB requirements taken from the July 1, 2011 report from Aon Consultants.

15. OTHER POST-RETIREMENT EMPLOYEE BENEFITS (Continued)

Annual Required Contribution (Continued)

Key Actuarial Assumptions

<i>Mortality</i>	<i>RP 2000 Combined Healthy Male Mortality Rates Set Forward Three Years</i>
<i>Turnover</i>	<i>NJ State Pensions Ultimate Withdrawal Rates - prior to benefits eligibility</i>
<i>Assumed Retirement Age</i>	<i>At first eligibility after completing 25 years of service PBA and SOA: after attaining age 62 and completing 15 years of service all others</i>
<i>Full Attribution Period</i>	<i>Service to Assumed Retirement Age</i>
<i>Annual Discount Rate</i>	<i>4.50%</i>
<i>Medical Trend</i>	<i>9% in 2012, reducing by 0.5% per annum, leveling at 5% per annum in 2020</i>
<i>Medical Cost Aging Factor</i>	<i>NJSHBP Medical Morbidity Rates</i>

- Attribution Period - The attribution period begins with the date of hire and ends with full benefits eligibility date.
- Per Capita Cost Methods - The valuation reflects per capita net premium costs based on actual 2012 medical and prescription drug and dental husband and spouse premiums and the plan option selected. Plan selections are assumed to remain unchanged in retirement. The age specific cost was derived based on per person costs at the average age of the active population (56) and scaled to each age based on the medical cost aging factors. At age 65, Medicare becomes the primary payor of medical benefits and consequently, per capita plan costs are offset by Medicare payments. Thus, post 65 costs were decreased using the assumption that Medicare picks up 66.7% of combined medical/prescription drug costs. 2012 employer contributions for retiree benefits as reported by the Fund are \$849 thousand.
- Retiree Contributions - NJ Chapter 78 requires that certain future retirees contribute toward the cost of their benefits. Specifically, those who had retired prior to passage of Chapter 78 and those employees that had more than 25 years of service on the date of passage are grandfathered. All others are subject to the contribution rates in effect when they retire, but not less than 1.5% of their annual retirement allowance from the Public Employees' Retirement System. For purposes of this valuation, we have assumed that future retiree contribution percentages will be equal to the minimum percentage of premium so as not to understate actuarial measurements. Assumed percentages as follows: retiree only 4.5%, retiree and spouse 3.5%, family 3.0%. Based on retiree data, 60% of future retirees are assumed to be married and 40% are assumed to be single.
- Actuarial Valuation Method - Projected Unit Credit Funding Method.

16. TAX APPEALS

There are several tax appeals filed with the State Tax Court of New Jersey requesting a reduction of assessments for the year 2013. Any reduction in assessed valuation will result in either the reduction being applied to subsequent taxes or a refund of prior years' taxes in the year of settlement, which may be funded from tax revenues through the establishment of a reserve or by the issuance of refunding bonds per N.J.S.A. 40A:2-51.

17. SECONDARY MARKET DISCLOSURE

Solely for purposes of complying with Rule 15c2-12 of the Securities and Exchange Commission, as amended and interpreted from time to time (the "Rule"), and provided that the Bonds are not exempt from the Rule and provided that the Bonds are not exempt from the requirements in accordance with Paragraph (d) of the Rule, for so long as the Bonds remain outstanding (unless the Bonds have been wholly defeased), the municipality shall provide for the benefit of the holders of the Bonds and the beneficial owners thereof various financial documents relating to the financial conditions of the Municipal Securities Rulemaking Board through the Electronic Municipal Access Data Port (the "MSRB").

18. SUBSEQUENT EVENT

The Township of Berkeley Heights has evaluated subsequent events that occurred after the balance sheet date, but before August 14, 2014. No items were determined to require disclosure.

TOWNSHIP OF BERKELEY HEIGHTS
CURRENT FUND

CASH RECEIPTS AND DISBURSEMENTS
COLLECTOR - TREASURER

A-4

	<u>Ref.</u>			<u>Regular Fund</u>
Balance December 31, 2012	A			\$ 3,207,019.15
Increased by Receipts:				
Miscellaneous Revenue Not Anticipated	A-2a	\$ 362,024.38		
Sewer Overpayment	A-7	19,727.29		
Petty Cash	A-9	1,000.00		
Due from State of New Jersey per Ch. 129, P.L. 1976	A-10	104,401.38		
Taxes Receivable	A-11	65,843,122.58		
Revenue Accounts Receivable	A-12	3,256,390.80		
Prepaid Taxes	A-16	273,501.40		
Tax Overpayments	A-17	83,278.79		
Sewer User Charges Receivable	A-18	287,024.25		
Interfunds Receivable	A-22	<u>411,057.92</u>		
				<u>70,641,528.79</u>
				73,848,547.94
Decreased by Disbursements:				
Refund of Fees and Permits	A-2a	1,372.00		
2013 Budget Appropriations	A-3	15,307,053.97		
Petty Cash	A-9	1,000.00		
Accounts Payable	A-5	18,704.24		
Appropriation Reserves	A-13	922,504.51		
Refund of Tax Overpayments	A-17	73,412.51		
County Taxes	A-20	16,100,934.98		
Local School District Taxes	A-21	37,528,611.00		
Interfunds Payable	A-22	<u>85,899.68</u>		
				<u>70,039,492.89</u>
Balance December 31, 2013	A			<u>\$ 3,809,055.05</u>

TOWNSHIP OF BERKELEY HEIGHTS
CURRENT FUND

ACCOUNTS PAYABLE - CURRENT FUND

A-5

	<u>Ref.</u>	
Balance December 31, 2012	A	\$ 24,954.35
Increased by:		
Transferred from Appropriation Reserves	A-13	9,084.93
		<u>34,039.28</u>
Decreased by:		
Cash Disbursements	A-4	<u>18,704.24</u>
Balance December 31, 2013	A	<u>\$ 15,335.04</u>

TAX TITLE LIENS

A-6

	<u>Ref.</u>	
Balance December 31, 2012	A	\$ 51,508.17
Increased by:		
Transfers from Taxes Receivable	A-11	\$ 10,922.07
Cost	Reserve	<u>683.48</u>
		<u>11,605.55</u>
Balance December 31, 2013	A	<u>\$ 63,113.72</u>

TOWNSHIP OF BERKELEY HEIGHTS
CURRENT FUND

SEWER OVERPAYMENTS

A-7

	<u>Ref.</u>	
Balance December 31, 2012	A	\$13,461.13
Increased by:		
Overpayments	A-4	<u>19,727.29</u>
		33,188.42
Decreased by:		
Applied	A-18	<u>13,461.13</u>
Balance December 31, 2013	A	<u><u>\$19,727.29</u></u>

CHANGE FUND

A-8

	<u>Ref.</u>	
Balance December 31, 2012	A	<u>\$ 400.00</u>
Balance December 31, 2013	A	<u><u>\$ 400.00</u></u>

PETTY CASH FUND

A-9

	<u>Ref.</u>	
Increased by:		
Cash Receipts	A-4	\$ 1,000.00
Decreased by:		
Cash Disbursements	A-4	<u>1,000.00</u>
		<u><u>\$ -</u></u>

TOWNSHIP OF BERKELEY HEIGHTS
CURRENT FUND

DUE TO STATE OF NEW JERSEY
PER CHAPTER 20, P.L. 1971

A-10

	<u>Ref.</u>		
Balance December 31, 2012	A		\$ 15,591.76
Decreased by:			
Veterans' Deductions per Tax Duplicate	Below	\$ 98,000.00	
Senior Citizens' Deductions Allowed by Tax Collector	Below	9,250.00	
Veterans' Deductions Allowed	Below	<u>500.00</u>	
			<u>107,750.00</u>
			123,341.76
Increased by:			
Received Cash from State	A-4	104,401.38	
Senior Citizens' Deductions Disallowed by Tax Collector	Below	6,565.07	
Veterans' Deductions Disallowed by Tax Collector	Below	<u>500.00</u>	
			<u>111,466.45</u>
Balance December 31, 2013	A		<u>\$ 11,875.31</u>
 <u>Calculation of State Share of 2013 Senior Citizens'</u> <u>and Veterans' Deductions Allowed by Collector</u>			
Senior Citizens' Deductions per Tax Billings	Above	\$ 9,250.00	
Veterans' Deductions per Tax Billings	Above	98,000.00	
Veterans' Deductions Allowed	Above	<u>500.00</u>	
			\$ 107,750.00
Less: Senior Citizens' Deductions Disallowed by Tax Collector	Above	6,565.07	
Veterans' Deductions Disallowed by Tax Collector	Above	<u>500.00</u>	
			<u>7,065.07</u>
	A-11		<u>\$ 100,684.93</u>

