

**TOWNSHIP OF GLOUCESTER**  
**COUNTY OF CAMDEN**

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

**TOWNSHIP OF GLOUCESTER**  
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**TOWNSHIP OF GLOUCESTER**

**PART I**

**REPORT OF AUDIT OF FINANCIAL STATEMENTS**

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

## **INDEPENDENT AUDITOR'S REPORT**

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

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

We have audited the accompanying statements of assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Township of Gloucester, in the County of Camden, State of New Jersey, as of December 31, 2015 and 2014, and the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis, statement of expenditures - regulatory basis, and statement of general fixed assets group of accounts - regulatory basis for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of 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; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

**Opinions**

*Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America*

As described in note 1 to the financial statements, the financial statements are prepared by the Township on the basis of the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the State of New Jersey.

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

*Adverse Opinion on Accounting Principles Generally Accepted in the United States of America*

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

*Opinion on Regulatory Basis of Accounting*

In our opinion, the financial statements referred to previously present fairly, in all material respects, the assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Township of Gloucester, in the County of Camden, State of New Jersey, as of December 31, 2015 and 2014, and the results of its operations and changes in fund balance - regulatory basis of such funds for the years then ended, and the revenues - regulatory basis and expenditures - regulatory basis of the various funds, and general fixed assets group of accounts - regulatory basis, for the year ended December 31, 2015 in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, as described in note 1.

**Emphasis of Matter**

*Adoption of New Accounting Principles*

As discussed in note 1 to the financial statements, during the year ended December 31, 2015, the Township adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*. As a result of the regulatory basis of accounting, described in the previous paragraph, the implementation of these Statements only required financial statement disclosures. Our opinions are not modified with respect to this matter.

*Prior Period Adjustment – Correction of a Material Misstatement*

As described in note 16 to the financial statements, the Township restated its General Fixed Assets Account Group for the year ended December 31, 2014, to correct a material misstatement in its previously issued financial statements. Our opinions are not modified with respect to this matter.

**Other Matters**

*Other Information*

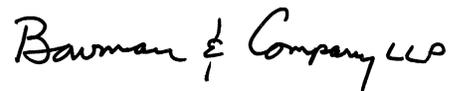
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township's basic financial statements. The supplemental statements and schedules presented for the various funds, as listed in the table of contents, are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and are not a required part of the basic financial statements. The accompanying schedule of expenditures of state financial assistance is presented for purposes of additional analysis as required by State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, and is also not a required part of the financial statements.

The supplemental statements and schedules presented for the various funds and the schedule of expenditures of state financial assistance 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental statements and schedules described in the previous paragraph are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 5, 2016 on our consideration of the Township of Gloucester's, in the County of Camden, State of New Jersey, internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township of Gloucester's internal control over financial reporting and compliance.

Respectfully submitted,



BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants



Robert P. Nehila, Jr.  
Certified Public Accountant  
Registered Municipal Accountant

Voorhees, New Jersey  
December 5, 2016

**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 Council  
Township of Gloucester  
Gloucester Township, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, of the Township of Gloucester, in the County of Camden, State of New Jersey, as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements, and have issued our report thereon dated December 5, 2016. That report indicated that the Township of Gloucester's financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America, but were prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. In addition, our report on the financial statements also included an emphasis of matter paragraph describing the adoption of new accounting principles and a prior period adjustment – correction of a material misstatement.

***Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the Township of Gloucester'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 of Gloucester's internal control. Accordingly, we do not express an opinion on the effectiveness of Township of Gloucester's internal control.

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

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.

