

**TOWNSHIP OF TEWKSBURY
COUNTY OF HUNTERDON
STATE OF NEW JERSEY**

**REPORT OF AUDIT
DECEMBER 31, 2015**

TOWNSHIP OF TEWKSBURY

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PART I

REPORT ON EXAMINATION OF FINANCIAL STATEMENTS

DECEMBER 31, 2015

AUDITORS' REPORTS



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INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Township Committee
Township of Tewksbury
169 Old Turnpike Road
County of Hunterdon, Califon, New Jersey 07830

Report on the Financial Statements

We have audited the accompanying financial statements-regulatory basis, which comprise the comparative balance sheets-regulatory basis of the various funds of the Township of Tewksbury, County of Hunterdon, State of New Jersey (the "Township"), as of December 31, 2015 and 2014, and the related comparative statements of operations and changes in fund balance-regulatory basis for the years then ended, and the related statement of revenues-regulatory basis, and statement of expenditures-regulatory basis of the various funds, and the related notes to the financial statements for the year ended December 31, 2015, which collectively comprise the Township's basic financial statements 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 principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

-Continued-

the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

As described in Note 1 to the financial statements, the Township prepares its financial statements in conformity with regulatory basis accounting practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a comprehensive 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 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 Township's policy to prepare its financial statements on the basis of accounting discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2015 and 2014, or the results of its operations and changes in its fund balances for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements-regulatory basis referred to above present fairly, in all material respects, the financial position-regulatory basis of the various funds of the Township, as of December 31, 2015 and 2014, and the results of operations and changes in fund balance-regulatory basis of such funds for the years then ended and the statement of revenues-regulatory basis and statement of expenditures-regulatory basis of the various funds for the years then ended, in conformity with accounting principals and practices as described in Note 1 to the financial statements.

Other Matters

Report on Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township's basic financial statements-regulatory basis. The supplementary information listed in the table of contents is presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and is not a required part of the basic financial statements-regulatory basis.

The supplementary information exhibits are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements-regulatory basis. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements-regulatory basis and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements-regulatory basis, or to the basic financial statements-regulatory basis themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

-Continued-

In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements-regulatory basis taken as a whole, on the basis of accounting described in Note 1 to the financial statements.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 18, 2016, on our consideration of the Township's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control over financial reporting and compliance.

ARDITO & CO., LLP



Frenchtown, New Jersey
March 18, 2016



Certified Public Accountant
Registered Municipal Accountant No.524
ARDITO & CO., LLP
Frenchtown, New Jersey
March 18, 2016

FINANCIAL STATEMENTS

CURRENT FUND
COMPARATIVE BALANCE SHEET

A
Sheet 1

ASSETS	<u>REF.</u>	<u>BALANCE</u> <u>12/31/15</u>	<u>BALANCE</u> <u>12/31/14</u>
Cash And Cash Equivalents:			
Cash - Treasurer	A-4	\$ 5,904,211	\$ 6,373,717
Amount Due from State of New Jersey for Senior Citizens and Veterans Deductions	A-17	<u>5,989</u>	<u>5,989</u>
		<u>5,910,200</u>	<u>6,379,706</u>
Receivables And Other Assets With Full Reserves:			
Delinquent Property Taxes Receivable	A-6	311,228	282,513
Tax Title Liens Receivable	A-7	63,676	61,154
Penalties & Interest on Taxes	A		12,813
Amount Due from Other Agencies	A	17,891	19,267
Amount Due From Dog License Fund	B	2	28
Amount Due From General Capital Fund	C	<u>343</u>	<u>1,737</u>
Subtotal		<u>393,140</u>	<u>377,512</u>
Federal And State Grant Fund:			
Federal/State Grants Receivable	A-18	330	-
Due From Current Fund	A	<u>26,127</u>	<u>22,271</u>
Subtotal		<u>26,457</u>	<u>22,271</u>
TOTAL ASSETS		<u>\$ 6,329,797</u>	<u>\$ 6,779,489</u>

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

CURRENT FUND
COMPARATIVE BALANCE SHEET

A
Sheet 2

LIABILITIES, RESERVES AND FUND BALANCE	<u>REF.</u>	<u>BALANCE</u> <u>12/31/15</u>	<u>BALANCE</u> <u>12/31/14</u>
Liabilities:			
Reserve For Encumbrances	A-10	\$ 184,734	\$ 104,112
Appropriation Reserves	A-3:9	720,332	394,314
Amount Due To Grants Fund	A	26,127	22,271
Taxes Collected In Advance	A-11	243,769	251,002
Tax Overpayments	A-12	-	7,938
County Taxes Payable	A-13	12,905	20,263
Local District School Taxes Payable	A-14	723,755	488,028
Regional School Tax Payable	A-15	897,657	992,560
Due Other Trust - Municipal Open Space Tax Payable	A-16	-	2,263
Reserve for Trees	A-21	33,857	39,817
Due Other Trust - Premium on Tax Sales and Outside Liens	A-22	95,650	225,065
Reserve for Police	A-23	3,921	2,171
Reserve for Various	A-24	4,474	4,474
Reserve for Additional Aid to Fire Companies	A-25	1,517	7
Amount Due to State of New Jersey for Marriage License Fees	A-26	75	75
Amount Due to State of New Jersey for DCA Training	A-27	10,058	6,956
Due Other Trust - Reserve for Snow Storms	A-28	44,757	50,000
Subtotal		<u>3,003,588</u>	<u>2,611,316</u>
Reserve For Receivables And Other Assets	A	393,140	377,512
Fund Balance	A-1	<u>2,906,612</u>	<u>3,768,390</u>
Subtotal		<u>6,303,340</u>	<u>6,757,218</u>
Federal And State Grant Fund:			
Amount Due State of New Jersey	A	1,761	1,761
Reserve For State Grants - Appropriated	A-19	23,437	13,826
Reserve For State Grants - Unappropriated	A-20	<u>1,259</u>	<u>6,684</u>
Subtotal		<u>26,457</u>	<u>22,271</u>
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		<u>\$ 6,329,797</u>	<u>\$ 6,779,489</u>

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

CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND
CHANGE IN FUND BALANCE

A-1

REVENUE AND OTHER INCOME REALIZED	<u>REF.</u>	<u>YEAR</u> <u>2015</u>	<u>YEAR</u> <u>2014</u>
Fund Balance Utilized	A-2	\$ 2,196,795	\$ 2,196,795
Miscellaneous Revenue Anticipated	A-2	2,214,954	2,690,165
Receipts From Delinquent Taxes	A-2	290,492	317,453
Receipts From Current Taxes	A-2	31,659,174	31,297,352
Non-Budget Revenues	A-2	37,635	35,310
Other Credits To Income:			
Unexpended Balance of Appropriation Reserves	A-9	<u>270,358</u>	<u>287,541</u>
TOTAL INCOME		<u><u>36,669,408</u></u>	<u><u>36,824,616</u></u>
EXPENDITURES			
Budget and Emergency Appropriations:			
Operations Within "Caps":			
Salaries and Wages	A-3	2,809,800	2,612,892
Other Expenses	A-3	2,308,354	2,309,072
Deferred Charges and Statutory Expenditures	A-3	571,708	560,444
Operations Excluded from "CAPS":			
Salaries and Wages	A-3	10,000	-
Other Expenses	A-3	271,559	173,344
Capital Improvements	A-3	400,000	400,000
Municipal Debt Service	A-3	1,859,579	2,212,198
Deferred Charges to Future Taxation	A-3	10,000	110,797
County Taxes	A-13	5,962,414	6,031,939
Amount Due County For Added and Omitted Taxes	A-13	12,905	20,263
Local District School Taxes	A-14	12,173,565	11,737,111
Regional School Tax	A-15	8,249,646	8,439,453
Municipal Open Space Tax	A-16	679,109	679,667
Refund of Prior Year Revenue	A-4	<u>15,752</u>	<u>320,521</u>
TOTAL EXPENDITURES		<u><u>35,334,391</u></u>	<u><u>35,607,701</u></u>
Excess (Deficit) Revenue Over Expenditures		1,335,017	1,216,915
 Fund Balance January 1	 A	 <u>3,768,390</u>	 <u>4,748,270</u>
		5,103,407	5,965,185
Decreased by:			
Utilization as Anticipated Revenue	A-1	<u>2,196,795</u>	<u>2,196,795</u>
Fund Balance December 31	A	<u><u>\$ 2,906,612</u></u>	<u><u>\$ 3,768,390</u></u>

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

CURRENT FUND
STATEMENT OF REVENUES

A-2

	REF.	ANTICIPATED		REVENUE	EXCESS OR
		BUDGET	N.J.S. 40A:4-87	RECEIVED	DEFICIT
Surplus Anticipated		\$ 2,196,795		\$ 2,196,795	-
Licenses:					
Alcoholic Beverages - Clerk	A-8	4,000		4,000	
Other - Clerk	A-8	1,300		1,936	\$ (636)
Fees and Permits - Trailer Court Fees	A-8	71,000		58,043	12,957
Fines and Costs:					
Municipal Court	A-8	20,000		24,101	(4,101)
Interest and Costs on Taxes	A-5	75,000		78,690	(3,690)
Interest on Investments	A-8	5,000		12,514	(7,514)
Energy Receipts Tax	A-8	516,103		516,103	
Uniform Construction Code Fees	A-8	260,000		448,372	(188,372)
Clean Communities Program	A-19	22,633	\$ 4,857	27,490	
ANJEC Grant	A-19		400	400	
Body Armor	A-19	1,174		1,174	
Recycling Tonnage Grant	A-19	5,509		5,509	
SIF Control Risk Grant	A-19	2,660		2,660	
Sormwater Management Grant	A-19		3,000	3,000	
Lebanon Township - Interlocal Court	A-8	36,414		27,310	
Califon Borough - Interlocal UCC	A-8	71,112		71,112	-
Hunter's Glen Sewer Utility - Debt Service	A-8	25,300		25,300	-
Open Space Trust Fund Reserve - Debt Service	A-8	675,000		675,000	
Capital Fund Balance	A-8	22,100		22,100	
Reserve Capital Fund - Debt Service	A-8	175,000		175,000	
Lease of Municipal Facilities	A-8	20,000		24,888	(4,888)
Fire Safety Fees	A-8	10,000	-	10,252	(252)
		<u>2,019,305</u>	<u>8,257</u>	<u>2,214,954</u>	<u>(196,496)</u>
Receipts from Delinquent Taxes	A-1	<u>280,000</u>	-	<u>290,492</u>	<u>(10,492)</u>
Amount to be Raised by Taxation	A-6	<u>4,880,550</u>	-	<u>5,656,771</u>	<u>(776,221)</u>
Total General Revenues		<u>9,376,650</u>	<u>8,257</u>	<u>10,359,012</u>	<u>(983,209)</u>
Non-Budget Revenue	A-2			<u>37,635</u>	<u>(37,635)</u>
		<u>\$ 9,376,650</u>	<u>\$ 8,257</u>	<u>\$ 10,396,647</u>	<u>\$ (1,020,844)</u>

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

CURRENT FUND
STATEMENT OF REVENUES

ANALYSIS OF REALIZED REVENUES

REF.

Allocation Of Current Tax Collections:

Revenue from Collections		\$ 31,622,924
State of New Jersey, Senior Citizens and Veterans Deductions		<u>36,250</u>
	A-6	31,659,174

Allocated To:

School, County and Municipal Open Space Taxes	A-6	27,077,639
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Balance for Support of Municipal Budget		4,581,535
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Add (Decreased) by: Appropriation "Reserve For Uncollected Taxes"	A-3	<u>1,075,236</u>
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Amount For Support Of Municipal Budget Appropriations	A-2	<u>\$ 5,656,771</u>
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The accompanying Notes to the Financial Statements are an integral part of this statement.

ANALYSIS OF NON-BUDGET REVENUES

REF

Miscellaneous Revenue Not Anticipated:

Treasurer:

Comcast Franchise		\$ 5,753
Mining License		5,000
Refunding		9,009
Vets/Sr Fee		725
Refunds		2,150
RMP Compliance		10,498
In Lieu Taxes		4,500
Sale of Equipment		0
Miscellaneous		-
	A-4	<u>\$ 37,635</u>

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

CURRENT FUND
STATEMENT OF EXPENDITURES

A-3
Sheet 1

<u>OPERATIONS-Within "CAPS"</u>	<u>APPROPRIATION</u>	<u>EXPENDED</u>	<u>RESERVED</u>	<u>CANCELED</u>
	<u>BUDGET</u>	<u>BUDGET AFTER</u>	<u>PAID OR</u>	
		<u>MODIFICATION</u>	<u>CHARGED</u>	
GENERAL GOVERNMENT FUNCTIONS:				
General Administration:				
Salaries and Wages	\$ 239,800	\$ 239,800	\$ 235,945	\$ 3,855
Other Expenses:				
Lease of Equipment	25,000	25,000	22,149	2,851
Miscellaneous Other Expenses	38,800	37,994	15,697	22,297
Mayor and Council:				
Salaries and Wages	22,800	22,800	21,676	1,124
Other Expenses	13,800	13,800	5,319	8,481
Financial Administration (Treasury):				
Salaries and Wages	154,000	154,000	136,076	17,924
Other Expenses	9,350	9,350	4,042	5,308
Audit Services:				
Other Expenses	19,905	20,711	20,711	-
Computerized Data Services:				
Other Expenses	36,250	36,250	23,842	12,408
Revenue Administration (Tax Collection):				
Salaries and Wages	49,300	49,300	47,977	1,323
Other Expenses	4,875	4,875	4,474	401
Tax Assessment Administration:				
Salaries and Wages	35,600	35,600	34,278	1,322
Other Expenses	4,070	4,070	2,440	1,630
Legal Services (Legal Dept.):				
Other Expenses	75,000	75,000	48,566	26,434
Engineering Services:				
Other Expenses	68,000	68,000	30,431	37,569
LAND USE ADMINISTRATION:				
Planning Board:				
Salaries and Wages:				
Bartles Wastewater	15,600	15,600	12,323	3,277
Salaries and Wages - Other	124,800	124,800	104,672	20,128
Other Expenses:				
Wastewater Management Study	4,000	4,000	-	4,000
Bartles Wastewater	38,650	38,650	36,985	1,665
Special Projects	14,250	14,250	3,066	11,184
Miscellaneous Other Expenses	21,000	21,000	9,745	11,255

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

CURRENT FUND
STATEMENT OF EXPENDITURES

A-3
Sheet 2

<u>OPERATIONS-Within "CAPS"</u>	<u>APPROPRIATION</u>	<u>EXPENDED</u>		
	<u>BUDGET</u>	<u>BUDGET AFTER</u>	<u>PAID OR</u>	<u>RESERVED</u>
		<u>MODIFICATION</u>	<u>CHARGED</u>	<u>CANCELED</u>
CODE ENFORCEMENT AND ADMINISTRATION:				
Uniform Construction Code Enforcement Functions:				
Building Sub Code Officials:				
Salaries and Wages	218,400	218,400	192,119	26,281
Other Expenses	12,450	12,450	5,462	6,988
INSURANCE:				
General Liability Insurance	154,000	153,000	134,495	18,505
Workmens Compensation Insurance	116,000	117,000	116,920	80
Employee Group Insurance	505,000	505,000	481,462	23,538
PUBLIC SAFETY FUNCTIONS:				
Police:				
Salaries and Wages	1,130,000	1,130,000	1,071,041	58,959
Other Expenses:				
Purchase of Police Car	34,600	34,600	34,450	150
PBA Contract Benefits	22,000	22,000	19,006	2,994
Miscellaneous Other Expenses	42,270	42,270	29,290	12,980
Office of Emergency Management:				
Other Expenses	12,000	12,000	11,828	172
Contribution to First Aid Organizations				
Aid to Municipal Fire Companies in Adjoining communities	131,132	131,132	131,132	
Aid to Volunteer Fire Companies:				
Other Expenses - Oldwick Fire Company	10,000	10,000	10,000	
Aid to Volunteer Fire Companies in Adjoining Municipalities	90,000	90,000	90,000	-
Aid to Volunteer Resue and First Aid squad	53,976	53,976	53,976	
Fire Department Office:				
Salaries and Wages	8,500	8,500	7,368	1,132
Other Expenses	2,500	2,500	1,125	1,375
Other Expenses:				
Fire Hydrant Services	20,000	20,000	16,622	3,378
Municipal Prosecutor's Office:				
Salaries and Wages	9,000	9,000	8,679	321

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

CURRENT FUND
STATEMENT OF EXPENDITURES

A-3
Sheet 3

<u>OPERATIONS-Within "CAPS"</u>	<u>APPROPRIATION</u>	<u>EXPENDED</u>	<u>RESERVED</u>	<u>CANCELED</u>
	<u>BUDGET</u>	<u>BUDGET AFTER</u> <u>MODIFICATION</u>	<u>PAID OR</u> <u>CHARGED</u>	
PUBLIC WORKS FUNCTIONS:				
Streets and Road Maintenance:				
Salaries and Wages	761,000	761,000	698,919	62,081
Other Expenses	204,550	204,550	153,672	50,878
Solid Waste Collection(Recycling Program):				
Other Expenses	10,000	10,000	7,495	2,505
Buildings and Grounds:				
Other Expenses	86,050	86,050	51,708	34,342
Vehicle Maintenance (Including Police Vehicles):				
Other Expenses	95,600	95,600	77,941	17,659
HEALTH AND HUMAN SERVICES FUNCTIONS:				
Public Health Services (Board of Health):				
Salaries and Wages	3,000	3,000	1,500	1,500
Other Expenses	2,650	2,650	1,233	1,417
Contribution to Social Services Agencies:				
Senior Citizens Centers	3,200	3,200	2,694	506
PARK AND RECREATION FUNCTIONS:				
Maintenance of Parks:				
Other Expenses:				
Miscellaneous Other Expenses	34,475	34,475	29,625	4,850
OTHER COMMON OPERATING FUNCTIONS:				
(Unclassified):				
Reserve for Sick Leave			-	
Reserve for Snow Removal/Storms	34,600	34,600	34,600	