TOWNSHIP OF BERKELEY HEIGHTS
CURRENT FUND

REVENUE ACCOUNTS RECEIVABLE

A-12

	Ref.	Balance Dec. 31, 2012	Accrued	2013 Collections	Balance Dec. 31, 2013
Clerk:					
Alcoholic Beverage Licenses	A-2	\$	\$ 16,036.88	\$ 16,036.88	\$
Other Licenses	A-2		3,169.00	3,169.00	
Other Fees and Permits	A-2a		254,438.66	254,438.66	
Construction Code Official:					
Uniform Construction Code Fees	A-2		426,809.00	426,809.00	
Board of Health:					
Other Fees and Permits	A-2a		17,750.00	17,750.00	
Police Department:					
Other Fees and Permits	A-2a		1,747.21	1,747.21	
Municipal Court:					
Fines and Costs	A-2	8,104.68	121,257.17	121,734.57	7,627.28
Engineering/Planning Board:					
Fees and Permits	A-2a		78,822.84	78,822.84	
Interest and Cost on Taxes	A-2		153,902.20	153,902.20	
Interest on Investments and Deposits	A-2		0.53	0.53	
State of New Jersey:					
Energy Receipts Tax	A-2		191,810.00	191,810.00	
Consolidated Municipal Property Tax Relief Aid	A-2		1,348,781.00	1,348,781.00	
Uniform Fire Safety Act	A-2		44,677.02	44,677.02	
Cable TV Franchise Fee	A-2		174,934.99	174,934.99	
Library Reimbursement of Cost	A-2		235,000.00	235,000.00	
Rental of Township Property	A-2		186,776.90	186,776.90	
		<u>\$ 8,104.68</u>	<u>\$ 3,255,913.40</u>	<u>\$ 3,256,390.80</u>	<u>\$ 7,627.28</u>
<u>Reference</u>		<u>A</u>	<u>Reserve</u>	<u>A-4</u>	<u>A</u>

TOWNSHIP OF BERKELEY HEIGHTS
CURRENT FUND

2012 APPROPRIATION RESERVES

A-13
Sheet #1

Appropriations	Balance Dec. 31, 2012		Modified Balance Dec. 31, 2012	Paid and Committed	Balance Lapsed
	Encumbered	Unencumbered			
<u>GENERAL GOVERNMENT</u>					
Council:					
Other Expenses	\$ 300.00	\$ 1,145.13	\$ 1,445.13	\$ (150.00)	\$ 1,595.13
Municipal Clerk:					
Salaries and Wages		698.20	698.20	698.20	
Other Expenses	8,492.44	1,572.77	10,065.21	3,233.58	6,831.63
Financial Administration:					
Salaries and Wages		2,066.62	2,066.62	2,066.62	
Other Expenses	359.16	288.81	647.97	359.08	288.89
Insurance:					
General Liability	10,411.79	13,858.05	9,269.84	8,641.91	627.93
Group Insurance Plans for Employees	166,071.51	48,736.39	169,807.90	165,987.00	3,820.90
Worker's Compensation		1,641.00	1,641.00		1,641.00
Administrative and Executive:					
Salaries and Wages		66.01	66.01	66.01	
Other Expenses	1,427.69	4,839.87	5,517.56	1,316.74	4,200.82
Collector of Taxes:					
Salaries and Wages		17.53	1,017.53	1,017.53	
Other Expenses	112.00	2,272.50	484.50		484.50
Assessor of Taxes:					
Salaries and Wages		4.90	754.90	754.90	
Other Expenses		5,234.66	6,134.66	6,125.00	9.66
Legal Services and Costs:					
Other Expenses	4,718.20	10,220.85	46,939.05	45,475.74	1,463.31
Municipal Court:					
Salaries and Wages		126.10	126.10	126.10	
Other Expenses	495.29	3,450.10	3,945.39	820.29	3,125.10
Engineering Services and Costs:					
Salaries and Wages		1,250.23	950.23	950.23	
Other Expenses	6,827.00	5,091.65	10,018.65		10,018.65
Public Defender:					
Other Expenses		65.72	65.72	65.72	
Affordable Housing					
Other Expenses	318.00	540.11	858.11	618.00	240.11
Planning Board:					
Other Expenses	48.98	2,138.82	21,937.80	21,876.65	61.15
Zoning Board of Adjustment:					
Other Expenses	1,180.10	14.47	1,494.57	1,475.10	19.47
<u>PUBLIC SAFETY</u>					
Uniform Fire Safety (P.L. 1983, Ch. 383):					
Fire Prevention:					
Salaries and Wages		1,015.37	1,015.37	1,015.37	
Fire:					
Salaries and Wages		1,477.03	1,477.03	1,477.03	
Other Expenses	14,483.38	951.15	15,434.53	15,348.52	86.01
Fire Hydrant Services	10.40	13,034.28	6,294.68		6,294.68
Police:					
Salaries and Wages		14,968.63	59,968.63	59,968.63	
Other Expenses	13,124.01	15,777.08	24,901.09	16,346.21	8,554.88
Traffic Control Schools:					
Salaries and Wages		1,093.40	1,093.40	1,093.40	
Other Expenses	2,243.50	3,404.60	5,648.10	3,164.03	2,484.07

TOWNSHIP OF BERKELEY HEIGHTS
CURRENT FUND

2012 APPROPRIATION RESERVES

A-13
Sheet #2

<u>Appropriations</u>	<u>Balance</u> <u>Dec. 31, 2012</u>		<u>Modified</u> <u>Balance</u> <u>Dec. 31, 2012</u>	<u>Paid and</u> <u>Committed</u>	<u>Balance</u> <u>Lapsed</u>
	<u>Encumbered</u>	<u>Unencumbered</u>			
<u>PUBLIC SAFETY</u>					
Emergency Management:					
Salaries and Wages	\$	\$ 0.20	\$ 0.20	\$ 0.20	\$
Other Expenses		703.24	703.24		703.24
Municipal Prosecutor:					
Salaries and Wages		4.14	4.14	4.14	
<u>PUBLIC WORKS</u>					
Road Repair and Maintenance:					
Salaries and Wages		10.11	44,010.11	44,010.11	
Other Expenses	27,439.96	13,743.24	31,183.20	31,075.00	108.20
Snow Removal:					
Other Expenses	14,539.95	26,227.07	48,267.02	48,238.81	28.21
Sanitation:					
Garbage and Trash Removal:					
Other Expenses:					
Collection	30,233.77	1,945.91	39,929.68	39,451.79	477.89
Public Buildings and Grounds:					
Salaries and Wages		4.62	4.62	4.62	
Other Expenses	905.30	13.99	919.29	902.00	17.29
Maintenance of Vehicles:					
Salaries and Wages		4.46	4.46	4.46	
Other Expenses	17,377.80	86.47	15,214.27	14,854.82	359.45
Maintenance of Sewer Plant:					
Salaries and Wages		12,877.46	4,627.46	4,627.46	
Other Expenses	104,242.61	4,300.26	114,042.87	52,891.67	61,151.20
<u>HEALTH AND WELFARE</u>					
(Board of Health - Local Health Agency):					
Board of Health:					
Salaries and Wages	34,637.50	1,332.65	34,970.15	34,062.50	907.65
Animal Control:					
Other Expenses	3,102.70	15,000.00	18,102.70	18,102.70	
Environmental Commission:					
Other Expenses	283.67	215.93	499.60	341.69	157.91
Welfare Administration:					
Salaries and Wages	5.00	995.00	1,000.00	1,000.00	
Community on Cable	2,905.00	12,125.00	15,030.00	2,827.50	12,202.50
<u>RECREATION AND EDUCATION</u>					
Parks and Playgrounds:					
Salaries and Wages		8,706.31	2,706.31	2,706.31	
Other Expenses	1,095.30	490.80	2,736.10	2,621.43	114.67
<u>CODE ENFORCEMENT</u>					
State Uniform Construction Code Official:					
Salaries and Wages		4,612.58	2,362.58	2,362.58	
Other Expenses	29,128.24	286.86	33,565.10	31,592.04	1,973.06
<u>UNCLASSIFIED</u>					
Natural Gas	5,392.05	43,587.77	36,729.82	14,799.21	21,930.61
Electricity	2,793.66	72,160.26	30,303.92	22,710.97	7,592.95
Water	1,509.13	1,769.68	3,278.81	2,791.24	487.57
Telephone	13,109.77	4,553.28	15,663.05	8,922.02	6,741.03
Street Lighting	41.13	21,012.28	25,803.41	25,558.67	244.74
Gasoline	12,915.16	12,179.61	25,094.77	12,915.16	12,179.61
Postage	1,000.00	7,994.70	2,244.70	2,000.00	244.70
Condominium Service Law	18,624.04	1,375.96	20,000.00	18,624.04	1,375.96