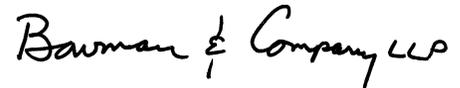
**Compliance and Other Matters**

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

**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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,



BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants



Robert P. Nehila, Jr.  
Certified Public Accountant  
Registered Municipal Accountant

Voorhees, New Jersey  
December 5, 2016

**TOWNSHIP OF GLOUCESTER**  
**CURRENT FUND**  
 Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis  
 As of December 31, 2015 and 2014

ASSETS:	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
Regular Fund:			
Cash	SA-1	\$ 15,923,670.26	\$ 13,323,245.02
Cash -- Change Funds	SA-2	1,850.00	1,850.00
Due State of New Jersey:			
Senior Citizens' and Veterans Deductions	SA-4	86,896.79	89,841.06
		16,012,417.05	13,414,936.08
Receivables and Other Assets			
with Full Reserves:			
Delinquent Property Taxes Receivable	SA-5	162,078.52	210,274.52
Tax Title Liens Receivable	SA-6	1,112,369.52	962,001.09
Revenue Accounts Receivable	SA-7	97,759.94	116,173.33
Property Maintenance Liens Receivable	SA-19	39,640.30	57,663.43
Police Outside Service Receivable	SA-19	6,993.12	8,467.18
Due from Animal Control Trust Fund	SB-2		6.33
Due from General Capital	SC-6		1,090.23
Due from Municipal Open Space Trust Fund	SB-5	4,594.55	
		1,423,435.95	1,355,676.11
		17,435,853.00	14,770,612.19
Federal and State Grant Fund:			
Due from Current Fund	SA-20	154,905.27	310,503.14
Federal and State Grants Receivable	SA-21	433,835.34	631,193.12
		588,740.61	941,696.26
		\$ 18,024,593.61	\$ 15,712,308.45

(Continued)

**TOWNSHIP OF GLOUCESTER**  
**CURRENT FUND**  
 Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis  
 As of December 31, 2015 and 2014

LIABILITIES, RESERVES AND FUND BALANCE:	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3,SA-10	\$ 1,675,672.91	\$ 830,052.83
Reserve for Encumbrances	SA-18	596,741.83	116,948.86
Accounts Payable	SA-8	1,140.63	19,385.36
Prepaid Taxes	SA-11	1,514,343.71	925,046.55
Prepaid Abatement	SA-1	325.00	
Tax Overpayments	SA-12		10,601.33
Due to County for Added and Omitted Taxes	SA-14	40,136.82	642,291.51
Regional School Taxes Payable	SA-15	0.53	44,796.88
Local School Taxes Payable	SA-16	1,949,633.54	4,901.54
Due to State of New Jersey:			
Marriage Licenses	SA-21	2,525.00	1,265.00
State Training Fees	SA-21	17,503.00	10,900.00
Reserve for Cost of Revaluation	SA-21	8,771.60	8,771.60
Due Camden County Municipal Utility Authority	SA-21	937,785.91	782,527.53
Due Gloucester Township Municipal Utility Authority	SA-21	462,408.89	437,498.46
Due Municipal Open Space Trust Fund	SB-5		1,595.32
Due Federal and State Grant Fund	SA-22	154,905.27	310,503.14
Due General Capital Fund	SC-6	856,241.59	
Due Trust Other Fund	SB-8	4,068,557.11	3,145,595.50
		<u>12,286,693.34</u>	<u>7,292,681.41</u>
Reserve for Receivables and Other Assets	A	1,423,435.95	1,355,676.11
Fund Balance	A-1	<u>3,725,723.71</u>	<u>6,122,254.67</u>
		<u>17,435,853.00</u>	<u>14,770,612.19</u>
Federal and State Grant Fund:			
Due to Trust Other Fund	B	10,000.00	10,000.00
Reserve for Encumbrances	SA-23	293,987.50	243,791.92
Appropriated Grant Reserves	SA-23	264,728.84	659,924.04
Unappropriated Reserves	SA-22	20,024.27	27,980.30
		<u>588,740.61</u>	<u>941,696.26</u>
		<u>\$ 18,024,593.61</u>	<u>\$ 15,712,308.45</u>

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

**TOWNSHIP OF GLOUCESTER**  
**CURRENT FUND**  
 Statements of Operations and Changes in Fund Balance -- Regulatory Basis  
 For the Years Ended December 31, 2015 and 2014