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

CURRENT FUND
STATEMENT OF EXPENDITURES

A-3
Sheet 4

<u>OPERATIONS-Within "CAPS"</u>	<u>APPROPRIATION</u> <u>BUDGET</u>	<u>BUDGET AFTER</u> <u>MODIFICATION</u>	<u>EXPENDED</u> <u>PAID OR</u> <u>CHARGED</u>	<u>RESERVED</u>	<u>CANCELED</u>
UTILITY EXPENSES AND BULK PURCHASES:					
Electricity	33,000	33,000	22,967	10,033	
Street Lighting	7,000	7,000	6,102	898	
Telephone (excluding equipment acquisition)	37,000	37,000	33,383	3,617	
Gas (natural or propane)	17,000	17,000	11,855	5,145	
Fuel Oil	8,000	8,000	4,421	3,579	
Telecommunications Costs	28,000	28,000	22,841	5,159	
Gasoline	118,000	118,000	50,918	67,082	
MUNICIPAL COURT:					
Municipal Court:					
Salaries and Wages	38,000	38,000	25,773	12,227	
Other Expenses	10,351	10,351	5,748	4,603	
Total Operations - Within "CAPS "	5,118,154	5,118,154	4,478,784	639,370	-
Detail:					
Salaries and Wages	2,809,800	2,809,800	2,598,346	211,454	-
Other Expenses	2,308,354	2,308,354	1,880,438	427,916	-
DEFERRED CHARGES AND STATUTORY EXPENDITURES Within "CAPS":					
Statutory Expenditures :					
Social Security System (O.A.S.I.)	215,000	215,000	198,656	16,344	
Contribution to:					
PERS	137,873	137,873	137,473	400	
PFRS	168,835	168,835	168,835		
Deferred Compensation-Employers' Share	50,000	50,000	39,738	10,262	
Total Deferred Charges and Statutory Expenditures-within "CAPS"	571,708	571,708	544,702	27,006	-
Total General Appropriations for Municipal Purposes Within "CAPS"	5,689,862	5,689,862	5,023,486	666,376	-

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

CURRENT FUND
STATEMENT OF EXPENDITURES

A-3
Sheet 5

	<u>APPROPRIATION</u>		<u>EXPENDED</u>	<u>RESERVED</u>	<u>CANCELED</u>
	<u>BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>PAID OR CHARGED</u>		
OPERATIONS-EXCLUDED from "CAPS"					
Insurance (N.J.S.A. 40A:4-45.3(00)):					
Aid to Library	57,200	57,200	57,200		
Affordable Housing:					
Salaries and Wages	10,000	10,000	-	10,000	
Other Expenses	3,600	3,600	2,000	1,600	
LOSAP	63,000	63,000	63,000	-	
Total Other Operations-Excluded from "CAPS"	133,800	133,800	122,200	11,600	-
Interlocal Municipal Service Agreements Excluded from "CAPS":					
Califon Borough/Ciinton Township Interlocal Agreement	71,112	71,112	50,281	20,831	
Lebanon Court Interlocal Agreement	36,414	36,414	14,889	21,525	
Total Interlocal Municipal Service Agreements	107,526	107,526	65,170	42,356	
Public and Private Programs Offset by Revenues-:					
Excluded from "CAPS"					
Clean Communities Program:					
Other Expenses	22,633	27,490	27,490		
Body Armor Grant:					
Other Expenses	1,174	1,174	1,174		
Stormwater Management Grant:					
Other Expenses	-	3,000	3,000		
ANJEC Grant:					
Other Expenses	-	400	400		
SIF Risk Control Grant:					
Other Expenses	2,660	2,660	2,660		
Recycling Tonnage Grant:					
Other Expenses	5,509	5,509	5,509		
Total Public and Private Programs Offset by Revenues-Excluded from "CAPS"	31,976	40,233	40,233		
Total Operations-Excluded from "CAPS"	273,302	281,559	227,603	53,956	-
Detail:					
Salaries and Wages	10,000	10,000	-	10,000	-
Other Expenses	263,302	271,559	227,603	43,956	-

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

CURRENT FUND
STATEMENT OF EXPENDITURES

A-3
Sheet 6

	<u>BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>EXPENDED PAID OR CHARGED</u>	<u>RESERVED</u>	<u>CANCELED</u>
Capital Improvements-Excluded from "CAPS":					
Capital Improvement Fund	400,000	400,000	400,000		
Total Capital Improvements-Excluded from "CAPS"	400,000	400,000	400,000		
Municipal Debt Service-Excluded from "CAPS":					
Payment of Bond Principal	1,209,000	1,209,000	1,209,000		
Payment of Bond Anticipation Notes and Capital Notes	125,000	125,000	125,000		
Interest on Bonds	566,500	566,500	507,246	\$ 59,254	
Bond Anticipation Note Principal			-		
Interest on Bond Anticipation and Capital Notes	2,450	2,450	2,443		7
Loan Payments for Principal and Interest			-		
NJ Wastewater Treatment Trust	25,300	25,300	15,890		9,410
Total Municipal Debt Service	1,928,250	1,928,250	1,859,579	-	68,671
Deferred Charges-Excluded from "CAPS":					
Pre 2000 Ordinances					
Ordinance # 21-1998	10,000	10,000	10,000		
Total Deferred Charges	10,000	10,000	10,000		
Total General Appropriations for Municipal Purposes Excluded from "CAPS"					
	2,611,552	2,619,809	2,497,182	53,956	68,671
Subtotal General Appropriations	8,301,414	8,309,671	7,520,668	720,332	68,671
Reserve For Uncollected Taxes	1,075,236	1,075,236	1,075,236		
TOTALS	\$ 9,376,650	\$ 9,384,907	\$ 8,595,904	\$ 720,332	\$ 68,671
	<u>REF.</u>			A	A-1
Budget	A-2	\$ 9,376,650			
Appropriation by 40A: 4-87	A-2	8,257			
		\$ 9,384,907			
		<u>REF.</u>			
Reserve for State Grants	A-19	\$ 40,233			
Reserve for Snow Storms	A-28	34,600			
Reserve for Fire Co. Aid	A-25	10,000			
Reserve for Encumbrances	A-10	7,435,835			
Reserve for Uncollected Taxes	A-2	1,075,236			
		\$ 8,595,904			

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

TRUST FUND
COMPARATIVE BALANCE SHEET

B

ASSETS	<u>REF.</u>	<u>BALANCE</u> <u>12/31/15</u>	<u>BALANCE</u> <u>12/31/14</u>
Dog License Fund:			
Cash and Cash Equivalents	B-2	\$ 19,912	\$ 16,547
Total Dog License Fund		<u>19,912</u>	<u>16,547</u>
Other Trust Funds:			
Cash and Cash Equivalents	B-2	1,216,944	1,425,365
Amount Due from Current Fund	B-6	<u>140,407</u>	<u>277,328</u>
Total Other Trust Funds		<u>1,357,351</u>	<u>1,702,693</u>
TOTAL ASSETS		<u>\$1,377,263</u>	<u>\$1,719,240</u>

LIABILITIES, RESERVES AND FUND BALANCE

Dog License Fund:			
Reserve for Dog Fund Expenditures	B-3	\$ 19,909	\$ 16,519
Amount Due State of New Jersey	B-4	1	-
Amount Due Current Fund	B-5	<u>2</u>	<u>28</u>
Total Dog License Fund		<u>19,912</u>	<u>16,547</u>
Other Trust Fund:			
Reserve for Developers Escrow	B-7	186,222	170,256
Reserve for State Unemployment Insurance	B-8	61,999	60,243
Reserve for Whittemore Trust	B-9	50,793	2,318
Reserve for Accumulated Leave	B-10	125,267	150,009
Reserve for Developers Housing	B-11	84,500	15,838
Reserve for Open Space Trust Fund	B-12	707,563	1,028,364
Reserve for Outside Police Duty	B-13	41	41
Reserve for Ruthe Mueller Trust	B-14	559	559
Reserve for Tax Sale Premiums	B-15	95,650	211,350
Reserve for Snow Removal Trust	B-16	44,757	50,000
Reserve for Outside Lien Trust	B-17	<u>-</u>	<u>13,715</u>
Total Other Trust Fund		<u>1,357,351</u>	<u>1,702,693</u>
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		<u>\$1,377,263</u>	<u>\$1,719,240</u>

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

GENERAL CAPITAL FUND
COMPARATIVE BALANCE SHEET

C

ASSETS	<u>REF.</u>	<u>BALANCE</u> <u>12/31/15</u>	<u>BALANCE</u> <u>12/31/14</u>
Cash and Cash Equivalents	C-2	\$ 2,626,917	\$ 612,263
Deferred Charges to Future Taxation:			
Funded	C-4	15,998,508	17,321,508
Unfunded	C-5	<u>4,859,831</u>	<u>550,000</u>
TOTAL ASSETS		<u>\$23,485,256</u>	<u>\$18,483,771</u>

LIABILITIES, RESERVES AND FUND BALANCE

Due Current Fund	C-3	343	1,737
Capital Improvement Fund	C-7	279,344	114,244
Loans Payable - State of New Jersey	C-8	9,508	24,508
Bond Anticipation Notes Payable	C-9	3,361,000	500,000
Serial Bonds Payable	C-11	15,989,000	17,297,000
Encumbrances	C-6	14,042	107,300
Improvement Authorizations:			
Funded	C-10	43,176	52,497
Unfunded	C-10	3,635,996	-
Various Reserves	C-12	152,847	364,385
Fund Balance	C-1	<u>-</u>	<u>22,100</u>
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		<u>\$23,485,256</u>	<u>\$18,483,771</u>

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

GENERAL CAPITAL FUND
SCHEDULE OF FUND BALANCE

C-1

REF.

Balance December 31, 2014

C

\$ 22,100

Decreased by:

Capital Fund Balance Anticipated as Revenue in Current Fund Budget

C-2

\$ 22,100

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

SEWER UTILITY FUND
COMPARATIVE BALANCE SHEET

D

ASSETS	REF.	HUNTERS GLEN	OLDWICK	TOTALS DECEMBER 31,	
				<u>2015</u>	<u>2014</u>
Operating Fund:					
Cash and Cash Equivalents	D-4	\$ 37,825	\$ 53,958	\$ 91,783	\$ 84,650
Receivables with Full Reserves:					
Consumer Accounts Receivable and Liens	D-6	1,396	1,889	3,285	5,552
Amount Due Sewer Capital Fund	D	4	10	14	291
Total Operating Fund		<u>39,225</u>	<u>55,857</u>	<u>95,082</u>	<u>90,493</u>
Capital Fund:					
Cash and Cash Equivalents	D-4	35,104	78,619	113,723	106,000
Fixed Capital	D-8	36,000	931,115	967,115	967,115
Fixed Capital - Authorized and Uncompleted	D-9		20,000	20,000	20,000
Total Capital Fund		<u>71,104</u>	<u>1,029,734</u>	<u>1,100,838</u>	<u>1,093,115</u>
TOTAL ASSETS		<u>\$ 110,329</u>	<u>\$ 1,085,591</u>	<u>\$ 1,195,920</u>	<u>\$ 1,183,608</u>
LIABILITIES, RESERVES AND FUND BALANCE					
Operating Fund:					
Liabilities:					
Appropriation Reserves :					
Encumbered	D-3	\$ 1,994	\$ 2,539	\$ 4,533	\$ 1
Unencumbered	D-3	6,386	9,213	15,599	41,399
Sewer Rent Overpaid	D-5	-	-		137
Sewer Rent Prepaid	D-5	1,726	594	2,320	2,846
Reserve for Receivables	D	1,396	1,889	3,285	5,552
Fund Balance	D-1	<u>27,723</u>	<u>41,622</u>	<u>69,345</u>	<u>40,558</u>
Total Operating Fund		<u>39,225</u>	<u>55,857</u>	<u>95,082</u>	<u>90,493</u>
Capital Fund:					
Amount Due Sewer Operating Fund	D	4	10	14	291
General Electric Loan Payable	D-14		73,546	73,546	89,895
Capital Improvement Fund	D-11	35,100	52,000	87,100	79,100
Improvement Authorization - Funded	D-10		26,609	26,609	26,609
Deferred Reserve for Amortization	D-13		20,000	20,000	20,000
Reserve for Amortization	D-12	<u>36,000</u>	<u>857,569</u>	<u>893,569</u>	<u>877,220</u>
Total Capital Fund		<u>71,104</u>	<u>1,029,734</u>	<u>1,100,838</u>	<u>1,093,115</u>
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		<u>\$ 110,329</u>	<u>\$ 1,085,591</u>	<u>\$ 1,195,920</u>	<u>\$ 1,183,608</u>

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

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

D-1

REVENUE AND OTHER INCOME REALIZED	REF.	HUNTERS GLEN	OLDWICK	TOTALS DECEMBER 31,	
				<u>2015</u>	<u>2014</u>
Operating Surplus	D-2	\$ 8,800	\$ 13,000	\$ 21,800	\$ 33,150
Rents	D-2	73,401	132,694	206,095	212,649
Miscellaneous	D-2		624	624	6,205
Other Credits to Income					
Balance of Reserved Budget	D-7	3,783	26,885	30,668	13,752
Interfund Returned	D-4	-	-	-	2
Total Income		<u>85,984</u>	<u>173,203</u>	<u>259,187</u>	<u>265,758</u>
EXPENDITURES					
Operating	D-3	76,500	111,458	187,958	221,658
Debt Service	D-3	-	20,642	20,642	20,642
Interfund Advanced	D-4	-	-	-	-
Total Expenditures		<u>76,500</u>	<u>132,100</u>	<u>208,600</u>	<u>242,300</u>
Excess (Deficit) Revenue Over Expenditures		9,484	41,103	50,587	23,458
Balance January 1	D	<u>27,039</u>	<u>13,519</u>	<u>40,558</u>	<u>50,250</u>
		36,523	54,622	91,145	73,708
Decreased by:					
Utilized as Anticipated Revenue	D-1	<u>8,800</u>	<u>13,000</u>	<u>21,800</u>	<u>33,150</u>
Balance December 31	D	<u>\$ 27,723</u>	<u>\$ 41,622</u>	<u>\$ 69,345</u>	<u>\$ 40,558</u>

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

SEWER UTILITY FUND
STATEMENT OF REVENUES

D-2

HUNTERS GLEN

	<u>REF.</u>	<u>ANTICIPATED BUDGET</u>	<u>REALIZED</u>	<u>EXCESS OR (DEFICIT)</u>
Operating Surplus	D-1	\$ 8,800	\$ 8,800	
Rents	D-1	67,700	73,110	\$ 5,410
Other Revenue	D-1		291	291
 Total Sewer Utility Revenue		<u>\$ 76,500</u>	<u>\$ 82,201</u>	<u>\$ 5,701</u>
REF.		D-3	D-1	

OLDWICK

	<u>REF.</u>	<u>ANTICIPATED BUDGET</u>	<u>REALIZED</u>	<u>EXCESS OR (DEFICIT)</u>
Operating Surplus	D-1	\$ 13,000	\$ 13,000	
Rents	D-1	119,000	132,694	\$ 13,694
Micellaneous Revenues	D-1	100	624	524
 Total Sewer Utility Revenue		<u>\$ 132,100</u>	<u>\$ 146,318</u>	<u>\$ 14,218</u>
REF.		D-3	D-1	

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

SEWER UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES

D-3

HUNTERS GLEN

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>	
	<u>BUDGET</u>	<u>BUDGET AFTER</u>	<u>PAID OR</u>	<u>RESERVED</u>
		<u>MODIFICATION</u>	<u>CHARGED</u>	
OPERATING:				
Salaries and Wages	\$ 6,000	\$ 6,000	\$ 5,424	\$ 576
Other Expenses	39,750	39,750	33,940	5,810
To Current Fund Antic. Revenues-Debt Service	25,300	25,300	25,300	
DEP Permits	450	450	450	
Capital Improvement Fund	5,000	5,000	5,000	-
Total Sewer Utility Appropriations	\$ 76,500	\$ 76,500	\$ 70,114	\$ 6,386

REF.

D-2

D

	Paid	D-4	\$ 68,120
Charged - Encumbered		D	<u>1,994</u>
			<u>\$ 70,114</u>

OLDWICK

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>	
	<u>BUDGET</u>	<u>BUDGET AFTER</u>	<u>PAID OR</u>	<u>RESERVED</u>
		<u>MODIFICATION</u>	<u>CHARGED</u>	
OPERATING:				
Salaries and Wages	\$ 13,100	\$ 13,100	\$ 12,981	\$ 119
Other Expenses	88,858	88,858	80,704	8,154
Capital Improvement Fund	3,000	3,000	3,000	-
Debt Service - Principal	16,349	16,349	16,349	
Debt Service - Interest	4,293	4,293	4,293	
DEP Permits	6,500	6,500	5,560	940
Total Sewer Utility Appropriations	\$ 132,100	\$ 132,100	\$ 122,887	\$ 9,213

REF.

