

BOROUGH OF BERNARDSVILLE

COUNTY OF SOMERSET

REPORT OF AUDIT

2014

NISIVOCIA LLP  
CERTIFIED PUBLIC ACCOUNTANTS

BOROUGH OF BERNARDSVILLE

COUNTY OF SOMERSET

REPORT OF AUDIT

2014

BOROUGH OF BERNARDSVILLE  
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BOROUGH OF BERNARDSVILLE

PART I

FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

YEAR ENDED DECEMBER 31, 2014

## Independent Auditors' Report

The Honorable Mayor and Members  
of the Borough Council  
Borough of Bernardsville  
Bernardsville, New Jersey

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

We have audited the financial statements - *regulatory basis*- of the various funds of the Borough of Bernardsville, in the County of Somerset (the "Borough") as of and for the years ended December 31, 2014 and 2013, and the related notes to the financial statements, as listed in the table of contents.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting practices prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") to demonstrate compliance the Division's regulatory basis of accounting, and the budget laws of New Jersey. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' Responsibility***

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Borough's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Borough'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.

The Honorable Mayor and Members  
of the Borough Council  
Borough of Bernardsville  
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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, the financial statements are prepared by the Borough on the basis of accounting practices prescribed or permitted by the Division to demonstrate compliance with the Division's regulatory basis of accounting and the budget laws of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

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

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly in accordance with accounting principles generally accepted in the United States of America the financial position of each fund of the Borough as of December 31, 2014 and 2013, or the changes in financial position or where applicable, cash flows thereof for the years then ended.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the various funds of the Borough of Bernardsville as of December 31, 2014 and 2013, and the results of operations and changes in fund balance, where applicable, of such funds, thereof for the years then ended on the basis of accounting practices prescribed or permitted by the Division to demonstrate compliance with the Division's regulatory basis of accounting and the budget laws of New Jersey, as described in Note 1.

***Other Matters***

***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements of the various funds that collectively comprise the Borough's financial statements. The supplementary data schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedules of expenditures of federal and state awards, as required by the U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and New Jersey's OMB Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, are presented for purposes of additional analysis and are not a required part of the financial statements.

The supplementary data schedules and the schedules of expenditures of federal and state awards 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 various fund financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the various fund financial statements or to the various fund 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 data schedules and the schedules of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the financial statements as a whole.

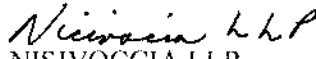


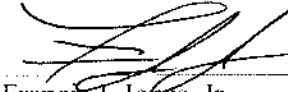
The Honorable Mayor and Members  
of the Borough Council  
Borough of Bernardsville  
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**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 25, 2015 on our consideration of the Borough's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough's internal control over financial reporting and compliance.

Mount Arlington, New Jersey  
June 25, 2015

  
NISIVOCCIA LLP

  
Francis J. Jones, Jr.  
Registered Municipal Accountant No. 442  
Certified Public Accountant

BOROUGH OF BERNARDSVILLE  
COUNTY OF SOMERSET  
2014  
CURRENT FUND

BOROUGH OF BERNARDSVILLE  
CURRENT FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

<u>ASSETS</u>	<u>Ref.</u>	<u>December 31,</u>	
		<u>2014</u>	<u>2013</u>
Regular Fund:			
Cash and Cash Equivalents:			
Treasurer	A-4	\$ 3,114,854.10	\$ 3,148,779.74
Change Fund		400.00	400.00
		<u>3,115,254.10</u>	<u>3,149,179.74</u>
Due From State of New Jersey:			
Senior Citizen and Veterans Deductions		13,362.82	13,862.82
		<u>3,128,616.92</u>	<u>3,163,042.56</u>
Receivables and other Assets With Full Reserves :			
Delinquent Property Taxes Receivable	A-7	560,476.18	451,539.86
Tax Title Liens Receivable	A-8	4,764.14	4,570.27
Property Acquired for Taxes - Assessed Valuation		13,100.00	13,100.00
Revenue Accounts Receivable	A-9	43,554.03	21,471.37
Due From:			
- Federal and State Grant Fund	A		5.83
- Animal Control Fund	B	0.44	1.02
- Other Trust Fund	B		166.21
- Swimming Pool/Recreation Utility Operating Fund	F	3,000.00	
- General Capital Fund	C		140.47
Other Receivables		7.72	7.72
		<u>624,902.51</u>	<u>491,002.75</u>
Total Receivables and Other Assets with Full Reserves			
		<u>624,902.51</u>	<u>491,002.75</u>
Deferred Charges :			
Special Emergency Authorizations			1,227,692.00
Total Regular Fund		<u>3,753,519.43</u>	<u>4,881,737.31</u>
Federal and State Grant Fund :			
Cash and Cash Equivalents	A-6	89,666.65	64,619.05
Federal and State Aid Receivable	A-13	25,884.68	27,298.68
Due From Current Fund	A	5,603.06	
Total Federal and State Grant Fund		<u>121,154.39</u>	<u>91,917.73</u>
TOTAL ASSETS		<u>\$ 3,874,673.82</u>	<u>\$ 4,973,655.04</u>

BOROUGH OF BERNARDSVILLE  
CURRENT FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS  
(Continued)

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	<u>December 31,</u>	
		<u>2014</u>	<u>2013</u>
Regular Fund:			
Appropriation Reserves:			
Encumbered	A-3;A-11	\$ 176,745.02	\$ 397,518.72
Unencumbered	A-3;A-11	365,848.57	354,706.71
		<u>542,593.59</u>	<u>752,225.43</u>
Accounts Payable - Vendors		2,615.00	11,346.25
Due to - General Capital Fund	C	43,460.13	
Due to Payable - Other Trust	B	16,550.81	
Due to - Federal and State Grant Fund	A	5,603.06	
Prepaid Taxes		383,359.30	439,484.18
Tax Overpayments		15,680.11	2,824.98
Due to - State of NJ- Marriage License Fees		175.00	175.00
Reserve for Special Deposits		9,314.83	1,100.00
Reserve for Joint Insurance Fund Dividend		3,890.10	4,851.05
Reserve for Renovation for Hurricane Sandy		100,438.00	
Special Emergency Notes Payable- Hurricane Sandy			1,227,692.00
Reserve for Mitigation Fees		4,338.00	4,338.00
		<u>1,128,017.93</u>	<u>2,444,036.89</u>
Reserve for Receivables and Other Assets	A	624,902.51	491,002.75
Fund Balance	A-1	2,000,598.99	1,946,697.67
Total Regular Fund		<u>3,753,519.43</u>	<u>4,881,737.31</u>
Federal and State Grants Fund :			
Appropriated Reserves	A-14	104,572.42	78,457.74
Unappropriated Reserves	A-15	16,581.97	13,454.16
Due to Current Fund	A		5.83
Total Federal and State Grant Fund		<u>121,154.39</u>	<u>91,917.73</u>
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		<u>\$ 3,874,673.82</u>	<u>\$ 4,973,655.04</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF BERNARDSVILLE  
CURRENT FUND  
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE - REGULATORY BASIS

<u>Revenue and Other Income Realized</u>	<u>Ref.</u>	<u>Year Ended December 31,</u>	
		<u>2014</u>	<u>2013</u>
Fund Balance Utilized		\$ 1,570,000.00	\$ 1,570,000.00
Miscellaneous Revenue Anticipated		3,094,832.73	3,402,378.74
Receipts from:			
Delinquent Taxes		445,478.80	469,010.60
Current Taxes		40,870,762.80	40,034,028.30
Nonbudget Revenue		122,446.15	28,246.38
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves		82,203.37	188,550.59
Accounts Payable Cancelled		731.25	13,412.74
Interfunds Returned		313.53	178.43
Tax Overpayments Cancelled			5,487.21
Reserve for FEMA Cancelled			0.43
Total Income		<u>46,186,768.63</u>	<u>45,711,293.42</u>
<u>Expenditures</u>			
Budgetary and Emergency Appropriations :			
Operations			
Municipal Purposes		12,488,837.72	14,019,821.63
County Taxes		8,056,372.01	7,921,026.66
Regional School Taxes		23,554,373.00	22,937,691.00
Open Space Taxes		453,351.89	454,293.34
Prior Year Senior Citizen Deductions Disallowed			1,250.00
Refund of Prior Year Revenue		6,932.25	481.05
Interfund Advanced		3,000.44	321.25
Total Expenditures		<u>44,562,867.31</u>	<u>45,334,884.93</u>
Excess in Revenue		1,623,901.32	376,408.49
Adjustments before Fund Balance:			
Expenditures Included Above Which are by Statute			
Deferred Charges to Budget of Succeeding Year			<u>1,500,000.00</u>
Statutory Excess to Fund Balance		1,623,901.32	1,876,408.49
<u>Fund Balance</u>			
Balance January 1		<u>1,946,697.67</u>	<u>1,640,289.18</u>
		3,570,598.99	3,516,697.67
Decreased by:			
Utilized as Anticipated Revenue		<u>1,570,000.00</u>	<u>1,570,000.00</u>
Balance December 31	A	<u>\$ 2,000,598.99</u>	<u>\$ 1,946,697.67</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF BERNARDSVILLE  
CURRENT FUND  
STATEMENT OF REVENUE - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2014

	Budget After Modification	Added by 40A:4-87	Realized	Excess or (Deficit)
Fund Balance Anticipated	\$ 1,570,000.00		\$ 1,570,000.00	
Miscellaneous Revenues :				
Licenses :				
Alcoholic Beverage Licenses	30,250.00		30,528.00	\$ 278.00
Other	12,000.00		16,649.00	4,649.00
Fees and Permits :				
Other	130,000.00		107,124.87	(22,875.13)
Fines and Costs :				
Municipal Court	112,000.00		81,314.71	(30,685.29)
Interest and Costs on Taxes	100,000.00		109,298.39	9,298.39
Parking Meters	4,000.00		4,023.31	23.31
Rental of Borough Property to Post Office	1,500.00		1,500.00	
Parking Lot Fees	24,000.00		25,015.00	1,015.00
Energy Receipts Tax	662,172.00		662,172.00	
Clean Communities Program		\$ 18,234.34	18,234.34	
Municipal Alliance Program	30,324.50		30,324.50	
Body Armor Replacement Fund	2,554.97		2,554.97	
Girl on the Move	1,150.00		1,150.00	
Federal Bullet Proof Vests Grant		561.45	561.45	
NJ Distracted Driver		3,379.00	3,379.00	
Office of Emergency Management- Drive Sober or Get Pulled Over	2,349.36		2,349.36	
Somerset County Youth Services	5,000.00		5,000.00	
Municipal Alliance- Other Municipalities Share	4,624.49		4,624.49	
Recycling Tonnage Grant	9,898.84		9,898.84	
Youth Service- Bedminster Township	5,000.00		5,000.00	
Mayors Wellness Campaign		300.00	300.00	
Hennessey Family		250.00	250.00	
Donation Rescue Squad		500.00	500.00	
Uniform Construction Code Fees	291,593.00		318,114.32	26,521.32
Uniform Fire Safety Act	12,078.00		11,838.78	(239.22)
Dividend from Joint Insurance Fund	4,851.00		4,851.05	0.05
Library Rental	150,000.00		120,844.44	(29,155.56)
Hotel Tax	25,000.00		25,872.00	872.00
Worker's Compensation Assessment Fund	10,000.00		10,416.73	416.73
FEMA Reimbursement	1,012,920.00	214,772.00	1,272,202.88	44,510.88
Due from Swimming Pool/ Recreation Utility Fund- Costs	32,000.00		32,000.00	
Verizon Franchise Fee	66,658.00		66,658.99	0.99
Comcast Franchise Fee	39,147.00		39,147.00	
Library Reimbursement for Expenses	2,162.00		5,874.33	3,712.33

BOROUGH OF BERNARDSVILLE  
CURRENT FUND  
STATEMENT OF REVENUE - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2014

	Budget After Modification	Added by 40A:4-87	Realized	Excess or (Deficit)
Due from Library- Costs	\$ 59,500.00		\$ 64,259.98	\$ 4,759.98
DOT Overtime Reimbursement	1,000.00		1,000.00	
Total Miscellaneous Revenues	2,843,733.16	\$ 237,996.79	3,094,832.73	13,102.78
Receipts from Delinquent Taxes	445,000.00		445,478.80	478.80
Amount to be raised by Taxes for Support of Municipal Budget :				
Local Tax for Municipal Purposes	8,589,508.64		9,694,131.90	1,104,623.26
Municipal Library Tax	785,344.00		785,344.00	
Budget Totals	14,233,585.80	237,996.79	15,589,787.43	1,118,204.84
Non-Budget Revenues			122,446.15	122,446.15
	<u>\$ 14,233,585.80</u>	<u>\$ 237,996.79</u>	<u>\$ 15,712,233.58</u>	<u>1,240,650.99</u>

BOROUGH OF BERNARDSVILLE  
CURRENT FUND  
STATEMENT OF REVENUE - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2014

Allocation of Current Tax Collections :

Revenue from Collection of Current Taxes	\$ 40,870,762.80
Allocated to School, County and Open Space Taxes	32,064,096.90
Balance for Support of Municipal Budget	<u>8,806,665.90</u>

Add: Appropriation "Reserve for Uncollected Taxes"	<u>1,672,810.00</u>
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Realized for Support of Municipal Budget	<u>\$ 10,479,475.90</u>
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Analysis of Realized For Support of Municipal Budget:

Municipal Library Tax	\$ 785,344.00
Local Tax for Municipal Purposes	<u>9,694,131.90</u>

Total Realized For Support of Municipal Budget	<u>\$ 10,479,475.90</u>
------------------------------------------------	-------------------------

Analysis of Library Rental Fees:

Library Rental	\$ 153,510.38
Less: Refunds	<u>(32,665.94)</u>
	<u>\$ 120,844.44</u>

Analysis of Non-Budget Revenue:

Miscellaneous Revenue Not Anticipated:

Interest on Investments and Deposits	\$ 5,531.44
Senior and Vet Deductions- Administration Fee	1,030.00
Miscellaneous Other	48,503.01
Miscellaneous Reimbursement	<u>36,807.69</u>

\$ 91,872.14

Interest on Investments and Deposits Earned In:

Current Fund	
Federal and State Grant Fund	71.88
Animal Control Fund	4.63
Other Trust Fund	644.02
General Capital Fund	<u>2,236.72</u>

2,957.25

Subtotal-Treasurer 94,829.39

Tax Collector	19,710.02
Due from Fed and State Grant Fund	725.74
Due from Swimming Pool/Recreation Utility Fund	3,000.00
Due from Other Trust Fund Police Fees	4,181.00
Total Miscellaneous Revenue Not Anticipated	<u>\$ 122,446.15</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS  
STATEMENT



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

	<u>Appropriations</u>		<u>Expended By</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
GENERAL GOVERNMENT:					
General Administration:					
Salaries & Wages	\$ 272,000.00	\$ 264,000.00	\$ 262,539.63	\$ 1,460.37	
Other Expenses	57,000.00	62,000.00	57,735.36	4,264.64	
Human Resources:					
Other Expenses	55,000.00	45,000.00	42,192.32	2,807.68	
Municipal Clerk:					
Salaries & Wages	170,000.00	170,000.00	168,072.47	1,927.53	
Other Expenses	12,000.00	12,500.00	12,497.99	2.01	
Financial Administration:					
Salaries & Wages	94,000.00	84,000.00	80,659.52	3,340.48	
Other Expenses	3,500.00	3,500.00	3,457.75	42.25	
Audit Services:					
Other Expenses	25,000.00	25,000.00	4,281.36	20,718.64	
Computer Information Technology:					
Salaries & Wages	66,000.00	49,000.00	45,758.24	3,241.76	
Other Expenses	25,000.00	27,000.00	25,109.03	1,890.97	
Tax Assessment Administration:					
Salaries & Wages	127,000.00	115,000.00	112,424.38	2,575.62	
Other Expenses	3,500.00	3,500.00	2,168.80	1,331.20	
Revenue Administration (Tax Collection):					
Salaries & Wages	66,000.00	66,000.00	65,187.30	812.70	
Other Expenses	11,000.00	11,000.00	7,294.37	3,705.63	
Legal Services and Costs:					
Other Expenses	180,000.00	150,000.00	133,236.66	16,763.34	

BOROUGH OF BERNARDSVILLE  
CURRENT FUND  
STATEMENT OF EXPENDITURES-REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2014  
(Continued)

	<u>Appropriations</u>		<u>Expended By</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
GENERAL GOVERNMENT (continued):					
Local Historian:					
Other Expenses	\$ 1,000.00	\$ 1,000.00	\$ 354.70	\$ 645.30	
Engineering Services and Costs:					
Salaries & Wages	64,000.00	64,000.00	64,000.00		
Other Expenses	65,000.00	100,000.00	92,233.82	7,766.18	
Municipal Land Use Law (N.J.S.A. 40:55D-1):					
Planning Board:					
Salaries & Wages	96,000.00	96,000.00	96,000.00		
Other Expenses	25,000.00	20,000.00	15,737.71	4,262.29	
Board of Adjustment:					
Other Expenses	25,000.00	17,000.00	12,996.79	4,003.21	
Zoning Officer:					
Other Expenses	25,000.00	27,000.00	26,927.99	72.01	
Housing Inspector:					
Other Expenses	41,000.00	41,000.00	35,016.23	5,983.77	
Insurance:					
Group Insurance	881,202.00	763,052.00	740,713.09	22,338.91	
General Liability Insurance	154,752.00	162,252.00	162,252.00		
Workers Compensation Insurance	179,061.00	179,061.00	179,056.12	4.88	
Health Benefit Waiver	18,500.00	22,500.00	18,349.66	4,150.34	

BOROUGH OF BERNARDSVILLE  
CURRENT FUND  
STATEMENT OF EXPENDITURES-REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2014  
(Continued)

	Appropriations		Expended By		Unexpended
	Budget	Budget After Modification	Paid or Charged	Reserved	Balance Cancelled
PUBLIC SAFETY:					
Police:					
Salaries and Wages	\$ 2,280,000.00	\$ 2,240,000.00	\$ 2,199,382.13	\$ 40,617.87	
Other Expense	110,000.00	110,000.00	107,894.58	2,105.42	
Purchase of Police Vehicle	38,000.00	49,150.00	47,389.44	1,760.56	
Municipal Radio and Communicationst:					
Salaries & Wages	235,000.00	237,000.00	235,000.00	2,000.00	
Other Expenses	10,000.00	10,000.00	9,992.81	7.19	
Aid to Volunteer Rescuc Squad	62,000.00	62,000.00	62,000.00		
Municipal Court:					
Salaries & Wages	91,000.00	91,000.00	86,854.51	4,145.49	
Other Expenses	6,000.00	6,000.00	5,895.50	104.50	
Public Defender:					
Other Expenses	1,500.00	1,500.00		1,500.00	
Aid to Volunteer Fire Companies	90,000.00	90,000.00	90,000.00		
Fire:					
Other Expenses	23,000.00	23,000.00	23,000.00		
Emergency Management Services:					
Salaries & Wages	1,600.00	1,600.00		1,600.00	
Other Expense	2,700.00	2,700.00	2,490.42	209.58	
PUBLIC WORKS:					
Road Repairs and Maintenance:					
Salaries & Wages	800,000.00	865,000.00	853,392.62	11,607.38	
Other Expenses	400,000.00	430,000.00	403,680.30	26,319.70	
Fire Hydrant Service	80,000.00	80,000.00	73,423.26	6,576.74	

BOROUGH OF BERNARDSVILLE  
CURRENT FUND  
STATEMENT OF EXPENDITURES-REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2014  
(Continued)

	<u>Appropriations</u>		<u>Expended By</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
PUBLIC WORKS: (continued):					
Shade Tree Committe:					
Other Expenses	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00		
Somerset County Mandatory Recycling Program	85,000.00	85,000.00	78,449.52	\$ 6,550.48	
Senior Citizen Van:					
Other Expenses	3,000.00	3,000.00	3,000.00		
Public Buildings and Grounds:					
Other Expenses	210,000.00	235,000.00	230,920.73	4,079.27	
Vehicle Maintenance:					
Salaries & Wages	75,000.00	75,000.00	75,000.00		
Other Expenses	73,000.00	73,000.00	70,453.59	2,546.41	
Snow Removal:					
Salaries & Wages	3,000.00	3,000.00	3,000.00		
Other Expenses	8,000.00	8,000.00	8,000.00		
RECREATION AND EDUCATION:					
Swimming Pool/Rccreation Utility:					
Other Expenses	100,000.00	100,000.00	100,000.00		
Celebration of Public Events:					
Other Expenses	2,000.00	2,000.00	2,000.00		
SANITATION:					
Sanitary Landfill:					
Other Expenses	50,000.00	47,500.00	42,572.23	4,927.77	