REVENUE AND OTHER INCOME REALIZED:	<u>2015</u>	<u>2014</u>
Fund Balance Utilized	\$ 4,840,000.00	\$ 4,150,000.00
Miscellaneous Revenue Anticipated	12,856,321.22	11,782,786.86
Receipts from Delinquent Taxes	261,482.54	268,022.25
Receipts from Current Taxes	153,889,654.23	154,261,292.01
Non-Budget Revenue	629,809.99	531,363.42
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	230,787.88	1,658,313.32
Cancellation of:		
Federal and State Grants	64,396.01	
Prior Year Accounts Payables	18,285.43	
Liquidation of Reserve for:		
Interfunds	1,096.56	49,322.03
Other Assets	18,023.13	24,968.51
	<u>172,809,856.99</u>	<u>172,726,068.40</u>
<b>EXPENDITURES:</b>		
Budget and Emergency Appropriations:		
Operations Within "CAPS":		
Salaries and Wages	21,844,448.60	20,277,696.00
Other Expenses	20,355,203.64	19,473,712.00
Deferred Charges and Statutory Expenditures Municipal -- Within "CAPS"	5,405,610.00	4,988,965.00
Operations -- Excluded from "CAPS":		
Salaries and Wages	125,272.73	139,785.63
Other Expenses	788,112.95	1,496,503.07
Capital Improvements -- Excluded from "CAPS"	300,000.00	212,000.00
Municipal Debt Service -- Excluded from "CAPS"	6,673,641.41	7,138,943.44
Transferred to Board of Education	510,000.00	510,000.00
County Taxes	36,101,138.04	35,064,482.23
Due County for Added and Omitted Taxes	40,136.82	642,291.51
Local School District Tax	45,638,520.00	45,791,690.00
Regional High School Tax	25,159,352.00	23,872,287.00
Special (Fire) District Taxes	6,516,358.00	6,409,735.00
Municipal Open Space Tax	890,473.45	896,923.27
Other Charges to Income:		
Refund of Prior Year Revenue		47,927.21
Interfunds Created	4,594.55	1,093.44
Other Assets	1,449.80	21,510.49
Miscellaneous Liens Receivable Created		21,510.49
Miscellaneous Added Tax Overpayments	12,075.96	13,007.46
	<u>170,366,387.95</u>	<u>167,020,063.24</u>
Statutory Excess to Fund Balance	2,443,469.04	5,706,005.16
<b>FUND BALANCE:</b>		
Balance January 1	<u>6,122,254.67</u>	<u>4,566,249.51</u>
	8,565,723.71	10,272,254.67
Decreased by:		
Utilized as Revenue	<u>4,840,000.00</u>	<u>4,150,000.00</u>
Balance December 31	<u>\$ 3,725,723.71</u>	<u>\$ 6,122,254.67</u>

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

**Township of Gloucester**  
**CURRENT FUND**  
Statement of Revenues -- Regulatory Basis  
For the Year Ended December 31, 2015