TOWNSHIP OF BERKELEY HEIGHTS
CURRENT FUND

2012 APPROPRIATION RESERVES

A-13
Sheet #3

<u>Appropriations</u>	Balance Dec. 31, 2012		Modified Balance Dec. 31, 2012	Paid and Committed	Balance Lapsed
	<u>Encumbered</u>	<u>Unencumbered</u>			
<u>STATUTORY EXPENDITURES</u>					
Contribution to:					
Social Security System (OASI)	\$	\$ 24,089.09	\$ 24,089.09	\$	\$ 24,089.09
Public Employees' Retirement System		1,664.00	1,664.00		1,664.00
 <u>OPERATIONS EXCLUDED FROM "CAPS"</u>					
Maintenance of Free Public Library		91,123.76	91,123.76	91,123.76	
Planning Board (P.L.1985, Ch. 222):					
Other Expenses		3,599.44	99.44		99.44
Reserve for Tax Appeals	5,395.04	35,129.91	40,524.95	40,524.95	
	<u>\$557,300.23</u>	<u>\$580,988.07</u>	<u>\$1,138,288.30</u>	<u>\$931,589.44</u>	<u>\$206,698.86</u>
<u>Reference</u>	A	A		Below	A-1
			<u>Ref.</u>		
		Disbursements	A-4	\$922,504.51	
		Accounts Payable	A-5	9,084.93	
			Above	<u>\$931,589.44</u>	

TOWNSHIP OF BERKELEY HEIGHTS
GRANT FUND

RESERVE FOR GRANTS - UNAPPROPRIATED

A- 14

	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>Cash</u> <u>Receipts</u>	<u>2013 Budget</u> <u>Appropriation</u>	<u>Balance</u> <u>Dec. 31, 2013</u>
Recycling Tonnage Grant	<u>\$ 11,764.91</u>	<u>\$ 11,697.45</u>	<u>\$ 11,764.91</u>	<u>\$ 11,697.45</u>
<u>Reference</u>	<u>A</u>	<u>A-19</u>	<u>A-23</u>	<u>A</u>

TOWNSHIP OF BERKELEY HEIGHTS
GRANT FUND

RESERVE FOR GRANTS - APPROPRIATED

A-15

	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>2013 Budget</u> <u>Appropriation</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Dec. 31, 2013</u>
2006 Kids Recreation	\$ 1,050.00	\$	\$	\$ 1,050.00
Alcohol Education and Rehabilitation	7,803.04	8,137.66	700.00	15,240.70
Body and Armor Replacement Fund	6,245.59	3,354.13	775.85	8,823.87
Business Stimulus Fund Grant	282.54			282.54
CDBG - Senior Citizen Center Program	6,600.00	6,600.00		13,200.00
CDBG - Senior Citizen Transportation Program	7,600.00	7,600.00		15,200.00
Clean Communities Grant	666.92	23,752.68	23,752.68	666.92
Click It or Ticket		4,000.00	3,400.00	600.00
Commerce Downtown Improvements	40,000.00			40,000.00
COPS Secure Our Schools Grant	76,510.00		2,071.67	74,438.33
Department of Transportation - Park Avenue	191,650.00			191,650.00
Drive Sober or Get Pulled Over		8,800.00	8,800.00	
Drunk Driving Enforcement	20,776.18		80.00	20,696.18
Environmental Commission	250.00			250.00
FEMA - Assistance to Firefighter		105,274.00		105,274.00
Greening Union County - Kids Recreation	8,253.50			8,253.50
Greening Union County - Trees	1,785.00			1,785.00
Kids Recreation Trust Grant	911.47			911.47
Municipal Alliance	6,652.39			6,652.39
Municipal Alliance - 2012	4,632.88		1,220.50	3,412.38
Municipal Alliance Match - 2012	859.00		859.00	
Municipal Alliance - 2013		9,911.00	2,365.22	7,545.78
Municipal Alliance Match - 2013		2,478.00	2,478.00	
Plan Grant	15,000.00			15,000.00
Open Land Inventory	1,500.00			1,500.00
Police Technology	1,196.45			1,196.45
PSE&G Emergency Service		156,396.00	15,213.44	141,182.56
Recycling Grant	33,313.18	11,764.91	160.23	44,917.86
Storm Water Management Grant	4,334.52			4,334.52
Sustainable Jersey Small Grant	5,000.00			5,000.00
Union County Field Dreams	54,095.60			54,095.60
Union County Homeland Security	5,325.00		5,325.00	
Union County Pocket Parks	3,753.45			3,753.45
Union County Recreation Grant 2009	9,245.06			9,245.06
Union County Senior Focus	85,844.45			85,844.45
	<u>\$ 601,136.22</u>	<u>\$ 348,068.38</u>	<u>\$ 67,201.59</u>	<u>\$ 882,003.01</u>

Reference

A

Below

A-19

A

Ref.

2013 Budget Appropriations
Interfunds - Local Match

A-3

\$ 345,590.38

A-19

2,478.00

Above

\$ 348,068.38

TOWNSHIP OF BERKELEY HEIGHTS
CURRENT FUND

PREPAID TAXES

A-16

	<u>Ref.</u>	
Balance December 31, 2012	A	\$ 281,814.74
Increased by:		
Collections	A-4	273,501.40
		<u>555,316.14</u>
Decreased by:		
Applied	A-11	281,814.74
Balance December 31, 2013	A	<u>\$ 273,501.40</u>

TAX OVERPAYMENTS

A-17

	<u>Ref.</u>	
Balance December 31, 2012	A	\$ 4,390.73
Increased by:		
Overpayments	A-4	83,278.79
		<u>87,669.52</u>
Decreased by:		
Refunds	A-4	73,412.51
Balance December 31, 2013	A	<u>\$ 14,257.01</u>

TOWNSHIP OF BERKELEY HEIGHTS
CURRENT FUND

SEWER USER CHARGES RECEIVABLE

A-18

	<u>Ref.</u>		
Balance December 31, 2012	A		\$ 32,299.67
Increased by:			
2013 Sewer Billings	Reserve		<u>278,128.48</u>
			310,428.15
Decreased by:			
Cash Receipts	A-4	\$287,024.25	
Applied	A-7	<u>13,461.13</u>	
	A-2		<u>300,485.38</u>
Balance December 31, 2013	A		<u>\$ 9,942.77</u>

TOWNSHIP OF BERKELEY HEIGHTS
CURRENT FUND

GRANT FUND
INTERFUNDS RECEIVABLE

A-19

	<u>Ref.</u>	<u>Total</u>	<u>Current Fund</u>	<u>Other Trust Fund</u>
Balance December 31, 2012	A	<u>\$297,317.47</u>	<u>\$296,458.47</u>	<u>\$ 859.00</u>
Increased by:				
Unappropriated Grant Reserves	A-14	11,697.45	11,697.45	
2013 Budget - Local Match	A-15	2,478.00	2,478.00	
Grants Receivable	A-23	<u>306,760.47</u>	<u>306,760.47</u>	
		<u>320,935.92</u>	<u>320,935.92</u>	
Decreased by:				
Expenditures	A-15	<u>67,201.59</u>	<u>67,201.59</u>	
Balance December 31, 2013	A	<u><u>\$551,051.80</u></u>	<u><u>\$550,192.80</u></u>	<u><u>\$ 859.00</u></u>

TOWNSHIP OF BERKELEY HEIGHTS
CURRENT FUND

COUNTY TAXES PAYABLE

A-20

	<u>Ref.</u>			
Balance December 31, 2012	A		\$	19,123.54
Increased by:				
2012 Tax Levy	A-1	\$ 16,081,801.54		
Added and Omitted County Taxes	A-1	<u>34,695.32</u>		
	A-11			<u>16,116,496.86</u>
				<u>16,135,620.40</u>
Decreased by:				
Payments	A-4			<u>16,100,934.98</u>
Balance December 31, 2013	A		\$	<u><u>34,685.42</u></u>

LOCAL SCHOOL DISTRICT TAXES

A-21

	<u>Ref.</u>			
Balance December 31, 2012	A		\$	1.00
Increased by:				
Levy Calendar Year 2013	A-1,11			<u>37,528,612.00</u>
				<u>37,528,613.00</u>
Decreased by:				
Payments	A-4			<u>37,528,611.00</u>
Balance December 31, 2013	A		\$	<u><u>2.00</u></u>