D-2

D

	Paid	D-4	\$ 120,348
Charged - Encumbered		D	<u>2,539</u>
			<u>\$ 122,887</u>

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

PUBLIC ASSISTANCE FUND
COMPARATIVE BALANCE SHEET

E

ASSETS	<u>REF.</u>	<u>BALANCE</u> <u>12/31/15</u>	<u>BALANCE</u> <u>12/31/14</u>
Cash and Cash Equivalents	E-1	\$ 8,728	\$ 8,715
TOTAL ASSETS		<u>\$ 8,728</u>	<u>\$ 8,715</u>

LIABILITIES AND RESERVES

Reserve for Public Assistance		\$ 8,728	\$ 8,715
TOTAL LIABILITIES AND RESERVES		<u>\$ 8,728</u>	<u>\$ 8,715</u>

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

GENERAL FIXED ASSETS
STATEMENT OF GENERAL FIXED ASSETS
DECEMBER 31, 2015

F

	<u>BALANCE</u> <u>12/31/15</u>	<u>BALANCE</u> <u>12/31/14</u>
General Fixed Assets:		
Land and Buildings	\$ 37,075,102	\$ 37,075,102
Machinery and Equipment	9,893,278	9,719,572
Total General Fixed Assets	<u>\$ 46,968,380</u>	<u>\$ 46,794,674</u>
 Investment In General Fixed Assets	 <u>\$ 46,968,380</u>	 <u>\$ 46,794,674</u>

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

PAYROLL AGENCY FUND
COMPARATIVE BALANCE SHEET

G

ASSETS	<u>BALANCE</u> <u>12/31/15</u>	<u>BALANCE</u> <u>12/31/14</u>
Cash and Cash Equivalents	\$ 5,866	\$ 1,622
TOTAL ASSETS	<u>\$ 5,866</u>	<u>\$ 1,622</u>
 LIABILITIES AND RESERVES 		
Payroll Deductions Payable	\$ 5,866	\$ 1,622
TOTAL LIABILITIES AND RESERVES	<u>\$ 5,866</u>	<u>\$ 1,622</u>

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

NOTES TO FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

GASB Statement No.14 established criteria to be used to determine which component units should be included in the financial statements of the oversight entity. The Division requires the financial statements of the Township to be reported separately.

The financial statements of the Township of Tewksbury include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Township, as The financial statements of the Township do not include the operations of the Board of Education.

B. Description of Funds

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The GASB Codification establishes fund types and account groups to be used by governmental units when reporting financial position and results of operations in accordance with accounting principles generally accepted in the United States of America (GAAP).

The accounting policies of the Township of Tewksbury conform to the accounting principles applicable to municipalities which have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Township of Tewksbury accounts for its financial transactions through the following separate funds, which differ from the fund structure required by GAAP.

Current Fund

Resources and expenditures for governmental operations of a general nature, including State grants for operations.

Trust Funds

Records the receipts, disbursement and custodianship of monies in accordance with the purpose for which each account was established.

General Capital Fund

The receipts and disbursement of funds for the acquisition of general infrastructure and other capital facilities, other than those acquired in the Current Fund. General bonds and notes payable are recorded in this fund offset by deferred charges to future taxation.

Sewer Operating and Capital Fund

Account for the operations and acquisition of capital facilities of the municipality-owned Sewer Utility.

Public Assistance Fund

Receipt and disbursements of funds that provide assistance to certain residents of the Township pursuant to the provisions of Title 44 of New Jersey statutes.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Description of Funds - (Continued)

General Fixed Assets Account Group

To account for all fixed assets of the Township. The Township's infrastructure is not reported in the group.

C. Basis of Accounting

The accounting principles and practices prescribed for municipalities by the State of New Jersey differ in certain respects from generally accepted accounting principles applicable to local government units. The more significant policies in New Jersey follow.

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

Revenues--are recorded as received in cash except for certain amounts which are due from other governmental units. Receipts from State grants are realized as revenue when anticipated in the Township budget. Receivables for property taxes are recorded with offsetting reserves on the balance sheet of the Township's Current Fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due the Township which are susceptible of accrual are also recorded as receivables with offsetting reserves and recorded as revenue when received.

Expenditures--are recorded on the "budgetary" basis of accounting. Generally expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with the Encumbrance Accounting System. Outstanding encumbrances at December 31, are reported as a cash liability in the financial statements and constitute part of the Township's statutory Appropriation Reserve balance. Appropriation reserves covering unexpended appropriation balances are automatically created at December 31st of each year and recorded as liabilities, except for amounts which may be cancelled by the governing body.

Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income. Appropriations for principal payments on outstanding general capital and utility bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis, whereas interest on utility indebtedness is on the accrual basis.

Property Tax Revenue--Real property taxes are assessed locally, based upon the assessed value of the property. The tax bill includes a levy for Municipal, County, Open Space and School purposes. The bills are mailed annually in June for that calendar year's levy. Taxes are payable in four quarterly installments on February 1, May 1, August 1 and November 1.

The amounts of the first and second installments are determined as one quarter of the total tax levied against the property for the preceding year. The installment due the third and fourth quarters is determined by taking the current year levy less the amount previously charged for the first and second installments, with the remainder being divided equally.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Accounting (Continued)

If unpaid on these dates, the amount due becomes delinquent and subject to interest at 8% per annum, or 18% on any delinquency amount in excess of \$1,500. The school levy is turned over to the Board of Education as expenditures are incurred, and the balance, if any, must be transferred as of June 30, of each fiscal year. County taxes are paid to the County by the Township quarterly on February 15, May 15, August 15 and November 15. The Open Space Levy is paid quarterly to the Township's other trust funds on February 15, May 15, August 15 and November 15.

When unpaid taxes or any municipal lien, or part thereof, on real property remains in arrears after the eleventh day of the eleventh month in the year in which they are due, the collector in the municipality shall, subject to provisions of the New Jersey Statutes, enforce the lien by placing the property on a tax sale. Annual in rem tax foreclosure proceedings are instituted to enforce the tax collection or acquisition of title to the property by the Township.

In accordance with the accounting Principles prescribed by the State of New Jersey, current and delinquent taxes are realized as revenue when collected. Since delinquent taxes and liens are fully reserved, no provision has been made to estimate that portion of the taxes receivable and tax title liens that are uncollectible. GAAP required tax revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

Deferred School Taxes--A portion of the school taxes collected at December 31 relating to the period January 1 to June 30 of the subsequent year have been included in fund balance. GAAP requires such revenue to be deferred and recognized in the accounting period when it becomes susceptible to accrual.

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 for all funds are recorded as expenditures at the time individual items are purchased. The cost of inventories are not included on the various balance sheets.

General Fixed Assets--In accordance with Technical Accounting Directive No. 85-2, Accounting for Governmental Fixed Assets, as promulgated by the Division of Local Government Services, which differs in certain respects from generally accepted accounting principles, the municipality develops a fixed asset accounting and reporting system.

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

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Accounting (Continued)

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available except for land which is valued at estimated market value.

No depreciation is to be provided for in the financial statements. Expenditures for construction in progress are recorded in the Capital Funds until such time as the construction is completed and put into operation.

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

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

Budget and Budgetary Procedures--The foundation of the New Jersey local finance system is the annual cash basis budget required under the Local Budget Law (N.J.S.A.40A:4-1, et seq.). Every local unit must adopt a budget in the form required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"). Certain items of revenue and appropriation are regulated by law and the proposed budget must be certified by the Director of the Division ("Director") prior to final adoption. The normal budget calendar begins early in the fiscal year with introduction, public advertisement and after state approval, budget adoption. The cash basis for revenues and budgetary basis for expenditures is the budget basis of accounting.

The Township is not required to adopt budgets for the following funds:

**General Capital Fund
Public Assistance Fund
Trust Fund**

The governing body shall introduce and approve the annual budget not later than February 10, of the fiscal year. The budget shall be adopted not later than March 20, and prior to adoption, must be certified by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The Director of the Division of Local Government Services, with the approval of the Local Finance Board, may extend the introduction and approval and adoption dates of the municipal budget. The budget is prepared by fund, function, activity and line item (salary or other expense) and includes information on the previous year.

The legal level of control for appropriations is exercised at the individual line item level for all operating budgets adopted. Emergency appropriations, those made after the adoption of the budget and determination of the tax rate, may be authorized by the governing body of the municipality. During the last two months of the fiscal year, the governing body may, by a 2/3 vote, amend the budget through line item transfers. Management has no authority to amend the budget without the approval of the Government Body. Expenditures may not legally exceed budgeted appropriations at the line item level.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Accounting (Continued)

Expenditures--Are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with an encumbrance accounting system. Outstanding encumbrances at December 31, are reported as a cash liability in the financial statements. Unexpended or uncommitted appropriations at December 31, are reported as expenditures through the establishment of appropriations reserves unless cancelled by the governing body. GAAP requires expenditures to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, which should be recognized when due.

Tax Appeals and Other Contingent Losses--Losses which arise from tax appeals and other contingent losses are recognized at the time an unfavorable decision is rendered by an administrative or judicial body.

Deferred Charges to Future Taxation Funded and Unfunded--Upon the authorization of capital projects, the Township establishes deferred charges for the costs of the capital projects to be raised by future taxation. Funded deferred charges relate to permanent debt issued, whereas unfunded deferred charges relate to temporary or non-funding of the authorized cost of capital projects. According to N.J.S.A.40A:2-4, the Township may levy taxes on all taxable property within the local unit to repay the debt. Annually, the Township raises the debt requirements for that particular year in the current budget. As the funds are raised by taxation, the deferred charges are reduced.

Comparative Data - Comparative data for the prior year has been presented in the accompanying balance sheets and statements of operations in order to provide an understanding of changes in the municipality's financial position and operations. However, comparative data have not been presented in all statements because their inclusion would make certain statements unduly complex and difficult to understand.

Use of Estimates--The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions. This will affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. Actual results could differ from these estimates.

Departures from Generally Accepted Accounting Principles--The accounting principles and practices followed by the Township differ generally accepted accounting principles applicable to local government units. The more significant differences are as follows:

- Taxes and other receivables are fully reserved.
- Interfund receivables in the Current Fund are fully reserved.
- Unexpended and uncommitted appropriations are reflected as expenditures.
- Overexpended appropriations and emergency appropriations are deferred to the succeeding years' operations.
- Undetermined contributions to state-administered pension plans applicable to the six months ended December 31 are not accrued.
- Estimated losses arising from tax appeals and other contingencies are not recorded when it is probable that a loss has been incurred and the amount of such loss can be reasonably estimated.

It was not practicable to determine the effect of such difference.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Accounting (Continued)

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

Note 2: CASH AND CASH EQUIVALENTS

Deposits:

New Jersey statutes require that municipalities deposit public funds in public depositories located in New Jersey, which are insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories. Municipalities are also permitted to deposit public funds in the State of New Jersey Cash Management Fund.

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

The market value of the collateral must equal at least 5% of the average daily balance of collected public funds on deposit.

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 of New York, the Federal Reserve Bank of Philadelphia, the Federal Home Loan Bank of New York, or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

Pursuant to GASB Statement No. 40, "Deposit and Investment Risk Disclosures" ("GASB 40"), the municipality's accounts are profiled in order to determine exposure, if any, to Custodial Credit Risk (risk that in the event of failure of the counterparty the municipality would not be able to recover the value of its deposits or investment). Deposits are considered to be exposed to Custodial Credit Risk if they are: uncollateralized or collateralized with securities held by the financial institution's trust department or agent but not in the government's name. At December 31, 2015, all of the municipality's deposits were collateralized by securities held in its name and, accordingly, not exposed to custodial credit risk. The municipality does not have a policy for custodial credit risk.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

Note 2: CASH AND CASH EQUIVALENTS (Continued)

As of December 31, 2015, cash and cash equivalents of the municipality consisted of the following:

	<u>Cash and Cash Equivalents</u>	<u>Total</u>
Checking	\$ 9,988,084	\$9,988,084

The carrying amount of the municipality's cash and cash equivalents at December 31, 2015, was \$9,988,084 and the bank balance was \$10,056,374. All bank balances were covered by federal depository insurance and/or covered by a collateral pool maintained by the banks as required by New Jersey statutes. Of these bank balances, \$500,559 was covered by federal depository insurances and \$9,555,815 was covered by collateral pool.

Note 3: LONG-TERM DEBT

	<u>Beginning Balance</u>	<u>Issued</u>	<u>Paid</u>	<u>Ending Balance</u>
Long Term Debt:				
Bonds Payable	\$ 17,297,000	\$ 4,235,000	\$ 5,543,000	\$ 15,989,000
Bond Anticipation Notes	500,000	2,986,000	125,000	3,361,000
Loans Payable-State of New Jersey	24,508		15,000	9,508
Loans Payable-Oldwick Sewer Fund	89,895		16,349	73,546
Compensated absences payable	None			None
Total Long-Term Debt	<u>\$ 17,911,403</u>	<u>7,221,000</u>	<u>\$ 5,699,349</u>	<u>\$ 19,433,054</u>

The Local Bond Law governs the issuance of bonds and notes to finance general municipal expenditures. All bonds issued by the Township are general obligation bonds, backed by the full faith and credit of the Township. Bond anticipation notes, which are issued by temporarily finance capital projects, must be paid off within ten years or retired by issuance of bonds.

The Township debt is summarized as follows:

Summary of Municipal Debt

	YEAR <u>2015</u>	YEAR <u>2014</u>	YEAR <u>2013</u>
Issued			
General:			
Bonds and Notes	\$ 19,359,508	\$ 17,821,508	\$ 20,679,278
Sewer Utility:			
Bonds and Notes	73,546	89,895	105,456
Net Debt Issued	<u>19,433,054</u>	<u>17,911,403</u>	<u>20,784,734</u>

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

Note 3: LONG-TERM DEBT (Continued)

Authorized But Not Issued

General:			
Bonds and Notes	1,498,831	50,000	160,797
Sewer Utility:			
Bonds and Notes	NONE	NONE	NONE
Total Authorized But Not Issued	1,498,831	50,000	160,797
Total Deductions	(226,361)	(417,711)	(410,353)
Net Bonds and Notes Issued			
and Authorized But Not Issued	\$ 20,705,524	\$ 17,543,692	\$ 20,535,178

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 1.280%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
School Debt	\$ 7,134,631	\$ 7,134,631	
Utility Debt	73,546	73,546	-
General Debt	20,858,339	152,815	\$ 20,705,524
	\$ 28,066,516	\$ 7,360,992	\$ 20,705,524

Net Debt \$ 20,705,524 Divided by Equalized Valuation Basis per
N.J.S.A. 40A:2-2 as amended, \$ 1,617,666,356 equals 1.280%

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 56,618,322
Net Debt	20,705,524
Remaining Borrowing Power	\$ 35,912,798

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

Note 3: LONG-TERM DEBT (Continued)

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

Calendar Year	General		Sewer Utility	
	Principal	Interest	Principal	Interest
2016	\$ 1,265,508	\$ 485,257	\$ 17,177	\$ 3,465
2017	1,285,000	437,919	18,046	2,596
2018	1,300,000	393,544	18,960	1,682
2019	1,290,000	351,744	19,363	722
2020	640,000	313,494	-	-
2021-2039	10,218,000	2,728,884	-	-
	<u>\$ 15,998,508</u>	<u>\$ 4,710,842</u>	<u>\$ 73,546</u>	<u>\$ 8,465</u>

General Obligation Bonds and Loans

The Township has outstanding at December 31, 2015, a New Jersey Environmental Infrastructure Trust Loan, dated November 1, 1995, in the amount of \$9,508. This note matured on August 1, 2015, however final payment will be made in 2016. The interest rate on the note is at 2%. Principal on this note is paid on a semiannual basis from the current fund budget of the Township.

Refunding Bonds-Multi-Purposes-dated June 30, 2005, issued in the original amount of \$5,485,000 with interest rates ranging from 3.00% to 5.00% to advance refund \$5,269,000 bonds with interest rates of 5.00%. The net proceeds were used to purchase U.S. government securities, which were deposited in an irrevocable trust to provide debt service payments until the bonds are called. This refunding bond is payable in annual installments ranging from \$25,000 to \$525,000 through August 1, 2019. Interest is calculated at 3.0-5.0% and is included in the semi-annual installments. This method of calculating interest is in conformity with New Jersey Statutes. **The remaining balance as of December 31, 2015, was \$2,055,000.** Outstanding bond principal and interest is paid from the Current Fund of the Township.

General Improvement Bonds-Multi-Purposes-dated January 12, 2006, issued in the original amount of \$1,880,000. **This bond was partially refunded on April 6, 2015 with a remaining balance as of December 31, 2015, of \$161,000.** This amount is payable on January 1, 2016. Interest is calculated at 3.60%, and is included in the semi-annual installments. This method of calculating interest is in conformity with New Jersey Statutes. Outstanding bond principal and interest is paid from the Current Fund of the Township.

Open Space Bonds-dated January 12, 2006, issued in the original amount of \$6,396,000. **This bond was partially refunded on April 6, 2015 with a remaining balance as of December 31, 2015, of \$305,000.** This amount is payable on January 1, 2016. Interest is calculated at 3.60%, and is included in the semi-annual installments. This method of calculating interest is in conformity with New Jersey Statutes. Outstanding bond principal and interest is paid from the Current Fund of the Township.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

Note 3: LONG-TERM DEBT (Continued)

General Obligation Bonds and Loans - (Continued)

General Obligation Bonds-dated June 19, 2012, issued in the original amount of \$9,998,000. This bond is payable in annual installments ranging from \$250,000 to \$498,000 through February 15, 2039. Interest is calculated ranging from 2.0% to 3.125%, and is included in the semi-annual installments. This method of calculating interest is in conformity with New Jersey Statutes. **The remaining balance as of December 31, 2015, was \$9,233,000.** Outstanding bond principal and interest is paid from the Current Fund of the Township.

Refunding Bonds - Multi Purpose-dated April 6, 2015, issued in the original amount of \$525,000 used to advance refund series 2006 general improvement bonds in the amount of \$523,000. The net proceeds were used to purchase U.S. government securities, which were deposited in an irrevocable trust to provide debt service payments along with investment earnings until the 2006 bonds are matured or called. The refunding bond is payable in annual installments ranging from \$170,000 to \$180,000 through January 1, 2019. Interest is calculated at 3% and is included in the semi-annual installments. This method of calculating interest is in conformity with New Jersey Statutes. **The remaining balance as of December 31, 2015, was \$525,000.** Outstanding bond principal and interest is paid from the Current Fund of the Township.

Refunding Bonds - Open Space-dated April 6, 2015, issued in the original amount of \$3,710,000 used to advance refund series 2006 open space bonds in the amount of \$3,811,000. The net proceeds were used to purchase U.S. government securities, which were deposited in an irrevocable trust to provide debt service payments along with investment earnings until the 2006 bonds are matured or called. The refunding bond is payable in annual installments ranging from \$320,000 to \$410,000 through January 1, 2026. Interest is calculated ranging from 3% to 4% and is included in the semi-annual installments. This method of calculating interest is in conformity with New Jersey Statutes. **The remaining balance as of December 31, 2015, was \$3,710,000.** Outstanding bond principal and interest is paid from the Current Fund of the Township.