	<u>Anticipated</u>		<u>Realized</u>	<u>Excess or (Deficit)</u>
	<u>Budget</u>	<u>Special N.J.S. 40A: 4-87</u>		
Surplus Anticipated	\$ 4,840,000.00		\$ 4,840,000.00	
Miscellaneous Revenues				
Alcoholic Beverages	55,000.00		59,640.00	\$ 4,640.00
Licenses Other	20,000.00		34,996.00	14,996.00
Fees and Permits	40,000.00		63,041.00	23,041.00
Fines and Costs - Municipal Court	940,000.00		844,458.19	(95,541.81)
Interest and Costs on Taxes	300,000.00		366,406.92	66,406.92
Interest on Investments and Deposits	60,000.00		74,030.54	14,030.54
Recreation Fees	200,000.00		221,955.24	21,955.24
Tax Sale Fees	200,000.00		231,347.90	31,347.90
Payment in Lieu of Senior Citizen Housing Complex	160,000.00		168,199.26	8,199.26
Municipal Pool Fees	70,000.00		73,490.00	3,490.00
Lease of Public Building	6,000.00		11,840.03	5,840.03
Tax Abatement in Lieu of Billing	200,000.00		179,663.25	(20,336.75)
Police Dept Fees	9,500.00		4,183.25	(5,316.75)
Cable TV Fees	200,500.00		216,543.71	16,043.71
Consolidated Municipal Property Tax Relief Aid	440,047.00		440,047.00	
Energy Receipts Tax (P.L. 1997, Chapters 162 & 167)	4,666,412.00		4,666,412.00	
Uniform Construction Code Fees	692,864.80		1,328,733.00	635,868.20
Payment of Bond Principal - Due from Black Horse				
Pike Regional High School District	80,000.00		80,000.00	
Interest on Bonds - Due from Black Horse				
Pike Regional High School District	33,432.50		16,716.25	(16,716.25)
Public and Private Revenues Offset				
Drunk Driving Enforcement Fund	2,148.00	\$ 11,565.75	13,713.75	
Municipal Alliance on Alcohol and Drug Abuse	41,058.00		41,058.00	
Safe and Secure Communities Program	90,000.00		90,000.00	
Body Armor Grant	10,959.57		10,959.57	
Click it or Ticket	4,000.00		4,000.00	
Drive Sober or Get Pulled Over	9,125.00	12,200.00	21,325.00	
Camden County Open Space Grant		100,000.00	100,000.00	
Bulletproof Vest Partnership Grant		15,302.82	15,302.82	
Edward Byrne Memorial Justice Assistance Grant		18,779.00	18,779.00	
NJ DEP - Clean Communities Program		125,364.81	125,364.81	
Distracted Driving Statewide Crackdown Grant		5,000.00	5,000.00	
Camden County Sobriety Check Point	1,747.73		1,747.73	
NJ Department of Transportation		260,167.00	260,167.00	
DVRPC	64,000.00		64,000.00	
Cops in Shops	3,200.00		3,200.00	
General Capital Surplus	3,000,000.00		3,000,000.00	
Total Miscellaneous Revenues	11,599,994.60	548,379.38	12,856,321.22	707,947.24
Receipts from Delinquent Taxes			261,482.54	261,482.54
Amount to be Raised by Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes	39,944,899.00		40,279,320.98	334,421.98
Budget Totals	56,384,893.60	548,379.38	58,237,124.74	1,303,851.76
Non-Budget Revenue			629,809.99	629,809.99
	<u>\$ 56,384,893.60</u>	<u>\$ 548,379.38</u>	<u>\$ 58,866,934.73</u>	<u>\$ 1,933,661.75</u>

(Continued)

**TOWNSHIP OF GLOUCESTER**  
**CURRENT FUND**  
Statement of Revenues -- Regulatory Basis  
For the Year Ended December 31, 2015

Analysis of Realized Revenues

Allocation of Current Tax Collections:

Revenue from Collections	\$ 153,889,654.23
Allocated to School, County and Special District Taxes	114,345,978.31
Balance for Support of Municipal Budget Appropriations	39,543,675.92
Add: Appropriation "Reserve for Uncollected Taxes"	735,645.06
Amount for Support of Municipal Budget Appropriations	\$ 40,279,320.98

Receipts from Delinquent Taxes:

Delinquent Tax Collections	\$ 91,421.96
Tax Title Lien Collections	170,060.58
	\$ 261,482.54

Analysis of Non-Budget Revenue

Miscellaneous Revenue not Anticipated:

GTMUA Excess Funds	\$ 203,881.20
Fuel Reimbursement	127,769.43
Tax Fees	7,309.00
Sale of Ordinance, Books & Maps	1,334.30
Metal Recycling	12,763.66
eCrash Reports	885.00
Restitution	3,300.00
Vending Machine	1,386.37
Police O/S Employ - Admin Fee	135,706.25
Community Development Ad Fees	2,950.00
Photocopies	8,740.05
SREC	12,039.68
Twp Pool Snack Bar	9,656.35
FEMA	522.90
Cancel Prior Year Checks	13,155.84
S/C & Vet Admin Fee	11,645.15
Cell Phone Tower	53,233.87
Motor Vehicle Fines	9,435.36
NSF Fee	515.58
Gazebo Rentals	13,580.00
Total Non-Budget Revenues	\$ 629,809.99