TOWNSHIP OF BERKELEY HEIGHTS
CURRENT FUND

INTERFUNDS

A-22

	<u>Ref.</u>	<u>Total</u>	<u>Federal/State Grant Fund</u>	<u>General Capital Fund</u>	<u>Recreation Trust Fund</u>	<u>CDBG Trust Fund</u>	<u>Trust Other Fund</u>
Balance December 31, 2012:							
Due From	A	\$ 230,841.10					
(Due To)	A	<u>\$ (386,403.53)</u>	<u>\$ (296,458.47)</u>	<u>\$ (89,639.67)</u>	<u>\$ (305.39)</u>	<u>\$ 8,156.03</u>	<u>\$ 222,685.07</u>
Increased by:							
Cash Disbursements	A-4	\$ 85,899.68	\$ 67,201.59	\$	\$ 18,698.09	\$	\$
Nonbudget Revenue	A-2a	18,538.66		12,437.72			6,100.94
		<u>104,438.34</u>	<u>67,201.59</u>	<u>12,437.72</u>	<u>18,698.09</u>		<u>6,100.94</u>
Decreased by:							
Cash Receipts	A-4	411,057.92	318,457.92	1,170.00			91,430.00
Local Match	A-3	<u>2,478.00</u>	<u>2,478.00</u>				
		<u>413,535.92</u>	<u>320,935.92</u>	<u>1,170.00</u>			<u>91,430.00</u>
Balance December 31, 2013:							
Due From	A	<u>\$ 163,904.74</u>					
(Due To)	A	<u>\$ (628,564.75)</u>	<u>\$ (550,192.80)</u>	<u>\$ (78,371.95)</u>	<u>\$ 18,392.70</u>	<u>\$ 8,156.03</u>	<u>\$ 137,356.01</u>
<u>Analysis of Interfunds Receivable Balance</u>							
Balance December 31, 2012	A	\$ 230,841.10					
Balance December 31, 2013	A	<u>163,904.74</u>					
Net Change to Operation	A-1	<u>\$ 66,936.36</u>					

TOWNSHIP OF BERKELEY HEIGHTS
GRANT FUND

A-23

GRANTS RECEIVABLE

	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>2013</u> <u>Grants</u>	<u>Collections</u>	<u>Balance</u> <u>Dec. 31, 2013</u>
Department of Transportation - Park Avenue	\$ 200,000.00			\$ 200,000.00
Municipal Alliance	14,279.66			14,279.66
CDBG - Senior Citizen Center Program	6,600.00	6,600.00	11,210.00	1,990.00
CDBG - Senior Citizen Transportation Program	7,600.00	7,600.00	15,200.00	
COPS Secure Our Schools Grant	76,510.00		76,510.00	
Municipal Alliance 2012 - Grant	10,594.00			10,594.00
Municipal Alliance 2013 - Grant		9,911.00		9,911.00
Click It or Ticket		4,000.00	3,400.00	
Clean Communities		23,752.68	23,752.68	
Recycling Tonnage Grant		11,764.91	11,764.91	
Alcohol Education and Rehabilitation		8,137.66	8,137.66	
Body Armor Grant		3,354.13	3,354.13	
PSE&G Emergency Grant		156,396.00	156,396.00	
FEMA - Assistance to Firefighter				
Assistance Grant		105,274.00		105,274.00
Union County Recycling Enhancement Grant		8,800.00	8,800.00	
Drive Sober or Get Pulled Over				
	<u>\$ 315,583.66</u>	<u>\$ 345,590.38</u>	<u>\$ 318,525.38</u>	<u>\$ 342,648.66</u>

Reference

A

A-2

Below

A

Ref.

Receipts
Unappropriated Applied

A-19
A-14

\$ 306,760.47
11,764.91

Above

\$ 318,525.38

TOWNSHIP OF BERKELEY HEIGHTS
CURRENT FUND

RESERVE FOR VARIOUS DEPOSITS

A-24

	<u>Ref.</u>	
Balance December 31, 2012	A	<u>\$ 6,867.00</u>
Balance December 31, 2013	A	<u>\$ 6,867.00</u>

DEFERRED CHARGES

A-25

	<u>Ref.</u>	
Balance December 31, 2012	A	\$ 7,938.90
Decreased by:		
Raised in 2013 Budget	A-3	<u>7,938.90</u>
		<u>\$ -</u>

TOWNSHIP OF BERKELEY HEIGHTS
TRUST FUNDS

B-1

CASH RECEIPTS AND DISBURSEMENTS
COLLECTOR - TREASURER

	<u>Ref.</u>	<u>Animal Control Fund</u>	<u>Trust Other Fund</u>
Balance December 31, 2012	B	\$13,647.75	\$ 2,249,428.70
Increased by Receipts:			
Animal Control Expenditures	B-2	\$23,453.10	
Interfunds	B-3	0.53	\$ 430,624.94
Payroll Deductions	B-5		4,077,117.10
Due to State of New Jersey	B-6	642.60	
Net Payroll Payable	B-8		7,667,679.20
Various Reserves and Deposits	B-9		2,041,625.89
Reserve for Affordable Housing	B-10		118,653.00
Unemployment Compensation Insurance	B-11		20,000.00
Reserve for Recreation	B-12		429,016.97
Prepaid Revenue	B-13	<u>1,613.00</u>	
		<u>25,709.23</u>	<u>14,784,717.10</u>
		<u>39,356.98</u>	<u>17,034,145.80</u>
Decreased by Disbursements:			
Animal Control Expenditures	B-2	18.00	
Interfunds	B-4	0.53	515,954.00
Payroll Deductions	B-5		4,116,986.30
Due to State of New Jersey	B-6	654.60	
Net Payroll Payable	B-8		7,667,679.20
Various Reserves and Deposits	B-9		1,315,408.75
Reserve for Affordable Housing	B-10		56,008.50
Unemployment Compensation Insurance	B-11		13,814.11
Reserve for Recreation	B-12		450,426.83
		<u>673.13</u>	<u>14,136,277.69</u>
Balance December 31, 2013	B	<u>\$38,683.85</u>	<u>\$ 2,897,868.11</u>

TOWNSHIP OF BERKELEY HEIGHTS
TRUST FUNDS

RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES

B-2

	<u>Ref.</u>	
Balance December 31, 2012	B	\$13,647.75
Increased by:		
Collections:		
Dog License Fees Collected		\$ 5,477.40
Cat License Fees Collected		400.00
Township Budget Appropriation		<u>17,575.70</u>
	B-1	23,453.10
Prepaid License Fees Applied	B-13	<u>1,119.00</u>
		<u>24,572.10</u>
		38,219.85
Decreased by:		
Expenditures Under N.J.S. 40A:4-39	B-1	18.00
2012 Prepaid Revenue - Local	B-13	1,119.00
2012 Prepaid Revenue - State Share	B-6	<u>12.00</u>
		<u>1,149.00</u>
Balance December 31, 2013	B	<u><u>\$37,070.85</u></u>

<u>License Fees Collected</u>	
<u>Year</u>	<u>Amount</u>
2012	\$ 6,693.00
2013	<u>6,596.40</u>
	<u><u>\$13,289.40</u></u>

TOWNSHIP OF BERKELEY HEIGHTS
TRUST FUNDS

INTERFUNDS

B3

	<u>Ref.</u>	<u>Total</u>	<u>Current Fund</u>			<u>Grant Fund</u>
			<u>Recreation Trust</u>	<u>Animal Control Fund</u>	<u>Trust Other</u>	
Balance December 31, 2012:						
Due From	B	<u>\$ 305.39</u>	<u>\$ 305.39</u>			
(Due To)	B	<u>\$(231,700.10)</u>			<u>\$(230,841.10)</u>	<u>\$(859.00)</u>
Increased by:						
Cash Disbursements	B-1	<u>\$ 515,954.53</u>		<u>\$ 0.53</u>	<u>\$ 515,954.00</u>	<u>\$</u>
Decreased by:						
Cash Receipts	B-1	430,625.47		0.53	430,624.94	
Reimbursement	B-12	<u>18,698.09</u>	<u>18,698.09</u>		<u>430,624.94</u>	
		<u>449,323.56</u>	<u>18,698.09</u>	<u>0.53</u>	<u>430,624.94</u>	
Balance December 31, 2013:						
(Due To)	B	<u>\$(164,763.74)</u>	<u>\$(18,392.70)</u>	<u>\$ -</u>	<u>\$(145,512.04)</u>	<u>\$(859.00)</u>

TOWNSHIP OF BERKELEY HEIGHTS
TRUST FUNDS

COMMUNITY DEVELOPMENT BLOCK GRANTS RECEIVABLE

B-4

<u>Program</u>	<u>Program Number</u>	<u>Balance Dec. 31, 2012</u>	<u>Balance Dec. 31, 2013</u>
Senior Citizens' Transportation	04-201	<u>\$ 10,000.00</u>	<u>\$ 10,000.00</u>
	<u>Reference</u>	<u>B</u>	<u>B</u>

TOWNSHIP OF BERKELEY HEIGHTS
TRUST FUNDS

TRUST OTHER FUNDS
PAYROLL DEDUCTIONS PAYABLE

B-5

	<u>Ref.</u>	
Balance December 31, 2012	B	\$ 62,531.21
Increased by:		
Payroll Deductions	B-1	4,077,117.10
		<u>4,139,648.31</u>
Decreased by:		
Cash Disbursements	B-1	4,116,986.30
		<u>4,116,986.30</u>
Balance December 31, 2013	B	<u>\$ 22,662.01</u>