BOROUGH OF BERNARDSVILLE  
CURRENT FUND  
STATEMENT OF EXPENDITURES-REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2014  
(Continued)

	<u>Appropriations</u>		<u>Expended By</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
HEALTH AND WELFARE:					
Board of Health:					
Other Expenses	\$ 92,000.00	\$ 92,000.00	\$ 92,000.00		
Environmental Commission:					
Other Expenses	3,000.00	3,000.00	950.90	\$ 2,049.10	
Animal Control Regulations:					
Other Expenses	20,000.00	20,000.00	19,370.00	630.00	
Workers & Community Right to Know:					
Other Expenses	500.00	500.00		500.00	
UNIFORM CONSTRUCTION CODE:					
State Uniform Construction Code:					
Salaries & Wages	185,000.00	188,000.00	187,584.39	415.61	
Other Expenses	5,000.00	5,000.00	4,168.68	831.32	
Fire Prevention Official:					
Salaries & Wages	27,000.00	27,000.00	23,737.95	3,262.05	
Other Expenses	1,000.00	1,000.00	924.67	75.33	
UNCLASSIFIED:					
Electricity	38,000.00	28,000.00	23,890.45	4,109.55	
Street Lighting	60,000.00	50,000.00	39,811.10	10,188.90	
Telephone	62,000.00	73,000.00	70,923.59	2,076.41	
Natural Gas	16,000.00	16,000.00	11,312.71	4,687.29	
Telecommunications Costs	1,500.00	1,500.00	423.70	1,076.30	
Gasoline	110,000.00	112,500.00	108,083.23	4,416.77	
Salary and Wage Adjustment Program:					
Salaries & Wages	20,000.00	100,000.00		100,000.00	

BOROUGH OF BERNARDSVILLE  
CURRENT FUND  
STATEMENT OF EXPENDITURES-REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2014  
(Continued)

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Total Operations Within "CAPS"	\$ 8,243,315.00	\$ 8,248,315.00	\$ 7,883,226.30	\$ 365,088.70	
Total Operations including Contingent within "CAPS"	8,243,315.00	8,248,315.00	7,883,226.30	365,088.70	
Detail:					
Salaries & Wages	4,672,600.00	4,735,600.00	4,558,593.14	177,006.86	
Other Expenses	3,570,715.00	3,512,715.00	3,324,633.16	188,081.84	
Deferred Charges and Statutory Expenditures					
Municipal Within "CAPS":					
Statutory Expenditures:					
Public Employees Retirement System	312,258.00	312,258.00	312,258.00		
Social Security System (O.A.S.I.)	230,000.00	225,000.00	224,240.13	759.87	
Police and Firemen's Retirement System of New Jersey	382,785.00	382,785.00	382,785.00		
Unemployment Compensation	16,000.00	16,000.00	16,000.00		
Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"	941,043.00	936,043.00	935,283.13	759.87	
Total General Appropriations for Municipal Purposes Within "CAPS"	9,184,358.00	9,184,358.00	8,818,509.43	365,848.57	

BOROUGH OF BERNARDSVILLE  
CURRENT FUND  
STATEMENT OF EXPENDITURES-REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2014  
(Continued)

	<u>Appropriations</u>		<u>Expended By</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Total Operations Excluded "CAPS":					
Maintenance of Joint Free Public Library	\$ 897,085.00	\$ 897,085.00	\$ 897,085.00		
Employee Group Health Insurance	18,798.00	18,798.00	18,798.00		
Public and Private Programs Offset by Revenues:					
Municipal Alliance on Alcoholism and Drug Abuse:					
State Grant	30,324.50	30,324.50	30,324.50		
Borough Share	2,956.64	2,956.64	2,956.64		
Other Municipalities Share	4,624.49	4,624.49	4,624.49		
Clean Communities Grant (N.J.S.A.40A:4-87+\$18,234.34)		18,234.34	18,234.34		
Youth Services-Bedminster	5,000.00	5,000.00	5,000.00		
Federal Bullet Proof Vest (N.J.S.A.40A:4-87+\$561.45)		561.45	561.45		
Mayor Wellness Campaign (N.J.S.A.40A:4-87+\$300)		300.00	300.00		
Hennessey Family (N.J.S.A.40A:4-87+\$250)		250.00	250.00		
Donation Rescue Squad (N.J.S.A.40A:4-87+\$500)		500.00	500.00		
New Jersey Distracted Driver (N.J.S.A.40A:4-87+\$3,379)		3,379.00	3,379.00		
Somerset County Youth Services	5,000.00	5,000.00	5,000.00		

BOROUGH OF BERNARDSVILLE  
CURRENT FUND  
STATEMENT OF EXPENDITURES-REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2014  
(Continued)

	<u>Appropriations</u>		<u>Expended By</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Total Operations Excluded "CAPS":					
Public and Private Programs Offset by Revenues:					
Reserve for Body Armor Replacement Fund	\$ 2,554.97	\$ 2,554.97	\$ 2,554.97		
Reserve for Recycling Tonnage Grant	9,898.84	9,898.84	9,898.84		
DOT Overtime Reimbursement	1,000.00	1,000.00	1,000.00		
Girl on Move	1,150.00	1,150.00	1,150.00		
Drive Sober or Get Pulled Over	2,349.36	2,349.36	2,349.36		
Total Operations Excluded from "CAPS"	980,741.80	1,003,966.59	1,003,966.59		
Detail:					
Other Expenses	980,741.80	1,003,966.59	1,003,966.59		
Capital Improvements - Excluded from "CAPS":					
Capital Improvement Fund	240,427.00	240,427.00	240,427.00		
Total Capital Improvements - Excluded from "CAPS"	240,427.00	240,427.00	240,427.00		



BOROUGH OF BERNARDSVILLE  
CURRENT FUND  
STATEMENT OF EXPENDITURES-REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2014  
(Continued)

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Municipal Debt Service - Excluded from "CAPS":					
Payment of Bond Principal	\$ 325,000.00	\$ 325,000.00	\$ 325,000.00		
Payment of Bond Anticipation Notes and Capital Notes	534,328.00	534,328.00	340,000.00		\$ 194,328.00
Interest on Bonds	110,204.00	110,204.00	110,203.75		0.25
Interest on Notes	172,797.00	172,797.00	57,190.38		115,606.62
Total Municipal Debt Service - Excluded from "CAPS"	1,142,329.00	1,142,329.00	832,394.13		309,934.87
Deferred Charges - Municipal - Excluded from "CAPS":					
Special Emergency Authorization -					
5 Years (N.J.S.A. 40A:4-55)(N.J.S.A.40A: 4-87+\$214,772)	1,012,920.00	1,227,692.00	1,227,692.00		
Total Deferred Charges - Municipal - Excluded from "CAPS"	1,012,920.00	1,227,692.00	1,227,692.00		
Total General Appropriations - Excluded from "CAPS"	3,376,417.80	3,614,414.59	3,304,479.72		309,934.87
Subtotal General Appropriations	12,560,775.80	12,798,772.59	12,122,989.15	\$ 365,848.57	309,934.87
Reserve for Uncollected Taxes	1,672,810.00	1,672,810.00	1,672,810.00		
Total General Appropriations	\$ 14,233,585.80	\$ 14,471,582.59	\$ 13,795,799.15	\$ 365,848.57	\$ 309,934.87

Ref.

A

BOROUGH OF BERNARDSVILLE  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2014  
(Continued)

	<u>Ref.</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>
Adopted Budget		\$ 14,233,585.80	
Appropriation by NJS/A 40A:4-87		<u>237,996.79</u>	
		<u>14,471,582.59</u>	
Reserve for Uncollected Taxes			\$ 1,672,810.00
Reserve for Encumbrances	A		176,745.02
Due Federal and State Grant Fund			302,855.59
Deferred Charges			1,012,920.00
Cash Disbursed			<u>10,895,563.61</u>
			14,060,894.22
Less: Appropriation Refunds			<u>265,095.07</u>
			<u>13,795,799.15</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF BERNARDSVILLE  
COUNTY OF SOMERSET  
2014  
TRUST FUNDS

BOROUGH OF BERNARDSVILLE  
COMPARATIVE BALANCE SHEET - TRUST FUNDS - REGULATORY BASIS

	Ref.	December 31,	
		2014	2013
<u>ASSETS</u>			
Animal Control Fund:			
Cash and Cash Equivalents	B-1	\$ 6,374.55	\$ 12,983.97
Other Trust Funds:			
Cash and Cash Equivalents	B-1	9,129,010.82	8,286,331.27
Due from Current Fund - Escrow Funds	A	16,550.81	
		<u>9,145,561.63</u>	<u>8,286,331.27</u>
<u>TOTAL ASSETS</u>		<u>\$ 9,151,936.18</u>	<u>\$ 8,299,315.24</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Animal Control Fund:			
Reserve for Animal Control Expenditures	B-2	\$ 4,533.11	\$ 11,356.95
Due to State of New Jersey		6.00	0.60
Due to Current Fund	A	0.44	1.02
Prepaid Licenses		<u>1,835.00</u>	<u>1,625.40</u>
		<u>6,374.55</u>	<u>12,983.97</u>
Other Trust Funds:			
Due to Current Fund - Interest/ Police Fees	A		166.21
Due to Current Fund - Revenue Accounts Receivable		37,536.63	17,255.95
Due to General Capital Fund - Open Space	C	90,000.00	80,000.00
Due to Swimming/Recreation Utility Capital Fund - Open Space	F		5,000.00
Amount Due to State of New Jersey - Construction Code Fees		4,403.00	3,967.00
Reserve for:			
Public Defender		7,431.98	8,573.84
Railroad Station		106,714.23	131,933.28
Police Outside Duty		20,210.79	18,616.29
Shade Tree Trust		11,099.49	10,724.49
Law Enforcement Trust		980.58	979.60
Landfill Closure		11,052.62	10,988.70
Housing Trust		1,856,742.00	1,708,597.48
Open Space		5,997,642.90	5,700,111.17
Developer's Escrow		358,194.04	405,170.35
Parking Offenses Adjudication Act		2,267.52	2,153.52
Tax Sale Premium		477,300.00	177,200.00
Fire Prevention		1,951.01	1,699.21
Outside Lien Redemption		3,059.84	2,569.18
Community Garden Trust		975.00	625.00
Snow Removal		58,000.00	
Accumulated Absences		<u>100,000.00</u>	
		<u>9,145,561.63</u>	<u>8,286,331.27</u>
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 9,151,936.18</u>	<u>\$ 8,299,315.24</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF BERNARDSVILLE  
COUNTY OF SOMERSET  
2014  
GENERAL CAPITAL FUND

BOROUGH OF BERNARDSVILLE  
GENERAL CAPITAL FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

		December 31,	
	<u>Ref.</u>	<u>2014</u>	<u>2013</u>
<u>ASSETS</u>			
Cash and Cash Equivalents	C-2	\$ 3,349,458.40	\$ 1,549,419.58
Deferred Charges to Future Taxation:			
Funded		2,669,000.00	2,994,000.00
Unfunded	C-4	7,343,300.00	5,013,300.00
Federal and State Aid Receivable:			
New Jersey Transportation Trust Fund Authority Act Receivable		75,000.00	75,000.00
Department of Transportation Grants Receivable		246,250.00	266,250.00
Safe Routes to School Program Grant Receivable		300,000.00	300,000.00
Federal Highway Administration		100,000.00	100,000.00
Due from Current Fund	A	43,460.13	
Due from Open Space Trust Fund	B	90,000.00	80,000.00
Prospective Assessments to be Raised by Taxation		100,000.00	100,000.00
<u>TOTAL ASSETS</u>		<u>\$ 14,316,468.53</u>	<u>\$ 10,477,969.58</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Serial Bonds Payable	C-8	\$ 2,669,000.00	\$ 2,994,000.00
Bond Anticipation Notes Payable	C-7	7,343,300.00	5,013,300.00
Improvement Authorizations:			
Funded	C-5	393,197.48	700,730.77
Unfunded	C-5	3,363,376.09	1,275,061.38
Due to Current Fund	A		140.47
Capital Improvement Fund	C-6	180,049.57	158,622.57
Reserve for:			
Downtown Project - Crosswalks		55,000.00	55,000.00
Prospective Assessments		100,000.00	100,000.00
Federal Highway Administration Grant		100,000.00	100,000.00
N.J. Department of Transportation Grant		75,000.00	75,000.00
Fund Balance	C-1	37,545.39	6,114.39
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 14,316,468.53</u>	<u>\$ 10,477,969.58</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF BERNARDSVILLE  
GENERAL CAPITAL FUND  
STATEMENT OF FUND BALANCE - REGULATORY BASIS

	<u>Ref.</u>	
Balance December 31, 2013	C	\$ 6,114.39
Increased by:		
Premium on Bond Anticipation Notes		<u>31,431.00</u>
Balance December 31, 2014	C	<u>\$ 37,545.39</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
 ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF BERNARDSVILLE  
COUNTY OF SOMERSET  
2014  
WATER UTILITY FUND  
NOT APPLICABLE



BOROUGH OF BERNARDSVILLE  
COUNTY OF SOMERSET  
2014  
SEWER UTILITY FUND

BOROUGH OF BERNARDSVILLE  
SEWER UTILITY FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

		December 31,	
	Ref.	2014	2013
<u>ASSETS</u>			
Operating Fund:			
Cash and Cash Equivalents	E-4	\$ 581,973.30	\$ 499,442.54
Due from Sewer Utility Capital Fund	E	117.05	130.38
		<u>582,090.35</u>	<u>499,572.92</u>
Receivable with Full Reserve:			
Consumer Accounts Receivable	E-6	<u>101,014.23</u>	<u>87,538.37</u>
Total Operating Fund		<u>683,104.58</u>	<u>587,111.29</u>
Capital Fund:			
Cash and Cash Equivalents	E-4	1,339,711.30	1,523,014.36
Fixed Capital	E-7	1,374,651.82	1,374,651.82
Fixed Capital Authorized and Uncompleted	E-8	<u>1,670,000.00</u>	<u>1,670,000.00</u>
Total Capital Fund		<u>4,384,363.12</u>	<u>4,567,666.18</u>
<u>TOTAL ASSETS</u>		<u>\$ 5,067,467.70</u>	<u>\$ 5,154,777.47</u>

BOROUGH OF BERNARDSVILLE  
SEWER UTILITY FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

		December 31,	
	Ref.	2014	2013
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Operating Fund:			
Appropriation Reserves:			
Encumbered	E-3;E-9	\$ 22,947.19	\$ 34,518.92
Unencumbered	E-3;E-9	53,809.71	23,431.29
		<u>76,756.90</u>	<u>57,950.21</u>
Sewer Rent Overpayments			645.46
Prepaid Sewer Rents		634.72	510.34
Accrued Interest on Bonds		5,226.51	5,212.50
Accrued Interest on Notes		10,597.92	10,591.67
		<u>93,216.05</u>	<u>74,910.18</u>
Reserve for Receivables	E	101,014.23	87,538.37
Fund Balance	E-1	<u>488,874.30</u>	<u>424,662.74</u>
Total Operating Fund		<u>683,104.58</u>	<u>587,111.29</u>
Capital Fund:			
Bond Anticipation Notes Payable	E-14	1,130,000.00	1,230,000.00
Serial Bonds Payable	E-15	325,000.00	360,000.00
Improvement Authorizations:			
Funded	E-10	83,021.38	201,270.19
Unfunded	E-10	1,108,414.44	1,230,000.00
Reserve for Encumbrances			11,312.70
Due to Sewer Utility Operating Fund	E	117.05	130.38
Capital Improvement Fund	E-11	132,447.09	72,447.09
Deferred Reserve for Amortization	E-13	475,000.00	440,000.00
Reserve for Amortization	E-12	1,114,651.82	1,014,651.82
Fund Balance	E-1A	<u>15,711.34</u>	<u>7,854.00</u>
Total Capital Fund		<u>4,384,363.12</u>	<u>4,567,666.18</u>
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 5,067,467.70</u>	<u>\$ 5,154,777.47</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

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

	Year Ended December 31,	
Ref.	2014	2013
<u>Revenue and Other Income Realized</u>		
Surplus Anticipated	\$ 69,850.00	\$ 47,450.00
Rents	1,199,447.25	1,194,027.61
Interest on Investments	1,888.93	1,810.26
Miscellaneous Revenue Not Anticipated	31,751.59	14,765.61
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	1,973.79	21,465.79
Total Income	<u>1,304,911.56</u>	<u>1,279,519.27</u>
<u>Expenditures</u>		
Budget Expenditures:		
Operating	905,000.00	878,300.00
Capital Improvements	60,000.00	60,000.00
Debt Service	160,850.00	160,438.29
Deferred Charges and Statutory Expenditures	45,000.00	49,700.00
Total Expenditures	<u>1,170,850.00</u>	<u>1,148,438.29</u>
Excess in Revenue	134,061.56	131,080.98
<u>Fund Balance</u>		
Balance January 1	424,662.74	341,031.76
	<u>558,724.30</u>	<u>472,112.74</u>
Decreased by:		
Utilized as Anticipated Revenue	69,850.00	47,450
Balance December 31	<u><u>\$ 488,874.30</u></u>	<u><u>\$ 424,662.74</u></u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
 ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF BERNARDSVILLE  
SEWER UTILITY CAPITAL FUND  
STATEMENT OF SEWER CAPITAL FUND BALANCE - REGULATORY BASIS

	<u>Ref.</u>		
Balance December 31, 2013	E	\$	7,854.00
Increased by:			
Premium on Bond Anticipation Note			<u>7,857.34</u>
Balance December 31, 2014	E	\$	<u><u>15,711.34</u></u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF BERNARDSVILLE  
SEWER UTILITY OPERATING FUND  
STATEMENT OF REVENUE - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess/ Deficit*</u>
Surplus Anticipated	\$ 69,850.00	\$ 69,850.00	
Sewer User Fees	1,100,000.00	1,199,447.25	\$ 99,447.25
Interest on Investments	1,000.00	1,888.93	888.93
Miscellaneous Revenue Not Anticipated		31,751.59	31,751.59
	<u>\$ 1,170,850.00</u>	<u>\$ 1,302,937.77</u>	<u>\$ 132,087.77</u>

Sewer User Fees

Treasurer:

Cash Received	\$ 1,198,291.45	
Prepaid Applied	510.34	
Overpayments Applied	645.46	
	<u>\$ 1,199,447.25</u>	

Analysis of Realized Revenue:

Interest on Investments -

Interest on Investments - Operating Fund	\$ 1,771.88	
Due from Sewer Utility Capital Fund	117.05	
	<u>\$ 1,888.93</u>	

Analysis of Miscellaneous Revenue Not Anticipated:

Connection Fees	\$ 20,425.00	
Interest on Sewer Fees	5,370.50	
Miscellaneous	5,956.09	
	<u>\$ 31,751.59</u>	

BOROUGH OF BERNARDSVILLE  
SEWER UTILITY OPERATING FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Appropriations</u>		<u>Expended</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Operating:					
Salaries and Wages	\$ 395,000.00	\$ 406,000.00	\$ 395,000.00	\$ 11,000.00	
Other Expenses	510,000.00	499,000.00	456,190.29	42,809.71	
Capital Improvements:					
Capital Improvement Fund	60,000.00	60,000.00	60,000.00		
Debt Service:					
Payment of Bond Principal	35,000.00	35,000.00	35,000.00		
Payment of Bond Anticipation Notes and Capital Notes	100,000.00	100,000.00	100,000.00		
Payment of Bond Interest	13,350.00	13,350.00	13,343.75		\$ 6.25
Payment of Notes Interest	12,500.00	12,500.00	12,485.99		14.01
Statutory Expenditures:					
Contribution to:					
Public Employees' Retirement System	20,000.00	20,000.00	20,000.00		
Social Security System (O.A.S.I.)	25,000.00	25,000.00	25,000.00		
	<u>\$ 1,170,850.00</u>	<u>\$ 1,170,850.00</u>	<u>\$ 1,117,020.03</u>	<u>\$ 53,809.71</u>	<u>\$ 20.26</u>
		Ref.		E	
Analysis of Paid or Charged					
Cash Disbursed			\$ 1,068,243.10		
Encumbered		E	22,947.19		
Accrued Interest on Bonds			13,343.75		
Accrued Interest on Notes			12,485.99		
			<u>\$ 1,117,020.03</u>		