The Township has outstanding at December 31, 2015, a loan from Farmer's Home Administration for sewer line improvements in the amount of \$73,546. This note was originally issued December 1979 in the amount of \$355,500. This note matures on December 1, 2019. The interest rate on the note is at 5%. Principal on this note is paid on a semiannual basis from the sewer utility fund budget of the Township.

Bond Anticipation Notes

The Township has outstanding at December 31, 2015, bond anticipation notes in the amount of \$375,000 payable to Peapack-Gladstone Bank.. These notes mature on June 3, 2016. The interest rate on the notes are 0.64%. Principal and interest on this note is paid from the current fund.

The Township has outstanding at December 31, 2015, bond anticipation notes in the amount of \$2,986,000 payable to Peapack-Gladstone Bank.. These notes mature on June 3, 2016. The interest rate on the notes are 0.64%. Principal and interest on this note is paid from the current fund.

	Debt <u>Outstanding</u>
Total General Capital Bonds, Loans and Notes Above	\$ 19,359,508
Total Sewer Utility Bonds, Loans and Notes Above	<u>73,546</u>
Total Debt Issued and Outstanding	<u>\$ 19,433,054</u>

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

Note 4: GENERAL FIXED ASSETS

The following is a summary of changes in the general fixed assets:

	Balance <u>1/1/15</u>	<u>Additions</u>	Adjustments/ <u>Deletions</u>	Balance <u>12/31/15</u>
Land and Buildings	\$ 37,075,102	-		\$ 37,075,102
Machinery and Equipment	9,719,572	\$ 173,706	-	9,893,278
	<u>\$ 46,794,674</u>	<u>\$ 173,706</u>	-	<u>\$ 46,968,380</u>

Note 5: FUND BALANCES APPROPRIATED

Fund Balances at December 31, 2015, which were appropriated and included as anticipated revenue in their own respective funds for the year ending December 31, 2016, were as follows:

Current Fund	\$2,196,795	(Introduced Budget)
Sewer Utility Fund	\$4,000	(Introduced Budget)

Note 6: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. The Township elected to fund various capital ordinances over a five year period through the municipal operating budget. At December 31, 2015, the Township recorded the following deferred charges which are included in the following budgets:

	Balance <u>12/31/15</u>	Raised as 2016 Budget <u>Appropriation</u>	Balance to Succeeding <u>Budgets</u>
Capital Fund:			
Debt Authorized to be Raised as Budgeted Appropriations	\$ 40,000	\$ 10,000	\$ 30,000
	<u>\$ 40,000</u>	<u>\$ 10,000</u>	<u>\$ 30,000</u>

The appropriations in the 2016 Budget are not less than that required by statute.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

Note 7: SCHOOL TAXES

Local District Tax has been raised and liabilities deferred by statute (under provisions of C.63, P.L.1991, as amended), resulting in the school taxes payable set forth in the Current Fund liabilities as follows:

	TOTAL DEFERRED TAX <u>12/31/15</u>	LOCAL DISTRICT SCHOOL TAX BALANCE <u>12/31/15</u>	BALANCE <u>12/31/14</u>	TOTAL DEFERRED TAX <u>12/31/14</u>	REGIONAL HIGH SCHOOL TAX BALANCE <u>12/31/15</u>	BALANCE <u>12/31/14</u>
Balance of Tax		\$ 6,243,759	\$ 6,008,032		\$ 4,124,823	\$ 4,219,726
Deferred		<u>5,520,004</u>	<u>5,520,004</u>		<u>3,227,166</u>	<u>3,227,166</u>
Tax Payable		<u>\$ 723,755</u>	<u>\$ 488,028</u>		<u>\$ 897,657</u>	<u>\$ 992,560</u>
Tax Deferred	<u>\$ 8,747,170</u>			<u>\$ 8,747,170</u>		

Note 8: PENSION PLANS

Description of Plans - All required employees of the municipality are covered by either the Public Employees' Retirement System (PERS), the Police and Fireman's Retirement System (PFRS), or the Defined Contribution Retirement Plan (DCRP) which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System. These reports may be obtained by writing to the Division of Pension and Benefits, PO Box 295, Trenton, New Jersey, 08625 or on the internet at <http://www.state.nj.us/treasury/pensions/annrpts.shtml>.

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

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

The following represents the membership tiers for PERS:

Tier Definition

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

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

Note 8: PENSION PLANS - (Continued)

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

The PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

Contribution Requirements - The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 (PERS) requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. PERS provides for employee contributions of 6.5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in the PERS. The current PERS rate is 6.5% of covered payroll.

Summary of Significant Accounting Policies - New Jersey's municipalities and counties do not follow GAAP accounting principles and, as such, do not follow GASB requirements with respect to recording the net pension liability or related deferred outflows or inflows of resources on their balance sheets, or related plan pension expense. However, N.J.A.C. 5:30-6.1(c)(2) requires municipalities and counties to disclose GASB 68 information in the Notes to the Financial Statements. Accordingly, the municipality's portion of the net pension liability, related outflows and inflows of resources, and pension expense are for disclosure purposes only and do not effect the municipality's regulatory basis fund balance, statement of revenues and expenditures, or operations. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense as required by GASB No. 68, information about the fiduciary net position of the PERS and additions to/deductions from PERS fiduciary net position have been determined on the same basis as they are reported by PERS.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2015, the municipality disclosed a liability of \$3,834,435 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2013, which was rolled forward to June 30, 2014. The total pension liability for the June 30, 2013 measurement date was determined by an actuarial valuation as of July 1, 2013. The municipality's proportion of the net pension liability is based on the ratio of the contributions as an individual employer to total contributions to the PERS during the years ended June 30, 2014 and 2013. At June 30, 2014, the municipality's proportion was 0.02048% which was a decrease of 0.00076% from its proportion measured as of June 30, 2013.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

Note 8: PENSION PLANS (Continued)

For the State fiscal year ended June 30, 2015, the municipality's portion of the plan's pension expense was \$177,469. At June 30, 2015, deferred outflows of resources and deferred inflows of resources for PERS relating to the municipality's proportionate share are from the following sources:

	<u>Deferred</u> <u>Outflows of</u> <u>Resources</u>	<u>Deferred</u> <u>Inflows of</u> <u>Resources</u>
Differences between expected and actual experience	-	-
Changes of assumptions	\$ 120,575	
Net difference between projected and actual earnings on pension plan investments		\$ 228,511
Changes in proportion and differences between municipality contributions and proportionate share of contributions		123,493
municipality contributions subsequent to the measurement date		137,873
Total	\$ 258,448	\$ 352,004

\$137,873 disclosed as deferred outflows of resources related to pensions resulting from municipality contributions subsequent to the measurement date (i.e. Contributions for calendar year 2015 were made after the the plan measurement date of June 30, 2014) will be shown as a reduction of the net pension liability measured as of June 30, 2015. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense of the plan as follows:

	<u>Year Ended June 30:</u>	
	2015	(\$74,966)
	2016	(\$74,966)
	2017	(\$74,966)
	2018	(\$74,966)
	2019	\$47,524
	Thereafter	<u>\$20,910</u>
	Total	<u>(\$231,429)</u>
	<u>6/30/2013</u>	<u>6/30/2014</u>
Collective deferred outflows of resources	-	\$952,194,675
Collective deferred inflows of resources	-	1,479,224,662
Collective net pension liability (Non State - Local Group)	\$19,111,986,911	\$18,722,735,003
municipality's proportionate share of net pension liability	\$4,060,348	\$3,834,435
municipality's proportion %	0.02124503%	0.02048010%

Actuarial assumptions . The total pension liability in the July 1, 2013 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	Inflation:	3.01%
	<u>Salary Increases:</u>	
	2012-2021	2.15%-4.40% based on age
	Therafter	3.15%-5.40% based on age
	Investment Rate of Return:	7.90%

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

Note 8: PENSION PLANS (Continued)

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for females) with adjustments for mortality improvements from the base year of 2012 Based on Projection Scale AA.

The actuarial assumptions used in the July 1, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2014 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.80%
Core Bonds	1.00%	2.49%
Intermediate-Term Bonds	11.20%	2.26%
Mortgages	2.50%	2.17%
High Yield Bonds	5.50%	4.82%
Inflation-Indexed Bonds	2.50%	3.51%
Broad US Equities	25.90%	8.22%
Developed Foreign Equities	12.70%	8.12%
Emerging Market Equities	6.50%	9.91%
Private Equity	8.25%	13.02%
Return	12.25%	4.92%
Real Estate (Property)	3.20%	5.80%
Commodities	2.50%	5.35%

Discount rate. The discount rate used to measure the total pension liability was 5.39% and 5.55% as of June 30, 2014 and 2013, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 4.29% and 4.63% as of June 30, 2014 and 2013, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of recommended contributions.

Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

Note 8: PENSION PLANS (Continued)

Sensitivity of the municipality's proportionate share of the net pension liability to changes in the discount rate. The following presents the municipality's proportionate share of the net pension liability measured as of June 30, 2014, calculated using the discount rate of 5.39%, as well as what the municipality's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.39%) or 1-percentage-point higher (6.39%) than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
	<u>(4.39%)</u>	<u>(5.39%)</u>	<u>(6.39%)</u>
municipality's proportionate share of the net pension liability	\$ 4,823,850	\$3,834,435	\$ 3,003,578

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Divisions of Pensions and Benefits financial report at <http://www.nj.gov/treasury/pensions/financial-rprts-home.shtml>.

Police and Fireman's Retirement System (PFRS) - The Police and Fireman's Retirement System (PFRS) was established as of January 1, 1944, under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Police and Fireman's Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district, or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state or local jurisdiction.

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

The following represents the membership tiers for PFRS:

Tier Definition

- 1 Members who were enrolled prior to May 22, 2010
- 2 Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
- 3 Members who were eligible to enroll on or after June 28, 2011

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

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

Note 8: PENSION PLANS (Continued)

Contribution Requirements - The contribution policy for PFRS is set by N.J.S.A 43:16A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's contribution amount is based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. For fiscal year 2014 and 2013, the State contributed an amount less than the actuarially determined amount.

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

Summary of Significant Accounting Policies - New Jersey's municipalities and counties do not follow GAAP accounting principles and, as such, do not follow GASB requirements with respect to recording the net pension liability or related deferred outflows or inflows of resources on their balance sheets, or related plan pension expense. However, N.J.A.C. 5:30-6.1(c)(2) requires municipalities and counties to disclose GASB 68 information in the Notes to the Financial Statements. Accordingly, the municipality's portion of the net pension liability, related outflows and inflows of resources, and pension expense are for disclosure purposes only and do not effect the municipality's regulatory basis fund balance, statement of revenues and expenditures, or operations. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense as required by GASB No. 68, information about the fiduciary net position of the PERS and additions to/deductions from PERS fiduciary net position have been determined on the same basis as they are reported by PERS.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2015, the municipality disclosed a liability of \$2,258,019 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2013, which was rolled forward to June 30, 2014. The total pension liability for the June 30, 2013 measurement date was determined by an actuarial valuation as of July 1, 2013. The municipality's proportion of the net pension liability is based on the ratio of the contributions as an individual employer to total of non-special funding contributions to the PFRS during the years ended June 30, 2014 and 2013. At June 30, 2014, the municipality's proportion was 0.01795% which was a decrease of 0.00257% from its proportion measured as of June 30, 2013.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

Note 8: PENSION PLANS (Continued)

For the State fiscal year ended June 30, 2015, the municipality's portion of the plan's pension expense was \$108,565. At June 30, 2015, deferred outflows of resources and deferred inflows of resources for PFRS relating to the municipality's proportionate share are from the following sources:

	<u>Deferred</u> <u>Outflows of</u> <u>Resources</u>	<u>Deferred</u> <u>Inflows of</u> <u>Resources</u>
Differences between expected and actual experience	-	-
Changes of assumptions	\$ 84,774	
Net difference between projected and actual earnings on pension plan investments		\$ 230,423
Changes in proportion and differences between municipality contributions and proportionate share of contributions	-	286,441
municipality contributions subsequent to the measurement date	168,835	
Total	\$ 253,609	\$ 516,864

\$168,835 disclosed as deferred outflows of resources related to pensions resulting from municipality contributions subsequent to the measurement date (i.e. Contributions for calendar year 2015 were made after the the plan measurement date of June 30, 2014) will be shown as a reduction of the net pension liability measured as of June 30, 2015. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense of the plan as follows:

	<u>Year Ended June 30:</u>	
	2015	(\$122,251)
	2016	(\$122,251)
	2017	(\$122,251)
	2018	(\$122,251)
	2019	\$48,645
	Thereafter	<u>\$8,270</u>
	Total	<u>(\$432,090)</u>
	<u>6/30/2013</u>	<u>6/30/2014</u>
Collective deferred outflows of resources (Non-Special Funding Situations)	-	\$750,532,959
Collective deferred inflows of resources (Non-Special Funding Situations)	-	1,561,923,934
Collective net pension liability (Non-Special Funding Situations)	\$13,294,097,604	\$12,579,072,492
Municipality's proportionate share of net pension liability (Non-Special Funding Situations)	\$2,728,216	\$2,258,019
Municipality's proportion %	0.02052201%	0.01795060%

Actuarial assumptions . The total pension liability in the July 1, 2013 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

Note 8: PENSION PLANS (Continued)

Inflation:	3.01%
<u>Salary Increases:</u>	
2012-2021	3.95%-8.62% based on age
Therafter	4.95%-9.62% based on age
Investment Rate of Return:	7.90%

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for females) with adjustments for mortality improvements from the base year of 2011 Based on Projection Scale AA.

The actuarial assumptions used in the July 1, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2007 to June 30, 2010.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2014 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.80%
Core Bonds	1.00%	2.49%
Intermediate-Term Bonds	11.20%	2.26%
Mortgages	2.50%	2.17%
High Yield Bonds	5.50%	4.82%
Inflation-Indexed Bonds	2.50%	3.51%
Broad US Equities	25.90%	8.22%
Developed Foreign Equities	12.70%	8.12%
Emerging Market Equities	6.50%	9.91%
Private Equity	8.25%	13.02%
Hedge Funds / Absolute Return	12.25%	4.92%
Real Estate (Property)	3.20%	5.80%
Commodities	2.50%	5.35%

Discount rate. The discount rate used to measure the total pension liability was 6.32% and 6.45% as of June 30, 2014 and 2013, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 4.29% and 4.63% as of June 30, 2014 and 2013, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made based on the average of the last five years of contributions made in relation to the last five years of actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2045. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2045, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pe

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

Note 8: PENSION PLANS (Continued)

Sensitivity of the municipality's proportionate share of the net pension liability to changes in the discount rate. The following presents the collective net pension liability of the municipality as of June 30, 2014, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1- percentage-point higher than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
	<u>(5.32%)</u>	<u>(6.32%)</u>	<u>(7.32%)</u>
Municipality's proportionate share of the net pension liability	\$ 3,042,971	\$2,258,019	\$ 1,609,275

PFRS Special Funding Situation - Under N.J.S.A. 43:16A-15, the municipality is responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. The legislation which legally obligates the State is as follows: Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed on behalf of the municipality to the PFRS under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. The portion of the nonemployer contributing entities' total proportionate share of the collective net pension liability and collective pension expense that is associated with the municipality is as follows:

	<u>6/30/2013</u>	<u>6/30/2014</u>
Collective net pension liability of the Nonemployer (State of New Jersey) - Special Funding Situation	\$1,239,171,400	\$1,354,554,686
State's portion of the net pension liability that was associated with the municipality - Special Funding Situation	\$254,303	\$243,151
State's portion of the net pension liability that was associated with the municipality as a percentage of the collective net pension liability - Special Funding Situation	0.020522%	0.017951%
Collective pension expense of the Nonemployer-(State of New Jersey) - Special Funding Situation	-	\$171,628,286
State's portion of the pension expense that was associated with the municipality - Special Funding Situation	-	\$30,808

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Divisions of Pensions and Benefits financial report at <http://www.nj.gov/treasury/pensions/financial-rprts-home.shtml>.

Defined Contribution Retirement Plan (DCRP) - The Defined Contribution Retirement Program (DCRP) was established as of July 1, 2007 under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et seq.). The DCRP is a cost-sharing multiple-employer defined contribution pension fund. The DCRP provides eligible members, and their beneficiaries with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by N. J.S.A. 43:15C-1 et. seq.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

Note 8: PENSION PLANS (Continued)

The contribution requirements of plan members are determined by state statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. The State Treasurer has the right under current law to make temporary reductions in member rates based on the existence of surplus plan assets in the retirement system; however statute also requires the return to the normal rate when such surplus pension assets no longer exist.

Significant Legislation - Chapter 78, P.L. 2011, effective June 28, 2011 made various changes to the manner in which the Public Employees' Retirement System (PERS) and the Police and Firemen's Retirement System (PFRS) operate and to the benefit provisions of those systems.

Chapter 78's provisions impacting employee pension and health benefits include:

- New members of the PERS hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of ¼ of 1% for each month that the member is under age 65. □ The eligibility age to qualify for a service retirement in the PERS is increased from age 63 to 65 for Tier 5 members. □ The annual benefit under special retirement for new PFRS members enrolled after June 28, 2011 (Tier 3 members), will be 60% instead of 65% of the member's final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years. □ Increases in active member contribution rates. PERS active member rates increase from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years; PFRS active member rate increase from 8.5% to 10%. For fiscal year 2012, the member contribution rates increased in October 2011. The phase-in of the additional incremental member contribution rates for PES members will take place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law. □ New employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to Chapter 78's effective date with a minimum contribution required to be at least 1.5% of salary. □ In addition, this new legislation changes the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay).