ANIMAL CONTROL TRUST FUND
DUE FROM STATE OF NEW JERSEY

B-6

	<u>Ref.</u>		
Increased by:			
Disbursement	B-1		\$ 654.60
Decreased by:			
Receipts	B-1	\$642.60	
Reserve for Animal Control Expenditures	B-2	<u>12.00</u>	
			<u>654.60</u>
			<u>\$ -</u>

TOWNSHIP OF BERKELEY HEIGHTS
TRUST FUNDS

RESERVE FOR COMMUNITY DEVELOPMENT BLOCK GRANT

B-7

	<u>Ref.</u>	
Balance December 31, 2012	B	\$ 1,843.97
Balance December 31, 2013	B	<u>\$ 1,843.97</u>

TRUST OTHER FUNDS
NET PAYROLL PAYABLE

B-8

	<u>Ref.</u>	
Increased by:		
Receipt	B-1	\$7,667,679.20
Decreased by:		
Disbursements	B-1	<u>7,667,679.20</u>
		<u>\$ -</u>

TOWNSHIP OF BERKELEY HEIGHTS
TRUST FUNDS

RESERVE FOR EXPENDITURES

B-9

<u>Account</u>	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance</u> <u>Dec. 31, 2013</u>
Police Forfeiture - Law Enforcement Funds	\$ 67,837.50	\$	\$ 3,869.35	\$ 63,968.15
Tax Sale Certificates	18,188.96	124,638.95	84,617.82	58,210.09
Tax Sale Premiums	128,500.91	173,000.00	71,100.00	230,400.91
Bandstand Improvements	509.35			509.35
Regional Board of Health Settlement	7,903.92			7,903.92
Street Opening Deposits	8,099.96			8,099.96
Tree Deposit	25,550.76	8,800.00	2,716.00	31,634.76
Christmas Tree Sellers' Deposits	625.00	150.00		775.00
Fire Sub-Code	108,389.82	17,540.00	24,363.76	101,566.06
Parking Offense Adjudication Act	1,220.46	44.00	202.50	1,061.96
Municipal Alliance	1,852.48			1,852.48
Public Defender	1,267.58	3,400.00	1,353.40	3,314.18
Green Acres	134,948.53	11,017.00	1,057.70	144,907.83
Developers' Escrow	602,005.90	1,069,423.27	573,374.29	1,098,054.88
Sewer Pump Station Study	18,000.00			18,000.00
State of New Jersey Construction Code Fee	5,616.00	36,269.00	37,544.00	4,341.00
Peppertown Park Project	9,105.38		697.54	8,407.84
Donations	31,628.52	37,700.00	19,835.16	49,493.36
Police Escrow	34,711.30	501,213.76	484,309.43	51,615.63
Miscellaneous	16,995.57	7,332.50	5,402.50	18,925.57
Youth Academy Donation		5,480.00	4,965.30	514.70
Snow Removal		39,700.00		39,700.00
Accumulated Sick Time		5,917.41		5,917.41
	<u>\$1,222,957.90</u>	<u>\$2,041,625.89</u>	<u>\$1,315,408.75</u>	<u>\$1,949,175.04</u>

Reference

B

B-1

B-1

B

TOWNSHIP OF BERKELEY HEIGHTS
TRUST FUNDS

RESERVE FOR AFFORDABLE HOUSING DEPOSITS

B-10

	<u>Ref.</u>	
Balance December 31, 2012	B	\$510,720.26
Increased by:		
Receipts	B-1	<u>118,653.00</u> 629,373.26
Decreased by:		
Disbursements	B-1	<u>56,008.50</u>
Balance December 31, 2013	B	<u><u>\$573,364.76</u></u>

RESERVE FOR STATE UNEMPLOYMENT INSURANCE

B-11

	<u>Ref.</u>	
Balance December 31, 2012	B	\$ 84,806.53
Increased by:		
Receipts	B-1	<u>20,000.00</u> 104,806.53
Decreased by:		
Disbursements	B-1	<u>13,814.11</u>
Balance December 31, 2013	B	<u><u>\$ 90,992.42</u></u>

TOWNSHIP OF BERKELEY HEIGHTS
TRUST FUNDS

RECREATION
RESERVE FOR EXPENDITURES

B-12

	<u>Ref.</u>		
Balance December 31, 2012	B		\$145,174.12
Increased by:			
Receipts	B-1		<u>429,016.97</u>
			574,191.09
Decreased by:			
Disbursements	B-1	\$ 450,426.83	
Due to Current	B-3	<u>18,698.09</u>	
			<u>469,124.92</u>
Balance December 31, 2013	B		<u>\$105,066.17</u>

TOWNSHIP OF BERKELEY HEIGHTS
TRUST FUNDS

ANIMAL CONTROL FUND
PREPAID REVENUE

B-13

	<u>Ref.</u>		
Increased by:			
Receipts	B-1	\$1,613.00	
Transferred from Reserve for Animal Control Expenditures	B-2	<u>1,119.00</u>	\$2,732.00
Decreased by:			
Applied to 2013	B-2		<u>1,119.00</u>
Balance December 31, 2013	B		<u><u>\$1,613.00</u></u>

TOWNSHIP OF BERKELEY HEIGHTS
GENERAL CAPITAL FUND

CASH RECEIPTS AND DISBURSEMENTS
COLLECTOR - TREASURER

C-1

	<u>Ref.</u>		
Balance December 31, 2012	C		\$ 1,018,869.87
Increased by Receipts:			
Interfund	C-3	\$ 244,667.72	
Capital Improvement Fund	C-6	95,000.00	
Bond Anticipation Notes	C-11	<u>3,055,950.00</u>	
			<u>3,395,617.72</u>
			4,414,487.59
Decreased by Expenditures:			
Improvement Authorizations	C-7	2,329,422.34	
Bond Anticipation Notes	C-11	<u>2,081,600.00</u>	
			<u>4,411,022.34</u>
Balance December 31, 2013	C		<u>\$ 3,465.25</u>

TOWNSHIP OF BERKELEY HEIGHTS
GENERAL CAPITAL FUND

C-2

ANALYSIS OF CAPITAL CASH AND INVESTMENTS

Ordinance Number	Description	Balance		Receipts	Disbursements	Transfers		Balance Dec. 31, 2013
		Dec. 31, 2012				From	To	
	Capital Improvement Fund	\$ 208,287.80		\$ 95,000.00		\$ 101,448.00		\$ 201,839.80
	State Aid Receivable	(518,750.00)						(518,750.00)
	Loans Receivable	(563,402.52)						(563,402.52)
	Due from Current Fund	(89,639.67)		244,667.72		233,400.00		(78,371.95)
	Reserve for Senior Citizens' Bus	8,500.00						8,500.00
	Improvement Authorizations							
43-99	Various Library Improvements	18,251.00						18,251.00
46-99	Construction and Improvement to Parking Area	7,740.06						7,740.06
00-13	Various Capital Improvements	10,818.65	10,725.00					93.65
00-16	Various Capital Improvements	2,260.43						2,260.43
35-01	Various General Improvements	64,192.12	52,256.55					11,935.57
02-20	Improvements to Water Pollution Control Plant, Pumping Station and Acquisition of Equipment	4,571.23	4,518.87					52.36
	Various General Improvements	17,611.92	16,686.92					925.00
04-27/05-32	Road and Parking Improvements	3,434.47						3,434.47
06-11/15-07	Various Improvements to Waste Water Treatment System	612,914.17	273,631.86					339,282.31
07-13/08-22	Various General Improvements	(63,048.27)						(63,048.27)
08-26	Various Road Improvements	(304,497.06)	61,060.25			403,750.00		39,192.89
04-10	Acquisition of Various Fire Department Equipment	41.50	41.50					-
16-11	Various Improvements to Train Station	8,987.00	4,840.00					4,147.00
17-11	Tax Appeal Refunding Bond Ordinance	31,100.72						31,100.72
18-11	Various Capital Improvements and Equipment	50,514.00	28,898.43					21,615.57
09-12	Various Capital Improvements and Equipment	1,508,982.32	1,457,838.08					51,144.24
12-010	Various Capital Improvements		387,975.82				846,907.00	458,931.18
09-13	Various Capital Improvements and Equipment		30,949.06				58,541.00	27,591.94
10-13	Bond Anticipation Notes		2,081,600.00			1,207,750.00	233,400.00	-
		\$ 1,018,869.87	\$ 4,411,022.34	\$ 3,395,617.72	\$ 1,542,598.00	\$ 1,542,598.00	\$ 1,542,598.00	\$ 3,465.25
	Reference	C	C-1	C-1	Contra	Contra	Contra	C