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF BERNARDSVILLE

COUNTY OF SOMERSET

2014

SWIMMING POOL/ RECREATION UTILITY FUND



BOROUGH OF BERNARDSVILLE  
SWIMMING POOL/RECREATION UTILITY FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

		December 31,	
	Ref.	2014	2013
<u>ASSETS</u>			
Operating Fund:			
Cash and Cash Equivalents	F-4	\$ 120,330.58	\$ 116,465.10
Petty Cash		150.00	
Due from Swimming Pool/Recreation Utility Capital Fund	F	2.72	4.80
Due from Payroll		686.87	
Deferred Charge - Emergency Authorization		22,000.00	
Total Operating Fund		143,170.17	116,469.90
Capital Fund:			
Cash and Cash Equivalents	F-4	32,027.83	56,498.55
Due from Open Space Trust Fund	B		5,000.00
Fixed Capital	F-6	413,881.82	391,881.82
Fixed Capital Authorized and Uncompleted	F-7	46,093.00	36,093.00
Total Capital Fund		492,002.65	489,473.37
<u>TOTAL ASSETS</u>		<u>\$ 635,172.82</u>	<u>\$ 605,943.27</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Operating Fund:			
Appropriation Reserves:			
Encumbered	F-3;F-8	4,160.03	14,680.62
Unencumbered	F-3;F-8	4,523.85	24,219.51
		8,683.88	38,900.13
Due Current Fund	A	3,000.00	
Accounts Payable - Vendors		140.00	
		11,823.88	38,900.13
Fund Balance	F-1	131,346.29	77,569.77
Total Operating Fund		143,170.17	116,469.90
Capital Fund:			
Improvement Authorizations:			
Funded	F-9	10,212.41	7,681.05
Due to Swimming Pool/Recreation Utility Operating Fund	F	2.72	4.80
Capital Improvement Fund	F-10	21,812.70	53,812.70
Deferred Reserve for Amortization	F-11	46,093.00	36,093.00
Reserve for Amortization	F-12	413,881.82	391,881.82
Total Capital Fund		492,002.65	489,473.37
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 635,172.82</u>	<u>\$ 605,943.27</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF BERNARDSVILLE  
SWIMMING POOL/RECREATION UTILITY OPERATING FUND  
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN  
FUND BALANCE - REGULATORY BASIS

		Year Ended December 31,	
	Ref.	2014	2013
<u>Revenue and Other Income Realized</u>			
Surplus Anticipated		\$ 13,000.00	\$ 11,000.00
Recreation Fees		259,783.36	198,612.34
Swimming Pool User Fees		222,993.63	245,762.19
Miscellaneous Revenue Anticipated		100,241.91	100,223.79
Miscellaneous Revenue Not Anticipated		1,240.38	
Receipts for 3% Convenience Fee		6,465.00	5,228.37
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves		24,052.24	22,192.41
Prior Year Accounts Payable Cancelled			67.50
Total Income		<u>627,776.52</u>	<u>583,086.60</u>
<u>Expenditures</u>			
Budget Expenditures:			
Operating		557,000.00	531,500.00
Deferred Charges and Statutory Expenditures		<u>26,000.00</u>	<u>29,500.00</u>
Total Expenditures		<u>583,000.00</u>	<u>561,000.00</u>
Excess in Revenue		44,776.52	22,086.60
Adjustment to Excess Before Fund Balance:			
Expenditures included above which are by Statute			
Deferred Charges to Budget of Succeeding Year		<u>22,000.00</u>	
Statutory Excess to Fund Balance		66,776.52	22,086.60
<u>Fund Balance</u>			
Balance January 1		<u>77,569.77</u>	<u>66,483.17</u>
		144,346.29	88,569.77
Decreased by:			
Utilized as Anticipated Revenue		<u>13,000.00</u>	<u>11,000.00</u>
Balance December 31	F	\$ 131,346.29	\$ 77,569.77

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
 ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF BERNARDSVILLE  
SWIMMING POOL/RECREATION UTILITY OPERATING FUND  
STATEMENT OF REVENUE - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess/ (Deficit)</u>
Surplus Anticipated	\$ 13,000.00	\$ 13,000.00	
Recreation Fees	198,000.00	259,783.36	\$ 61,783.36
Swimming Pool Fees	245,000.00	222,993.63	(22,006.37)
3% Convenience Fee	5,000.00	6,465.00	1,465.00
Miscellaneous Revenue Anticipated	100,000.00	100,241.91	241.91
	<u>\$ 561,000.00</u>	<u>\$ 602,483.90</u>	<u>\$ 41,483.90</u>
Recreation Fees:			
Cash Received		\$ 266,833.91	
Refunds		(6,910.55)	
Refund Accounts Payable		(140.00)	
		<u>\$ 259,783.36</u>	
Pool Fees:			
Cash Received		\$ 225,741.63	
Refunds		(2,748.00)	
		<u>\$ 222,993.63</u>	
3% Convenience Fee:			
Cash Received		<u>\$ 6,465.00</u>	
Miscellaneous Revenue Anticipated:			
Borough Share of Management Costs		\$ 100,000.00	
Interest on Investments:			
Operating		199.42	
Capital		42.49	
		<u>\$ 100,241.91</u>	

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
 ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF BERNARDSVILLE  
SWIMMING POOL/RECREATION UTILITY OPERATING FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Appropriations</u>		<u>Expended</u>	
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>
Operating:				
Salaries and Wages:				
(Emergency N.J.S.A.40A:4-54 + \$13,000)				
Swimming Pool	\$ 100,000.00	\$ 113,000.00	\$ 112,034.09	\$ 965.91
Recreation	130,000.00	130,000.00	130,000.00	
Other Expenses:				
(Emergency N.J.S.A.40A:4-54 + \$9,000)				
Swimming Pool	87,000.00	96,000.00	95,546.09	453.91
Recreation	135,000.00	135,000.00	134,369.35	630.65
Ballfield/Lawn Repair	50,000.00	50,000.00	47,526.62	2,473.38
Health and Dental Benefits	33,000.00	33,000.00	33,000.00	
Statutory Expenditures:				
Contribution to:				
Public Employees' Retirement System	12,000.00	12,000.00	12,000.00	
Social Security System (O.A.S.I.)	14,000.00	14,000.00	14,000.00	
	<u>\$ 561,000.00</u>	<u>\$ 583,000.00</u>	<u>\$ 578,476.15</u>	<u>\$ 4,523.85</u>
	Ref.			F
<u>Analysis of Paid or Charged</u>				
Cash Disbursed			\$ 574,316.12	
Encumbered	F		<u>4,160.03</u>	
			<u>\$ 578,476.15</u>	

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF BERNARDSVILLE  
COUNTY OF SOMERSET  
2014  
GENERAL FIXED ASSETS ACCOUNT GROUP

BOROUGH OF BERNARDSVILLE  
GENERAL FIXED ASSETS ACCOUNT GROUP  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	December 31,	
	2014	2013
<u>ASSETS</u>		
Land	\$ 2,523,797.50	\$ 2,523,797.50
Buildings	10,604,824.79	10,593,177.79
Machinery and Equipment	6,350,306.24	6,226,279.10
TOTAL ASSETS	<u>\$ 19,478,928.53</u>	<u>\$ 19,343,254.39</u>
 <u>RESERVES</u>		
Investment in General Fixed Assets	<u>\$ 19,478,928.53</u>	<u>\$ 19,343,254.39</u>
TOTAL RESERVES	<u>\$ 19,478,928.53</u>	<u>\$ 19,343,254.39</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
 ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF BERNARDSVILLE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014

Note 1: Summary of Significant Accounting Policies

A. Reporting Entity

Except as noted below, the financial statements of the Borough of Bernardsville include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Borough of Bernardsville, as required by N.J.S. 40A:5-5. Accordingly, the financial statements of the Borough of Bernardsville do not include the operations of the municipal library, or volunteer fire and first aid squads.

Governmental Accounting Standards Board ("GASB") publication Codification of Government Accounting and Financial Reporting Standards, Section 2100 "Defining the Financial Reporting Entity" establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. The basic criterion for inclusion or exclusion from the financial reporting entity is the exercise of oversight responsibility over agencies, boards and commissions by the primary government. The exercise of oversight responsibility includes financial interdependency and a resulting benefit or burden relationship, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters. In addition, certain legally separate tax-exempt entities that meet specific criteria (i.e., benefit of economic resources, access/entitlement to resources and significance) should be included in the financial reporting entities. As the financial reporting entity was established in accordance with New Jersey statutes, the requirements of the GASB were not followed and, accordingly, the reporting entity could be different from accounting principles generally accepted in the United States of America.

B. Description of Funds

The accounting policies of the Borough of Bernardsville conform to the accounting practices applicable to municipalities which have been prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"). Such practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Borough of Bernardsville accounts for its financial transactions through the following separate funds:

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

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

Assessment Trust Fund - Resources and expenditures for payment of Assessment Fund debt.

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

BOROUGH OF BERNARDSVILLE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014  
(Continued)

Note 1: Summary of Significant Accounting Policies (Cont'd)

B. Description of Funds (Cont'd)

Sewer Utility Operating and Capital Funds - Account for the operations and acquisition of capital facilities of the municipally owned sewer utility.

Swimming Pool/Recreation Utility Operating and Capital Funds - Account for the operations and acquisition of capital facilities of the municipally owned Swimming Pool/Recreation utility.

General Fixed Assets Account Group - These accounts were established with estimated values of land, building and certain fixed assets of the Borough as discussed in Note 1E.

C. Basis of Accounting

Basis of accounting refers to when revenue and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The accounting policies of the Borough of Bernardsville conform to the accounting principles applicable to municipalities which have been prescribed by the Division which differ in certain respects from accounting principles generally accepted in the United States of America applicable to local governmental units. The more significant policies in New Jersey follow.

Revenue is recorded when received in cash except for certain amounts which may be due from the State of New Jersey. Grant revenue is realized in the Operating and Trust Funds on the cash basis, and in the capital funds when improvements are authorized. The amounts recorded as property taxes and consumer accounts receivable have not been included in revenue. Amounts that are due to the municipality which are susceptible of accrual are recorded as receivables with offsetting reserves in the Current Fund.

Expenditures are charged to operations based on budgeted amounts. Exceptions to this general rule include:

1. Accumulated unpaid vacation, sick pay and other employee amounts are not accrued.
2. Prepaid expenses, such as insurance premiums applicable to subsequent periods, are charged to current budget appropriations in total.
3. Principal and interest on long-term debt are recognized when due.



BOROUGH OF BERNARDSVILLE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014  
(Continued)

Note 1: Summary of Significant Accounting Policies (Cont'd)

C. Basis of Accounting (Cont'd)

Expenditures, if any, in excess of appropriations, appropriation reserves or ordinances become deferred charges which must be raised by future taxes. Outstanding encumbrances at December 31 are reported as a cash liability in the financial statements and constitute part of the statutory appropriation reserve balance. Appropriation reserves covering unexpended appropriation balances are automatically created at December 31 of each year and recorded as liabilities, except for amounts which may be cancelled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income.

Had the Borough's financial statements been prepared under accounting principles generally accepted in the United States of America, encumbrances would not be considered as expenditures; appropriation reserves would be recorded; revenue susceptible to accrual would have been reflected without offsetting reserves; federal and state grants and assistance would be recognized when earned, not when awarded; inventories would not be reflected as expenditures at the time of purchase and fixed assets purchased by the Utility Capital Funds would be depreciated.

The cash basis of accounting is followed in the Trust and General Capital Funds.

D. Deferred Charges to Future Taxation

The General Capital Fund balance sheet includes both funded and unfunded deferred charges. Funded means that bonds have been issued and are being paid off on a serial basis. Unfunded means the debt has been authorized but not permanently financed. A municipality can eliminate an unfunded deferred charge by raising it in the budget, or collecting a grant. The unfunded deferred charge may also be funded by selling bonds, by loans or by capital lease purchase agreements.

E. Other significant accounting policies include:

Management Estimates – The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents – Amounts include petty cash, change funds, amounts on deposit, and short-term investments with original maturities of three months or less.

BOROUGH OF BERNARDSVILLE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014  
(Continued)

Note 1: Summary of Significant Accounting Policies (Cont'd)

F. Other significant accounting policies include (Cont'd):

Investments -- Investments are stated at cost or amortized cost, which approximates market.

Grants Receivable -- Grants receivable represent total grant awarded less amounts collected to date. Because the amount of grant funds to be collected are dependent on the total costs eligible for reimbursement, the actual amount collected may be less than the total amounts awarded.

Allowance for Uncollectible Accounts -- No allowance for uncollectible accounts has been recorded as all unreserved amounts are considered collectible.

Compensated Absences Expenditures relating to unused vested accumulated vacation and sick pay are not recorded until paid.

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

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

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

General Fixed Assets Account Group - General fixed assets are recorded at estimated historical cost or historical cost. Infrastructure assets are not included in general fixed assets, as per state directive. Major renewals and betterments are charged to the asset accounts; maintenance and minor repairs and replacements, which do not improve or extend the lives of the respective assets, are expensed currently. Donated fixed assets are valued at their fair market value on the date donated. No depreciation has been provided on general fixed assets.

The total value recorded for general fixed assets is offset by a Investment in "General Fixed Assets." When properties are retired or otherwise disposed of, the asset and the reserve are adjusted accordingly.

Assets recorded in the General Fixed Assets Account Group may also be recorded in the Current Fund, General Capital Fund, Swimming Pool/Recreation Utility Fund and Sewer Utility Fund. The values recorded in the General Fixed Assets Account Group and the Current, General Capital, Swimming Pool/Recreation Utility and Sewer Utility Funds may not always agree due to differences in valuation methods, timing of recognition of assets, and the recognition of infrastructures. Fixed assets are reviewed for impairment.

Property and equipment purchased by Utility Funds are recorded in the capital account at cost and are not adjusted for dispositions and abandonments. Contributions in aid of construction are not capitalized. The balances in the Reserve for Amortization and Deferred Reserve for Amortization accounts in the utility capital fund represent charges to operations for the cost of acquisitions of property, equipment and improvements. The utilities do not record depreciation on fixed assets.

BOROUGH OF BERNARDSVILLE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014  
(Continued)

Note 1: Summary of Significant Accounting Policies (Cont'd)

F. Budget/Budgetary Controls

Annual appropriated budgets are prepared in the 1<sup>st</sup> quarter for the Current, Open Space and Utility Operating Funds. The budgets are submitted to the governing body and the Division of Local Government Services. Budgets are prepared using the cash basis of accounting. The legal level of budgetary control is established at the line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the flexible chart of accounts referenced in N.J.S.A. 40A. All budget amendments/transfers must be approved by the Borough during the year.

Note 2: Long-Term Debt

The Local Bond Law governs the issuance of bond to finance general Borough capital expenditures. All bonds are retired in serial installments within the statutory period of usefulness. All bonds issued by the Borough are general obligation bonds. The Borough's full faith and credit and taxing power has been pledged to the payment of the general obligation debt principal and interest.

Summary of Municipal Debt

	December 31,		
	2014	2013	2012
<u>Issued</u>			
General - Bonds, Notes and Loans	\$ 10,012,300.00	\$ 8,007,300.00	\$ 7,801,300.00
Sewer Utility - Bonds and Notes	1,455,000.00	1,590,000.00	1,060,000.00
Total Issued	<u>11,467,300.00</u>	<u>9,597,300.00</u>	<u>8,861,300.00</u>
Less:			
Funds Temporarily Held to Pay Bonds & Notes: Reserve to Pay Debt Service			100,000.00
Net Bonds, Notes and Loans Issued and Authorized but not Issued	<u>\$ 11,467,300.00</u>	<u>\$ 9,597,300.00</u>	<u>\$ 8,761,300.00</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 .42%.

	Gross Debt	Deductions	Net Debt
School Debt	\$ 29,355,000.00	\$ 29,355,000.00	
General Debt	10,012,300.00		\$ 10,012,300.00
Sewer Utility Debt	1,455,000.00	1,455,000.00	
	<u>\$ 40,822,300.00</u>	<u>\$ 30,810,000.00</u>	<u>\$ 10,012,300.00</u>

BOROUGH OF BERNARDSVILLE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014  
(Continued)

Note 2: Long-Term Debt (Cont'd)

Net Debt \$10,012,300.00 divided by Equalized Valuation Basis per N.J.S. 40A:2-2 as amended, \$2,377,899,677.67 = .42%.

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

3-1/2% Average Equalized Valuation of Real Property	\$ 83,226,488.72
Net Debt	<u>10,012,300.00</u>
Remaining Borrowing Power	<u><u>\$ 73,214,188.72</u></u>

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

Cash Receipts from Fees, Rents or Other Charges for Year	\$ 1,301,048.84
Deductions:	
Operating and Maintenance Costs	\$ 950,000.00
Debt Service	<u>160,829.74</u>
	<u>1,110,829.74</u>
Excess in Revenue	<u><u>\$ 190,219.10</u></u>

Footnote: If there is an "excess in revenue", all such utility debt is deductible. If there is a "deficit", then utility debt is not deductible to the extent of 20 times such deficit amount.

The foregoing is in agreement with the annual debt statement as filed by the Chief Financial Officer.

Summary of Municipal Debt Issued and Outstanding - Prior Year

Fund	Balance 12/31/12	Additions	Retirements	Balance 12/31/13
Serial Bonds:				
General Capital Fund	\$ 3,688,000.00		\$ 694,000.00	\$ 2,994,000.00
Sewer Utility Capital Fund	395,000.00		35,000.00	360,000.00
Bond Anticipation Notes:				
General Capital Fund	4,113,300.00	\$5,013,300.00	4,113,300.00	5,013,300.00
Sewer Utility Capital Fund	<u>665,000.00</u>	<u>1,230,000.00</u>	<u>665,000.00</u>	<u>1,230,000.00</u>
	<u><u>\$ 8,861,300.00</u></u>	<u><u>\$6,243,300.00</u></u>	<u><u>\$5,507,300.00</u></u>	<u><u>\$ 9,597,300.00</u></u>

BOROUGH OF BERNARDSVILLE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014  
(Continued)

Note 2: Long-Term Debt (Cont'd)

Summary of Municipal Debt Issued and Outstanding - Current Year

<u>Fund</u>	<u>Balance 12/31/13</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance 12/31/14</u>
Serial Bonds:				
General Capital Fund	\$ 2,994,000.00		\$ 325,000.00	\$ 2,669,000.00
Sewer Utility Capital Fund	360,000.00		35,000.00	325,000.00
Bond Anticipation Notes:				
General Capital Fund	5,013,300.00	\$7,343,300.00	5,013,300.00	7,343,300.00
Sewer Utility Capital Fund	1,230,000.00	1,130,000.00	1,230,000.00	1,130,000.00
	<u>\$ 9,597,300.00</u>	<u>\$8,473,300.00</u>	<u>\$6,603,300.00</u>	<u>\$11,467,300.00</u>

The Borough's debt issued and outstanding on December 31, 2014, is described as follows:

General Capital Bond Anticipation Notes

<u>Final Maturity</u>	<u>Rate</u>	<u>Amount</u>
02/19/15	0.44%	<u>\$ 7,343,300.00</u>

General Capital Serial Bonds Payable

02/15/21	3.75%-4.85%	<u>\$ 2,669,000.00</u>
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Sewer Capital Bond Anticipation Notes

02/19/15	0.44%	<u>\$ 1,130,000.00</u>
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Sewer Capital Serial Bonds Payable

02/15/21	3.75%-4.00%	<u>\$ 325,000.00</u>
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Total Debt Issued and Outstanding	<u><u>\$ 11,467,300.00</u></u>
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BOROUGH OF BERNARDSVILLE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014  
(Continued)

Note 2: Long-Term Debt (Cont'd)

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

Calendar Year	General Capital		Sewer Utility Capital		Total
	Principal	Interest	Principal	Interest	
2015	325,000.00	98,016.25	40,000.00	11,937.50	474,953.75
2016	365,000.00	85,078.75	40,000.00	10,437.50	500,516.25
2017	370,000.00	71,297.50	45,000.00	8,843.75	495,141.25
2018	375,000.00	56,860.00	50,000.00	7,000.00	488,860.00
2019	420,000.00	40,960.00	50,000.00	5,000.00	515,960.00
2020-2021	814,000.00	31,840.00	100,000.00	4,000.00	949,840.00
	<u>\$ 2,669,000.00</u>	<u>\$ 384,052.50</u>	<u>\$ 325,000.00</u>	<u>\$ 47,218.75</u>	<u>\$ 3,425,271.25</u>

Note 3: Fund Balances Appropriated

The amount of fund balances at December 31, 2014, which are included in the Adopted budget in the Current Fund, Sewer Utility Operating Fund and Swimming Pool/Recreation Utility Fund for the year ending December 31, 2015, are as follows:

Current Fund	\$ 1,570,000
Sewer Utility Fund	\$ 60,000
Swimming Pool/Recreation Utility Fund	\$ 74,500

Note 4: Regional School District Taxes

Regulations provide for the deferral of not more than 50% of the annual levy when school taxes are raised for a school year and have not been requisitioned by the school district. The Borough of Bernardsville has not elected to defer school taxes.