Three-Year Trend Information for PERS and PFRS

Year	Annual Pension Contribution	Percentage Contribution Paid
2015	\$306,708	100%
2014	\$341,807	100%
2013	\$339,005	100%

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

Note 9: POST-RETIREMENT BENEFITS

P.L. 1987, c. 384 and P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those state employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired state employees and retired educational employees. As of June 30, 2014, there were 103,432 retirees receiving post-retirement medical benefits, and the State contributed \$1.04 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c.126, which provides employer paid health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$165.8 million toward Chapter 126 benefits for 18,122 eligible retired members in Fiscal Year 2014.

GASB Statement #45 requires certain disclosures relating to governmental entities obligations for other post-employment benefits (OPEB), which are post-employment benefits other than pensions. The Municipality does not provide post-employment benefits other than pension.

Note 10: ACCRUED SICK AND VACATION BENEFITS

As discussed in Note 1 and in accordance with accounting principles prescribed by the State of New Jersey, the cash basis of accounting is followed for recording the liability related to unused sick pay.

The Township has permitted employees to accrue unused vacation and sick pay, which may be taken as time off or paid at a later date at an agreed upon amount as determined by the Township Committee. At the time of audit the cost of such unpaid compensation totaled \$125,267. Such compensation would be included in the Township's budget operating expenditures in the year it is used.

Note 11: CONTINGENT LIABILITIES

GRANT PROGRAMS

The Township participated in a number of state assisted grant programs administered at the state level. These programs, exclusive of the single audit concept, can be subject to program compliance audits by the grantors or their representatives. Accordingly, the Township's compliance with certain applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the Township expects such amounts, if any, to be immaterial.

LITIGATION

The Township is involved with various litigation matters. We are advised by Township Counsel, that the Township is not involved in any current litigation that would have a material impact on the Financial Statements.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

Note 12: INTERFUND BALANCES

<u>FUND</u>	<u>DUE FROM OTHER FUNDS</u>	<u>DUE TO OTHER FUNDS</u>
Current Fund	\$ 345	\$ 166,534
Federal/State Grants Fund	26,127	-
General Capital Fund	-	343
Other Trust Funds	140,407	2
	<u>\$ 166,879</u>	<u>\$ 166,879</u>

Note 13: RISK FINANCING

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage. There were no significant reductions in insurance coverage from coverage in the prior year.

PART II
SUPPLEMENTARY INFORMATION
CURRENT FUND SCHEDULES

CURRENT FUND/FEDERAL AND STATE GRANT FUND
SCHEDULE OF CASH -TREASURER

A-4

	<u>REF.</u>	<u>CURRENT FUND</u>
Balance December 31, 2014	A	\$ 6,373,717
Increased by Receipts:		
Amount Due Other Agencies	A	\$ 1,376
Miscellaneous Revenue Not Anticipated	A-2	37,635
Collector	A-5	32,289,270
Revenue Accounts Receivable	A-8	2,096,031
Senior Citizens/Veterans Deductions	A-17	36,250
Federal/State Grant Funds	A-18	28,363
Federal/State Grant Funds	A-20	1,258
Reserve for Police	A-23	1,750
Marriage License Fees	A-26	550
DCA Fees	A-27	<u>24,839</u>
		<u>34,517,322</u>
		40,891,039
Decreased by Disbursements:		
Refund Prior Year Revenue	A-1	15,752
2014 Appropriation Reserves	A-9	220,177
Reserve for Encumbrances	A-10	7,255,512
Tax Overpayments Refunded	A-12	16,400
County Taxes	A-13	5,982,677
Local District School Tax	A-14	11,937,838
Regional District School Tax	A-15	8,344,549
Municipal Open Space Tax to Trust Fund	A-16	681,372
Federal/State Grant Funds	A-19	30,622
Reserve for Trees	A-21	5,960
Reserve for Liens and Tax Sale Premium Payments	A-22	425,349
Reserve for Additional Aid to Fire Companies	A-25	8,490
Marriage License Fees	A-26	550
DCA Fees	A-27	21,737
Reserve for Snow Removal Trust	A-28	<u>39,843</u>
		<u>34,986,828</u>
Balance December 31, 2015	A	<u>\$ 5,904,211</u>

CURRENT FUND
SCHEDULE OF CASH - COLLECTOR

A-5

REF.

Received:

Interest and Costs on Taxes	A-2	\$ 78,690	
Taxes Receivable	A-6	31,657,760	
2016 Prepaid Taxes	A-11	243,769	
Tax Overpayments	A-12	13,117	
Outside Liens	A-22	125,734	
Reserve for Tax Sale Premiums	A-22	<u>170,200</u>	<u>\$ 32,289,270</u>

Decreased by Disbursements:

Payments to Treasurer	A-4		<u>\$ 32,289,270</u>
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CURRENT FUND
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF TAX LEVY

A-6

<u>YEAR</u>	<u>BALANCE</u>	<u>ADDED</u>	<u>2015</u>	<u>CASH COLLECTIONS</u>		<u>TRANSFERRED</u>	<u>OVERPAID</u>	<u>CANCELLED</u>	<u>BALANCE</u>
	<u>12/31/14</u>	<u>TAXES</u>	<u>LEVY</u>	<u>2014</u>	<u>2015</u>	<u>TO TAX</u>	<u>APPLIED</u>		<u>12/31/15</u>
2005	\$ 771							\$ 771	-
2006	52							52	-
2008	46							46	-
2012	421							421	-
2014	281,223	\$ 13,544			\$ 290,493				\$ 4,274
	282,513	13,544			290,493	-		1,290	4,274
2015			\$ 32,012,157	\$ 251,002	31,403,517	\$ 2,522	\$ 4,655	43,507	306,954
TOTALS	\$ 282,513	\$ 13,544	\$ 32,012,157	\$ 251,002	\$ 31,694,010	\$ 2,522	\$ 4,655	\$ 44,797	\$ 311,228

REF.	A		A-12		A-7		A-12		A
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REF.

State of New Jersey -- Senior Citizens
and Veterans Deductions
Received by Collector

A-2	\$ 36,250
A-5	<u>31,657,760</u>
	<u>\$ 31,694,010</u>

ANALYSIS OF PROPERTY TAX LEVY:

Tax Yield:

General Purpose Tax		\$ 31,265,824
Special Purpose Tax		677,649
Added/Omitted Taxes (54:4-63.1 et.seq.)		<u>68,684</u>
		<u>\$ 32,012,157</u>

Tax Levy:

	<u>REF.</u>		
Local District School Tax	A-14	\$ 12,173,565	
Regional High School Tax	A-15	8,249,646	
Municipal Open Space Tax	A-16	679,109	
County Taxes:			
County Tax (Abstract)	A-13	\$ 4,979,192	
County Library Tax (Abstract)	A-13	498,445	
County Open Space Tax	A-13	484,777	
Due County for Added and Omitted Taxes(54.4-63.1,et.seq.)	A-13	<u>12,905</u>	5,975,319
Local Tax for Municipal Purposes	A-2		4,880,550
Add: Additional Tax Levied			<u>53,968</u>
			<u>\$ 32,012,157</u>

CURRENT FUND
SCHEDULE OF TAX TITLE LIENS

A-7

	<u>REF.</u>	
Balance December 31, 2014	A	\$ 61,154
Increased by:		
Transfers from Taxes Receivable	A-6	<u>2,522</u> 63,676
Balance December 31, 2015	A	<u>\$ 63,676</u>

CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

A-8

	<u>REF.</u>	<u>ACCRUED</u> <u>IN 2015</u>	<u>COLLECTED</u> <u>BY</u> <u>TREASURER</u>
Licenses:			
Alcoholic Beverages	A-2	\$ 4,000	\$ 4,000
Other - Clerk	A-2	1,936	1,936
Fees and Permits	A-2	58,043	58,043
Municipal Court:			
Fines and Costs	A-2	24,101	24,101
Interest on Investments and Deposits	A-2	12,514	12,514
Energy Receipts Tax	A-2	516,103	516,103
Uniform Construction Code Fees	A-2	448,372	448,372
Lebanon Township - Interlocal Court	A-2	27,310	27,310
Califon Borough - Uniform Construction Codes	A-2	71,112	71,112
Hunters Glen Sewer Utility - Debt Service	A-2	25,300	25,300
Open Space Trust Fund Reserve - Debt Service	A-2	675,000	675,000
Capital Fund Balance	A-2	22,100	22,100
Reserve Capital Fund - Debt Service	A-2	175,000	175,000
Municipal Lease	A-2	24,888	24,888
Fire Safety Fees	A-2	10,252	10,252
Totals		\$ 2,096,031	\$ 2,096,031

REF.

A-2

A-4

CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES - 2014

A-9
Sheet 1

	<u>BALANCE</u> <u>12/31/14</u>	<u>BALANCE</u> <u>AFTER</u> <u>TRANSFERS</u> <u>12/31/14</u>	<u>PAID</u> <u>PAID OR</u> <u>CHARGED</u>	<u>BALANCE</u> <u>LASPED</u>
General Administration:				
Other Expenses	\$ 5,942	\$ 6,191	\$ 1,055	\$ 5,136
Mayor and Committee:				
Other Expenses	3,686	3,786	65	3,721
Financial Administration:				
Other Expenses	2,275	3,025	820	2,205
Tax Assessment:				
Other Expenses	1,371	1,371	16	1,355
Bartles Wastewater:				
Other Expenses	4,926	4,954	2,440	2,514
Legal Services (Legal Dept.):				
Other Expenses	4,415	4,415	3,186	1,229
Engineering:				
Other Expenses	15,517	17,368	7,715	9,653
Public Building and Ground:				
Other Expenses	391	1,824	1,540	284
Land Use:				
Other Expenses	6,517	7,586	1,199	6,387
Insurance:				
Group Health	9,032	11,997	3,381	8,616
Aid to Fire Company	118	21,429	21,311	118
Police:				
Other Expenses	5,165	6,528	6,048	480
PBA Contract Expenses	2,416	2,416	192	2,224
Aid to Volunteer Rescue Squad	-	43,369	43,369	-
Emergency Management:				
Other Expenses	10,080	10,218	138	10,080
Streets and Road Maintenance:				
Salaries and Wages	51,007	51,007	50,527	480
Other Expenses	6,799	25,175	20,048	5,127
Board of Health:				
Other Expenses	610	610	314	296
Park Maintenance:				
Other Expenses	388	559	223	336
Audit Services:				
Other Expenses	13,327	13,327	13,327	-
Computerized Data Processing:				
Other Expenses	9,150	9,150	990	8,160
Fleet Maintenance:				
Other Expenses	2,521	3,436	3,436	-
Garbage and Trash Removal:				
Other Expenses	3,744	4,193	449	3,744

CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES - 2014 - (Continued)

A-9
Sheet 2

	<u>BALANCE</u> <u>12/31/14</u>	<u>BALANCE</u> <u>AFTER</u> <u>TRANSFERS</u> <u>12/31/14</u>	<u>PAID</u> <u>PAID OR</u> <u>CHARGED</u>	<u>BALANCE</u> <u>LASPED</u>
Unclassified:				
Natural Gas	1,988	1,988	1,988	-
Telecommunications	3,995	5,821	2,090	3,731
Gasoline and Diesel	14,094	17,428	5,148	12,280
Telephone	2,776	2,989	2,281	708
Street Lighting	54	935	881	54
Electricity	3,734	3,912	3,768	144
Water and Hydrants	1,792	3,291	3,083	208
Municipal Court:				
Other Expenses	8,214	8,214	2,139	6,075
Code Enforcement:				
Other Expenses	8,658	9,006	370	8,636
Lease of Equipment	3,154	3,154	1,649	1,505
LOSAP	62,106	62,106	21,586	40,520
Other Accounts - No Change	124,352	124,352		124,352
TOTALS	<u>\$ 394,314</u>	<u>\$ 497,130</u>	<u>\$ 226,772</u>	<u>\$ 270,358</u>

	A		A-1
Appropriation Reserve	A	\$ 394,314	
Encumbrances	A-10	<u>102,816</u>	
		<u>\$ 497,130</u>	
Encumbrances	A-10		\$ 6,595
Cash Disbursements	A-4		<u>220,177</u>
			<u>\$ 226,772</u>

CURRENT FUND
SCHEDULE OF RESERVE FOR ENCUMBRANCES

A-10

	<u>REF.</u>		
Balance December 31, 2014	A	\$	104,112
Increased by:			
Transfer from Appropriation Reserve	A-9	\$	6,595
Transfer from Current Year Appropriations	A-3	<u>7,435,835</u>	<u>7,442,430</u>
			7,546,542
Decreased by:			
Encumbrances Cancelled			2,184
Prior Year Encumbrances Transferred to Appropriation Reserve	A:A-9		102,816
Prior Year Encumbrances Cancelled	A		1,296
Cash Disbursements	A-4	<u>7,255,512</u>	<u>7,361,808</u>
Balance December 31, 2015	A	\$	<u>184,734</u>

CURRENT FUND
SCHEDULE OF TAXES COLLECTED IN ADVANCE

A-11

	<u>REF.</u>	
Balance December 31, 2014	A	\$ 251,002
Increased by:		
2016 Taxes Collected in Advance	A-5	<u>243,769</u>
		494,771
Decreased by:		
Applied to 2015 Taxes Receivable	A-6	<u>251,002</u>
Balance December 31, 2015	A	<u>\$ 243,769</u>

CURRENT FUND
SCHEDULE OF TAX OVERPAYMENTS

A-12

	<u>REF.</u>	
Balance December 31, 2014	A	\$ 7,938
Increased by:		
2015 Tax Overpayments	A-5	<u>13,117</u>
		21,055
Decreased by:		
Applied	A-6	\$ 4,655
Refunded-Tax Overpayments	A-4	<u>16,400</u> <u>\$ 21,055</u>

CURRENT FUND
SCHEDULE OF COUNTY TAXES PAYABLE

A-13

REF.

Balance December 31, 2014		\$ 20,263
Increased by:		
2015 Levy:		
County Taxes	A-1:6	\$ 4,979,192
County Library Taxes	A-1:6	498,445
County Open Space Tax	A-1:6	484,777
County Added and Omitted Taxes	A-1:6	<u>12,905</u>
		<u>5,975,319</u>
		5,995,582
Decreased by:		
Payments	A-4	<u>5,982,677</u>
Balance December 31, 2015		<u>\$ 12,905</u>

CURRENT FUND
SCHEDULE OF LOCAL DISTRICT SCHOOL TAX PAYABLE

A-14

REF.

Balance December 31, 2014:

School Tax Payable		\$ 488,028		
School Tax Deferred	A	<u>5,520,004</u>	\$	6,008,032

Increased by:

Levy - School Year July 1, 2015 to June 30, 2016	A-6			<u>12,173,565</u>
				18,181,597

Decreased by:

Payments	A-4			<u>11,937,838</u>
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Balance December 31, 2015:

School Tax Payable		A 723,755		
School Tax Deferred		<u>5,520,004</u>	\$	<u>6,243,759</u>

2015 Liability for Local District School Tax:

Tax Paid			\$	11,937,838
Tax Payable 12/31/15				<u>6,243,759</u>
				18,181,597

Less -- Tax Payable 12/31/14				<u>6,008,032</u>
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Amount Charged to 2015 Operations	A-1		\$	<u>12,173,565</u>
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CURRENT FUND
SCHEDULE OF REGIONAL DISTRICT SCHOOL TAX PAYABLE

A-15

	<u>REF.</u>		
Balance December 31, 2014:			
School Tax Payable	A	\$ 992,560	
School Tax Deferred		<u>3,227,166</u>	\$ 4,219,726
Increased by:			
Levy - School Year July 1, 2015 to June 30, 2016	A-6		<u>8,249,646</u>
			12,469,372
Decreased by:			
Payments	A-4		<u>8,344,549</u>
Balance December 31, 2015:			
School Tax Payable	A	897,657	
School Tax Deferred		<u>3,227,166</u>	<u>\$ 4,124,823</u>
2015 Liability for Regional District School Tax:			
Tax Paid			\$ 8,344,549
Add -- Tax Payable 12/31/15			<u>4,124,823</u>
			12,469,372
Less -- Tax Payable 12/31/14			<u>4,219,726</u>
Amount Charged to 2015 Operations	A-1		<u>\$ 8,249,646</u>

CURRENT FUND
SCHEDULE OF MUNICIPAL OPEN SPACE TAX

A-16

	<u>REF.</u>					
Balance December 31, 2014	A	\$ 2,263				
Increased by:						
Levy - 2015	A-1:A-6	\$ 677,649				
Added Levy	A-1:A-6	<table style="margin-left: auto; margin-right: 0;"> <tr> <td style="text-align: right; border-bottom: 1px solid black;">1,460</td> <td style="text-align: right; border-bottom: 1px solid black;">679,109</td> </tr> <tr> <td></td> <td style="text-align: right;">681,372</td> </tr> </table>	1,460	679,109		681,372
1,460	679,109					
	681,372					
Decreased by:						
Payments to Other Trust Fund	A-4	<u>\$ 681,372</u>				

CURRENT FUND
SCHEDULE OF AMOUNT DUE TO STATE OF NEW JERSEY FOR
SENIOR CITIZENS AND VETERANS DEDUCTIONS

A-17

	<u>REF.</u>	
Balance December 31, 2014	A	\$ 5,989
Increased by:		
Received in Cash From State	A-4	<u>36,250</u> 42,239
Decreased by:		
Senior Citizens Deductions per Tax Billings		\$ 1,500
Veterans Deductions per Tax Billings		34,750
Sr and Vet Disallowed		<u>-</u> <u>36,250</u>
Balance December 31, 2015	A	<u>\$ 5,989</u>

CURRENT FUND
SCHEDULE OF FEDERAL/STATE GRANTS RECEIVABLE

A-18

<u>PURPOSE</u>	<u>BALANCE</u> <u>12/31/14</u>	<u>RECEIVABLE</u>	<u>RECEIVED</u>	<u>BALANCE</u> <u>12/31/15</u>
Clean Communities		\$ 22,633	\$ 22,633	
ANJEC		400	400	
SIF Risk Control		2,660	2,330	\$ 330
Stormwater Grant - Highlands		3,000	3,000	
Totals	-	\$ 28,693	\$ 28,363	\$ 330
REF.	A	A-2	A-4	A