TOWNSHIP OF BERKELEY HEIGHTS
GENERAL CAPITAL FUND

DUE FROM CURRENT FUND

C-3

	<u>Ref.</u>	
Balance December 31, 2012	C	\$ 89,639.67
Increased by:		
Bond Anticipation Notes	C-5	233,400.00
		<u>323,039.67</u>
Decreased by:		
Cash Receipt	C-1	244,667.72
		<u>244,667.72</u>
Balance December 31, 2013	C	<u>\$ 78,371.95</u>

DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

C-4

	<u>Ref.</u>	
Balance December 31, 2012	C	\$ 15,298,595.42
Decreased by:		
Budget Appropriation to Pay Bonds	C-9	\$ 700,000.00
Budget Appropriation to Pay Loan	C-10	423,256.03
		<u>1,123,256.03</u>
Balance December 31, 2013	C	<u>\$ 14,175,339.39</u>

TOWNSHIP OF BERKELEY HEIGHTS
GENERAL CAPITAL FUND

DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

C-5

Ordinance Number	Improvement Description	Balance Dec. 31, 2012	2013 Authorizations	Bond Anticipation Notes	Balance Dec. 31, 2013	Analysis of Balance		
						Bond Anticipation Notes	Expenditures	Unexpended Improvement Authorization
43-99	Various Library Improvements	\$ 13,250.00	\$	\$	\$ 13,250.00	\$	\$	\$ 13,250.00
08-26	Various Capital Improvements	63,048.27			63,048.27		63,048.27	38,192.69
10-04	Various Capital Improvements	403,750.00			403,750.00	403,750.00		
18-11	Tax Refunding Bonds	933,600.00		233,400.00	700,200.00	700,200.00		
12-10	Various Capital Improvements	1,148,000.00			1,148,000.00	1,148,000.00		
09-13	Various Capital Improvements		804,000.00		804,000.00	804,000.00		
		<u>\$2,561,648.27</u>	<u>\$804,000.00</u>	<u>\$233,400.00</u>	<u>\$ 3,132,248.27</u>	<u>\$ 3,055,950.00</u>	<u>\$63,048.27</u>	<u>\$ 51,442.69</u>
	Reference	C	C-7	C-3	C	C-11	C-2	Below
							Ref.	
							C-7	\$599,238.83
							C-2	547,796.14
							Above	<u>\$ 51,442.69</u>

Unexpended Improvement Authorizations - Unfunded
Less: Unexpended Proceeds of Bond Anticipation Notes
Issued - Ordinance #18-11, #12-10 and 09-13

TOWNSHIP OF BERKELEY HEIGHTS
GENERAL CAPITAL FUND

CAPITAL IMPROVEMENT FUND

C-6

	<u>Ref.</u>	
Balance December 31, 2012	C	\$ 208,287.80
Increased by:		
2013 Appropriations	C-1	<u>95,000.00</u>
		303,287.80
Decreased by:		
Improvement Authorizations	C-7	<u>101,448.00</u>
Balance December 31, 2013	C	<u><u>\$ 201,839.80</u></u>

TOWNSHIP OF BERKELEY HEIGHTS
GENERAL CAPITAL FUND

IMPROVEMENT AUTHORIZATIONS

C-7

Number	Ordinance Date	Amount	Balance Dec. 31, 2012		2013 Authorizations	Paid or Charged	Balance Dec. 31, 2013	
			Funded	Unfunded			Funded	Unfunded
43-99	9/07/99	\$ 35,000.00	\$ 18,251.00	\$ 13,250.00	\$	\$	\$ 18,251.00	\$ 13,250.00
46-99	9/07/99	35,000.00	7,740.06				7,740.06	
00-13	6/27/00	1,750,815.00	10,818.65			10,725.00	93.65	
00-16	8/22/00	237,500.00	2,260.43				2,260.43	
35-01	9/04/01	600,000.00	64,192.12			52,256.55	11,935.57	
02-20	10/08/02	922,500.00	4,571.23			4,518.87	52.36	
04-27/05-32	11/23/04	1,000,000.00	17,611.92			16,686.92	925.00	
06-11/15-07	9/04/07	1,300,000.00	3,434.47			3,434.47		
07-13/08-22	9/09/08	4,250,000.00	612,914.17			273,631.86	339,282.31	38,192.69
04-10	3/20/09	900,000.00		99,252.94		61,060.25		
16-11	7/26/11	165,700.00	41.50			41.50		
17-11	7/26/11	45,000.00	6,987.00			4,840.00	4,147.00	31,100.72
18-11	7/26/11	1,167,000.00		31,100.72				
09-12		57,000.00	50,514.00			28,898.43	21,615.57	
12-010		1,608,874.00	360,982.32	1,148,000.00		1,457,836.08		51,144.24
09-13		846,907.00			846,907.00	387,975.82		458,931.18
10-13		58,541.00			58,541.00	30,949.06	27,591.94	
			\$ 1,162,318.87	\$ 1,291,603.66	\$ 905,448.00	\$ 2,329,422.34	\$ 437,329.36	\$ 592,618.83

Reference

C

C

Below

Below

C

Ref.

Cash Disbursements
Deferred Charges to Future Taxation -
Unfunded
Capital Improvement Fund

C-1

804,000.00

\$2,329,422.34

C-5

C-6

101,448.00

\$905,448.00

Above

TOWNSHIP OF BERKELEY HEIGHTS
GENERAL CAPITAL FUND

STATE AID RECEIVABLE

C-8

	<u>Ref.</u>	
Balance December 31, 2012	C	<u>\$518,750.00</u>
Balance December 31, 2013	C	<u><u>\$518,750.00</u></u>

TOWNSHIP OF BERKELEY HEIGHTS
GENERAL CAPITAL FUND

C-9

SERIAL BONDS PAYABLE

Purpose	Original Issue		Date	Loan Maturities Outstanding Dec. 31, 2013	Interest Rate	Balance Dec. 31, 2012	Decrease	Balance Dec. 31, 2013
	Date	Amount						
General Improvement Bonds	10/1/2003	\$ 4,000,000.00		\$ 300,000.00	3.600%			
				300,000.00	3.700%			
				300,000.00	3.800%			
				305,000.00	3.900%			
				305,000.00	4.000%	\$ 1,810,000.00	\$ 300,000.00	\$ 1,510,000.00
General Improvement Bonds	12/1/2009	7,604,000.00		430,000.00	2.000%			
				435,000.00	2.250%			
				455,000.00	2.250%			
				460,000.00	2.500%			
				460,000.00	2.750%			
				460,000.00	3.000%			
				460,000.00	3.125%			
				460,000.00	3.250%			
				460,000.00	3.500%			
				460,000.00	3.625%			
				460,000.00	3.750%			
				460,000.00	4.000%			
			454,000.00	4.000%	6,774,000.00	400,000.00	6,374,000.00	
					<u>\$ 8,584,000.00</u>	<u>\$ 700,000.00</u>	<u>\$ 7,884,000.00</u>	

Reference

C

C-4

C

TOWNSHIP OF BERKELEY HEIGHTS
GENERAL CAPITAL FUND

NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE LOANS PAYABLE

C-10
Sheet #1

<u>Purpose</u>	<u>Original Issue</u>		<u>Loan Maturities Outstanding Dec. 31, 2013</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2012</u>	<u>Decrease</u>	<u>Balance Dec. 31, 2013</u>
	<u>Date</u>	<u>Amount</u>	<u>Date</u>	<u>Amount</u>				
New Jersey Environmental Infrastructure Loan	10/15/2001	\$ 980,000.00	8/01/2014	\$ 55,000.00	5.000%			
			8/01/2015-2016	60,000.00	5.000%			
			8/01/2017-2018	65,000.00	5.000%			
			8/01/2019	70,000.00	5.000%			
			8/01/2020	75,000.00	4.750%			
			8/01/2021	80,000.00	4.750%	\$ 580,000.00	\$ 50,000.00	\$ 530,000.00
New Jersey Environmental Infrastructure Loan	10/15/2001	1,000,000.00	8/01/2014	52,445.68				
			8/01/2015	53,900.48				
			8/01/2016	51,960.74				
			8/01/2017	53,253.90				
			8/01/2018	51,152.52				
			8/01/2019	52,284.03				
		8/01/2020	53,253.91			473,425.67	50,990.88	422,434.79
		8/01/2021	54,183.53					