Note 5: Pension Plans

Borough employees are enrolled in one of two cost sharing multiple-employer public employee retirement systems: the Public Employees' Retirement System (PERS) or the Police and Firemen's Retirement System (PFRS) of New Jersey; or the Defined Contribution Retirement Program (DCRP). The State of New Jersey sponsors and administers these two plans which cover substantially all Borough employees. Prudential Financial jointly administers the DCRP investments with the NJ Division of Pensions and Benefits. As a general rule, all full-time employees are eligible to join one of the two public employees' retirement systems. However, if an employee is ineligible to enroll in the PERS or the PFRS, the employee may be eligible to enroll in the DCRP.

Employees who are members of PERS and retire at a specified age according to the relevant tier category for that employee are entitled to a retirement benefit based upon a formula which takes "final average salary" during years of creditable service. Vesting occurs after 8 to 10 years of service. Enrolled PFRS members may retire at age 55 with a minimum of 10 years of service required for vesting. The DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting is immediate upon enrollment for members of the DCRP.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of each of the above systems. The financial reports may be obtained by writing to the State of New Jersey, Department of Treasury, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625-0295.

BOROUGH OF BERNARDSVILLE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014  
(Continued)

Note 5: Pension Plans (Cont'd)

The contribution policy is set by New Jersey State Statutes and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The employee contributions for PFRS are 10.00% of employees' annual compensation, as defined. For PERS, the contribution rate was 6.78% effective July 1, 2013 and increased to 6.92% effective July 1, 2014. Increases after October 1, 2011 are being phased in over 7 years effective on each July 1<sup>st</sup> to bring the total pension contribution rate to 7.5% of base salary as of July 1, 2018. Employers are required to contribute at an actuarially determined rate in both funds. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits. Employee contributions are based on percentages of 5.50% for DCRP of employees' annual compensation, as defined. The DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions for DCRP are matched by a 3% employer contribution.

Borough contributions to PFRS amounted to \$382,785, \$453,034 and \$376,513 for 2014, 2013, and 2012, respectively.

Borough contributions to PERS amounted to \$332,258, \$366,036 and \$350,136 for 2014, 2013, and 2012, respectively.

Borough contributions to DCRP amounted to \$2,745, \$3,001 and \$1,656 for 2014, 2013, and 2012, respectively.

Note 6: Accrued Vacation, Compensatory Time and Retirement Leave Benefits

The Borough of Bernardsville does not permit employees to accrue unused vacation and compensatory time after May 31<sup>st</sup> of the subsequent year. As of December 31<sup>st</sup> 2014 the estimated liability was \$53,471.81. Also, pursuant to Borough policy employees with 20 years of service to the Borough are entitled to Retirement Leave calculated in accordance with the policy. It is estimated that the current cost of such unpaid compensation at December 31, 2014 would approximate \$745,723.79. These amounts are not reported either as an expenditure or liability. However, it is expected that the cost of such unpaid benefits expected to be used in that year will be provided for in the current year's budget.

Note 7: Supplemental Tax Information

Property taxes are levied as of January 1 on property values assessed as of the previous calendar year. The tax levy is divided into two billings. The first billing is an estimate of the current year's levy based on the prior year's taxes. The second billing reflects adjustments to the current year's actual levy. The final tax bill is usually mailed on or before June 14th along with the first half estimated tax bills for the subsequent year. The first half estimated taxes are divided into two due dates, February 1 and May 1. The final tax bills are also divided into two due dates, August 1 and November 1. A ten-day grace period is usually granted before the taxes are considered delinquent and the imposition of interest charges. A penalty may be assessed for any unpaid taxes in excess of \$10,000 at December 31 of the current year. Unpaid taxes of the prior year may be placed in lien at a tax sale held after April 1 and through December 31.

BOROUGH OF BERNARDSVILLE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014  
(Continued)

Note 7: Supplemental Tax Information (Cont'd)

Comparison of Tax Levies and Collections Currently

<u>Assessed Valuations</u>		
2014		<u>\$ 2,266,051,368.00</u>
2013		<u>\$ 2,407,259,590.33</u>
2012		<u>\$ 2,272,141,263.00</u>

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

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage of Collection</u>
2014	\$ 41,459,707.97	\$ 40,870,762.80	98.58%
2013	40,523,651.66	40,034,028.30	98.79%
2012	39,623,125.75	39,127,472.80	98.75%

Also, increases in future tax levies can also be warranted if revenue sources outside of those directly generated by the municipality, such as federal or state aid, should decline without corresponding decreases in budgeted expenditures.

Note 8: Cash and Cash Equivalents and Investments

Cash and cash equivalents include petty cash, change funds, amounts in deposits, money market accounts, and short-term investments with original maturities of three months or less.

Investments are stated at cost, which approximates market. The Borough classifies certificates of deposit which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

GASB Statement No. 40, *Governmental Accounting Standards Board Deposit and Investment Risk Disclosures*, requires disclosure of the level of custodial credit risk assumed by the Borough in its cash, cash equivalents and investments, if those items are uninsured or unregistered. Custodial risk is the risk that in the event of bank failure, the government's deposits may not be returned.

**Interest Rate Risk** In accordance with its cash management plan, the Borough ensures that any deposit or investment matures within the time period that approximates the prospective need for the funds, deposited or invested, so that there is not a risk to the market value of such deposits or investments.

**Credit Risk** – The Borough limits its investments to those authorized in its cash management plan which are permitted under state statutes as detailed below.

Deposits:

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

New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed insurance limits as follows:

The market value of the collateral must equal 5% of the average daily balance of public funds on deposit, and



BOROUGH OF BERNARDSVILLE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014  
(Continued)

Note 8: Cash and Cash Equivalents and Investments (Cont'd)

In addition to the above collateral requirement, if the public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value at least equal to 100% of the amount exceeding 75%.

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

Investments:

New Jersey statutes permit the Borough to purchase the following types 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;
- (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 the Treasury for investment by local units;
- (6) Local government investment pools;
- (7) Deposits with the State of New Jersey Cash Management Fund; or
- (8) Agreements for the repurchase of fully collateralized securities if:
  - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) above;
  - (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 statute; and
  - (e) a master repurchase agreement providing for the custody and security of collateral is executed.

BOROUGH OF BERNARDSVILLE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014  
(Continued)

Note 8: Cash and Cash Equivalents and Investments (Cont'd)

As of December 31, 2014, cash and cash equivalents of the Borough of Bernardsville consisted of the following:

Fund	Cash on Hand	Checking Accounts	Total
Current	\$ 400.00	\$ 3,114,854.10	\$ 3,115,254.10
Federal and State Grants		89,666.65	89,666.65
Animal Control		6,374.55	6,374.55
Other Trust		9,129,010.82	9,129,010.82
General Capital		3,349,458.40	3,349,458.40
Sewer Utility Operating		581,973.30	581,973.30
Sewer Utility Capital		1,339,711.30	1,339,711.30
Swimming Pool/Recreation			
Utility Operating	150.00	120,330.58	120,480.58
Swimming Pool/Recreation			
Utility Capital		32,027.83	32,027.83
	<u>\$ 550.00</u>	<u>\$ 17,763,407.53</u>	<u>\$ 17,763,957.53</u>

During the year December 31, 2014, the Borough did not hold any investments during the year other than short-term certificates of deposit. The carrying amount of the Borough's cash and cash equivalents at December 31, 2014, was \$17,763,957.53 and the bank balance was \$17,684,849.93.

During the year December 31, 2013, the Borough did not hold any investments during the year other than short-term certificates of deposit. The carrying amount of the Borough's cash and cash equivalents at December 31, 2013, was \$15,257,954.16, and the bank balance was \$19,898,000.55.

Note 9: Risk Management

The Borough 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. Health benefits are provided to employees through the State of New Jersey health benefits plan.

The Borough of Bernardsville is a member of the Suburban Municipal Joint Insurance Fund ("The Fund"). This Fund is both an insured and self-administered group of municipalities established for the purpose of providing certain low-cost insurance coverage for member municipalities in order to keep local property taxes at a minimum.

The following coverages are offered by these funds to its members:

- a.) Workers' Compensation and Employers' Liability
- b.) Liability Other Than Motor Vehicles
- c.) Property Damage Other Than Motor Vehicles
- d.) Motor Vehicle
- e.) Environmental
- f.) Public Officials Liability/ Employment Practices Liability

BOROUGH OF BERNARDSVILLE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014  
(Continued)

Note 9: Risk Management (Cont'd)

As a member of this Fund, the Borough could be subject to supplemental assessments in the event of deficiencies. If the assets of the Fund were to be exhausted, members would become responsible for their respective shares of the Fund's liabilities.

This Fund can declare and distribute dividends to members upon approval of the State of New Jersey Department of Banking and Insurance. These distributions are divided amongst the members in the same ratio as their individual assessment relates to the total assessment of the membership body. In accordance with Statement No. 10 of the Governmental Accounting Standards Board, these distributions are used to reduce the amount recorded for membership expense in the year in which the distribution was declared.

Summarized, selected financial information of this Fund as of December 31, 2014 is as follows:

Total Assets	\$ 5,251,566
Net Position	\$ 2,166,243
Total Revenue	\$ 4,713,944
Total Expenses	\$ 4,461,864
Change in Net Position	\$ 252,080
Member Dividends	\$ 80,820

Financial statements for the Fund are available at the offices of the Fund's Executive Director:

PERMA Risk Management Services  
9 Campus Drive, Suite 216  
Parsippany, NJ 07054  
(201) 881-7632

New Jersey Unemployment Compensation Insurance

The Borough has elected to fund its New Jersey Unemployment Compensation Insurance under the "Contributory Method". Under this plan, the Borough is required to remit employee withholdings to the State on a quarterly basis. All the Borough's claims are paid by the State.

BOROUGH OF BERNARDSVILLE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014  
(Continued)

Note 10: Interfund Receivables and Payables

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

Fund	Interfund Receivable	Interfund Payable
Current Fund	\$ 40,537.07	\$ 65,614.00
Federal and State Grant Fund	5,603.06	
Animal Control Fund		0.44
Other Trust Fund	16,550.81	127,536.63
General Capital Fund	133,460.13	
Sewer Utility Operating Fund	117.05	
Sewer Utility Capital Fund		117.05
Swimming Pool/Recreation Utility Operating Fund	2.72	3,000.00
Swimming Pool/Recreation Utility Capital Fund		2.72
	<u>\$ 196,270.84</u>	<u>\$ 196,270.84</u>

The interfund between the General Capital Fund and the Other Trust Fund is due to an ordinance that is being funded through the Open Space Trust Fund. The interfund between Current Fund and Other Trust is due to Fees and Permits collected in Current Fund. There is also an interfund between Swimming pool/Recreation and Current Fund for escrow fees collected. The interfund between Current Fund and General Capital is part of the New Jersey Department of Transportation Grant Receivable monies being collected.

Note 11: Contingent Liabilities

The Borough is periodically involved in various lawsuits arising in the normal course of business, including claims for property damage, personal injury, and various contract disputes. The Borough vigorously contests these lawsuits and believes any ultimate resolution would not have a material adverse effect on their financial position.

Amounts received or receivable from grantors, principally the federal and state governments are subject to regulatory requirements and adjustments by the agencies. Any disallowed claims, including amounts previously recognized by the Borough as revenue would constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantors cannot be determined at this time, although Borough officials expect such amounts, if any, to be immaterial.

The Borough has received approval by the New Jersey Department of Environmental Protection for the closure of the Borough's sanitary landfill. The landfill has not received municipal waste for several years. The Borough has set aside \$11,052.62 in the Other Trust Fund to fund the landfill closure. Ultimate costs of the closure of the landfill will most likely exceed the funds held; however, no estimate can be made at this time. It is expected that this project will be funded by a capital ordinance when the Borough proceeds with the project.

The Borough has been continuing to negotiate the police contractual agreement which has been unsettled since December 31, 2011. The contract was settled in 2014. The Borough utilized the 2013 appropriation reserves to finance the retroactive salary adjustments.

BOROUGH OF BERNARDSVILLE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014  
(Continued)

Note 12: Economic Dependency

The Borough of Bernardsville receives a substantial amount of support from the federal and state governments. A significant reduction in the level of support, if this were to occur, may have an effect on the Borough's programs and activities.

Note 13: Deferred Compensation Plan

The Borough of Bernardsville offers its employees a deferred compensation plan (the "Plan") created in accordance with Section 457 of the Internal Revenue Code. The Plan, which is administered by ICMA Retirement Corp. is available to all Borough of Bernardsville employees and permits participants to defer a portion of their salary. The deferred compensation is not available until termination, retirement, unforeseeable emergency, or death to their beneficiaries.

Note 14: Open Space Tax

The Borough of Bernardsville created an Open Space Trust Fund with a Tax Levy of \$.019 per \$100 of assessed valuation. The funds collected are used to acquire and maintain open space property in the Borough. As of December 31, 2014, the balance in the Open Space Trust Fund was \$5,997,642.90.

Note 15: Fixed Assets

The following schedule is a summarization of general fixed assets for the years ended December 31, 2014 and 2013:

	Balance Dec. 31, 2013	Additions	Adjustments/ Deletions	Balance Dec. 31, 2014
Land	\$ 2,523,797.50			\$ 2,523,797.50
Buildings	10,593,177.79	\$ 11,647.00		10,604,824.79
Machinery and Equipment	6,226,279.10	156,816.14	\$ 32,789.00	6,350,306.24
	<u>\$ 19,343,254.39</u>	<u>\$ 168,463.14</u>	<u>\$ 32,789.00</u>	<u>\$ 19,478,928.53</u>
	Balance Dec. 31, 2012	Additions	Adjustments/ Deletions	Balance Dec. 31, 2013
Land	\$ 2,523,797.50			\$ 2,523,797.50
Buildings	10,593,177.79			10,593,177.79
Machinery and Equipment	5,875,443.62	\$ 350,835.47		6,226,279.09
	<u>\$ 18,992,418.91</u>	<u>\$ 350,835.47</u>	<u>\$ -0-</u>	<u>\$ 19,343,254.38</u>

## SUPPLEMENTARY DATA

BOROUGH OF BERNARDSVILLE  
OFFICIALS IN OFFICE AND SURETY BONDS  
YEAR ENDED DECEMBER 31, 2014

<u>Name</u>	<u>Title</u>	<u>Amount of Bond</u>
Lee C. Honecker	Mayor	
Joseph Rossi	Council President	
Jeffrey J. DeLeo	Councilman	
John Farrell	Councilman	
Michael DePoortere	Councilman	
Chris Schmidt	Councilman	
Janet Waite	Councilwoman	
Ralph A. Maresca, Jr.	Administrator	(A)
	Chief Financial Officer	(A)
John D. Cassells	Assistant to the Administrator/CFO	(A)
Sandra G. Jones	Borough Clerk/Assistant Administrator	(A)
	Dog Licensing Official	(A)
	Assessment Searcher	(A)
Anthony Suriano	Deputy Borough Clerk	(A)
Leslie Roberson	Tax Collector	(A)
	Sewer Collector	(A)
	Tax Scarcher	(A)
Miles Winder	Judge	(A)
Teresa Van Allen	Court Administrator	(A)
John Pidegon	Attorney	
John M. MacDowall	Assistant to the Engineer/Public Works Manager	(A)
Michael Mondok	Assistant Engineer/Zoning Officer/Admin. Officer Planning Board	(A)

All bonds were examined and were properly executed.

(A) Surety bond coverage is provided by the Suburban Municipal Joint Insurance Fund ("JIF") and the Municipal Excess Liability Joint Insurance Fund ("MEL") Basic coverage is \$50,000 provided by the JIF and excess coverage in the amount of \$950,000 is provided by the MEL.

BOROUGH OF BERNARDSVILLE  
COUNTY OF SOMERSET  
2014  
CURRENT FUND



BOROUGH OF BERNARDSVILLE  
CURRENT FUND  
SCHEDULE OF CASH

	<u>Ref.</u>	
Balance December 31, 2013	A	\$ 3,148,779.74
Increased by Receipts:		
Tax Collector	\$ 41,350,980.26	
Revenue Accounts Receivable	2,928,222.28	
Due State of New Jersey:		
Marriage License Fees	950.00	
Veterans and Senior Citizens' Deductions	51,500.00	
Miscellaneous Revenue Not Anticipated	91,872.14	
Due Federal and State Grant Fund	3,379.00	
Due Federal and State Grant Fund Interest	70.87	
Due From Animal Control Fund Interest	5.21	
Due from Other Trust Fund	20,959.50	
Due from Other Trust Fund - Interest	582.54	
Due from General Capital Fund	45,837.32	
2014 Appropriation Refunds	265,095.07	
Reserve for Insurance Proceedes-Hurricane Sandy	100,438.00	
Reserve for Security Deposit- B.H.M.	5,028.83	
Reserve for Security Deposit- Quest Diagnosotic	3,186.00	
Reserve for Joint Insurance Fund Dividend	3,890.10	
		44,871,997.12
		48,020,776.86
Decreased by Disbursements:		
2014 Appropriation Expenditures	10,895,563.61	
2013 Appropriation Reserves	670,022.06	
Regional School Taxes	23,554,373.00	
County Taxes	8,056,372.01	
Municipal Open Space Tax	453,351.89	
Accounts Payable	8,000.00	
Refund of Prior Year Revenue	6,932.25	
Library Rental	32,665.94	
Marriage License Fees	950.00	
Special Emergency		
Temporary Notes Payable - Hurricane Sandy	1,227,692.00	
		44,905,922.76
Balance December 31, 2014	A	\$ 3,114,854.10

BOROUGH OF BERNARDSVILLE  
CURRENT FUND  
SCHEDULE OF CASH - COLLECTOR  
YEAR ENDED DECEMBER 31, 2014

Prepaid Taxes	\$ 383,359.30	
2014 Taxes Receivable	40,376,517.29	
2013 Taxes Receivable	446,478.80	
Interest and Costs on Taxes	109,298.39	
Tax Overpayments	15,616.46	
Penalties	<u>19,710.02</u>	
		<u>\$ 41,350,980.26</u>
Decreased by:		
Payments to Municipal Treasurer		<u><u>\$ 41,350,980.26</u></u>

BOROUGH OF BERNARDSVILLE  
FEDERAL AND STATE GRANT FUND  
SCHEDULE OF CASH - FEDERAL AND STATE GRANT FUND

	<u>Ref.</u>	
Balance December 31, 2013	A	\$ 64,619.05
Increased by Receipts:		
Due to Current Fund - Monies Received on Behalf of Current Fund	\$ 725.74	
Due to Current Fund - Interest	71.88	
Grants Receivable	284,480.14	
Unappropriated Reserves	<u>16,581.62</u>	
		<u>301,859.38</u>
		366,478.43
Decreased by Disbursements:		
Due to Current Fund - Interest	70.87	
Appropriated Grant Reserves	<u>276,740.91</u>	
		<u>276,811.78</u>
Balance December 31, 2014	A	<u>\$ 89,666.65</u>

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

Year	Balance Dec. 31, 2013	2014 Levy	Collections		2014	State's Share of Senior Citizens' and Veterans' Deductions	Canceled	Transferred to Tax Title Liens	Balance Dec. 31, 2014
			2013	Overpayments Applied					
2013	\$ 451,539.86				\$ 446,478.80	\$ (1,000.00)	\$ 27.82		\$ 6,033.24
2014		\$ 41,459,707.97	\$ 439,484.18	\$ 2,761.33	40,376,517.29	52,000.00	34,308.36	\$ 193.87	554,442.94
	<u>\$ 451,539.86</u>	<u>\$ 41,459,707.97</u>	<u>\$ 439,484.18</u>	<u>\$ 2,761.33</u>	<u>\$ 40,822,996.09</u>	<u>\$ 51,000.00</u>	<u>\$ 34,364.00</u>	<u>\$ 193.87</u>	<u>\$ 560,476.18</u>