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

**TOWNSHIP OF GLOUCESTER**

**CURRENT FUND**

Statement of Expenditures -- Regulatory Basis  
For the Year Ended December 31, 2015

	<u>A p p r o p r i a t i o n s</u>		<u>P a i d o r C h a r g e d</u>			Unexpended Balance Canceled
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Expended</u>	<u>Encumbered</u>	<u>Reserved</u>	
OPERATIONS -- WITHIN "CAPS"	\$	\$	\$		\$	
GENERAL GOVERNMENT	1,375.00	1,875.00	1,567.56		307.44	
Administrative and Executive:						
Office of Township Administrator:						
Salaries and Wages	182,840.00	111,840.00	111,319.46		520.54	
Other Expenses	20,450.00	41,950.00	41,445.21		504.79	
Office of Administrative Support Services:						
Salaries and Wages	25,400.00	400.00	342.80		57.20	
Other Expenses						
Office of Grants Administration:						
Salaries and Wages	206,154.00	274,654.00	274,353.73		300.27	
Other Expenses	55,000.00	57,000.00	56,081.48	\$ 122.10	796.42	
Office of Human Resources:						
Salaries and Wages	133,470.00	130,970.00	130,758.65		211.35	
Other Expenses	4,140.00	5,140.00	4,800.15		339.85	
Office of the Twp. Council:						
Salaries and Wages	55,935.00	55,935.00	55,935.00		765.62	
Other Expenses	5,225.00	5,225.00	4,459.38			
Office of Public Information:						
Other Expenses	127,600.00	111,700.00	111,616.46		83.54	
Office of the Twp. Clerk:						
Salaries and Wages	154,879.00	190,879.00	190,332.34		546.66	
Other Expenses:	49,525.00	44,525.00	39,920.92		4,604.08	
Office of the Treasury:						
Salaries and Wages	165,077.00	166,077.00	164,943.82		1,133.18	
Other Expenses	24,300.00	35,300.00	35,292.21		7.79	
Audit Services:						
Other Expenses	62,000.00	62,000.00	62,000.00			
Office of Data Processing:						
Salaries and Wages	85,660.00	38,660.00	38,560.55		99.45	
Other Expenses	177,800.00	207,800.00	207,616.97		183.03	
Office of the Tax Collector:						
Salaries and Wages	264,982.00	260,482.00	260,010.16		471.84	
Other Expenses	109,850.00	109,850.00	53,960.73	1,570.64	54,318.63	
Office of Tax Assessment:						
Salaries and Wages	173,665.00	173,665.00	172,507.75		1,157.25	
Other Expenses	32,350.00	32,350.00	30,015.06		2,334.94	
Office of the Twp. Attorney:						
Salaries and Wages	122,589.00	126,939.00	126,903.57		35.43	
Other Expenses	60,650.00	80,650.00	75,423.77		5,226.23	

(Continued)

**TOWNSHIP OF GLOUCESTER**  
CURRENT FUND

Statement of Expenditures -- Regulatory Basis  
For the Year Ended December 31, 2015