CURRENT FUND
SCHEDULE OF APPROPRIATED RESERVES FOR STATE GRANTS

A-19

	<u>BALANCE</u> <u>12/31/14</u>	TRANSFER FROM <u>2015 BUDGET</u> <u>APPROPRIATIONS</u>	<u>2015 BUDGET</u> <u>APPROPRIATIONS</u> <u>By 40A:4-87</u>	<u>EXPENDED</u>	<u>BALANCE</u> <u>12/31/15</u>
Clean Communities - CY 15		\$ 22,633	\$ 4,857	\$ 22,168	\$ 5,322
Clean Communities - CY 14	\$ 5,239			5,239	-
Tonnage Grant	4,170	5,509		485	9,194
Storm Water Management Grant	1,491		3,000		4,491
Body Armor Replacement Fund	2,390	1,174			3,564
US Forest Service Grant	236				236
ANJEC Grant	300		400	400	300
SIF Risk Control Grant		2,660		2,330	330
Totals	\$ 13,826	\$ 31,976	\$ 8,257	\$ 30,622	\$ 23,437
	A	A-3	A-3	A-4	A

CURRENT FUND
SCHEDULE OF UNAPPROPRIATED RESERVES FOR STATE GRANTS

A-20

	<u>BALANCE</u> <u>12/31/14</u>	TRANSFER TO 2015 BUDGET <u>APPROPRIATIONS</u>	<u>RECEIVED</u>	<u>BALANCE</u> <u>12/31/15</u>
Body Armor Replacement Fund	\$ 1,175	\$ 1,174	\$ 1,258	\$ 1,259
Recycling Grant	5,509	5,509		-
Totals	<u>\$ 6,684</u>	<u>\$ 6,683</u>	<u>\$ 1,258</u>	<u>\$ 1,259</u>
	A	A-19	A-4	A

CURRENT FUND
SCHEDULE OF RESERVE FOR TREES

	A-21
	<u>REF.</u>
Balance December 31, 2014	A \$ 39,817
Decreased by:	
Payments	A-4 <u> 5,960</u>
Balance December 31, 2015	A <u>\$ 33,857</u>

CURRENT FUND
SCHEDULE OF RESERVE FOR TAX SALE PREMIUMS AND OUTSIDE LIENS DUE OTHER TRUST FUND

A-22

	<u>REF.</u>	
Balance December 31, 2014	A	\$ 225,065
Increased by:		
Receipts-Outside Tax Liens	A-5	\$ 125,734
Receipts-Premiums	A-5	<u>170,200</u>
		<u>295,934</u>
		520,999
Decreased by:		
Payments-Liens	A-4	139,449
Payments-Premiums	A-4	<u>285,900</u>
		<u>425,349</u>
Balance December 31, 2015	A	<u>\$ 95,650</u>
<u>Detail:</u>		
Tax Sale Premiums		<u>\$ 95,650</u>
		<u>\$ 95,650</u>

CURRENT FUND
SCHEDULE OF RESERVE FOR POLICE DONATIONS AND CONTRACT SETTLEMENT

A-23

	<u>REF.</u>	
Balance December 31, 2014	A	\$ 2,171
Increased by:		
Donation	A-4	<u>1,750</u>
		3,921
Decreased by:		
Balance December 31, 2015	A	<u>\$ 3,921</u>

CURRENT FUND
SCHEDULE OF RESERVE FOR VARIOUS

A-24

REF.

Balance December 31, 2014 A \$ 4,474

Balance December 31, 2015 A \$ 4,474

Detail:
DDEF

\$ 4,474

\$ 4,474

CURRENT FUND
SCHEDULE OF RESERVE FOR ADDITIONAL AID TO FIRE COMPANIES

A-25

REF.

Balance December 31, 2014	A	\$	7
Increased by:			
Budget Appropriation	A-3		10,000
			<u>10,007</u>
Decreased by:			
Purchase Fire Company Equipment and Maintenance	A-4		<u>8,490</u>
Balance December 31, 2015	A	\$	<u>1,517</u>

CURRENT FUND
SCHEDULE OF AMOUNT DUE STATE OF NEW JERSEY - MARRIAGE LICENSE FEES

A-26

	<u>REF.</u>	
Balance December 31, 2014	A	\$ 75
Increased by:		
Receipts	A-4	<u>550</u>
		625
Decreased by:		
Expenditures	A-4	<u>550</u>
Balance December 31, 2015	A	<u>\$ 75</u>

CURRENT FUND
SCHEDULE OF AMOUNT DUE STATE OF NEW JERSEY - DCA FEES PAYABLE

A-27

	<u>REF.</u>	
Balance December 31, 2014	A	\$ 6,956
Increased by:		
Fees	A-4	<u>24,839</u>
		31,795
Decreased by:		
Payments - State of New Jersey	A-4	<u>21,737</u>
Balance December 31, 2015	A	<u>\$ 10,058</u>

CURRENT FUND
SCHEDULE OF RESERVE FOR SNOW/STORMS DUE OTHER TRUST

A-28

REF.

Balance December 31, 2014	A	\$ 50,000
Increased by:		
Budgeted Appropriation	A-3	<u>34,600</u>
		84,600
Decreased by:		
Road Expenses	A-4	<u>39,843</u>
Balance December 31, 2015	A	<u>\$ 44,757</u>

TRUST FUND SCHEDULES

TRUST FUND
SCHEDULE OF CASH - TREASURER

B-2

		<u>DOG</u>	
	<u>REF.</u>	<u>LICENSES</u>	<u>OTHER</u>
Balance December 31, 2014	B	\$ 16,547	\$ 1,425,365
Increased by Receipts:			
Dog License Fees	B-3	11,262	
State Dog License Fees	B-4	1,554	
Amount Due Current Fund	B-5/6	33	3,723
Developers Escrow Deposits	B-7		76,000
Unemployment Trust	B-8		3,385
Whittemore Trust Deposits	B-9		55,427
Accumulated Leave Deposits	B-10		193
Developers Housing Deposits	B-11		134,296
Open Space Deposits	B-12		678,563
Outside Police Duty	B-13		450
Total Receipts		12,849	952,037
		29,396	2,377,402
Decreased by Disbursements:			
Administrative Expenses	B-3	7,872	
State Dog License Fees	B-4	1,553	
Amount Due Current Fund	B-5/6	59	
Developers Escrow Deposits	B-7		60,034
Unemployment Trust	B-8		1,629
Whittemore Trust Deposits	B-9		6,952
Accumulated Leave Deposits	B-10		24,935
Developers Housing Deposits	B-11		65,634
Open Space Deposits	B-12		1,000,824
Outside Police Duty	B-13		450
Total Disbursements		9,484	1,160,458
Balance December 31, 2015	B	\$ 19,912	\$ 1,216,944

TRUST FUND
SCHEDULE OF RESERVE FOR DOG FUND EXPENDITURES

B-3

	<u>REF.</u>		
Balance December 31, 2014	B	\$	16,519
Increased by:			
Dog License Fees Collected	B-2		<u>11,262</u> 27,781
Decreased by:			
Administrative Expenses	B-2		<u>7,872</u>
Balance December 31, 2015	B	\$	<u>19,909</u>

LICENSE FEES COLLECTED

CY 2014	\$		11,522
CY 2013			<u>11,055</u>
			<u>\$ 22,577</u>

TRUST FUND
SCHEDULE OF AMOUNT DUE TO STATE OF
NEW JERSEY DEPARTMENT OF HEALTH

B-4

REF.

Increased by:

Collected in 2015:		
State Board of Health Fees	B-2	\$ <u>1,554</u>
		1,554

Decreased By:

Payments	B-2	<u>1,553</u>
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Balance December 31, 2015	B	<u><u>\$ 1</u></u>
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TRUST FUND
SCHEDULE OF AMOUNT DUE CURRENT FUND
DOG LICENSE FUND

B-5

	<u>REF.</u>	
Balance December 31, 2014	B	\$ 28
Increased by:		
Interest Credits Due Current Fund	B-2	<u>33</u> 61
Decreased by:		
Interfund Returned	B-2	<u>59</u>
Balance December 31, 2015	B	<u>\$ 2</u>

TRUST FUND
SCHEDULE OF AMOUNT DUE OTHER FUNDS
OTHER TRUST FUND

B-6

	<u>REF.</u>		
Balance December 31, 2014	B	\$	277,328
Increased by:			
Added/Omitted Taxes Due to Municipal Open Space Fund	B-12	\$	1,460
Budgeted Appropriation - Snow Reserve Trust	B-16		34,600
Outside liens Received in Current Fund and Due Trust Fund	B-17		125,734
Tax Sale Premiums Received in Current Fund and Due Trust Fund	B-15		170,200
			331,994
			609,322
Decreased by:			
Interfund Returned Current & Prior Year Added/Omitted-Open Space Trust	B-2		3,723
Snow Reserve Trust Expenditures Paid in Current Fund	B-16		39,843
Outside liens Paid in Current Fund	B-17		139,449
Tax Sale Premiums Paid in Current Fund	B-15		285,900
			468,915
Balance December 31, 2015	B	\$	140,407
		Tax Sale Premiums	\$ 95,650
		Snow Removal Trust	44,757
			\$ 140,407

TRUST FUND
SCHEDULE OF RESERVE FOR DEVELOPERS ESCROW TRUST FUND DEPOSITS

B-7

	<u>REF.</u>	
Balance December 31, 2014	B	\$ 170,256
Increased by:		
Escrow Deposits	B-2	<u>76,000</u>
		246,256
Decreased by:		
Escrow Refunds	B-2	<u>60,034</u>
Balance December 31, 2015	B	<u>\$ 186,222</u>

TRUST FUND
SCHEDULE OF RESERVE FOR UNEMPLOYMENT TRUST

B-8

	<u>REF.</u>	
Balance December 31, 2014	B	\$ 60,243
Increased by:		
Receipts	B-2	<u>3,385</u>
		63,628
Decreased by:		
Quarterly Unemployment Charges	B-2	<u>1,629</u>
Balance December 31, 2015	B	<u>\$ 61,999</u>

TRUST FUND
SCHEDULE OF RESERVE FOR WHITTEMORE TRUST DEPOSITS
TRUST DEPOSITS

B-9

	<u>REF.</u>	
Balance December 31, 2014	B	\$ 2,318
Increased by:		
Escrow Deposits	B-2	<u>55,427</u>
		57,745
Decreased by:		
Escrow Refunds	B-2	<u>6,952</u>
Balance December 31, 2015	B	<u>\$ 50,793</u>

TRUST FUND
SCHEDULE OF RESERVE FOR ACCUMULATED LEAVE DEPOSITS

B-10

	<u>REF.</u>	
Balance December 31, 2014	B	\$ 150,009
Increased by:		
Escrow Deposits	B-2	<u> 193</u>
		150,202
Decreased by:		
Escrow Refunds	B-2	<u> 24,935</u>
Balance December 31, 2015	B	<u>\$ 125,267</u>

TRUST FUND
SCHEDULE OF RESERVE FOR DEVELOPERS HOUSING DEPOSITS

B-11

	<u>REF.</u>	
Balance December 31, 2014	B	\$ 15,838
Increased by:		
Escrow Deposits	B-2	<u>134,296</u>
		150,134
Decreased by:		
Escrow Refunds	B-2	<u>65,634</u>
Balance December 31, 2015	B	<u>\$ 84,500</u>

TRUST FUND
SCHEDULE OF RESERVE FOR MUNICIPAL OPEN SPACE TRUST FUND

B-12

	<u>REF.</u>		
Balance December 31, 2014	B		\$ 1,028,364
Increased by:			
Open Space Levy	B-2	\$ 677,649	
Open Space Levy - Added	B-6	1,460	
Interest Credits	B-2	<u>914</u>	<u>680,023</u>
			1,708,387
Decreased by:			
Open Space Reserve Anticipated as Revenue in Current Fund	B-2	675,000	
Interest Transferred to Current Fund	B-2	824	
Disbursement of Green Acres Grant received in prior year for Jeffery Property Acquisition	B-2	<u>325,000</u>	<u>1,000,824</u>
Balance December 31, 2015	B		<u>\$ 707,563</u>

TRUST FUND
SCHEDULE OF RESERVE FOR OUTSIDE POLICE DUTY DEPOSITS

B-13

	<u>REF.</u>	
Balance December 31, 2014	B	\$ 41
Increased by:		
Police Deposits	B-2	<u>450</u>
		491
Decreased by:		
Police Refunds	B-2	<u>450</u>
Balance December 31, 2015	B	<u><u>\$ 41</u></u>

TRUST FUND
SCHEDULE OF RESERVE FOR RUTHE MUELLER TRUST

B-14

	<u>REF.</u>	
Balance December 31, 2014	B	<u>\$ 559</u>
Balance December 31, 2015	B	<u>\$ 559</u>

TRUST FUND
SCHEDULE OF RESERVE FOR TAX SALE PREMIUMS DEPOSITS

B-15

	<u>REF.</u>	
Balance December 31, 2014	B	\$ 211,350
Increased by:		
Tax Sale Premiums Received in Current Fund	B-6	<u>170,200</u>
		381,550
Decreased by:		
Tax Sale Premiums Paid in Current Fund	B-6	<u>285,900</u>
Balance December 31, 2015	B	<u>\$ 95,650</u>

TRUST FUND
SCHEDULE OF RESERVE FOR SNOW REMOVAL TRUST

B-16

	<u>REF.</u>	
Balance December 31, 2014	B	\$ 50,000
Increased by:		
Budget Appropriation	B-6	<u>34,600</u>
		84,600
Decreased by:		
Snow Removal Expenditures	B-6	<u>39,843</u>
Balance December 31, 2015	B	<u>\$ 44,757</u>

TRUST FUND
SCHEDULE OF RESERVE FOR OUTSIDE LIEN TRUST

B-17

	<u>REF.</u>	
Balance December 31, 2014	B	\$ 13,715
Increased by:		
Tax Sale Premiums Received in Current Fund and Due Trust Fund	B-6	<u>125,734</u>
		139,449
Decreased by:		
Tax Sale Premiums Paid in Current Fund	B-6	<u>\$ 139,449</u>

GENERAL CAPITAL FUND SCHEDULES

GENERAL CAPITAL FUND
SCHEDULE OF CASH -TREASURER

C-2

	<u>REF.</u>		
Balance December 31, 2014	C		\$ 612,263
Increased by Receipts:			
Reimbursement from Current Fund - Interfund Balance	C-3	\$ 17,028	
Current Fund Budgeted Appropriation - Capital Improvement Fund	C-7	400,000	
Bond Anticipation Note Proceeds	C-9	2,986,000	
Interest Credits	C-3	<u>3,214</u>	<u>3,406,242</u>
			4,018,505
Decreased by Disbursements:			
Reimbursement to Current Fund - Interfund Balance	C-3	11,636	
Prior Year Encumbrances Paid	C-6	107,300	
Improvements Authorizations Paid	C-10	1,075,552	
Debt Service Reserve Anticipated as Revenue in Current Fund Budget	C-12	175,000	
Capital Fund Balance Anticipated as Revenue in Current Fund Budget	C-1	<u>22,100</u>	<u>1,391,588</u>
Balance December 31, 2015	C		<u>\$ 2,626,917</u>

GENERAL CAPITAL FUND
SCHEDULE OF AMOUNT DUE CURRENT FUND

C-3

	<u>REF.</u>						
Balance December 31, 2014	C	\$	1,737				
Increased by:							
Interest Credits	C-2	\$	3,214				
Reimbursement from Current Fund - Current Year Activity	C-2		<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: right; border-bottom: 1px solid black;">17,028</td> <td style="text-align: right; border-bottom: 1px solid black;">20,242</td> </tr> <tr> <td></td> <td style="text-align: right;">21,979</td> </tr> </table>	17,028	20,242		21,979
17,028	20,242						
	21,979						
Decreased by:							
Reimbursement to Current Fund	C-2		11,636				
Deferred Charges Appropriated in Current Fund Budget	C-5		<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: right; border-bottom: 1px solid black;">10,000</td> <td style="text-align: right; border-bottom: 1px solid black;">21,636</td> </tr> </table>	10,000	21,636		
10,000	21,636						
Balance December 31, 2015	C	\$	343				

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

	<u>REF.</u>	C-4
Balance December 31, 2014	C	\$ 17,321,508
Increased by:		
General Improvement Refunding Bonds Series 2015	C-11	\$ 525,000
Open Space Refunding Bonds Series 2015	C-11	<u>3,710,000</u>
		<u>4,235,000</u>
Decreased by:		
2015 Budget Appropriations - Loans Payable	C-8	15,000
2015 Budget Appropriations - Bond Principal	C-11	1,209,000
Refunded Bonds	C-11	<u>4,334,000</u>
		<u>5,558,000</u>
Balance December 31, 2015	C	<u>\$ 15,998,508</u>

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

C-5

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE 12/31/14	2015 IMPROVEMENT AUTHORIZATIONS	BUDGET APPROPRIATION BAN PRINCIPAL PAYMENTS	BUDGET APPROPRIATION DEFERRED CHARGES	BALANCE 12/31/15	ANALYSIS OF BALANCE	
							BOND ANTI- ANTICIPATION NOTES	BONDS/NOTES AUTHORIZED NOT ISSUED
21-1998	Purchase of Gurasich Property	\$ 50,000			\$ 10,000	\$ 40,000		\$ 40,000
74-2013	Superstorm Sandy-Repair and Reconstruction of Streets, Road or Bridges, or Other Public Property Damage	500,000		\$ 125,000		375,000	\$ 375,000	-
02-2015	Road Improvements, Chip and Seal, Police 4x4, Police Video Recording, Improvements to various municipal facilities		\$ 4,444,831			4,444,831	2,986,000	1,458,831
		\$ 550,000	\$ 4,444,831	\$ 125,000	\$ 10,000	\$ 4,859,831	\$ 3,361,000	\$ 1,498,831
REF.		C	C-10	C-9	C-3	C	C-9	