Ref. A

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Analysis of 2014 Property Tax Levy

Tax Yield :	\$ 41,367,247.91	
General Purpose Tax	78,832.97	
Business Personal Taxes	13,627.09	
Added Taxes (54:4-63.1 et seq.)	<u>\$ 41,459,707.97</u>	
Tax Levy :		
Regional School District Tax		\$ 23,554,373.00
County Taxes	\$ 8,053,717.49	
Amount Due to County for Added Taxes (54:4-63.1 et seq.)	<u>2,654.52</u>	8,056,372.01
Municipal Open Space	453,210.00	
Due to Municipal Open Space for Added Taxes	<u>141.89</u>	453,351.89
		<u>32,064,096.90</u>
Municipal Library Tax	785,344.00	
Local Tax for Municipal Purposes	8,589,508.64	
Add : Additional Tax Levied	<u>20,758.43</u>	9,395,611.07
		<u>\$ 41,459,707.97</u>

BOROUGH OF BERNARDSVILLE  
CURRENT FUND  
SCHEDULE OF TAX TITLE LIENS

	<u>Ref.</u>	
Balance December 31, 2013	A	\$ 4,570.27
Increased by:		
Transfer from Taxes Receivable		<u>193.87</u>
Balance December 31, 2014	A	<u>\$ 4,764.14</u>

BOROUGH OF BERNARDSVILLE  
CURRENT FUND  
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	Balance Dec. 31, 2013	Accrued In 2014	Received In 2014		Balance Dec. 31, 2014
			Collector	Treasurer	
Licenses:					
Alcoholic Beverage Licenses		\$ 30,528.00		\$ 30,528.00	
Other Licenses		16,649.00		16,649.00	
Fees and Permits:					
Construction Code Official	\$ 17,255.95	338,395.00		318,114.32	\$ 37,536.63
Other		107,124.87		107,124.87	
Municipal Court:					
Fines and Costs	4,215.42	83,116.69		81,314.71	6,017.40
Interest and Costs on Taxes		109,298.39	\$ 109,298.39		
Parking Meters		4,023.31		4,023.31	
Rental of Borough Property to Post Office		1,500.00		1,500.00	
Parking Lot Fees		25,015.00		25,015.00	
Energy Receipts Taxes		662,172.00		662,172.00	
Due from Sewer Utility Fund- Costs		20,000.00		20,000.00	
Due from Recreation Pool- Costs		12,000.00		12,000.00	
Verizon Franchise Fee		66,658.99		66,658.99	
Comcast Franchise Fee		39,147.00		39,147.00	
Library Reimbursement for Expenses		5,874.33		5,874.33	
Worker's Compensation Assessment Fund		10,416.73		10,416.73	
Due from Library- Costs		64,259.98		64,259.98	
Uniform Fire Safety		11,838.78		11,838.78	
Library Rental		153,510.38		153,510.38	
Hotel Tax		25,872.00		25,872.00	
FEMA Reimbursement		1,272,202.88		1,272,202.88	
	<u>\$ 21,471.37</u>	<u>\$ 3,059,603.33</u>	<u>\$ 109,298.39</u>	<u>\$ 2,928,222.28</u>	<u>\$ 43,554.03</u>

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BOROUGH OF BERNARDSVILLE  
CURRENT FUND  
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE  
YEAR ENDED DECEMBER 31, 2014

NOT APPLICABLE

BOROUGH OF BERNARDSVILLE  
CURRENT FUND  
SCHEDULE OF 2013 APPROPRIATION RESERVES  
YEAR ENDED DECEMBER 31, 2014

	Balance Dec. 31, 2013	Balance After Modification	Paid or Charged	Balance Lapsed
<b>GENERAL GOVERNMENT:</b>				
General Administration:				
Salaries & Wages	\$ 49,814.94	\$ 49,814.94	\$ 298.03	\$ 49,516.91
Other Expenses	12,074.11	14,574.11	14,574.11	
Human Resources:				
Other Expenses	10,354.97	3,354.97	3,194.00	160.97
Municipal Clerk:				
Salaries & Wages	43.65	43.65		43.65
Other Expenses	489.93	489.93	252.35	237.58
Financial Administration:				
Salaries & Wages	3,543.71	4,143.71	4,104.93	38.78
Annual Audit	21,718.64	21,718.64	21,718.64	
Insurance (N.J.S.A. 40A:4-45.3(00)):				
Liability Insurance	43.39	43.39		43.39
Employee Group Insurance	33,442.71	33,442.71		33,442.71
Health Benefit Waiver	601.40	601.40		601.40
Computerized Data Processing:				
Salaries & Wages	1,310.95	1,310.95		1,310.95
Other Expenses	18.60	18.60		18.60
Assessment of Taxes:				
Salaries & Wages	2,007.15	1,907.15	1,795.06	112.09
Other Expenses	231.63	231.63		231.63
Revenue Administration (Tax Collection):				
Salaries & Wages	2,202.16	2.16		2.16
Other Expenses	2,562.60	62.60		62.60
Legal Services and Costs:				
Other Expenses	14,859.82	10,859.82	10,412.50	447.32
Engineering Services and Costs:				
Salaries & Wages	13.32	13.32		13.32
Other Expenses	14,398.57	12,998.57	12,384.12	614.45
Local Historian:				
Other Expenses	2.20	2.20		2.20
Public Building and Grounds:				
Other Expenses	20,255.24	9,555.24	9,479.11	76.13
Planning Board:				
Salaries & Wages	189.89	189.89		189.89
Other Expenses	3,481.47	6,681.47	6,681.09	0.38
Zoning Officer:				
Salaries & Wages	2,893.99	93.99		93.99
Housing Inspector:				
Other Expenses	3,475.00	3,475.00	2,300.00	1,175.00
Board of Adjustment:				
Other Expenses	3,467.41	3,467.41	2,961.25	506.16
Somerset County Mandatory Recycling Program:				
Other Expenses	17,267.41	17,267.41	17,088.53	178.88
Shade Tree Commission:				
Other Expenses	7,598.16	7,598.16	7,000.00	598.16
Environmental Commission (N.J.S.A.40:56.1,et seq.):				
Other Expenses	2,163.24	2,163.24		2,163.24



BOROUGH OF BERNARDSVILLE  
CURRENT FUND  
SCHEDULE OF 2013 APPROPRIATION RESERVES  
YEAR ENDED DECEMBER 31, 2014

	Balance Dec. 31, 2013	Balance After Modification	Paid or Charged	Balance Lapsed
<b>PUBLIC SAFETY:</b>				
Police:				
Salaries & Wages	\$ 153,468.79	\$ 208,468.79	\$ 185,229.36	\$ 23,239.43
Other Expense	18,272.96	18,272.96	17,553.01	719.95
Purchase of Police Cars	4,672.91	4,672.91	4,672.91	
Municipal Court:				
Salaries & Wages	3,310.27	310.27	163.81	146.46
Other Expenses	1,211.07	1,211.07	241.50	969.57
Public Defender:				
Other Expenses	1,200.00	1,200.00		1,200.00
911 Communication System:				
Salaries & Wages	10,538.66	20,538.66	16,505.07	4,033.59
Other Expenses	3,825.10	3,825.10	3,825.10	
Emergency Management:				
Salaries & Wages	1,600.00			
Other Expenses	2,230.65	2,230.65	1,592.80	637.85
<b>STREETS AND ROADS:</b>				
Road Repairs and Maintenance:				
Salaries & Wages	10,437.78	12,437.78	12,425.67	12.11
Other Expenses	140,707.12	133,307.12	132,200.30	1,106.82
Fire Hydrant Service	6,723.31	6,723.31	6,627.20	96.11
Vehicle Maintenance:				
Salaries & Wages	1,190.79	90.79		90.79
Other Expenses	2,650.09	650.09	512.26	137.83
Senior Citizen Van:				
Other Expenses	449.56	449.56	449.56	
Animal Control:				
Other Expenses	3,963.84	3,963.84	3,963.84	
Workers and Community Right to Know:				
Other Expenses	500.00	500.00		500.00
Celebration of Public Events:				
Other Expenses	125.00	125.00	80.53	44.47
Salary and Wage Adjustment Program	101,200.00	100,000.00	100,000.00	
<b>UNIFORM CONSTRUCTION CODE:</b>				
Construction Code Official:				
Salaries & Wages	434.41	1,434.41	1,410.94	23.47
Other Expenses	387.01	887.01	708.82	178.19
Fire Prevention Official:				
Salaries & Wages	2,612.86	412.86	344.71	68.15
Other Expenses	524.96	524.96	130.00	394.96
<b>SANITATION:</b>				
Sanitary Landfill:				
Other Expenses	13,087.38	13,087.38	9,663.20	3,424.18
<b>UTILITY EXPENSES AND BULK PURCHASES:</b>				
Electricity	6,067.81	2,567.81	2,296.22	271.59
Street Lighting	4,296.14	4,296.14	3,641.90	654.24
Telephone and Telegraph	1,441.33	1,441.33	1,441.33	
Telecommunication Costs	28.48	28.48	28.48	
Natural Gas	6,715.34	2,715.34	2,377.03	338.31
Gasoline	9,233.83	5,033.83	4,919.54	114.29

BOROUGH OF BERNARDSVILLE  
CURRENT FUND  
SCHEDULE OF 2013 APPROPRIATION RESERVES  
YEAR ENDED DECEMBER 31, 2014

	<u>Balance</u> <u>Dec. 31, 2013</u>	<u>Balance After</u> <u>Modification</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Statutory Expenditures:				
Contributions to:				
Public Employees Retirement System		\$ 15,500.00	\$ 15,500.00	
Social Security System (O.A.S.I.)	\$ 8,396.42	2,896.42	2,800.00	\$ 96.42
Police and Firemen's Retirement System of New Jersey		24,500.00	24,473.25	26.75
Unemployment Compensation	195.30	195.30		195.30
	<u>\$ 752,225.43</u>	<u>\$ 800,625.43</u>	<u>\$ 670,022.06</u>	<u>\$ 130,603.37</u>
<u>Analysis of Balance @ 12/31/2013</u>				
Unencumbered	\$ 354,706.71			
Encumbered	397,518.72			
	<u>\$ 752,225.43</u>			

BOROUGH OF BERNARDSVILLE  
CURRENT FUND  
SCHEDULE OF REGIONAL SCHOOL DISTRICT TAXES PAYABLE  
YEAR ENDED DECEMBER 31, 2014

## Increased by:

Levy - Calendar Year 2014

\$ 23,554,373.00

## Decreased by:

Payments to Regional School District

\$ 23,554,373.00

BOROUGH OF BERNARDSVILLE  
FEDERAL AND STATE GRANT FUND  
SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE

Grant	Balance Dec 31, 2013	2014 Realized Revenue	2014 Cash Receipts	Transferred from Unappropriated Reserves	Balance Dec 31, 2014
Municipal Alliance Program-2014		\$ 33,281.14	\$ 15,161.05		\$ 18,120.09
Municipal Alliance Program-2013	\$ 20,759.00		19,534.09		1,224.91
Municipal Alliance Program - Other Municipalities 2014		4,624.49	4,624.49		
Clean Communities Program 2014		18,234.34	18,234.34		
DOT Overtime Reimbursement		1,000.00		\$ 1,000.00	
Drive Sober or Get Pulled Over		2,349.36	2,349.36		
Girl on Move		1,150.00	1,150.00		
Somerset County Youth Services		5,000.00	5,000.00		
Recycling Tonnage Grant		9,898.84		9,898.84	
Child Passenger Safety Grant	3,652.59				3,652.59
Click It or Ticket Grant	2,887.09				2,887.09
Body Armor Replacement Fund-2014		2,554.97		2,554.97	
Youth Service - Bedminster Township		5,000.00	5,000.00		
Mayor Wellness Campaign		300.00	300.00		
Hennessey Family Charitable		250.00	250.00		
Donation- Rescue Squad		500.00	500.00		
Federal Bullet Proof Vest Grant		561.45	561.45		
FEMA Reimbursement		214,772.00	214,772.00		
NJ Distracted Driver		3,379.00	3,379.00		
	<u>\$ 27,298.68</u>	<u>\$ 302,855.59</u>	<u>\$ 290,815.78</u>	<u>\$ 13,453.81</u>	<u>\$ 25,884.68</u>

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Cash Received	\$ 284,480.14
Due from Current Fund	6,335.64
	<u>\$ 290,815.78</u>

BOROUGH OF BERNARDSVILLE  
FEDERAL AND STATE GRANT FUND  
SCHEDULE OF APPROPRIATED RESERVES

Grant	Balance Dec 31, 2013	From 2014 Budget Appropriations	Appropriations By N.J.S.A. 40A:4-87	Paid or Charged	Balance Dec 31, 2014
Drunk Driving Enforcement Fund	\$ 8,405.21			\$ 1,232.50	\$ 7,172.71
Municipal Alliance Program - State	2,013.01	\$ 30,324.50		12,486.89	19,850.62
Other Municipalities Share	2,028.00	4,624.49		5,190.23	1,462.26
Local Matching	736.86	2,956.64		736.86	2,956.64
Municipal Alliance- Program Coordinator					
Other Municipalities Share	1,938.02			1,938.02	
Clean Communities Program	15,700.68		\$ 18,234.34	16,147.78	17,787.24
Alcohol Education and Rehabilitation Fund	3,431.31				3,431.31
Body Armor Replacement Fund	2,076.18	2,554.97		2,076.18	2,554.97
Office of Emergency Management Exercise	3,679.33			2,803.90	875.43
Drive Sober or Get Pulled Over		2,349.36		2,349.36	
Somerset County Youth Services	3,205.00	5,000.00		6,458.81	1,746.19
Youth Service - Bedminster Township	1,229.00	5,000.00		1,547.50	4,681.50
Youth Services Competitive Grant	1,500.00			1,500.00	
Federal Bullet Proof Vest Grant	834.24		561.45	834.24	561.45

BOROUGH OF BERNARDSVILLE  
FEDERAL AND STATE GRANT FUND  
SCHEDULE OF APPROPRIATED RESERVES

Grant	Balance Dec 31, 2013	Transferred From 2014 Budget Appropriations	Appropriations By N.J.S.A. 40A:4-87	Paid or Charged	Balance Dec 31, 2014
Recycling Tonnage Grant	\$ 11,549.00	\$ 9,898.84		\$ 3,616.63	\$ 17,831.21
Somerset Hills Board of Education- DARE Program	4,992.09			2,338.41	2,653.68
Click it or Ticket Grant	2,887.09				2,887.09
Reserve for Police Donation/OEM	10,000.00			564.00	9,436.00
Donation for Senior Citizen's Van	2,252.72				2,252.72
DOT Overtime Reimbursement		1,000.00			1,000.00
Girl on Move		1,150.00		147.60	1,002.40
Mayor Wellness Campaign			\$ 300.00		300.00
Hennessey Family Char			250.00		250.00
Donation- Rescue Squad			500.00		500.00
N.J Distracted Driver			3,379.00		3,379.00
FEMA Reimbursement			214,772.00	214,772.00	
	<u>\$ 78,457.74</u>	<u>\$ 64,858.80</u>	<u>\$ 237,996.79</u>	<u>\$ 276,740.91</u>	<u>\$ 104,572.42</u>

Ref. A

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Grant Funds	\$ 61,902.16	\$ 237,996.79
Matching Share Grant- Current Fund	2,956.64	
	<u>\$ 64,858.80</u>	<u>\$ 237,996.79</u>

BOROUGH OF BERNARDSVILLE  
FEDERAL AND STATE GRANT FUND  
SCHEDULE OF UNAPPROPRIATED RESERVES

Grant	Balance Dec 31, 2013	Cash Received	Budget Revenue Realized	Balance Dec 31, 2014
Recycling Tonnage Grant	\$ 9,899.19	\$ 13,063.30	\$ 9,898.84	\$ 13,063.65
Body Armor Replacement Fund	2,554.97	2,018.32	2,554.97	2,018.32
DOT Overtime Reimbursement	1,000.00		1,000.00	
Somerset County Youth Services		1,500.00		1,500.00
	<u>\$ 13,454.16</u>	<u>\$ 16,581.62</u>	<u>\$ 13,453.81</u>	<u>\$ 16,581.97</u>
<u>Ref.</u>	A			A

BOROUGH OF BERNARDSVILLE  
COUNTY OF SOMERSET  
2014  
TRUST FUNDS



BOROUGH OF BERNARDSVILLE  
TRUST FUNDS  
SCHEDULE OF CASH - TREASURER

		<u>Animal Control Fund</u>	<u>Other Trust Funds</u>
<u>Ref.</u>			
Balance December 31, 2013	B	\$ 12,983.97	\$ 8,286,331.27
Increased by Receipts:			
Borough Dog and Cat License Fees	\$	4,854.00	
Prepaid Fees		1,835.00	
Penalties on Dog License Fees		390.00	
Miscellaneous Dog Fees		14.40	
State Dog License Fees		496.80	
Due Current Fund:			
Interest Earnings		4.63	\$ 644.02
Construction Code Fees			338,395.00
Police Fees			4,181.00
Due to State of New Jersey - DCA Fees			19,495.00
Landfill			63.92
Developer's Escrow			94,872.64
Open Space Trust			459,069.07
Public Defender			3,158.14
Fire Prevention			251.80
Police Outside Duty			77,796.50
Railroad Station			42,829.19
Shade Tree			375.00
Outside Lien Redemption Trust			274,292.53
Law Enforcement Trust			0.98
Parking Offenses Adjudication Act			114.00
Tax Sale Premiums			419,400.00
Housing Trust			156,194.72
Community Garden Trust			450.00
Snow Removal			58,000.00
Accumulated Absences			100,000.00
		<u>7,594.83</u>	<u>2,049,583.51</u>
		20,578.80	10,335,914.78

BOROUGH OF BERNARDSVILLE  
TRUST FUNDS  
SCHEDULE OF CASH - TREASURER

		<u>Animal Control Fund</u>	<u>Other Trust Funds</u>
	<u>Ref.</u>		
Decreased by Disbursements:			
Due to State of New Jersey Board of Health	S	625.80	
Administrative Expenses (R.S. 4:19-15.11)		13,573.24	
Due to Current Fund:			
Interest Earned		5.21	S 582.54
Construction Code Fees			318,114.32
Due to General Capital Fund:			
Interfunds Returned - Open Space			80,000.00
Due to Swimming/Recreation Utility Capital:			
Interfunds Returned - Open Space			5,000.00
Due to State of New Jersey - DCA Fees			19,059.00
Developer's Escrow			162,808.45
Open Space Trust			71,537.34
Public Defender			4,300.00
Police Outside Duty			76,202.00
Railroad Station			68,048.24
Outside Lien Redemption Trust			273,801.87
Tax Sale Premiums			119,300.00
Housing Trust			8,050.20
Community Garden Trust			100.00
		<u>S 14,204.25</u>	<u>\$ 1,206,903.96</u>
Balance December 31, 2014	B	<u>S 6,374.55</u>	<u>\$ 9,129,010.82</u>

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

	<u>Ref.</u>	
Balance December 31, 2013	B	\$ 11,356.95
Increased by:		
Dog and Cat License Fees Collected	\$ 4,854.00	
Late Fees	390.00	
Replacements	14.00	
Miscellaneous	0.40	
Prior Year Prepaids Applied	<u>1,491.00</u>	
		<u>6,749.40</u>
		18,106.35
Decreased by:		
Expenditures Under R.S. 4:19-15.11		<u>13,573.24</u>
Balance December 31, 2014	B	<u><u>\$ 4,533.11</u></u>

<u>License Fees Collected</u>	
<u>Year</u>	<u>Amount</u>
2012	\$ 6,267.00
2013	<u>5,682.00</u>
Maximum Allowable Reserve	<u><u>\$ 11,949.00</u></u>