TOWNSHIP OF BERKELEY HEIGHTS
GENERAL CAPITAL FUND

C-10
Sheet #2

NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE LOANS PAYABLE

<u>Purpose</u>	<u>Original Issue</u>		<u>Loan Maturities Outstanding Dec. 31, 2013</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2012</u>	<u>Decrease</u>	<u>Balance Dec. 31, 2013</u>
	<u>Date</u>	<u>Amount</u>	<u>Date</u>	<u>Amount</u>				
New Jersey Environmental Infrastructure Loan	11/04/2004	\$ 290,000.00	8/01/2014-2016	\$ 15,000.00	4.000%			
			8/01/2017-2018	15,000.00	5.000%			
			8/01/2019-2022	20,000.00	5.000%			
			8/01/2023	20,000.00	4.250%			
			8/01/2024	25,000.00	4.375%	\$ 215,000.00	\$ 15,000.00	\$ 200,000.00
New Jersey Environmental Infrastructure Loan	11/04/2004	294,120.00	8/01/2014	15,593.70				
			8/01/2015	15,207.78				
			8/01/2016	14,821.85				
			8/01/2017	14,435.93				
			8/01/2018	13,953.53				
			8/01/2019	16,687.27				
			8/01/2020	16,043.94				
			8/01/2021	15,400.74				
		8/01/2022	14,757.54					
		8/01/2023	14,114.32		183,876.39	16,076.10	167,800.29	
		8/01/2024	16,783.69					

TOWNSHIP OF BERKELEY HEIGHTS
GENERAL CAPITAL FUND

C-10
Sheet #3

NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE LOANS PAYABLE

<u>Purpose</u>	<u>Original Issue</u>		<u>Loan Maturities Outstanding</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2012</u>	<u>Decrease</u>	<u>Balance Dec. 31, 2013</u>
	<u>Date</u>	<u>Amount</u>	<u>Date</u>	<u>Amount</u>				
New Jersey Environmental Infrastructure Loan	11/08/2007	\$ 2,190,000.00	8/01/2014	\$ 95,000.00	3.600%			
			8/01/2015	100,000.00	5.000%			
			8/01/2016	105,000.00	5.000%			
			8/01/2017	110,000.00	5.000%			
			8/01/2018	115,000.00	5.000%			
			8/01/2019	120,000.00	4.000%			
			8/01/2020	125,000.00	4.000%			
			8/01/2021	130,000.00	5.000%			
			8/01/2022	140,000.00	5.000%			
			8/01/2023	145,000.00	4.250%			
			8/01/2024	150,000.00	4.500%			
			8/01/2025	160,000.00	4.500%			
			8/01/2026	165,000.00	4.500%			
		8/01/2027	175,000.00	4.250%		\$ 1,930,000.00	\$ 95,000.00	\$ 1,835,000.00
New Jersey Environmental Infrastructure Loan	11/08/2007	2,030,000.00	8/01/2014	111,658.75				
			8/01/2015	112,648.79				
			8/01/2016	112,648.79				
			8/01/2017	112,492.14				
			8/01/2018	112,178.84				
			8/01/2019	111,708.87				
			8/01/2020	111,834.20				
			8/01/2021	111,834.19				
			8/01/2022	114,027.33				
			8/01/2023	112,774.12				
			8/01/2024	112,045.67				
			8/01/2025	114,082.16				
			8/01/2026	112,703.62				
		8/01/2027	114,317.33			1,690,697.02	113,742.22	1,576,954.80

TOWNSHIP OF BERKELEY HEIGHTS
GENERAL CAPITAL FUND

NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE LOANS PAYABLE

C-10
Sheet #4

Purpose	Original Issue		Loan Maturities Outstanding Dec. 31, 2013		Interest Rate	Balance Dec. 31, 2012	Decrease	Balance Dec. 31, 2013
	Date	Amount	Date	Amount				
New Jersey Environmental Infrastructure Loan	12/02/2009	\$ 905,000.00	8/01/2014-15	\$ 35,000.00	5.000%			
			8/01/2016-17	40,000.00	5.000%			
			8/01/2018	45,000.00	5.000%			
			8/01/2019-20	45,000.00	4.000%			
			8/01/2021	50,000.00	4.000%			
			8/01/2022	50,000.00	3.500%			
			8/01/2023-24	55,000.00	4.000%			
			8/01/2025	55,000.00	3.750%			
			8/01/2026-27	60,000.00	4.000%			
			8/01/2028-29	65,000.00	4.000%		\$ 35,000.00	\$ 800,000.00
New Jersey Environmental Infrastructure Loan	12/02/2009	901,490.00	8/01/2014	47,446.83				
			8/01/2015	47,446.83				
			8/01/2016	47,446.83				
			8/01/2017	47,446.83				
			8/01/2018	47,446.83				
			8/01/2019	47,446.83				
			8/01/2020	47,446.83				
			8/01/2021	47,446.83				
			8/01/2022	47,446.83				
			8/01/2023	47,446.83				
		8/01/2024	47,446.83					
		8/01/2025	47,446.83					
		8/01/2026	47,446.83					
		8/01/2027	47,446.83					
		8/01/2028	47,446.83					
		8/01/2029	47,446.83					
						806,596.34	47,446.83	759,149.51
						\$6,714,595.42	\$423,256.03	\$6,291,339.39

Reference

C

C-4

C

TOWNSHIP OF BERKELEY HEIGHTS
GENERAL CAPITAL FUND

BOND ANTICIPATION NOTES

C-11

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Original Date of Issue</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2012</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance Dec. 31, 2013</u>
04-10	Various Road Improvements	10/09/2013	10/09/2013	10/09/2014	0.59%	\$	\$ 403,750.00	\$	\$ 403,750.00
12-10	Various Capital Improvements	10/10/2012	10/09/2013	10/09/2014	0.59%	1,148,000.00	1,148,000.00	1,148,000.00	1,148,000.00
18-11	Tax Refunding Bond	10/18/2011	10/09/2013	10/09/2014	0.59%	933,600.00	700,200.00	933,600.00	700,200.00
09-13	Various Capital Improvements	10/09/2013	10/09/2013	10/09/2014	0.59%		804,000.00		804,000.00
						<u>\$ 2,081,600.00</u>	<u>\$3,055,950.00</u>	<u>\$2,081,600.00</u>	<u>\$ 3,055,950.00</u>
					<u>Reference</u>	C	C-1	C-1	C

TOWNSHIP OF BERKELEY HEIGHTS
GENERAL CAPITAL FUND

RESERVE FOR SENIOR CITIZENS' BUS

C-12

	<u>Ref.</u>	
Balance December 31, 2012	C	<u>\$ 8,500.00</u>
Balance December 31, 2013	C	<u>\$ 8,500.00</u>

INFRASTRUCTURE LOAN RECEIVABLE

C-13

	<u>Ref.</u>	
Balance December 31, 2012	C	<u>\$563,402.52</u>
Balance December 31, 2013	C	<u>\$563,402.52</u>

TOWNSHIP OF BERKELEY HEIGHTS
GENERAL CAPITAL FUND

C-14

BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

<u>Improvement Description</u>	<u>Ordinance Number</u>	<u>Balance Dec. 31, 2012</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance Dec. 31, 2013</u>
Various Library Improvements	43-99	\$ 13,250.00	\$		\$ 13,250.00
Various Capital Improvements	08-26	63,048.27			63,048.27
Various Capital Improvements	04-10	403,750.00		403,750.00	
Various Capital Improvements	09-13		<u>804,000.00</u>	<u>804,000.00</u>	
		<u>\$480,048.27</u>	<u>\$804,000.00</u>	<u>\$1,207,750.00</u>	<u>\$ 76,298.27</u>
<u>Reference</u>		<u>□</u>	<u>C-5</u>	<u>C-11</u>	<u>□</u>

PART II
REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
ROSTER OF OFFICIALS
COMMENTS AND RECOMMENDATIONS
YEAR ENDED DECEMBER 31, 2013

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
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PHONE (732) 780-2600
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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

INDEPENDENT AUDITORS' REPORT

The Honorable Mayor and Members
of the Township Council
Township of Berkeley Heights
Berkeley Heights, New Jersey 07922

We have audited the financial statements - regulatory basis of the various funds of the Township of Berkeley Heights, in the County of Union, as of and for the years ended December 31, 2013 and 2012, and the related notes to the financial statements - regulatory basis and have issued our report thereon dated August 14, 2014. These financial statements - regulatory basis have been prepared in conformity with accounting principles prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township's financial statements - regulatory basis are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. However, we noted certain matters that we reported to management in the comments and recommendations section of this report.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the Township's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


SAMUEL KLEIN AND COMPANY
CERTIFIED PUBLIC ACCOUNTANTS


JOSEPH J. FACCONI, PA, RMA

Newark, New Jersey
August 14, 2014

**ROSTER OF OFFICIALS FOR THE YEAR 2013
AND REPORT ON SURETY BONDS**

<u>Name</u>	<u>Title</u>	<u>Amount of Bond</u>
Joseph Bruno	Mayor	\$ *
Kevin Hall	President of the Council	*
Craig Pastore	Council Vice President	*
Jeanne Kingsley	Councilwoman	*
Robert Woodruff	Councilman	*
Edward Delia	Councilman	*
Thomas Pirone	Councilman	*
Joseph Sordillo	Attorney	*
Robert Bocchino	Engineer	*
Robin Greenwald	Construction Code Official	*
Donald Bogosian	Municipal Court Judge	**
Joann Musorofiti	Court Administrator	**
August Santore, Jr.	Public Defender	*
Michael Mathis	Police Chief	*
Michael Mitzner	Municipal Prosecutor	*
Anthony Padovano	Fire Chief	*
Thomas Barton	Recreation Director	*
Michel Marceau	Chief Financial Officer	200,000.00
Rachele San Fillipo	Tax Collector	200,000.00
Robert Edgar	Tax Assessor	***
Linda Cavanaugh	Township Administrator	*
Ana Minkoff	Township Clerk	*
Margaret Bottone	Payroll Clerk/Assistant Treasurer	***

All of the bonds were examined and were properly executed.