GENERAL CAPITAL FUND
SCHEDULE OF ENCUMBRANCES

C-6

	<u>REF.</u>	
Balance December 31, 2014	C	\$ 107,300
Increased by:		
Improvement Authorization Purchase Orders Issued	C-10	<u>14,042</u>
		121,342
Decreased by:		
Payment of Prior Year Encumbrances	C-2	<u>107,300</u>
Balance December 31, 2015	C	<u>\$ 14,042</u>

GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

C-7

	<u>REF.</u>	
Balance December 31, 2014	C	\$ 114,244
Increased by:		
2015 Budget Appropriations	C-2	<u>400,000</u>
		514,244
Decreased by:		
Appropriation to Finance Improvement Authorizations	C-10	<u>234,900</u>
Balance December 31, 2015	C	<u>\$ 279,344</u>

GENERAL CAPITAL FUND
SCHEDULE OF NEW JERSEY LOAN PROGRAMS

C-8

<u>IMPROVEMENT DESCRIPTION</u>	<u>DATE OF ISSUE</u>	<u>MATURITIES DATE</u>	<u>AMOUNT</u>	<u>INTEREST RATE</u>	<u>BALANCE 12/31/14</u>	<u>DECREASED</u>	<u>BALANCE 12/31/15</u>
New Jersey Wastewater Treatment Trust Loan Program Department of Environmental Protection	11/1/1995	2016-2016	\$15,000	None	\$ 15,000	\$ 15,000	-
New Jersey Wastewater Treatment Fund Loan Program New Jersey Environmental Infrastructure Trust	11/1/1995	2016-2016	\$10,442 to \$9,508	4.0% to 5.5%	9,508		\$ 9,508
					\$ 24,508	\$ 15,000	\$ 9,508
REF.					C	C-4	C

GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES

C-9

ORDINANCE NO.	<u>IMPROVEMENT DESCRIPTION</u>	DATE OF ORIGINAL NOTE	DATE OF ISSUE	DATE OF MATURITY	INTEREST RATE	BALANCE 12/31/14	INCREASED	DECREASED	BALANCE 12/31/15
74-2014	Special Emergency Notes - Superstorm Sandy	10/11/13	10/7/2015	6/3/2016	0.64%	\$ 500,000		\$ 125,000	\$ 375,000
02-2015	Road Improvements, Chip and Seal, Police 4x4, Police Video Recording, Improvements to various municipal facilities	6/5/15	42,160	6/3/2016	0.64%		\$ 2,986,000		2,986,000
						\$ 500,000	\$ 2,986,000	\$ 125,000	\$ 3,361,000
	REF.					C	C-2	C-5	C

GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

C-10

<u>IMPROVEMENT DESCRIPTION</u>	<u>NO.</u>	<u>ORDINANCE</u>		<u>BALANCE 12/31/14</u>		<u>DEFERRED CHARGES</u>	<u>CAPITAL IMPROVEMENT FUND</u>	<u>RESERVE FUND</u>	<u>PAID OR CHARGED</u>	<u>BALANCE 12/31/15</u>	
		<u>DATE</u>	<u>AMOUNT</u>	<u>FUNDED</u>	<u>UNFUNDED</u>					<u>FUNDED</u>	<u>UNFUNDED</u>
Open Space Acquisition and Emergency Service Comm.	16-2006	9/12/06	\$ 310,000	\$ 21,122						\$ 21,122	
Fox Hill Road Restoration	07-2012	4/26/12	100,000	10,035						10,035	
Road Improvements	08-2012	4/26/12	300,000	-						-	
Road Imp, Stormwater/Drainage, Building Imps, Equip. Acquisition, Telephone System	04-2013	6/11/13	630,427	600						600	
Administration Police Computer, Imp to Municipal Facilities, DPW Equipment	02-2014	5/13/14	297,239	20,740				\$ 9,321		11,419	
Road Improvements, Chip and Seal, Police 4x4, Police Video Recording, Improvements to various municipal facilities	02-2015	4/14/15	4,716,269		\$ 4,444,831	\$ 234,900	\$ 36,538	1,080,273			\$ 3,635,996
				\$ 52,497	-	4,444,831	\$ 234,900	\$ 36,538	\$ 1,089,594	\$ 43,176	3,635,996
REF.				C	C	C-5	C-7	C-12		C	C
						Cash Disbursements	C-2		\$ 1,075,552		
						Encumbrances	C-6		14,042		
									<u>\$ 1,089,594</u>		

GENERAL CAPITAL FUND
SCHEDULE OF SERIAL BONDS PAYABLE

C-11

<u>PURPOSE</u>	<u>DATE ORIGINAL ISSUE</u>	<u>ORIGINAL ISSUE</u>	<u>MATURITY OF OUTSTANDING BONDS DATE</u>	<u>AMOUNT</u>	<u>INTEREST RATE</u>	<u>BALANCE 12/31/14</u>	<u>REFUNDING BONDS ISSUED INCREASED</u>	<u>REFUNDED DECREASED</u>	<u>BUDGET DECREASED</u>	<u>BALANCE 12/31/15</u>								
Refunding Bonds of 2005	6/30/05	\$5,485,000	8/1/16	\$ 525,000	5.000%	\$ 2,555,000			\$ 500,000	\$ 2,055,000								
			8/1/17	300,000	5.000%													
			8/1/17 *	225,000	4.000%													
			8/1/18	520,000	4.000%													
			8/1/19	485,000	4.000%													
General Improvement Bonds Series 2006	1/12/06	\$1,880,000	1/1/16	161,000	3.600%	838,000		523,000	154,000	161,000								
Open Space Bonds Series 2006	1/12/06	\$6,396,000	1/1/16	305,000	3.600%	4,411,000		3,811,000	295,000	305,000								
General Obligation Bonds Series 2014	6/19/12	\$9,998,000	2/15/16	265,000	2.000%	9,493,000			260,000	9,233,000								
			2/15/17	270,000	2.000%													
			2/15/18	275,000	2.000%													
			2/15/19	280,000	2.000%													
			2/15/20	285,000	2.000%													
			2/15/21	290,000	2.000%													
			2/15/22	295,000	2.000%													
			2/15/23	300,000	2.000%													
			2/15/24	320,000	2.125%													
			2/15/25	345,000	3.000%													
			2/15/26	360,000	3.000%													
			2/15/27	370,000	3.000%													
			2/15/28	390,000	3.000%													
			2/15/29	405,000	3.000%													
			2/15/30	435,000	3.000%													
			2/15/31	455,000	3.000%													
			2/15/32	460,000	3.000%													
			2/15/33	470,000	3.000%													
			2/15/34	490,000	3.000%													
			2/15/35	490,000	3.000%													
2/15/36	495,000	3.125%																
2/15/37	495,000	3.125%																
2/15/38	495,000	3.125%																
2/15/39	498,000	3.125%																
General Improvement Refunding Bonds Series 2015	4/6/15	\$ 525,000	1/1/17	170,000	3.000%		525,000			525,000								
			1/1/18	175,000	3.000%													
			1/1/19	180,000	3.000%													
Open Space Refunding Bonds Series 2015	4/6/15	\$3,710,000	1/1/17	320,000	3.000%		3,710,000			3,710,000								
			1/1/18	330,000	3.000%													
			1/1/19	345,000	3.000%													
			1/1/20	355,000	3.000%													
			1/1/21	365,000	3.000%													
			1/1/22	375,000	3.000%													
			1/1/23	390,000	4.000%													
			1/1/24	405,000	4.000%													
			1/1/25	415,000	3.000%													
			1/1/26	410,000	3.000%													
											\$ 17,297,000	\$ 4,235,000	\$ 4,334,000	\$ 1,209,000	\$ 15,989,000			

* - Term Bond

GENERAL CAPITAL FUND
SCHEDULE OF VARIOUS RESERVES

C-12

<u>IMPROVEMENT DESCRIPTION</u>	<u>BALANCE</u> <u>12/31/14</u>	<u>DECREASED</u>	<u>BALANCE</u> <u>12/31/15</u>
Reserve for McCann Mill Road	\$ 36,570	\$ 36,538	\$ 32
Debt Service	4,897	4,897	-
FEMA Reserve	322,918	170,103	152,815
	<u>\$ 364,385</u>	<u>\$ 211,538</u>	<u>\$ 152,847</u>

REF.

C	C-2	C
C-2	\$ 175,000	
C-10	<u>36,538</u>	
	<u>\$ 211,538</u>	

SEWER UTILITY FUND

SEWER UTILITY FUND
SCHEDULE OF CASH - TREASURER

D-4

HUNTERS GLEN

	<u>REF.</u>	<u>OPERATING</u>	<u>CAPITAL</u>	
Balance December 31, 2014	D	\$ 35,779		\$ 30,165
Increased by Receipts:				
Water Rents	D-5	\$ 72,931		
Capital Improvement Fund Appropriation	D-3		\$ 5,000	
Miscellaneous Income	D-2	-	50	5,050
		<u>108,710</u>		<u>35,215</u>
Decreased by Disbursements:				
2014 Appropriation Reserve	D-7	2,765		
Interfunds Returned to Operating Fund	D-1		111	
2015 Appropriations	D-3	<u>68,120</u>	<u>70,885</u>	<u>111</u>
Balance December 31, 2015	D	<u>\$ 37,825</u>		<u>35,104</u>

OLDWICK

	<u>REF.</u>	<u>OPERATING</u>	<u>CAPITAL</u>	
Balance December 31, 2014	D	\$ 48,871		\$ 75,835
Increased by Receipts:				
Water Rents	D-5	\$ 132,787		
Capital Improvement Fund Appropriation	D-3		\$ 3,000	
Miscellaneous Income	D-2	615	116	3,116
		<u>182,273</u>		<u>78,951</u>
Decreased by Disbursements:				
2014 Appropriation Reserve	D-7	7,967		
Interfunds Returned to Operating Fund	D-1	-	332	
2015 Appropriations	D-3	<u>120,348</u>	<u>128,315</u>	<u>332</u>
Balance December 31, 2015	D	<u>\$53,958</u>		<u>\$78,619</u>

SEWER UTILITY FUND
SCHEDULE OF CASH - COLLECTOR

D-5

	<u>REF.</u>	<u>HUNTERS GLEN</u>	<u>OLDWICK</u>	<u>TOTAL</u>
Increased by Receipts:				
Consumer Accounts Receivable Collections	D-6	\$ 71,205	\$ 132,193	\$ 203,398
Overpaid Rent		-	-	-
Prepaid Rent		<u>1,726</u>	<u>594</u>	<u>2,320</u>
		72,931	132,787	205,718
Decreased by Disbursements:				
Payment to Treasurer	D-4	<u>\$ 72,931</u>	<u>\$ 132,787</u>	<u>\$ 205,718</u>

SEWER UTILITY FUND
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE

D-6

		HUNTERS			
	REF.	GLEN	OLDWICK	\$	TOTAL
Balance December 31, 2014	D	\$ 2,269	\$ 3,283	\$	5,552
Increased by:					
Water Rents Levied		72,589	131,388		203,977
		74,858	134,671		209,529
Decreased by:					
Pre-Paid in 2014	D	2,257	589		2,846
Collection	D-2:5	71,205	132,193		203,398
		73,462	132,782		206,244
Balance December 31, 2015	D	\$ 1,396	\$ 1,889	\$	3,285

SEWER UTILITY FUND
SCHEDULE OF APPROPRIATION RESERVES - 2014

D-7

HUNTER'S GLEN

	<u>BALANCE</u> <u>12/31/14</u>	<u>BALANCE</u> <u>AFTER</u> <u>TRANSFERS</u>	<u>PAID</u> <u>OR</u> <u>CHARGED</u>	<u>BALANCE</u> <u>LAPSED</u>
Salaries and Wages	\$ 1,312	\$ 1,312		\$ 1,312
Other Expenses	5,236	5,236	\$ 2,765	2,471
TOTALS	<u>\$ 6,548</u>	<u>\$ 6,548</u>	<u>\$ 2,765</u>	<u>\$ 3,783</u>

REF.

D

D-4

D-1

Appropriation Reserves	\$ 6,548
Encumbrances	<u>-</u>
	<u>\$ 6,548</u>

OLDWICK

	<u>BALANCE</u> <u>12/31/14</u>	<u>BALANCE</u> <u>AFTER</u> <u>TRANSFERS</u>	<u>PAID</u> <u>OR</u> <u>CHARGED</u>	<u>BALANCE</u> <u>LAPSED</u>
Salaries and Wages	\$ 8,526	\$ 8,526		\$ 8,526
Other Expenses	26,326	26,326	\$ 7,967	18,359
TOTALS	<u>\$ 34,852</u>	<u>\$ 34,852</u>	<u>\$ 7,967</u>	<u>\$ 26,885</u>

REF.

D

D-4

D-1

Appropriation Reserves	\$ 34,851
Encumbrances	<u>1</u>
	<u>\$ 34,852</u>

SEWER UTILITY FUND
SCHEDULE OF FIXED CAPITAL
DECEMBER 31, 2015

D-8

	<u>Balance December 31, 2014</u>		<u>FIXED CAPITAL</u>	<u>Balance December 31, 2015</u>	
	<u>Hunters Glen</u>	<u>Oldwick</u>	<u>ADDITIONS</u>	<u>Hunters Glen</u>	<u>Oldwick</u>
Land Acquisition		\$ 91,720			\$ 91,720
Wind Monitoring Device		10,000			10,000
Monitoring Well	\$ 6,000			\$ 6,000	
Sanitary Sewer System		816,395			816,395
Emergency Power/Alarm		13,000			13,000
Hunter's Glen Generator	30,000			30,000	
	\$ 36,000	\$ 931,115	-	\$ 36,000	\$ 931,115

REF.	D	D		D	D
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SEWER UTILITTY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

D-9

<u>ORDINANCE NO.</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>DATE</u>	<u>BALANCE 12/31/14</u>	<u>BALANCE 12/31/15</u>
2004-07	Equipment for the Oldwick Water Pollution Control Facility	6/1/04	\$ 20,000	\$ 20,000
			<u>\$ 20,000</u>	<u>\$ 20,000</u>
	REF.		D	D

SEWER UTILITTY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

D-10

<u>ORDINANCE NO.</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>DATE</u>	<u>BALANCE FUNDED 12/31/14</u>	<u>BALANCE FUNDED 12/31/15</u>
2004-07	Equipment for the Oldwick Water Pollution Control Facility	6/1/04	\$ 20,000	\$ 20,000
2010-07	Oldwick Sewer Improvements	9/14/10	6,609	6,609
			<u>\$ 26,609</u>	<u>\$ 26,609</u>
	REF.		D	D

SEWER UTILITY FUND
SCHEDULE OF SEWER CAPITAL IMPROVEMENT FUND

D-11

	<u>REF.</u>	HUNTERS <u>GLEN</u>	<u>OLDWICK</u>	<u>TOTAL</u>
Balance December 31, 2014	D	\$ 30,100	\$ 49,000	\$ 79,100
Increased by:				
Operating Fund Appropriation	D-3	<u>5,000</u>	<u>3,000</u>	<u>8,000</u>
Balance December 31, 2015	D	<u>\$ 35,100</u>	<u>\$ 52,000</u>	<u>\$ 87,100</u>

SEWER UTILITY FUND
SCHEDULE OF RESERVE FOR AMORTIZATION

D-12

	<u>REF.</u>	<u>HUNTERS GLEN</u>	<u>OLDWICK</u>	<u>TOTAL</u>
Balance December 31, 2014	D	\$ 36,000	\$ 841,220	\$ 877,220
Increased by:				
General Electric Loan Paid by Sewer Operating Budget	D-3	-	16,349	16,349
		<u>36,000</u>	<u>857,569</u>	<u>893,569</u>
Balance December 31, 2015	D	<u>\$ 36,000</u>	<u>\$ 857,569</u>	<u>\$ 893,569</u>

SEWER UTILITY CAPITAL FUND
SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

D-13

<u>ORDINANCE NO.</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>DATE</u>	<u>BALANCE 12/31/14</u>	<u>BALANCE 12/31/15</u>
2004-07	Equipment for the Oldwick Water Pollution Control Facility	6/1/04	\$ 20,000	\$ 20,000
			<u>\$ 20,000</u>	<u>\$ 20,000</u>
	REF.		D	D

SEWER UTILITY FUND
SCHEDULE OF LOANS PAYABLE

D-14

	<u>REF.</u>	<u>OLDWICK</u>
Balance December 31, 2014	D	\$ 89,895
Decreased by:		
Principal Payments	D-12	<u>16,349</u>
Balance December 31, 2015	D	<u>\$ 73,546</u>

Schedule of Principal and Interest Payments

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 17,177	\$ 3,465	\$ 20,642
2017	18,046	2,596	20,642
2018	18,960	1,682	20,642
2019	<u>19,363</u>	<u>722</u>	<u>20,085</u>
	<u>\$ 73,546</u>	<u>\$ 8,465</u>	<u>\$ 82,011</u>

PUBLIC ASSISTANCE FUND SCHEDULES

PUBLIC ASSISTANCE FUND
SCHEDULE OF CASH - TREASURER

E-1

	<u>REF.</u>	P.A.T.F. <u>#1</u>	<u>FUND TOTAL</u>
Balance December 31, 2014	E	\$ 8,715	\$ 8,715
Increased by Receipts:			
Interest Credits		13	13
Total Receipts		<u>13</u>	<u>13</u>
		<u>8,728</u>	<u>8,728</u>
Balance December 31, 2015	E	<u>\$ 8,728</u>	<u>\$ 8,728</u>

SCHEDULE OF GENERAL FIXED ASSETS

GENERAL FIXED ASSETS
SCHEDULE OF ADDITIONS AND DELETIONS
DECEMBER 31, 2015

F-1

	<u>BALANCE</u> <u>12/31/14</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE</u> <u>12/31/15</u>
General Fixed Assets:				
Land and Buildings	\$ 37,075,102			\$ 37,075,102
Machinery and Equipment	9,719,572	\$ 173,706		9,893,278
Total General Fixed Assets	<u>\$ 46,794,674</u>	<u>173,706</u>	<u>-</u>	<u>\$ 46,968,380</u>
 Investment In General Fixed Assets	 <u>\$ 46,794,674</u>	 <u>\$ 173,706</u>	 <u>-</u>	 <u>\$ 46,968,380</u>

**PART III
SUPPLEMENTARY INFORMATION**

General Comments

**Report on Internal Control over Financial Reporting
and Compliance and Other Matters based on an
Audit of Financial Statements Performed in
Accordance with *Government Auditing Standards***

Schedule of Federal/State Awards

Status of Prior Audit Findings

Schedule of Findings and Responses

GENERAL COMMENTS

Scope of Audit

The audit of the financial statements of the Township of Tewksbury, County of Hunterdon, New Jersey, as required by the Division of Local Government Services, covered the financial transactions of the Treasurer, Tax Collector, the activities of the Township and various outside departments.