BOROUGH OF BERNARDSVILLE  
COUNTY OF SOMERSET  
2014  
GENERAL CAPITAL FUND

BOROUGH OF BERNARDSVILLE  
GENERAL CAPITAL FUND  
SCHEDULE OF CASH - TREASURER

Balance December 31, 2013	<u>Ref.</u> C		\$ 1,549,419.58
Increased by:			
Premium on Note Sale		\$ 31,431.00	
2014 Budget Appropriation:			
Capital Improvement Fund		240,427.00	
Payment of Bond Anticipation Notes		340,000.00	
Bond Anticipation Notes		7,343,300.00	
Department of Transportation Grants Receivable		138,750.00	
Due Open Space Trust Fund		27,500.00	
Due Current Fund:			
Interfund Returned		37,500.00	
Interest Earned		<u>2,236.72</u>	
			<u>8,161,144.72</u>
			9,710,564.30
Decreased by:			
Improvement Authorization Expenditures		1,345,718.58	
Due Current Fund:			
Interfund Returned		140.47	
Interest Earned		1,946.85	
Bond Anticipation Notes		<u>5,013,300.00</u>	
			<u>6,361,105.90</u>
Balance December 31, 2014	C		<u><u>\$ 3,349,458.40</u></u>

**BOROUGH OF BERNARDSVILLE**  
**GENERAL CAPITAL FUND**  
**ANALYSIS OF CASH**

	Balance/ (Deficit) Dec. 31, 2013	Receipts			Disbursements					Balance/ (Deficit) Dec. 31, 2014
		Budget Appropriation	Bond Anticipation Notes	Miscellaneous	Improvement Authorizations	Bond Anticipation Notes	Miscellaneous	From	To	
Capital Fund Balance	\$ 6,114.39			\$ 31,431.00						\$ 37,545.39
Capital Improvement Fund	158,622.57			240,427.00				\$ 219,000.00		180,049.57
New Jersey Transportation Fund Authority Act Receivable	(75,000.00)									(75,000.00)
Federal Highway Administration Receivable	(100,000.00)									(100,000.00)
New Jersey Department of Transportation Grants Receivable	(266,250.00)			176,250.00				200,000.00	\$ 43,750.00	(246,250.00)
Safe Routes to School Program Grant Receivable	(300,000.00)									(300,000.00)
Prospective Assessment to be Raised by Taxation	(100,000.00)									(100,000.00)
Reserve for Federal Highway Administration Grant	100,000.00									100,000.00
Reserve for Prospective Assessments	100,000.00									100,000.00
Reserve for N.J. Department of Transportation Grant	75,000.00									75,000.00
Reserve for Downtown Project - Crosswalks	55,000.00									55,000.00
Due from Open Space Trust Fund	(80,000.00)			27,500.00				117,500.00	80,000.00	(90,000.00)
Due Current Fund	140.47	\$ 340,000.00		2,236.72			\$ 2,087.32	383,750.00		(43,460.13)
Ord. No.	Improvement Description									
1244	Purchase of Various Items			7,500.00						7,500.00
1349	Fire Prevention and Fire Company Equipment			420.00						420.00
1354	Various Improvements			11,927.71	\$ 11,459.60					468.71
1394	Various Improvements			55,472.24	4,409.34					51,062.90
1426	Various Improvements			2,291.53						2,291.53
52/1476/1501	Various Improvements			1,047.27						1,047.27
1490	Improvement of Olcott Avenue			100.87						100.87
09-1509	Various Improvements		\$ 624,000.00		10,722.82	\$ 662,000.00			\$ 38,000.00	61,567.75
09-1511	Lighting at the Ammerman Parking Lot			200.00						200.00
10-1537	Various Improvements		767,000.00		46,372.22	811,000.00			44,000.00	93,398.85
10-1539	Improvement of Various Roads			97,539.99						97,539.99
10-1555	Dunsten Squibb Property			200.00						200.00
10-1556	Improvements to Tower Mountain Drive			3,838.09						3,838.09
10-1573	Rebuilding Claremont Steps			176,937.60	51,971.80			80,000.00		44,965.80
11-1579	Various Improvements		815,000.00		32,786.09	855,000.00			40,000.00	183,600.06
11-1590	Various Improvements			4,540.01	203.21					4,336.80
12-1597	Various Improvements		921,500.00		119,410.86	921,500.00				32,672.29
12-1605	Downtown Project Improvements			27,065.46						27,065.46
12-1612	Improvements of Kiwanis Field			19,650.00	19,650.00					
13-1621	Various Improvements		1,142,000.00		184,760.16	1,142,000.00				545,114.31
13-1638	Improvements to Round Top Road			185,000.00	185,000.00					
13-1643	Road Equipment (Bomford)			107,000.00	105,483.00					1,517.00
14-1652	Various Improvements		509,000.00		141,459.90				26,000.00	393,540.10
14-1662	Audio Visual Equipment				23,210.00				24,000.00	790.00
14-1663	Drainage Work at Kiwanis Ballfield				10,000.00				10,000.00	
14-1664	Peters Tract				9,871.75				17,500.00	7,628.25
14-1666	Various Improvements		2,161,000.00		380,173.24				309,000.00	2,089,826.76
14-1671	Drainage Claremont Field				7,775.19				90,000.00	82,224.81
14-1672	Guide Rail Replacement								60,000.00	60,000.00
1308	Downtown Projects - Sidewalk					188,000.00			188,000.00	
1481/1501	Downtown Projects- Supplemental	20,066.97	403,800.00		1,000.00	433,800.00			30,000.00	19,066.97
		\$ 1,549,419.58	\$ 340,000.00	\$ 7,343,300.00	\$ 477,844.72	\$ 1,145,718.58	\$ 5,013,300.00	\$ 2,087.32	\$ 1,000,250.00	\$ 3,349,458.40

BOROUGH OF BERNARDSVILLE  
GENERAL CAPITAL FUND  
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

Ord. No.	Improvement Description	Balance Dec. 31, 2013	2014 Authorizations	Funded by Budget Appropriation	Balance Dec. 31, 2014	Analysis of Balance December 31, 2014	
						Bond Anticipation Notes	Unexpended Improvement Authorizations
1308	Downtown Projects - Sidewalk	\$ 188,000.00		\$ 188,000.00			
1481/1501	Downtown Projects - Supplemental	433,800.00		30,000.00	\$ 403,800.00	\$ 403,800.00	
09-1509	Various Improvements	662,000.00		38,000.00	624,000.00	624,000.00	
10-1537	Various Improvements	811,000.00		44,000.00	767,000.00	767,000.00	
11-1579	Various Improvements	855,000.00		40,000.00	815,000.00	815,000.00	
12-1597	Various Improvements	921,500.00			921,500.00	921,500.00	
13-1621	Various Improvements	1,142,000.00			1,142,000.00	1,142,000.00	
14-1652	Various Improvements		\$ 509,000.00		509,000.00	509,000.00	
14-1666	Various Improvements		2,161,000.00		2,161,000.00	2,161,000.00	
		<u>\$ 5,013,300.00</u>	<u>\$ 2,670,000.00</u>	<u>\$ 340,000.00</u>	<u>\$ 7,343,300.00</u>	<u>\$ 7,343,300.00</u>	<u>\$ -0-</u>
<u>Ref.</u>		C			C		

Improvement Authorizations - Unfunded	\$ 3,344,309.12
Less: Unexpended Proceeds of Bond Anticipation Notes Issued:	
Ordinance 19-1509 (Various Improvements)	(6,156.75)
Ordinance 10-1537 (Various Improvements)	(93,398.85)
Ordinance 11-1579 ( Various Improvements	(183,600.06)
Ordinance 12-1597 (Various Improvements)	(32,672.29)
Ordinance 13-1621 (Various Improvements)	(545,114.31)
Ordinance 14-1652 (Various Improvements)	(393,540.10)
Ordinance 14-1666 (Various Improvements)	(2,089,826.76)
	<u>\$ -0-</u>

**BOROUGH OF BERNARDSVILLE**  
**GENERAL CAPITAL FUND**  
**SCHEDULE OF IMPROVEMENT AUTHORIZATIONS**

		Ordinance		Balance Dec. 31, 2013		2014 Authorizations					Balance Dec. 31, 2014	
Ord No.	Improvement Description	Date	Amount	Funded	Unfunded	Capital Improvement Fund	Other Funding Sources	Deferred Charges to Future Taxation- Unfunded	Paid or Charged	Cancellation / Adjustment	Funded	Unfunded
General Improvements:												
1244	Purchase Various Items	05/21/01	\$ 87,250.00	\$ 7,500.00							\$ 7,500.00	
1349	Fire Prev./ Co. Equipment	06/07/04	60,000.00	420.00							420.00	
1354	Various Improvements	09/16/04	950,000.00	11,977.71					\$ 1,459.00		468.71	
1394/1476	Various Improvements	05/18/05	968,615.00	55,472.24					4,409.34		51,062.90	
1426/1476	Various Improvements	03/27/06	820,000.00	2,291.53							2,291.53	
1452/1476/1501	Various Improvements	01/18/07	1,700,000.00	1,047.27							1,047.27	
1490	Improvement of Olcott Ave	05/27/08	80,300.00	100.87							100.87	
09-1509	Various Improvements	04/30/09	775,000.00		\$ 16,879.57				10,722.82			\$ 6,156.75
09-1511	Lighting at the Ammerman Parking Lot	04/30/09	7,000.00	200.00							200.00	
10-1537	Various Improvements	03/22/10	900,000.00		139,771.07				46,372.22			97,598.85
10-1539	Improvement of Various Roads	05/10/10	450,000.00	97,539.99							97,539.99	
10-1555	Dunster Squibb Property	07/12/10	20,000.00	200.00							200.00	
10-1556	Improvement of Tower Mountain Drive	08/09/10	160,000.00	3,838.09							3,838.09	
10-1573	Rebuilding Claremont Steps	11/08/10	120,000.00	176,937.60					51,971.80	\$ (80,000.00)	44,965.80	
11-1579	Various Improvements	01/17/11	900,000.00		216,386.15				32,786.09			183,600.06
11-1590	Various Improvements	05/23/11	100,000.00	4,540.01					203.21		4,336.80	
12-1597	Various Improvements	01/23/12	970,000.00		152,083.15				119,410.86			32,672.29
12-1605	Downtown Project Improvements	03/26/12	70,000.00	27,065.46							27,065.46	
12-1612	Improvements of Kiwanis Field	07/09/12	30,000.00	19,650.00					19,650.00			
13-1621	Various Improvements	02/20/13	1,200,000.00		729,874.47				184,760.16			545,114.31
13-1638	Improvement of Round Top Road	09/09/13	185,000.00	185,000.00					185,000.00			
13-1643	Road Equipment (Bumford)	09/23/13	107,000.00	107,000.00					105,483.00		1,517.00	
14-1652	Various Improvements	03/24/14	535,000.00			\$ 26,000.00		\$ 509,000.00	141,459.90			393,540.10
14-1662	Audio Visual Equipment	05/27/14	24,000.00			24,000.00			23,710.00		790.00	
14-1663	Drainage Work at Kiwanis Ballfield	05/27/14	10,000.00				\$ 10,000.00		10,600.00			
14-1664	Peters Tract	05/27/14	17,500.00				17,500.00		9,871.75		7,628.25	
14-1666	Various Improvements	07/14/14	2,470,000.00			109,000.00	200,000.00	2,161,000.00	380,173.24			2,089,826.76
14-1671	Drainage Claremont Field	09/22/14	90,000.00				90,000.00		7,775.19		82,224.81	
14-1672	Guide Rail Replacement	09/22/14	90,000.00			60,000.00					60,000.00	
Local Improvement:												
1481/1501	Downtown Projects Sidewalks	04/30/08	649,200.00		20,066.97				1,000.00			19,066.97
				\$ 760,730.77	\$ 1,275,061.38	\$ 219,000.00	\$ 317,500.00	\$ 2,670,000.00	\$ 1,345,718.58	\$ (80,000.00)	\$ 393,197.48	\$ 3,363,376.09
				Ref.	C	C					C	C
						Open Space Trust Fund	\$ 117,500.00					
						NJ DOT Grant	200,000.00					
						Total	\$ 317,500.00					



BOROUGH OF BERNARDSVILLE  
GENERAL CAPITAL FUND  
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance December 31, 2013	C	\$ 158,622.57
Increased by:		
2014 Budget Appropriation		240,427.00
		<u>399,049.57</u>
Decreased by:		
Appropriated to Finance Improvement Authorizations		219,000.00
		<u>219,000.00</u>
Balance December 31, 2014	C	<u>\$ 180,049.57</u>

BOROUGH OF BERNARDSVILLE  
GENERAL CAPITAL FUND  
SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE

Ord. #	Improvement Authorization	Original Note		Date of		Interest Rate	Balance Dec. 31, 2013	Issued	Matured	Balance Dec. 31, 2014
		Date of Issue	Amount	Issue	Maturity					
1308	Downtown Projects - Sidewalk	07/20/04	\$ 568,000.00	02/20/13	02/20/14	1.00%	\$ 188,000.00		\$ 188,000.00	
1481/1501	Downtown Projects - Supplemental	04/30/08	5,238,000.00	02/20/13 02/19/14	02/20/14 02/19/15	1.00% 1.00%	433,800.00	\$ 403,800.00	433,800.00	\$ 403,800.00
09-1509	Various Improvements	04/09/09	738,000.00	02/20/13 02/19/14	02/20/14 02/19/15	1.00% 1.00%	662,000.00	624,000.00	662,000.00	624,000.00
10-1537	Various Improvements	03/22/10	855,000.00	02/20/13 02/19/14	02/20/14 02/19/15	1.00% 1.00%	811,000.00	767,000.00	811,000.00	767,000.00
10-1579	Various Improvements	01/17/11	855,000.00	02/20/13 02/19/14	02/20/14 02/19/15	1.00% 1.00%	855,000.00	815,000.00	855,000.00	815,000.00
12-1597	Various Improvements	02/21/12	921,500.00	02/20/13 02/19/14	02/20/14 02/19/15	1.00% 1.00%	921,500.00	921,500.00	921,500.00	921,500.00
13-1621	Various Improvements	02/20/13	1,200,000.00	02/20/13 02/19/14	02/20/14 02/19/15	1.00% 1.00%	1,142,000.00	1,142,000.00	1,142,000.00	1,142,000.00
14-1652	Various Improvements	05/23/14	509,000.00	02/19/14	02/19/15	0.74%		509,000.00		509,000.00
14-1666	Various Improvements	09/15/14	2,161,000.00	02/19/14	02/19/15	0.44%		2,161,000.00		2,161,000.00
							<u>\$ 5,013,300.00</u>	<u>\$ 7,343,300.00</u>	<u>\$ 5,013,300.00</u>	<u>\$ 7,343,300.00</u>
Ref.							C			C
Renewed								\$ 4,673,300.00	\$ 4,673,300.00	
New Issue								2,670,000.00		
Paid by Budget Appropriation									340,000.00	
								<u>\$ 7,343,300.00</u>	<u>\$ 5,013,300.00</u>	

BOROUGH OF BERNARDSVILLE  
GENERAL CAPITAL FUND  
SCHEDULE OF SERIAL BONDS PAYABLE

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance Dec. 31, 2013	Matured	Balance Dec. 31, 2014
			December 31, 2014					
			Date	Amount				
General Bonds of 2007	02/15/07	\$ 4,579,000.00	02/15/15	\$ 325,000.00	3.75%	\$2,994,000.00	\$ 325,000.00	\$ 2,669,000.00
			02/15/16	365,000.00	3.75%			
			02/15/17	370,000.00	3.75%			
			02/15/18	375,000.00	4.00%			
			02/15/19	420,000.00	4.00%			
			02/15/20	425,000.00	4.00%			
			02/15/21	389,000.00	4.00%			

BOROUGH OF BERNARDSVILLE  
GENERAL CAPITAL FUND  
SCHEDULE OF NJ WASTEWATER TREATMENT LOAN PAYABLE  
YEAR ENDED DECEMBER 31, 2014

NOT APPLICABLE

BOROUGH OF BERNARDSVILLE  
GENERAL CAPITAL FUND  
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED  
YEAR ENDED DECEMBER 31, 2014

Ord. #	Improvement Description	2014 Authorizations	Bond Anticipation Notes Issued
14-1652	Various Improvements	\$ 509,000.00	\$ 509,000.00
14-1666	Various Improvements	2,161,000.00	2,161,000.00
		<u>\$ 2,670,000.00</u>	<u>\$ 2,670,000.00</u>

BOROUGH OF BERNARDSVILLE  
COUNTY OF SOMERSET  
2014  
WATER UTILITY FUND  
NOT APPLICABLE

BOROUGH OF BERNARDSVILLE  
COUNTY OF SOMERSET  
2014  
SEWER UTILITY FUND

BOROUGH OF BERNARDSVILLE  
SEWER UTILITY FUND  
SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>	<u>Operating</u>	<u>Capital</u>
Balance December 31, 2013	E	\$ 499,442.54	\$ 1,523,014.36
Increased by Receipts:			
Consumer Accounts Receivable		\$ 1,198,291.45	
Sewer Rent Overpayments		1,036.00	
Prepaid Sewer Rents		634.72	
Connection Fees		20,425.00	
Miscellaneous Revenue		11,326.59	
Interest on Investments		1,771.88	\$ 117.05
Due from Sewer Utility Capital Fund:			
Interfund Accounts Receivable		130.38	
Budget Appropriations:			
Capital Improvement Fund			60,000.00
Payment of Bond Anticipation Notes			100,000.00
Bond Anticipation Notes			1,130,000.00
Premium on Bond Anticipation Note Sale			7,857.34
		<u>1,233,616.02</u>	<u>1,297,974.39</u>
		1,733,058.56	2,820,988.75
Decreased by Disbursements:			
2014 Budget Appropriations		1,068,243.10	
2013 Appropriation Reserves		55,976.42	
Improvement Authorizations			239,834.37
Encumbrances Payable			11,312.70
Sewer Charge Overpayment		1,036.00	
Accrued Interest on Bonds and Notes		25,829.74	
Payment of Bond Anticipation Note Interest			
Interfund Returned			
Due Current Fund Tax Sale Premium			
Due to Sewer Utility Operating Fund:			
Interest on Investments			130.38
Due from Sewer Utility Capital Fund:			
Interfund Returned			
Bond Anticipation Notes			1,230,000.00
		<u>1,151,085.26</u>	<u>1,481,277.45</u>
Balance December 31, 2014	E	<u>\$ 581,973.30</u>	<u>\$ 1,339,711.30</u>



BOROUGH OF BERNARDSVILLE  
SEWER UTILITY CAPITAL FUND  
ANALYSIS OF SEWER CAPITAL CASH

	Balance Dec. 31, 2013	Receipts			Disbursements			Balance Dec. 31, 2014
		Budget Appropriation	Bond Anticipation Notes	Miscellaneous	Improvement Authorizations	Bond Anticipation Notes	Miscellaneous	
Capital Improvement Fund	\$ 72,447.09	\$ 60,000.00						\$ 132,447.09
Due to Sewer Utility Operating Fund	130.38			\$ 117.05			\$ 130.38	117.05
Reserve for Encumbrances	11,312.70						11,312.70	
Fund Balance	7,854.00			7,857.34				15,711.34
<u>Improvement Authorizations:</u>								
Ord Number	Improvement Description							
02-1297	Improvements to Pumping Station	327.81						327.81
04-1367	Sludge Aeration Blower, SBR Blower/Motor and Air Compressor	29,020.00						29,020.00
05-1399	Various Projects	16,066.57						16,066.57
06-1438	Replacement of Filter Media in the Water Treatment Plant	517.00						517.00
07-1469	Wastewater Treatment Plant Traveling Bridge Filter	5,450.13			\$ 5,450.13			
12-1610	Improvement of the Sanitary Sewerage System	676,798.68	100,000.00	\$ 465,000.00	233,384.24	\$ 565,000.00		443,414.44
12-1616	Utility Pick-Up Truck w/ Snow Plow	3,869.00						3,869.00
13-1620	Improvement of the Sanitary Sewerage System	699,221.00		665,000.00	1,000.00	665,000.00		698,221.00
	<u>\$ 1,523,014.36</u>	<u>\$ 160,000.00</u>	<u>\$ 1,130,000.00</u>	<u>\$ 7,974.39</u>	<u>\$ 239,834.37</u>	<u>\$ 1,230,000.00</u>	<u>\$ 11,443.08</u>	<u>\$ 1,339,711.30</u>

BOROUGH OF BERNARDSVILLE  
SEWER UTILITY OPERATING FUND  
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE

	<u>Ref.</u>	
Balance December 31, 2013	E	\$ 87,538.37
Increased by:		
Sewer Rents Levied		1,212,923.11
		<u>1,300,461.48</u>
Decreased by:		
Collections	\$ 1,198,291.45	
Overpayments Applied	645.46	
Prepays, Applied	<u>510.34</u>	
		<u>1,199,447.25</u>
Balance December 31, 2014	E	<u><u>\$ 101,014.23</u></u>

BOROUGH OF BERNARDSVILLE  
SEWER UTILITY CAPITAL FUND  
SCHEDULE OF FIXED CAPITAL

Ref.