	<u>A p p r o p r i a t i o n s</u>		<u>P a i d o r C h a r g e d</u>			Unexpended Balance Canceled
	Budget	Budget After Modification	Expended	Encumbered	Reserved	
OPERATIONS -- WITHIN "CAPS" (CONT'D)	\$ 85,000.00	\$ 85,000.00	\$ 76,638.00	\$	8,362.00	
GENERAL GOVERNMENT (CONT'D)						
Administrative and Executive (Cont'd):						
Office of the Township Engineer:						
Other Expenses						
Rent Stabilization Board:						
Other Expenses	125.00	125.00			125.00	
Office of Community Development:						
Salaries and Wages	200,584.00	193,584.00	190,412.09		3,171.91	
Other Expenses	26,700.00	16,700.00	6,848.12	\$ 51.14	9,800.74	
<u>Land Use Administration:</u>						
Planning Board:						
Salaries and Wages	8,255.00	8,855.00	8,437.76	416.67	0.57	
Other Expenses	30,600.00	15,600.00	8,755.10	790.50	6,054.40	
Zoning Board of Adjustments:						
Salaries and Wages	8,755.00	8,755.00	8,120.84		634.16	
Other Expenses	259,600.00	289,600.00	286,010.67		3,589.33	
Office of Zoning:						
Salaries and Wages	44,802.00	40,802.00	40,750.55		51.45	
<u>Insurance:</u>						
Liability Insurance	716,750.00	730,250.00	724,306.77	5,610.00	333.23	
Workman's Compensation	380,000.00	475,000.00	466,026.75		8,973.25	
Health Benefit Waiver	195,000.00	203,000.00	202,598.84		401.16	
Employee Group Insurance	7,584,000.00	7,688,000.00	7,669,399.12		18,600.88	
Unemployment Insurance	20,000.00	20,000.00			20,000.00	
<u>Public Safety:</u>						
Police Department:						
Salaries and Wages	13,493,720.60	12,829,620.60	12,784,879.57		44,741.03	
Other Expenses	690,476.00	698,476.00	659,984.14	21,305.40	17,186.46	
Police Communications:						
Salaries and Wages	690,999.00	738,499.00	738,006.76		492.24	
Other Expenses	129,889.00	119,889.00	99,722.91		20,166.09	
Office of Emergency Management:						
Salaries and Wages	30,600.00	30,600.00	30,438.67		161.33	
Other Expenses	13,927.64	13,927.64	8,585.82	64.40	5,277.42	
Office of the Prosecutor:						
Salaries and Wages	45,210.00	45,210.00	44,323.76		886.24	

(Continued)

**TOWNSHIP OF GLOUCESTER**  
CURRENT FUND

Statement of Expenditures -- Regulatory Basis  
For the Year Ended December 31, 2015

	<u>A p p r o p r i a t i o n s</u>		<u>P a i d o r C h a r g e d</u>			Unexpended Balance Canceled
	Budget	Budget After Modification	Expended	Encumbered	Reserved	
<b>OPERATIONS -- WITHIN "CAPS" (CONTD)</b>						
<b>GENERAL GOVERNMENT (CONTD)</b>						
<u>Public Works:</u>						
Office of the Director:						
Salaries and Wages	\$ 183,833.00	\$ 147,833.00	\$ 147,266.24	\$ 18.00	\$ 566.76	
Other Expenses	92,500.00	104,600.00	104,482.71		99.29	
Street and Road Maintenance:						
Salaries and Wages	1,525,201.00	2,000,201.00	1,274,736.33		725,464.67	
Other Expenses	870,620.00	670,620.00	534,626.95	40,122.06	95,870.99	
Sanitation:						
Contractual	3,713,172.00	3,849,172.00	3,570,285.31		278,886.69	
Public Buildings and Grounds:						
Salaries and Wages	640,482.00	753,482.00	746,856.71		6,625.29	
Other Expenses	136,700.00	137,200.00	134,680.89	2,078.10	441.01	
Vehicle Maintenance:						
Salaries and Wages	368,756.00	413,256.00	413,139.38		116.62	
Other Expenses	341,400.00	326,400.00	314,506.50	7,630.65	4,262.85	
<u>Health and Human Services:</u>						
Office of Community Services and Information:						
Salaries and Wages	52,662.00	52,662.00	51,492.68		1,169.32	
Other Expenses	775.00	775.00	775.00			
Board of Health:						
Salaries and Wages	5,550.00	8,380.00	8,346.98		33.02	
Other Expenses	2,100.00	2,100.00	579.16	73.50	1,447.34	
<u>Animal Control:</u>						
Animal Control Services						
Other Expenses	65,000.00	65,000.00	65,000.00			
<u>Parks and Recreation</u>						
Office of the Director:						
Salaries and Wages	487,065.00	551,965.00	551,467.67		497.33	
Other Expenses	42,440.00	46,440.00	45,430.19		1,009.81	
Office of Community Activities:						
Other Expenses	21,150.00	25,150.00	24,913.44		236.56	
Municipal Pool:						
Salaries and Wages	68,550.00	80,050.00	79,955.11		94.89	
Other Expenses	21,000.00	16,000.00	15,724.10	137.22	138.68	
Maintenance of Parks and Playgrounds:						
Salaries and Wages	1,334,904.00	1,221,724.00	1,209,824.13		11,899.87	
Other Expenses	136,000.00	76,000.00	61,246.87	250.00	14,503.13	
<u>Other Common Operating Functions:</u>						
Office of Senior Citizens						
Salaries and Wages	54,062.00	34,062.00	33,092.02		969.98	
Other Expenses	4,550.00	5,050.00	4,849.94		200.06	