*Covered by \$1,000,000.00 Blanket Position Bond - Government Crime Policy by Statewide Insurance Fund of the Fidelity and Deposit Company of Maryland.

**Covered by \$50,000.00 Faithful Performance Blanket Position Bond of Western Surety Company.

***Each covered by \$2,000,000.00 Bond by Western Surety Company.

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

N.J.S.A. 40A:11-4a states "Every contract awarded by the contracting agent for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. The governing body of a contracting unit may, by resolution approved by a majority of the governing body, disqualify a bidder who would otherwise be determined to be the lowest responsible bidder, if the governing body finds that it has had prior negative experience with the bidder."

It is pointed out that the Township Council has the responsibility of determining whether the expenditures in any category will exceed the threshold set for the fiscal year and, where question arises as to whether any contract or agreement might result in violation of the statute, the opinion of the Township Attorney should be sought before a commitment is made.

The statutory bidding threshold for the year 2013 was the sum of \$17,500.00 effective January 1, 2011.

Notwithstanding N.J.S.A. 40:11-3a, P.L. 2005, Chapter 51 and N.J.S.A. 19:44A-20.5 known as the "Pay to Play Law" provides that a municipality is prohibited from executing any contract in excess of \$17,500.00, on or after January 1, 2006, to a business entity that made certain reportable contributions to any municipal committee of a political party if a member of that party is in office as a member of the governing body of the municipality when the contract is awarded unless proposals or qualifications are solicited through a fair and open process.

The minutes indicate that bids were requested by public advertising.

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

The minutes indicate that proposals were solicited for "Professional Services" in accordance with N.J.S.A. 19:44:20.5.

It is also noted that certain contracts were awarded under the provisions of N.J.S.A. 40A:11-12, New Jersey State purchasing contracts.

Purchases, Contracts or Agreements Not Required to be Advertised (N.J.S. 40A:11-6.1)

N.J.S. 40A:11-6.1 states "Except contracts which require the performance of professional services, all contracts or agreements which do not require public advertising for bids and the estimated cost or price exceeds \$3,900.00, at least two quotations as to the cost of price are required. Quotations, whenever practicable, shall be solicited by the contracting agent, and the contract or agreement shall be made with and awarded to the lowest responsible bidder." The Township has adopted a policy of requesting quotes for all expenditures in excess of \$2,500.00.

Collection of Interest on Delinquent Taxes

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

The Governing Body adopted the following resolution authorizing interest to be charged on delinquent taxes:

BE IT RESOLVED by the Council of the Township of Berkeley Heights that the interest rate on delinquent taxes be fixed as follows:

- 8% per annum up to \$1,500.00 delinquency
- 18% per annum over \$1,500.00 delinquency
- 6% additional penalty for a delinquency over \$10,000.00 if not paid prior to the end of the calendar year

Any taxes not paid when due shall be called delinquent taxes ten days after due date.

Tests of the Tax Collector's records indicate that interest was collected in accordance with the provisions of the foregoing resolution.

The last tax sale was held on October 9, 2013 and was complete.

Payroll Account

The propriety of deductions from employee salaries for pensions, Social Security, withholding tax and other purposes from employee payrolls were not verified as part of this audit. Remittances of deductions and withholdings to authorized agencies, however, were ascertained.

Capital Fixed Assets

The Division of Local Government Services in the Department of Community Affairs of the State of New Jersey requires all municipalities in the State to establish and maintain sets of accounts and inventories reflecting costs of other valuations of all of its fixed assets, including land, buildings, improvements, machinery, furniture and equipment. Such accounts, to be included under "Capital Fixed Assets", would insure complete fiscal reliability of records, establish a basis for claims of losses and other insurance purposes, augment protective measures against the misuse or theft of property and furnish data on aging, anticipated life and other information on assets. Failure to maintain fixed asset records could jeopardize the Township's eligibility for future Federal and State Grants.

Municipal Court - General

48 Hour Test:

Finding #2013-1:

Condition:

Three (3) out of twenty-four (24) receipts collected for revenue were not deposited within 48 hours.

Criteria:

Revenue collected should be deposited within 48 hours of receipt.

Recommendation:

That revenue collected should be deposited within 48 hours of receipt of funds in accordance with the provisions of N.J.S.A. 40A:5-15.

Municipal Court - General (Continued)

Criminal Case:

Finding #2013-2:

Condition:

We noted three (3) instances where the Judge's signature was not on the Complaint Report.

Criteria:

The Judge's signature is required on the Complaint Report.

Recommendation:

That the Judge sign the Complaint Report.

Time Payment:

Finding #2013-3:

Condition:

One ticket was missing signatures of the Judge and the Defendant.

Criteria:

The Judge's signature authorizes the Defendant's time payment agreement and is required.

Recommendation:

That each time payment agreement be signed by the Judge.

Construction Department

Analysis of Receipts:

Finding #2013-4:

Condition:

Revenue collected by the Construction Code Official could not be reconciled to the records maintained by the Department of Revenue and Finance for the months of February, April, July, August, October and November.

Criteria:

Revenue collected should match the Turnover Reports.

Recommendation:

That revenue collections of the Construction Code Official be reconciled to the records of the Department of Revenue and Finance on a monthly basis.

Construction Department (Continued)

Test of Fees:

Finding #2013-5:

Condition:

We noted several instances where the permit was unavailable.

Criteria:

All permits be available for review at the time of the audit.

Recommendation:

That all permits be available at the time of the audit.

Corrective Action Plan

In accordance with regulations promulgated by the Division of Local Government Services, all municipalities are required to prepare and submit to the Division of Local Government Services a Corrective Action Plan with regard to audit deficiencies. This plan must be approved by formal resolution of the Governing Body and submitted within 60 days from the date the audit is received.

Miscellaneous

A report summarizing collections of Dog License Fees and remittances of State Registration Fees has been prepared and filed with the New Jersey Department of Health and the Division of Local Government Services.

Revenue and receipts were established and verified as to source and amount only insofar as the local records permitted.

In verifying expenditures, computations were tested on claims approved and paid. No attempt was made in this connection to establish proof of rendition, character or extent of services, nor quantities, nature, propriety of prices or receipt of materials, these elements being left necessarily to internal review in connection with approval of claims.

A copy of this report was filed with the New Jersey Division of Local Government Services.

A summary or synopsis of this report was prepared for publication and filed with the Township Clerk.

RECOMMENDATIONS

Municipal Court - General

That revenue collected should be deposited within 48 hours of receipt of funds in accordance with the provisions of N.J.S.A. 40A:5-15.

That the Judge sign the Complaint Report.

That each time payment agreement be signed by the Judge.

Construction Department

That revenue collections of the Construction Code Official be reconciled to the records of the Department of Revenue and Finance on a monthly basis.

That all permits be available at the time of the audit.

* * *

The foregoing comments and resulting recommendations are not of sufficient materiality whereby they would affect our ability to express an opinion on the financial statements taken as a whole.

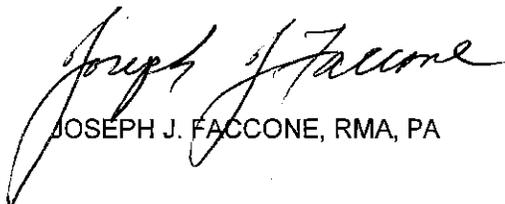
We shall be pleased to confer on any questions that might arise with respect to any matters in this report.

We desire to express our appreciation for the assistance and courtesies rendered by the Township officials and employees during the course of the examination.

Respectfully submitted,

A handwritten signature in cursive script that reads "Samuel Klein and Company".

SAMUEL KLEIN AND COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

A handwritten signature in cursive script that reads "Joseph J. Faccione".

JOSEPH J. FACCONI, RMA, PA

Newark, New Jersey
August 14, 2014