Balance December 31, 2013	E	\$ 1,374,651.82
Balance December 31, 2014	E	<u>\$ 1,374,651.82</u>

BOROUGH OF BERNARDSVILLE  
SEWER UTILITY CAPITAL FUND  
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

Improvement Description	Ordinance			Balance	Balance
	Number	Date	Amount	Dec. 31, 2013	Dec. 31, 2014
Improvements to Pumping Station	02-1297	10/21/2002	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00
Sludge Aeration Blower, SBR Blower/Motor and Air Compressor	04-1367	11/8/2004	40,000.00	40,000.00	40,000.00
Various Projects	05-1399	8/15/2005	65,000.00	65,000.00	65,000.00
Replacement of Filter Media in the Wastewater Treatment Plant	06-1438	7/10/2006	50,000.00	50,000.00	50,000.00
Wastewater Treatment Plant Traveling Bridge Filter	07-1469	9/24/2007	65,000.00	65,000.00	65,000.00
Traveling Bridge Filters Engineering Study	12-1600	2/27/2012	17,000.00		
Improvement of the Sanitary Sewerage System	12-1610	6/11/2012	700,000.00	700,000.00	700,000.00
Utility Pick-Up Truck w/ Snow Plow	12-1616	11/26/2012	35,000.00	35,000.00	35,000.00
Improvement of the Sanitary Sewerage System	13-1620	9/23/2013	700,000.00	700,000.00	700,000.00
				<u>\$ 1,670,000.00</u>	<u>\$ 1,670,000.00</u>
			<u>Ref.</u>	E	E

BOROUGH OF BERNARDSVILLE  
SEWER UTILITY OPERATING FUND  
SCHEDULE OF 2013 APPROPRIATION RESERVES  
FOR THE YEAR ENDED DECEMBER 31, 2014

		<u>Balance</u> <u>Dec. 31, 2013</u>	<u>Balance After</u> <u>Transfers</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Operating:					
Salaries and Wages		\$ 2,253.96	\$ 2,253.96	\$ 2,214.66	\$ 39.30
Other Expenses		55,636.11	55,636.11	53,701.62	1,934.49
Statutory Expenditures:					
Contribution to:					
Social Security System		60.14	60.14	60.14	
		<u>\$ 57,950.21</u>	<u>\$ 57,950.21</u>	<u>\$ 55,976.42</u>	<u>\$ 1,973.79</u>
	<u>Ref.</u>				
<u>Balance at December 31, 2013</u>					
Unencumbered	E	\$ 23,431.29			
Encumbered	E	<u>34,518.92</u>			
		<u>\$ 57,950.21</u>			

BOROUGH OF BERNARDSVILLE  
SEWER UTILITY CAPITAL FUND  
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Improvement Description	Ordinance		Balance Dec. 31, 2013		Paid or Charged	Balance December 31, 2014	
	Number	Date	Amount	Funded	Unfunded	Funded	Unfunded
Improvements to Pumping Station	02-1297	10/21/2002	\$ 15,000.00	\$ 327.81		\$ 327.81	
Sludge Aeration Blower, SBR Blower Motor and Air Compressor	04-1367	11/8/2004	40,000.00	29,020.00		29,020.00	
Various Projects	05-1399	8/15/2005	65,000.00	16,066.57		16,066.57	
Replace Filter Media in Water Treatment Plant	06-1438	7/10/2006	50,000.00	517.00		517.00	
Wastewater Treatment Traveling Bridge Filter	07-1469	9/24/2007	65,000.00	5,450.13	\$ 5,450.13		
Improvement of the Sanitary Sewerage System	12-1610	6/11/2012	700,000.00	111,798.68	\$ 565,000.00	233,384.24	\$ 443,414.44
Utility Pick-Up Truck w/ Snow Plow	12-1616	11/26/2012	35,000.00	3,869.00		3,869.00	
Improvement of the Sanitary Sewerage System	13-1620	9/23/2013	700,000.00	34,221.00	665,000.00	1,000.00	665,000.00
				<u>\$ 201,270.19</u>	<u>\$ 1,230,000.00</u>	<u>\$ 239,834.37</u>	<u>\$ 83,021.38</u>
				Ref.	E	E	E

BOROUGH OF BERNARDSVILLE  
SEWER UTILITY CAPITAL FUND  
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance December 31, 2013	E	\$ 72,447.09
Increased by:		
2014 Budget Appropriation		<u>60,000.00</u>
Balance December 31, 2014	E	<u>\$ 132,447.09</u>

BOROUGH OF BERNARDSVILLE  
SEWER UTILITY CAPITAL FUND  
SCHEDULE OF RESERVE FOR AMORTIZATION

	<u>Ref.</u>	
Balance December 31, 2013	E	\$ 1,014,651.82
Increased by:		
Serial Bonds Paid		35,000.00
Transfer from Deferred Reserve for Amortization		65,000.00
		<hr/>
Balance December 31, 2014	E	<u>\$ 1,114,651.82</u>



BOROUGH OF BERNARDSVILLE  
SEWER UTILITY CAPITAL FUND  
SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

<u>Ord. No.</u>	<u>Improvement Description</u>	<u>Ord. Date</u>	<u>Balance Dec. 31, 2013</u>	<u>Budget Appropriations</u>	<u>Transferred to Reserve for Amortization</u>	<u>Balance Dec. 31, 2014</u>
02-1297	Improvement to Pumping Station	10/21/2002	\$ 15,000.00			\$ 15,000.00
04-1367	Sludge Aeration Blower, SBR Blower/ Motor and Air Compressor	11/8/2004	40,000.00			40,000.00
05-1399	Various Projects	8/15/2005	65,000.00			65,000.00
06-1438	Replacement of Filter Media in the Water Treatment Plant	7/10/2006	50,000.00			50,000.00
07-1469	Wastewater Treatment Plant Traveling Bridge Filter	9/24/2007	65,000.00		65,000.00	
12-1610	Improvement of the Sanitary Sewerage System	6/11/2012	135,000.00	\$ 100,000.00		235,000.00
12-1616	Utility Pick-Up Truck w/ Snow Plow	11/26/2012	35,000.00			35,000.00
13-1620	Improvement of the Sanitary Sewerage System	9/23/2013	35,000.00			35,000.00
			<u>\$ 440,000.00</u>	<u>\$ 100,000.00</u>	<u>\$ 65,000.00</u>	<u>\$ 475,000.00</u>
		<u>Ref.</u>	E			E

BOROUGH OF BERNARDSVILLE  
SEWER UTILITY CAPITAL FUND  
SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE

Ord. No.	Improvement Description	Issue of Original Note	Date of		Interest Rate	Balance Dec. 31, 2013	Issued	Matured	Balance Dec. 31, 2014
			Issue	Maturity					
12-1610	Improvement of the Sanitary Sewerage System	07/31/12	02/20/13	02/20/14	1.00%	\$ 565,000.00		\$ 565,000.00	
			02/19/14	02/19/15	0.44%		\$ 465,000.00		\$ 465,000.00
13-1620	Improvement of the Sanitary Sewerage System	02/20/13	02/20/13	02/20/14	1.00%	665,000.00		665,000.00	
			02/19/14	02/19/15	0.44%		665,000.00		665,000.00
						<u>\$ 1,230,000.00</u>	<u>\$ 1,130,000.00</u>	<u>\$ 1,230,000.00</u>	<u>\$ 1,130,000.00</u>
					<u>Ref.</u>	<u>E</u>			<u>E</u>
				Renewals			\$ 1,130,000.00	\$ 1,130,000.00	
				Paid by Budget Appropriation				100,000.00	
							<u>\$ 1,130,000.00</u>	<u>\$ 1,230,000.00</u>	

BOROUGH OF BERNARDSVILLE  
SEWER UTILITY CAPITAL FUND  
SCHEDULE OF SERIAL BONDS PAYABLE

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding December 31, 2014		Interest Rate	Balance	Matured	Balance
			Date	Amount		Dec. 31, 2013		Dec. 31, 2014
Improvement of Sanitary Sewerage System	2/15/2007	\$ 525,000.00	02/15/15	\$ 40,000.00	3.75%	\$ 360,000.00	\$ 35,000.00	\$ 325,000.00
			02/15/16	40,000.00	3.75%			
			02/15/17	45,000.00	3.75%			
			02/15/18	50,000.00	4.00%			
			02/15/19	50,000.00	4.00%			
			02/15/20	50,000.00	4.00%			
			02/15/21	50,000.00	4.00%			
						<u>\$ 360,000.00</u>	<u>\$ 35,000.00</u>	<u>\$ 325,000.00</u>
					Ref.	E		E

BOROUGH OF BERNARDSVILLE  
SEWER UTILITY CAPITAL FUND  
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED  
YEAR ENDED DECEMBER 31, 2014

NOT APPLICABLE

BOROUGH OF BERNARDSVILLE  
COUNTY OF SOMERSET  
2014  
SWIMMING POOL/ RECREATION UTILITY FUND

BOROUGH OF BERNARDSVILLE  
SWIMMING POOL/RECREATION UTILITY FUND  
SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>	<u>Operating</u>	<u>Capital</u>
Balance December 31, 2013	F	\$ 116,465.10	\$ 56,498.55
Increased by Receipts:			
Recreation Fees		\$ 266,833.91	
Pool Fees		225,741.63	
3% Convenience Fee		6,465.00	
Interest on Investments		199.42	
Borough Share of Management Costs		100,000.00	
Due Swimming Pool/Recreation Utility Capital Fund:			
Interest Income			\$ 42.49
Interfunds Returned- Swimming Pool Capital Fund		44.57	
Interfunds Advanced-Current Fund		3,000.00	
Miscellaneous Revenue Not Anticipated		1,240.38	
		<u>603,524.91</u>	<u>42.49</u>
		719,990.01	56,541.04
Decreased by Disbursements:			
2014 Budget Appropriations		574,316.12	
2013 Appropriation Reserves		14,847.89	
Petty Cash Advance		150.00	
Improvement Authorizations			24,468.64
Refund of Pool Fees		2,748.00	
Refund of Recreation Fees		6,910.55	
Due Swimming Pool Utility Operating Fund:			
Interest on Investments			44.57
Due From Payroll		686.87	
		<u>599,659.43</u>	<u>24,513.21</u>
Balance December 31, 2014	F	<u>\$ 120,330.58</u>	<u>\$ 32,027.83</u>

BOROUGH OF BERNARDSVILLE  
SWIMMING POOL/RECREATION UTILITY CAPITAL FUND  
ANALYSIS OF SWIMMING POOL/ RECREATION UTILITY CAPITAL CASH

	Balance/ (Deficit) Dec. 31, 2013	Receipts Miscellaneous	Disbursements		Transfers		Balance Dec. 31, 2014
			Improvement Authorizations	Miscellaneous	From	To	
Capital Improvement Fund	\$ 53,812.70				\$ 32,000.00		\$ 21,812.70
Due Swimming Pool Utility/ Recreation Operating Fund	4.80	\$ 42.49		\$ 44.57			2.72
Due Open Space Trust Fund	(5,000.00)					\$ 5,000.00	
Ordinance Number	Improvement Authorizations:						
1491	Computer Software	820.01					820.01
1528	Purchase of Computer Hardware	1,511.04					1,511.04
1591	Replacement of a Slide at the Kiwanis/Peters Park Playground	350.00					350.00
1646	Drainage Work at Kiwanis Ballfield	5,000.00			5,000.00		
1647	Sandblasting and Tiling of the Baby Pool		\$ 17,000.00			17,000.00	
1658	Various Equipment		7,468.64			15,000.00	7,531.36
	<u>\$ 56,498.55</u>	<u>\$ 42.49</u>	<u>\$ 24,468.64</u>	<u>\$ 44.57</u>	<u>\$ 37,000.00</u>	<u>\$ 37,000.00</u>	<u>\$ 32,027.83</u>

BOROUGH OF BERNARDSVILLE  
SWIMMING POOL/RECREATION UTILITY CAPITAL FUND  
SCHEDULE OF FIXED CAPITAL

	Balance Dec 31, 2013	Additions by Ordinance	Balance Dec 31, 2014
Various Material For Snack Shed	\$ 3,446.90		\$ 3,446.90
Various Pool Renovations	14,640.00		14,640.00
Various Projects and/or Purchases	30,827.50		30,827.50
Purchase Recreation Equipments	10,000.00		10,000.00
Pool Bathroom Renovations	65,000.00		65,000.00
Various Projects and/or Purchases	24,553.10		24,553.10
Reconstruction of the Upper Polo Grounds and Softball Fields	16,366.32		16,366.32
Purchase of Bleachers for Playing Field	14,891.00		14,891.00
Recreation Shelter at Pool	14,750.00		14,750.00
Repair Pool Filter	60,000.00		60,000.00
Repair Lower Polo Grounds Fields	15,000.00		15,000.00
Baseball Dugouts at Claremont Field	18,000.00		18,000.00
Pool Heater	1,207.00		1,207.00
Pool Slide	39,700.00		39,700.00
Purchase and Installation of Swim Pool Diving Stand	1,750.00		1,750.00
Swimming Pool Improvements	15,000.00		15,000.00
Backstop at Kiwanis Field	4,000.00		4,000.00
Outdoor Furniture	6,750.00		6,750.00
Lightning Protection Systems	6,000.00		6,000.00
General Equipment	10,000.00		10,000.00
Motor and Housing, Main Pump, Copper Piping, and Other Equipment	20,000.00		20,000.00
Drainage Work at Kiwanis Ballfield		\$ 5,000.00	5,000.00
Sandblasting and Tiling of the Baby Pool		17,000.00	17,000.00
	<u>\$ 391,881.82</u>	<u>\$ 22,000.00</u>	<u>\$ 413,881.82</u>

Ref.

F

F



BOROUGH OF BERNARDSVILLE  
SWIMMING POOL/RECREATION UTILITY CAPITAL FUND  
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

<u>Improvement Description</u>	<u>Ordinance No.</u>	<u>Balance Dec. 31, 2013</u>	<u>2014 Authorizations</u>	<u>To Fixed Capital</u>	<u>Balance Dec. 31, 2014</u>
Computer Software	1491	\$ 20,000.00			\$ 20,000.00
Purchase of Computer Hardware	1528	4,093.00			4,093.00
Kiwanis/Peters Park Playground	1591	7,000.00			7,000.00
Drainage Work at Kiwanis Ballfield	1646	5,000.00		\$ 5,000.00	
Sandblasting and Tiling of the Baby Pool	1647		\$ 17,000.00	17,000.00	
Various Equipment	1658		15,000.00		15,000.00
		<u>\$ 36,093.00</u>	<u>\$ 32,000.00</u>	<u>\$ 22,000.00</u>	<u>\$ 46,093.00</u>
	<u>Ref.</u>	F			F

BOROUGH OF BERNARDSVILLE  
SWIMMING POOL/RECREATION UTILITY OPERATING FUND  
SCHEDULE OF 2013 APPROPRIATION RESERVES  
FOR THE YEAR ENDED DECEMBER 31, 2014

		<u>Balance</u> <u>Dec. 31, 2013</u>	<u>Balance After</u> <u>Transfers</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Operating:					
Salaries and Wages:					
Swimming Pool		\$ 1,565.68	\$ 1,565.68		\$ 1,565.68
Recreation		1,199.56	1,199.56	\$ 532.50	667.06
Other Expenses					
Swimming Pool		7,858.82	7,858.82	1,351.04	6,507.78
Recreation		21,368.64	21,368.64	12,864.35	8,504.29
Ballfield/Lawn Repair		5,334.81	5,334.81		5,334.81
Health and Dental Benefits		905.56	905.56		905.56
Statutory Expenditures:					
Contribution to:					
Social Security System		667.06	667.06	100.00	567.06
		<u>\$ 38,900.13</u>	<u>\$ 38,900.13</u>	<u>\$ 14,847.89</u>	<u>\$ 24,052.24</u>
	<u>Ref.</u>				
<u>Balance at December 31, 2013</u>					
Unencumbered	F	\$ 24,219.51			
Encumbered	F	<u>14,680.62</u>			
		<u>\$ 38,900.13</u>			
Cash Disbursed				<u>\$ 14,847.89</u>	

BOROUGH OF BERNARDSVILLE  
SWIMMING POOL/RECREATION UTILITY CAPITAL FUND  
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord Number	Improvement Description	Ordinance		Balance December 31, 2013 Funded	2014 Authorizations		Balance December 31, 2014 Funded
		Date	Amount		Capital Improvement Fund	Paid or Charged	
1491	Computer Software	07/14/08	\$ 20,000.00	\$ 820.01			\$ 820.01
1528	Purchase of Computer Hardware	11/23/09	4,093.00	1,511.04			1,511.04
1591	Replacement of a Slide at the Kiwanis/Peters Park Playground	06/13/11	7,000.00	350.00			350.00
1646	Drainage Work at Kiwanis Ballfield	12/23/13	5,000.00	5,000.00		\$ 5,000.00	
1647	Sandblasting and Tiling of the Baby Pool	02/24/14	17,000.00		\$ 17,000.00	17,000.00	
1658	Various Equipment	04/14/14	15,000.00		15,000.00	7,468.64	7,531.36
				<u>\$ 7,681.05</u>	<u>\$ 32,000.00</u>	<u>\$ 29,468.64</u>	<u>\$ 10,212.41</u>
				Ref.	F		F

Cash Disbursed	\$ 24,468.64
Open Space Trust Expense	5,000.00
	<u>\$ 29,468.64</u>

BOROUGH OF BERNARDSVILLE  
SWIMMING POOL/RECREATION UTILITY CAPITAL FUND  
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance December 31, 2013	F	\$ 53,812.70
Decreased by:		
Appropriated to Finance Improvement Authorizations		<u>32,000.00</u>
Balance December 31, 2014	F	<u><u>\$ 21,812.70</u></u>

BOROUGH OF BERNARDSVILLE  
SWIMMING POOL/RECREATION UTILITY CAPITAL FUND  
SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

Ord. No.	Improvement Description	Ord. Date	Balance Dec. 31, 2013	2014 Authorizations	Transferred to Reserve for Amortization	Balance Dec. 31, 2014
1491	Computer Software	07/14/08	\$ 20,000.00			\$ 20,000.00
1528	Purchase of Computer Hardware	11/23/09	4,093.00			4,093.00
1591	Replacement of a Slide at the Kiwanis/Peters Park Playground	06/13/11	7,000.00			7,000.00
1646	Drainage Work at Kiwanis Ballfield	12/23/13	5,000.00		\$ 5,000.00	
1647	Sandblasting and Tiling of the Baby Pool	02/24/14		\$ 17,000.00	17,000.00	
1658	Various Equipment	04/14/14		15,000.00		15,000.00
			<u>\$ 36,093.00</u>	<u>\$ 32,000.00</u>	<u>\$ 22,000.00</u>	<u>\$ 46,093.00</u>
		<u>Ref.</u>	F			F

BOROUGH OF BERNARDSVILLE  
SWIMMING POOL/RECREATION UTILITY CAPITAL FUND  
SCHEDULE OF RESERVE FOR AMORTIZATION

	<u>Ref.</u>	
Balance December 31, 2013	F	\$ 391,881.82
Increased by:		
Transfer from Deferred Reserve for Amortization		<u>22,000.00</u>
Balance December 31, 2014	F	<u><u>\$ 413,881.82</u></u>

BOROUGH OF BERNARDSVILLE

PART II

SINGLE AUDIT

YEAR ENDED DECEMBER 31, 2014

BOROUGH OF BERNARDSVILLE  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2014