(Continued)

**TOWNSHIP OF GLOUCESTER**  
CURRENT FUND

Statement of Expenditures -- Regulatory Basis  
For the Year Ended December 31, 2015

	<u>A p p r o p r i a t i o n s</u>		<u>P a i d o r C h a r g e d</u>			Unexpended Balance Canceled
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Expended</u>	<u>Encumbered</u>	<u>Reserved</u>	
<b>OPERATIONS -- WITHIN "CAPS" (CONTD)</b>						
<b>GENERAL GOVERNMENT (CONTD)</b>						
<u>Reserve for Tax Appeals</u>	\$ 25,000.00	\$ 26,500.00	\$ 26,246.87	\$	253.13	
Tax Appeals						
Other Expenses						
<u>Utility and Bulk Purchases:</u>						
Electric	252,000.00	222,000.00	221,435.16		564.84	
Street Lighting	935,000.00	935,000.00	895,957.71	\$ 4,195.00	34,847.29	
Telephone	203,000.00	203,000.00	193,433.54		9,566.46	
Water	98,200.00	98,200.00	94,787.37		3,412.63	
Natural Gas	90,600.00	100,600.00	97,168.66		3,431.34	
Sewerage	12,400.00	10,900.00	10,866.67		33.33	
Gasoline	675,000.00	475,000.00	404,198.57	2,068.55	68,732.88	
<u>Landfill Disposal Costs:</u>						
Other Expenses	1,425,000.00	1,531,000.00	1,404,301.00		126,699.00	
<u>Municipal Court:</u>						
Salaries and Wages	520,740.00	531,740.00	531,537.48		202.52	
Other Expenses	52,360.00	72,360.00	67,769.99	237.90	4,352.11	
<u>Construction Code Enforcement:</u>						
Salaries and Wages	486,816.00	502,816.00	502,815.28		0.72	
Other Expenses	47,100.00	49,100.00	48,963.36		136.64	
<u>Unclassified:</u>						
Absence Leave-Retirees	108,604.00	97,604.00	96,613.44		990.56	
Compensated Absences Leave	55,000.00	58,100.00	58,054.17		45.83	
<b>Total Operations Including Contingent-Within "CAPS"</b>	<b>42,233,952.24</b>	<b>42,199,652.24</b>	<b>40,472,087.49</b>	<b>86,741.83</b>	<b>1,640,822.92</b>	<b>-</b>
<b>Detail:</b>						
Salaries and Wages	21,919,548.60	21,844,448.60	21,041,770.98	416.67	802,260.95	-
Other Expenses	20,314,403.64	20,355,203.64	19,430,316.51	86,325.16	838,561.97	-
<b>DEFERRED CHARGES AND STATUTORY EXPENDITURES -- WITHIN "CAPS"</b>						
<u>Statutory Expenditures:</u>						
Contribution to:						
Public Employees' Retirement System	887,728.00	895,028.00	894,993.88		34.12	
Social Security System (O.A.S.I)	1,800,000.00	1,800,000.00	1,786,578.59		13,421.41	
DCRP	10,000.00	10,000.00	6,554.45		3,445.55	
Police and Firemen's Retirement System	2,700,582.00	2,700,582.00	2,700,582.00			
<b>Total Deferred Charges and Statutory Expenditures -- Within "CAPS"</b>	<b>5,398,310.00</b>	<b>5,405,610.00</b>	<b>5,388,708.92</b>	<b>-</b>	<b>16,901.08</b>	<b>-</b>