Contracts and Agreements Requiring Advertisement for Bids

Effective April 17, 2000, N.J.S.A.40A:11-1 et.seq (Local Public Contracts Law) was revised by P.L.1999,c.440 (originally known as Assembly Bill No. 3519). Rules and regulations pertaining to the amended law are to be promulgated by the Division of Local Government Services.

N.J.S.A. 40A:11-3 is amended to read as follows:

a.

When the cost or price of any contract awarded by the purchasing agent in the aggregate, does not exceed in the contract year the total sum of \$17,500, the contract may be awarded by a purchasing agent when so authorized by resolution of the governing body without public advertising for bids and bidding therefore, except that the governing body may adopt a 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. (pending before the Legislature as section 15 of this bill) of section 9 of P.L.1971,c.198(C.40A:11-9) the governing body 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 paragraph (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.

Commencing in the fifth year after the year in which P.L.1999,c.440 takes effect, and every five years thereafter, the Governor, in consultation with the Department of Treasury, shall 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 N.J.S.18A:18A-2(pending before the Legislature as section 50 of this bill), and shall round the adjustment to the nearest \$1,000. The Governor shall notify all municipal units of the adjustment no later than June 1 of every fifth year. The adjustment shall become effective on July 1 of the year in which it is made.

N.J.S.A.40A:11-4 (as amended) states, "Every contract or agreement 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 to the lowest responsible bidder after public advertising for bids and bidding therefore, except as is provided otherwise in this chapter or specifically by any other law."

Effective July 1, 2015, the bid threshold in accordance with N.J.S.A.40A:11-3(c) (as amended) is increased to \$40,000 for Qualified Purchasing Agents (QPA), and \$17,500 for units without QPA's.

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

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

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 determine whether any clear-cut violations existed.

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

Collection of Interest on Delinquent Taxes and Assessments

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

The governing body, on January 1, 2015, adopted the following resolution authorizing interest to be charged on delinquent taxes:

"On all delinquents to and including December 31, 2014, at the rate or rates heretofore governing, and on all delinquents on and after January 2, 2015, at the rate of 8% per annum for and upon the first \$1,500 of the delinquency, the rate of 18% per annum for and upon any amount of the delinquency in excess of \$1,500, and the rate of 6% per annum for and upon any amount in excess of \$10,000; and that a grace period of 10 days will be allowed on taxes due February 1, May 1, August 1, and November 1. If taxes are not paid by the 10th, interest shall be charged from the due date.

The governing body, on January 1, 2015 adopted a resolution enabling the \$10,000 delinquency penalty provisions.

The audit of the Collector's records on a test basis indicated no differences between the amount of interest payable on delinquent tax payments, based on our calculations, and the amount of interest charged.

Delinquent Taxes and Tax Title Liens

The delinquent taxes at December 31, 2015, include real property taxes from the 2015 and 2014 tax levies.

The last tax sale was held on November 6, 2015 and was complete.

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

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

<u>Year</u>	<u>Number of Liens</u>
2015	8
2014	8
2013	8

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

Verification of Delinquent Taxes and Other Charges

Verification notices were mailed to confirm balances as of November 15, 2015. The items that were returned were compared to and are in agreement with the Township's records. For items not returned, alternative procedures were performed.

A test verification of delinquent charges and current payments was made in accordance with verification procedures approved by the Division of Local Government Services. A summary of such verification is as follows:

Type of Receivable - Real Property Tax				
Date of Circulars - November 15, 2015-Real Estate				
Verification Type	Request Form	Total No. of Items	Total No. of Circular	Total No. Returned
2015 Property Tax	Positive	3,150	60	19
2016 Property Tax	Positive	3,150	60	19
2015 Delinquent Tax	Negative	348	25	9

Technical Accounting Directives

During the calendar year 1984, the Division of Local Government Services initiated as part of the Single Audit Law, a planned revision of the Requirements of Audit to provide new accounting requirements mandated for most local government units. The revision to the Requirements of Audit and Accounting would be in order to improve fiscal accountability for all local governments, satisfy federal-state audit requirements and enhance the credibility for New Jersey municipal accounting practices with federal-state funding sources and bond rating agencies. The new requirements for most local units started January 1, 1986, unless exemption, based upon amount of federal aid received and population size, was formally secured. The Division in 1988 notified those exempted municipal units of a transition requirement for fully implementation of all accounting directives beginning in the 1989 fiscal periods. The identity and compliance status of the Township of Tewksbury to these new directives are as follows:

<u>Requirement</u>	FY 2015 Required <u>Implementation</u>	
	<u>Yes</u>	<u>No</u>
A. General Ledger Accounting System	X	
B. Encumbrance Accounting	X	
C. Purchase Order System	X	
D. Fixed Asset Accounting and Reporting System	X	

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

REVENUE AND OTHER INCOME REALIZED

	<u>YEAR 2015</u>	<u>%</u>	<u>YEAR 2014</u>	<u>%</u>
Fund Balance Utilized	\$ 2,196,795	5.99%	\$ 2,196,795	5.97%
Miscellaneous - From Other Than				
Local Property Tax Levies	2,522,947	6.88%	3,013,016	8.18%
Collection of Delinquent Taxes and				
Tax Title Liens	290,492	0.79%	317,453	0.86%
Collection of Current Tax Levy	<u>31,659,174</u>	<u>86.34%</u>	<u>31,297,352</u>	<u>84.99%</u>
Total Income	<u>36,669,408</u>	<u>100.00%</u>	<u>36,824,616</u>	<u>100.00%</u>

EXPENDITURES

Budget Expenditures:				
Municipal Purposes	8,231,000	23.29%	8,267,950	23.22%
County Taxes	5,975,319	16.91%	6,052,202	17.00%
Local and Regional Taxes	20,423,211	57.80%	20,176,564	56.66%
Municipal Open Space Tax	679,109	1.92%	679,667	1.91%
Deferred Charges	10,000	0.03%	110,797	0.31%
Other Expenditures	<u>15,752</u>	<u>0.04%</u>	<u>320,521</u>	<u>0.90%</u>
Total Expenditures	<u>\$35,334,391</u>	<u>100.00%</u>	<u>\$35,607,701</u>	<u>100.00%</u>
Excess (Deficit) Revenue Over Expenditures	1,335,017		1,216,915	
Fund Balance January 1	3,768,390		4,748,270	
Less:				
Utilization as Anticipated Revenue	<u>2,196,795</u>		<u>2,196,795</u>	
Fund Balance December 31	<u>\$ 2,906,612</u>		<u>\$ 3,768,390</u>	

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

REVENUE AND OTHER INCOME REALIZED

	<u>YEAR 2015</u>	<u>%</u>	<u>YEAR 2014</u>	<u>%</u>
Operating Surplus	\$ 21,800	8.41%	\$ 33,150	12.47%
Rents	206,095	79.52%	212,649	80.02%
Miscellaneous	624	0.24%	6,205	2.33%
Other Credits to Income	<u>30,668</u>	<u>11.83%</u>	<u>13,754</u>	<u>5.18%</u>
Total Income	259,187	100.00%	265,758	100.00%

EXPENDITURES

Budget Expenditures:				
Operating	<u>208,600</u>	100.00%	<u>242,300</u>	100.00%
Excess in Revenue	50,587		23,458	
Fund Balance January 1	40,558		50,250	
Less:				
Utilization as Anticipated Revenue	<u>21,800</u>		<u>33,150</u>	
Fund Balance December 31	<u>\$ 69,345</u>		<u>\$ 40,558</u>	

Comparative Schedule of Tax Rate Information

	<u>2015</u>	<u>2014</u>	<u>2013</u>
<u>Tax Rate</u>	<u>\$2.357</u>	<u>\$2.325</u>	<u>\$2.271</u>
<u>Apportionment of Tax Rate:</u>			
Municipal	\$0.360	\$0.343	\$0.345
Municipal Open Space Tax	\$0.050	\$0.050	\$0.050
County	\$0.441	\$0.446	\$0.445
Local School	\$0.898	\$0.865	\$0.865
Regional High School	\$0.608	\$0.621	\$0.567

Assessed Valuation:

<u>Year</u>	<u>Amount</u>
2015	\$1,355,297,838
2014	\$1,357,409,229
2013	\$1,354,807,408

Comparison of Tax Levies and Collection Currently

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

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2015	\$ 32,012,157	\$ 31,659,174	98.89%
2014	\$ 31,664,401	\$ 31,297,352	98.84%
2013	\$ 30,992,663	\$ 30,583,298	98.67%

Delinquent Taxes and Tax Title Liens

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

<u>Dec.31 Year</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2015	\$ 63,676	\$ 311,228	\$ 374,904	1.17%
2014	\$ 61,154	\$ 282,513	\$ 343,667	1.09%
2013	\$ 58,666	\$ 310,460	\$ 369,126	1.19%

Property Acquired by Tax Title Lien Liquidation

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

Comparative Schedule of Fund Balances

Current Fund

<u>Year</u>	<u>Balance</u> <u>December 31</u>	<u>Utilized</u> <u>In Budget of Succeeding Year</u> <u>Regular</u>
2015	\$ 2,906,612	\$ 2,196,795
2014	\$ 3,768,390	\$ 2,196,795
2013	\$ 4,748,270	\$ 2,196,795
2012	\$ 5,130,944	\$ 2,196,795
2011	\$ 6,036,519	\$ 2,368,000

Sewer Utility Fund

2015	\$ 69,345	\$ 4,000
2014	\$ 40,558	\$ 21,800
2013	\$ 50,250	\$ 33,150
2012	\$ 71,618	\$ 52,150
2011	\$ 42,993	\$ 28,884

Officials in Office and Surety Bonds

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

<u>Name</u>	<u>Title</u>	<u>Amount of</u> <u>Bond</u>	<u>Name</u> <u>Of Corporate Surety</u>
William Voyce	Mayor		
Dana Desiderio	Committeeperson		
Peter Melick	Committeeperson		
Louis DiMare	Committeeperson		
Shaun C. Van Doren	Committeeperson		
Jesse W. Landon	Administrator		
Roberta Brassard	Township Clerk; Assessment Search Officer		
Katherine Winzenreid Ciarlariello	Tax Collector; Sewer Collector; Tax Search Officer	\$250,000	Selective Insurance Co.

<u>Name</u>	<u>Title</u>	<u>Amount of Bond</u>	<u>Name Of Corporate Surety</u>
Marie Kenia	Certified Municipal Finance Officer	\$250,000	Selective Insurance Co.
Ann Marie Obiedzinski	Assessor		
Michael Selvaggi	Attorney		
Charles Rogers	Construction Official		
Ralph Price	Fire Sub-Code Official		
Robert O'Conner Shana	Plumbing Sub-Code Official		
L. Goodchild	Land Use Administrator		
Dennis Allen	Zoning/Housing Officer		

The minimum bond coverage required for the Tax Collector and the Municipal Court personnel based on their respective prior years' tax levies and Court income, would be as follows:

<u>Collector</u>	
<u>Year</u>	<u>Amount</u>
2015	\$158,661

There are public employees' blanket bonds providing coverage to municipal officials and employees not specifically bonded. The municipal officials and employees are covered by a "faithful performance blanket position bond" in the amount of \$250,000. provided by the National Union Fire Insurance Company of Pittsburgh, Pa.

All the bonds were examined and were properly executed.



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Anthony Ardito, CPA, RMA, CMFO, PSA
Douglas R. Williams, CPA, RMA, PSA

**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 Auditor's Report

The Honorable Mayor and
Members of the Township Committee
Township of Tewksbury
169 Old Turnpike Road
County of Hunterdon, Califon, New Jersey 07830

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division of Local Governments Services, Department of Community Affairs, State of New Jersey, the regulatory-basis financial statements of the Township of Tewksbury in the County of Hunterdon, State of New Jersey, as of and for the years ended December 31, 2015 and 2014, and the related notes to the financial statements, which collectively comprise the Township of Tewksbury's basic financial statements, and have issued our report thereon dated March 18, 2016, which indicated that the financial statements have been prepared in conformity with accounting practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a comprehensive 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 Township's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control.

-Continued-

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

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

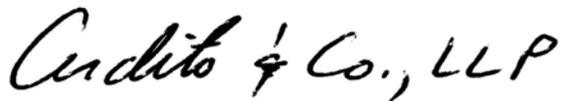
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township's 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*.

Purpose of this Report

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

ARDITO & CO., LLP



Frenchtown, New Jersey
March 18, 2016



Certified Public Accountant
Registered Municipal Accountant No.524
ARDITO & CO., LLP
Frenchtown, New Jersey
March 18, 2016

SCHEDULE OF FEDERAL/STATE AWARDS

SCHEDULE OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2015
N/A

Note: This Schedule was not subject to an audit in accordance with Federal OMB Uniform Guidance.

SCHEDULE OF STATE AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2015

STATE GRANTOR/ PROGRAM TITLE	ACCOUNT NUMBER	PROGRAM OR AWARD AMOUNT	GRANT PERIOD	FUND REF.	CASH ACCRUED OR DEFERRED REVENUE BALANCE AT 1/1/15	RECEIPTS PROGRAM	OTHER	DISBURSEMENTS	CASH ACCRUED OR DEFERRED REVENUE BALANCE AT 12/31/15
<u>DEPT. OF LAW AND PUBLIC SAFETY</u>									
Body Armor Grant	N/A	\$ 1,258	2015	A					\$ 1,258
Body Armor Grant	N/A		2014	A	\$ 1,175				1,175
Body Armor Grant	N/A		2013	A	1,413				1,413
Body Armor Grant	N/A		2012	A	676				676
Body Armor Grant	N/A		2011	A	301				301
<u>DEPT. OF ENVIR. PROTECTION</u>									
Solid Waste Admin.-Clean Communities Program	4900-765-178900	27,490	2015	A		27,490		\$ 22,168	5,322
			2014	A	5,239			5,239	-
Storm Water Management Grant	N/A	N/A	2006	A	1,491				1,491
			2015	A		3,000			3,000
Recycling Tonnage Grant		5,509	2015	A					-
			2014	A	5,509				5,509
			2013	A	3,366				3,366
			2012	A	805			485	320
<u>DEPT. OF HUMAN SERVICES</u>									
Payments to Municipalities for Cost of General Assistance (State Share)	75050-150-158010-60	N/A	N/A	E	8,715	13			8,728
<u>OTHER STATE AIDS</u>									
US Forest Service Grant	N/A	N/A	N/A	A	236				236
ANJEC Grant	N/A	1,300	2013/2015	A	300	400		400	300
TOTAL STATE ASSISTANCE					\$ 29,226	\$ 32,161	-	\$ 28,292	\$ 33,095

Note: This Schedule was not subject to an audit in accordance with NJOMB Circular 04-04/15-08.

TOWNSHIP OF TEWKSBURY

NOTES TO THE SCHEDULES OF FEDERAL AND STATE AWARDS
DECEMBER 31, 2015

NOTE 1. GENERAL

The accompanying Schedules of Expenditures of Federal and State Awards present the activity of all federal and state award programs of the Township of Tewksbury. The Township of Tewksbury is defined in Note 1 to the Township's financial statements. All federal and state awards received directly from federal and state agencies, as well as federal and state awards passed through other government agencies, are included on the schedules of expenditures of federal and state awards.

NOTE 2. BASIS OF ACCOUNTING

The accompanying Schedules of Expenditures of State Awards are presented using the modified accrual basis of accounting. The information in these schedules is presented in accordance with the requirements of federal OMB Uniform Guidance, Audits of States, Local Governments and Nonprofit Organizations. However, the Township was not subject to the single audit provisions of Federal OMB Uniform Guidance or New Jersey OMB Circular NJOMB 04-04/15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid for 2015 as grant expenditures were less than the single audit thresholds of \$750,000, identified in the Circulars.

NOTE 3. RELATIONSHIP TO THE FINANCIAL STATEMENTS

The accompanying Schedules of Expenditures of Federal and State Awards are presented using the modified accrual basis of accounting. Therefore, some amounts presented in these schedules may differ from amounts presented in, or used in the preparation of, the financial statements.

STATUS OF PRIOR AUDIT FINDINGS

STATUS OF PRIOR AUDIT FINDINGS

CY

Occurrence

2014-1 Two appropriation line items were created through budget transfers that were not part of the adopted 2015 budget. Additionally the budget transfers inappropriately transferred funds from "outside cap" appropriations to "inside cap" appropriations, which is prohibited by 40A:4-45.4a and 40A:4-45.38.

We recommend that the township adhere to N.J.S.A 40A:4-1 et. Seq. (New Jersey Local Budget Law)

STATUS - Finding Cleared for 2015

SCHEDULE OF FINDINGS AND RESPONSES
GENERAL FINDINGS

SCHEDULE OF FINDINGS AND RESPONSES

GENERAL FINDINGS

YEAR ENDED DECEMBER 31, 2015

Summary of Auditor's Results

The Township prepares its financial statements in conformity with accounting practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a comprehensive basis of accounting other than generally accepted accounting principles.

The audit did not disclose any material weaknesses in the internal controls of the Township.

The audit did not disclose any noncompliance that is material to the financial statements of the Township.

The Township was not subject to the single audit provisions of Federal OMB Uniform Guidance and New Jersey OMB Circular NJOMB 04-04/15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid for 2015 as grant expenditures were less than the single audit thresholds of \$750,000, identified in the Circulars.

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

Finding

N/A