Federal Funding Department/ Pass Thru Department	Federal Program	CFDA #	Pass Through Entity ID	Grant Period		Award Amount	Grant Receipts	Amount of Expenditures	Cumulative Expenditures
				From	To				
U.S. Department of Justice: Office of Justice Program	Bullet Proof Vest Program	16.607	N/A	01/01/12	12/31/14	\$ 3,078.25		\$ 552.63	\$ 3,078.25
				01/01/13	12/31/14	282.00		281.61	281.61
				01/01/14	12/31/15	561.45	\$ 561.45		
							561.45	834.24	3,359.86
U.S. Department of Law and Public Safety (Passed through New Jersey Department of Law and Public Safety)	Drive Sober or Get Pulled over	20.609	1160-116-6120	01/01/14	12/31/14	2,349.36	2,349.36	2,349.36	2,349.36
U.S. Department of Transportation (Passed through New Jersey Department of Transportation)	State Highway Projects	20-205	ADA-4010200849	01/01/14	12/31/14	185,000.00	138,750.00	185,000.00	185,000.00
				01/01/11	12/31/11	150,000.00	37,500.00		150,000.00
				01/01/13	12/31/15	175,000.00	43,750.00		175,000.00
Total Department of Transportation							220,000.00	185,000.00	510,000.00
U.S. Department of Homeland Security: (Passed through New Jersey Office of Homeland Security and Preparedness)	Disaster Grants - Public Assistance - F.E.M.A.	97.036	N/A	01/01/13	12/31/14	214,772.00	214,772.00	214,772.00 *	214,772.00
Total Department of Homeland Security							214,772.00	214,772.00	214,772.00
TOTAL FEDERAL AWARDS							\$ 437,682.81	\$ 402,955.60	\$ 730,481.22

N/A - Not Available/ Applicable

\* Expended in Prior Year

SEE NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS



BOROUGH OF BERNARDSVILLE  
SCHEDULE OF EXPENDITURES OF STATE AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2014

New Jersey Agency or Department	Name of Program	State Grant Award Number	Grant Period		Grant Award	Amount Received	Amount of Expenditures	Cumulative Expenditures
			From	To				
Department of Environmental Protection	Clean Communities Act	765-042-4900- 004-V42Y-6020	01/01/12	12/31/13	\$ 17,262.51			\$ 17,262.51
			01/01/13	12/31/14	35,996.71		\$ 15,700.68	35,996.71
			01/01/14	12/31/15	18,234.34	\$ 18,234.34	447.10	447.10
	Cool Cities Community Stewardship	100-042-4870-079-8120	01/01/07	12/31/14	25,000.00			24,230.77
	Recycling Tonnage Grant	752-042-4900-001-6020	01/01/10	12/31/15	11,549.00		3,616.65	3,616.63
			01/01/15	12/31/15	13,063.30	13,063.30		
	Youth Services- Bedminister	N/A	01/01/14	12/31/15	5,000.00	5,000.00	318.50	318.50
	Youth Services- Bedminister	N/A	01/01/13	12/31/13	5,000.00		1,000.00	5,000.00
	Youth Services- Bedminister	N/A	01/01/12	12/31/12	5,000.00		229.00	5,000.00
	Somerset Hills Board of Education- DARE Program	N/A	01/01/12	12/31/15	5,000.00		2,338.41	4,086.09
			01/01/13	12/31/14	2,500.00			760.29
	Youth Services Competitive Grant	N/A	01/01/13	12/31/14	1,500.00		1,500.00	1,500.00
	Somerset County Youth Services	N/A	01/01/13	12/31/13	5,000.00		3,205.00	5,000.00
			01/01/14	12/31/15	5,000.00	5,000.00	3,253.81	3,253.81
			01/01/15	12/31/15	1,500.00	1,500.00		
Subtotal - Department of Environmental Protection						42,797.64	31,609.13	118,972.35
New Jersey Highlands Council								
	2009 Plan Conformance Grant- Highlands	100-082-2078-032	01/01/09	12/31/15	50,000.00			17,964.80
	Initial Assessment Grant- Highlands	10-032-080-1430	01/01/10	12/31/15	5,000.00			3,561.56
Subtotal - New Jersey Highlands Council								21,526.36
Department of Treasury (Passed through the County of Somerset)	Municipal Alliance Against Substance Abuse	100-082-2000- 995-164	01/01/12	12/31/13	22,071.73		472.47	22,071.73
			01/01/13	12/31/14	23,924.75	19,534.09	3,569.29	23,924.75
			01/01/14	12/31/15	30,324.50	12,204.41	11,234.17	23,781.33
			01/01/14	12/31/15	4,624.49	4,624.49	2,401.19	2,401.19
Municipal Alliance Program- Program Coordinator- Other Municipalities Share							1,938.02	1,233.98
Subtotal - Department of Treasury						36,362.99	19,142.67	51,291.25
Department of Law and Public Safety	Drunk Driving Enforcement Fund	100-078-6400- 260 YYYY	01/01/10	12/31/15	3,085.94		915.00	1,020.24
			01/01/11	12/31/15	2,465.05		317.50	317.50

BOROUGH OF BERNARDSVILLE  
SCHEDULE OF EXPENDITURES OF STATE AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2014

New Jersey Agency or Department	Name of Program	State Grant Award Number	Grant Period		Grant Award	Amount Received	Amount of Expenditures	Cumulative Expenditures
			From	To				
Department of Law and Public Safety (Cont'd)	Body Armor Replacement Fund	718-066-1020 001-YCJS-6120	01/01/13 01/01/15	12/31/14 12/31/15	\$ 2,076.18 2,018.32	\$ 2,018.32	\$ 2,076.18	\$ 2,076.18
	Office of Emergency Management	100-066-1200- 726-YEMR	01/01/13	12/31/15	14,000.00		2,083.90	13,124.57
	OEM-Police Donations		01/01/12	12/31/15	10,000.00		564.00	564.00
	Child Passenger Safety Grant	69-8020-0-7-401	01/01/08	12/31/15	4,790.09			4,290.09
Subtotal - Department of Law and Public Safety						2,018.32	5,956.58	21,594.84
TOTAL STATE AWARDS						\$ 81,178.95	\$ 56,708.38	\$ 213,384.80

N/A - Not Available

BOROUGH OF BERNARDSVILLE  
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
YEAR ENDED DECEMBER 31, 2014

Note A. BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal and state awards (the "Schedules") includes the federal and state grant activity of the Borough of Bernardsville under programs of the federal and state governments for the year ended December 31, 2014. The information in these schedules is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and New Jersey's OMB Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Because the schedules present only a selected portion of the operations of the Borough, they are not intended to and do not present the financial position, changes in fund balance or cash flows of the Borough.

Note B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the accompanying schedules of expenditures of federal and state awards are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governmental Units*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through identifying numbers are presented where available.

Note C. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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



Mount Arlington Corporate Center  
200 Valley Road, Suite 300  
Mt. Arlington, NJ 07856  
973-328-1825 | 973-328-0507 Fax  
Lawrence Business Center  
11 Lawrence Road  
Newton, NJ 07860  
973-383-6699 | 973-383-6555 Fax

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 Borough Council  
Borough of Bernardsville  
Bernardsville, New Jersey

We have audited, 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 (the "Division"), and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements - *regulatory basis* - of the various funds of the Borough of Bernardsville, in the County of Somerset (the "Borough") as of and for the years ended December 31, 2014 and 2013, and the related notes to the financial statements and have issued our report thereon dated June 25, 2015. These financial statements have been prepared in accordance with accounting practices prescribed or permitted by the Division to demonstrate compliance with the Division's regulatory basis of accounting, and the budget laws of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

**Internal Control Over Financial Reporting**

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

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

Our consideration of 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings and Responses as Finding 2014-01, that we consider to be a significant deficiency.

The Honorable Mayor and Members  
of the Borough Council  
Borough of Bernardsville  
Bernardsville, New Jersey

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Borough's financial statements 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*.

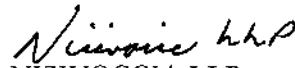
### **The Borough's Response to the Finding**

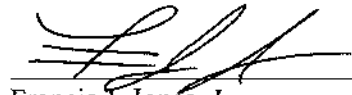
The Borough's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Responses. The Borough's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the Borough'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 Borough's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mount Arlington, New Jersey  
June 25, 2015

  
NISIVOCIA LLP

  
Francis J. Jones, Jr.  
Certified Public Accountant  
Registered Municipal Accountant No. 442

BOROUGH OF BERNARDSVILLE  
SCHEDULE OF FINDINGS AND RESPONSES  
YEAR ENDED DECEMBER 31, 2014

- The Independent Auditors' Report expresses an unmodified opinion on the financial statements of the Borough prepared in accordance with accounting practices prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey to demonstrate compliance with the Division's regulatory basis of accounting and the budget laws of New Jersey.
- A significant deficiency was disclosed during the audit of the financial statements as reported in the *Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*. No material weaknesses are reported.
- No instances of noncompliance material to the financial statements of the Borough which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
- The Borough was not subject to the single audit provisions of Federal OMB Circular A-133 and New Jersey's OMB Circular 04-04 for the year ended December 31, 2014 as both state and federal grant expenditures were less than the single audit thresholds of \$500,000 identified in the Circulars.

Findings Relating to the Financial Statements which are required to be Reported in Accordance with Generally Accepted Government Auditing Standards:

- The audit disclosed the following significant deficiency required to be reported under Generally Accepted Government Auditing Standards:

Finding 2014-1

The Borough does not maintain an adequate segregation of duties with respect to the recording and treasury functions. Segregation of duties refers to separating those functions that place too much control over a transaction or class of transactions that would enable a person to perpetuate errors and prevent detection within a reasonable period of time. The various departments/offices of the Borough are responsible for the issuance of permits and licenses; collection of taxes, utility charges and permit and license fees; preparation of payroll; and recording of collections. This is due, in part, to the limited number of personnel of the Borough and the decentralized nature of governmental collection procedures. Accordingly, management and the Borough Council should be aware of this situation and realize that the concentration of duties and responsibilities in a limited number of individuals is not desirable from a control point of view.

Management's Response

The finding was evaluated, however due to budgetary constraints no resolution can be made at this time. The Borough has made progress in this area and is working to resolve the finding.

Findings and Questioned Costs for Federal Awards:

- Not Applicable – Grant expenditures were below the single audit threshold.

Findings and Questioned Costs for State Awards:

- Not Applicable -- Grant expenditures were below the single audit threshold.

BOROUGH OF BERNARDSVILLE  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
YEAR ENDED DECEMBER 31, 2014

The prior year finding regarding segregation of duties has not been resolved and is included as current year Finding 2014-1.

BOROUGH OF BERNARDSVILLE

PART III

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2014



BOROUGH OF BERNARDSVILLE  
COMMENTS AND RECOMMENDATIONS

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

N.J.S. 40A:11-3 states:

a. " When the cost or price of any contract awarded by the contracting agent in the aggregate does not exceed in a contract year the total sum of \$17,500, the contract may be awarded by a purchasing agent when so authorized by ordinance or resolution, as appropriate to the contracting unit, of the governing body of the contracting unit without public advertising for bids, except that the governing body of any contracting unit may adopt an ordinance or resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations. If the purchasing agent is qualified pursuant to subsection b. of section 9 of P.L. 1971, c.198 (C.40A:11-9), the governing body of the contracting unit may establish that the bid threshold may be up to \$25,000. Such authorization may be granted for each contract or by a general delegation of the power to negotiate and award such contracts pursuant to this section.

b. Any contract made pursuant to this section may be awarded for a period of 24 consecutive months, except that contracts for professional services pursuant to subparagraph (i) of paragraph (a) of subsection (1) of section 5 of P.L. 1971, c.198 (C.40A: 11-5) may be awarded for a period not exceeding 12 consecutive months. The Division of Local Government Services shall adopt and promulgate rules and regulations concerning the methods of accounting for all contracts that do not coincide with the contracting unit's fiscal year.

c. The Governor, in consultation with the Department of the Treasury, shall, no later than March 1 of every fifth year beginning in the fifth year after the year in which P.L.1999, c.440 takes effect, adjust the threshold amount and the higher threshold amount which the governing body is permitted to establish, as set forth in subsection a. of this section, or the threshold amount resulting from any adjustment under this subsection, in direct proportion to the rise or fall of the index rate as that term is defined in section 2 of P.L.1971, c.198 (C.40A:11-2), and shall round the adjustment to the nearest \$1,000. The Governor shall, no later than June 1 of every fifth year, notify each governing body of the adjustment. The adjustment shall become effective on July 1 of the year in which it is made."

N.J.S. 40A: 11-4 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 and subject to subsections b. and c. of this section, 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."

Effective January 1, 2011 and thereafter the bid threshold in accordance with N.J.S.A. 40A:11-3 is \$17,500, and with a qualified purchasing agent the threshold may be up to \$36,000.

The governing body of the Borough of Bernardsville has the responsibility of determining whether the expenditures in any category will exceed the bid threshold within the year and where question arises as to whether any contract or agreement might result in violation of the statute, the Borough Attorney's opinion should be sought before a commitment is made.

The minutes indicated that bids were requested by public advertising per N.J.S. 40A:11-4. The minutes also indicated that resolutions were adopted authorizing the awarding of contracts or agreements for "Professional Services."

BOROUGH OF BERNARDSVILLE  
COMMENTS AND RECOMMENDATIONS  
(Continued)

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

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed. None were noted.

Collection of Interest on Delinquent Taxes, Assessments and Sewer Rents

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

On January 3, 2014, the governing body adopted the following resolution authorizing interest to be charged on delinquent taxes as follows:

"FOR TAXES NOT IN ARREARS, 0% for ten days after the first day of the month on which taxes are due. Taxes not paid during this ten day period shall be deemed to be in arrears as of the said first day of the month.

"FOR TAXES IN ARREARS, 8% per annum on the first \$1,500 of the delinquency, 18% per annum on any amount in excess of \$1,500 BOTH TO BE INCREASED TO THE MAXIMUM ALLOWED BY LAW IN THE EVENT OF AN INCREASE IN THE STATUTORY MINIMUM.

"RESOLVED FURTHER, that pursuant to N.J.S.A. 54:4-67, as amended, a penalty shall be charged to a taxpayer with a delinquency in excess of \$10,000 who fails to pay said delinquency prior to the end of the calendar year. The penalty so charged is hereby fixed at 6% of the amount of the delinquency; and if taxes are fully paid and satisfied for that calendar year by the holder of an outstanding tax sale certificate, the holder shall be entitled to receive the same 6% penalty as part of the amount required to redeem such certificate of sale; and pursuant to N.J.S.A. 54:5-61, as amended, the amount to be charged on account of tax sale certificates shall include the redemption penalties and that a service charge in the amount of \$20 shall be imposed for each check returned for insufficient funds.

On December 12, 1967, the governing body adopted an ordinance authorizing interest to be charged on delinquent sanitary sewer rents, as follows:

"Pursuant to the provisions of N.J.S.A. 40:63-8, the charges set forth herein above shall draw the same interest from the time they become due as taxes upon real estate in the Borough of Bernardsville and shall be a lien upon the premises connected to the sanitary sewers until paid, and the Borough of Bernardsville shall have the same remedies for the collection thereof, with interest, cost and penalties as the Borough of Bernardsville has by law for collection of taxes upon real estate."

It appears from an examination of the Tax Collector's and the Utility Collector's records that interest was collected in accordance with the foregoing resolutions/ordinances.

BOROUGH OF BERNARDSVILLE  
COMMENTS AND RECOMMENDATIONS  
(Continued)

Delinquent Taxes and Tax Title Liens

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

<u>Year</u>	<u>Tax Title Liens</u>
2014	1
2013	1
2012	1

Verification of Delinquent Taxes and Other Charges

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

<u>Type</u>	<u>Number Mailed</u>
Payment of 2014 Taxes	20
Payment of 2015 Taxes	20
Delinquent Taxes	15
Tax Title Liens	1
Payment of 2014 Sewer Utility Charges	20
Delinquent Sewer Utility Charges	15

N.J.A.C. Accounting Requirements

The Division of Local Government Services has established three (3) accounting requirements which are prescribed in the New Jersey Administrative Code. They are as follows:

1. Maintenance of an encumbrance accounting system.
2. Fixed assets accounting and reporting system.
3. General ledger accounting and recording system.

The Borough maintains an encumbrance accounting system, a fixed assets accounting and reporting system and a general ledger accounting system.

Federal and State Grant Fund and General Capital Fund

During our review of the federal and state grant fund and general capital fund grants, we noted several receivables and appropriated reserve balances which have been on the balance sheet for several years. A review of the federal and state grant fund and general capital fund receivables and reserves should be performed to identify those grants which will be collected or expended and which grants should be cancelled. No formal recommendation is judged to be warranted.

**BOROUGH OF BERNARDSVILLE**  
**COMMENTS AND RECOMMENDATIONS**  
(Continued)

**Municipal Court**

The report of the Municipal Court has been forwarded to the Division of Local Government Services and the Borough's Magistrate under separate cover. Reflected below is a summary of receipts and disbursements for the year ended December 31, 2014.

**RECEIPTS AND DISBURSEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014**

	Balance Dec. 31, 2013	Receipts	Disbursements	Balance Dec. 31, 2014
State of New Jersey				
Fines & Costs	\$ 2,346.58	\$ 45,175.31	\$ 44,652.29	\$ 2,869.60
County of Somerset	2,210.00	41,061.00	40,486.00	2,785.00
Municipality	4,215.42	83,116.69	81,314.71	6,017.40
Municipality - POAA	6.00	124.00	114.00	16.00
Weights and Measures		6,050.00	6,050.00	
Conditional Discharge	75.00	837.00	912.00	
Interest	0.91	14.24	14.28	0.87
Public Defender	400.00	2,750.00	3,150.00	
	<u>\$ 9,253.91</u>	<u>\$ 179,128.24</u>	<u>\$ 176,693.28</u>	<u>\$ 11,688.87</u>

During our review of the Municipal Court, we noted that several items on the Tickets Assigned to an Officer but Not Issued Report were still outstanding dating as far back as 2008. We would suggest that any items in excess of 6 months be reviewed for proper disposition. A formal recommendation is judged to be unnecessary at this time.

**Purchase Order Process**

During our review of the purchase orders processed during the year, we noted that due to the small size of the Finance Office staff, it is not always possible for purchase orders to be physically encumbered in the accounting software prior to orders being placed for certain goods or services. However, consideration should be given to maintaining an approval log for these purchase orders or other similar documentation. A formal recommendation is judged to be unnecessary at this time.

**Chapter 159 Submission**

During our review of the Grant Funds and Budget, we noted that the Chapter 159 resolution was not always filed with the State. The administrator is aware of the issue and will be submitting the Chapter 159 resolution in the subsequent year, therefor no recommendation is warranted at this time.

**Authorization/Contract of Vendor**

During 2014 the Borough utilized a vendor called Energy Solve/Avidx Change to outsource their utility bills, and pay this web Enabled Energy service to pay the bills electronically. The Vendor was not approved by resolution during 2014, however the Borough as already taken action on this in and provided a resolution in February authorizing the Administrator to sign an agreement with the company for the New Jersey Tracking and Bill Management System. Therefor no recommendation is deemed necessary.

BOROUGH OF BERNARDSVILLE  
COMMENTS AND RECOMMENDATIONS  
(Continued)

Treasurer's Records

Our review of the Treasurer's records revealed the following:

- 1) Bank reconciliations should be reconciled on a monthly basis.
- 2) Certain receipts were not being entered into the MSI accounting system.

It is recommended that all bank accounts be reconciled on a monthly basis.

It is also recommended that greater care be taken to ensure all moines are being posted into the MSI software system.

Management Response

The Chief Financial Officer and Treasurer will ensure that bank reconciliations are reconciled on a monthly basis. They will also ensure that all receipts are being entered into the MSI software system.

Management Suggestions:

The Borough has a fiduciary responsibility to its employees related to the deferred compensation plans offered by the Borough. The Borough should consider a periodic review of the benefits, features, costs, and performance of its deferred compensation plans and make that information available to employees to assist employees in making suitable choices for investing their retirement funds while fulfilling the Borough's fiduciary responsibilities.

The Borough should consider reviewing the status of "Independent Contractors" utilized by the Borough with Internal Revenue Service guidelines for determination of employment status. The IRS has been reviewing employers, including governments, to determine compliance. A proactive approach may help to minimize or eliminate potential penalties related to incorrect employment status determination.

Status of Prior Year Recommendations

The prior year recommendation about segregation of duties is included in the current year recommendations and is in the process of being implemented, where possible.

BOROUGH OF BERNARDSVILLE  
SUMMARY OF RECOMMENDATIONS

It is recommended that:

1. An adequate segregation of duties be maintained with respect to the payroll, recording and treasury functions in the tax office, court and various departments within the Borough.
2. It is recommended that all bank accounts be reconciled on a monthly basis.
3. It is recommended that greater care be taken to ensure all monies are being posted into MSI software system.

\* \* \* \* \*