(Continued)

**TOWNSHIP OF GLOUCESTER**  
CURRENT FUND

Statement of Expenditures -- Regulatory Basis  
For the Year Ended December 31, 2015

	A p p r o p r i a t i o n s		P a i d o r C h a r g e d			Unexpended Balance Canceled
	Budget	Budget After Modification	Expended	Encumbered	Reserved	
<b>OPERATIONS -- EXCLUDED FROM "CAPS"</b>						
General Appropriations:						
Stormwater Management Permits	\$ 9,000.00	\$ 16,000.00	\$ 15,992.00		\$ 8.00	
Sanitation - Recycling Tax	85,000.00	85,000.00	67,059.09		17,940.91	
<b>Total General Appropriations - Excluded from "CAPS"</b>	<b>94,000.00</b>	<b>101,000.00</b>	<b>83,051.09</b>	<b>-</b>	<b>17,948.91</b>	<b>-</b>
<b>Public and Private Programs Offset by Revenues:</b>						
Supplemental Fire Services Program	21,538.00	21,538.00	21,538.00			
Drunk Driving Enforcement Fund (N.J.S.A. 40A:4-87 \$11,565.75)	2,148.00	13,713.75	13,713.75			
Bulletproof Vest Partnership Grant (N.J.S.A. 40A:4-87)		15,302.82	15,302.82			
NJ Department of Transportation (N.J.S.A. 40A:4-87)		260,167.00	260,167.00			
Distracted Driving Statewide Crackdown Grant (N.J.S.A. 40A:4-87)		5,000.00	5,000.00			
Drive Sober or Get Pulled Over(N.J.S.A. 40A:4-87 \$12,200.00)	9,125.00	21,325.00	21,325.00			
NJ DEP - Clean Communities Program (N.J.S.A. 40A:4-87)		125,364.81	125,364.81			
Municipal Alliance	41,058.00	41,058.00	41,058.00			
Municipal Alliance (Local Match)	16,230.00	16,230.00	16,230.00			
Click it or Ticket	4,000.00	4,000.00	4,000.00			
Safe & Secure Community Project Police	90,000.00	90,000.00	90,000.00			
Body Armor Grant	10,959.57	10,959.57	10,959.57			
Edward Byrne Memorial Justice Assistance Grant (N.J.S.A. 40A:4-87)		18,779.00	18,779.00			
Camden County Open Space Grant (N.J.S.A. 40A:4-87)		100,000.00	100,000.00			
Cops in Shops	3,200.00	3,200.00	3,200.00			
DVRPC	64,000.00	64,000.00	64,000.00			
Camden County Sobriety Check Point	1,747.73	1,747.73	1,747.73			
<b>Total Public and Private Programs Offset by Revenues</b>	<b>264,006.30</b>	<b>812,385.68</b>	<b>812,385.68</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Operations - Excluded from "CAPS"</b>	<b>358,006.30</b>	<b>913,385.68</b>	<b>895,436.77</b>	<b>-</b>	<b>17,948.91</b>	<b>-</b>
Detail:						
Salaries and Wages	108,072.73	125,272.73	125,272.73			
Other Expenses	249,933.57	788,112.95	770,164.04		17,948.91	
<b>Capital Improvements - Excluded from "CAPS":</b>						
Capital Improvement Fund	300,000.00	300,000.00	300,000.00			

(Continued)

**TOWNSHIP OF GLOUCESTER**

**CURRENT FUND**

Statement of Expenditures -- Regulatory Basis  
For the Year Ended December 31, 2015

	A p p r o p r i a t i o n s		P a i d o r C h a r g e d			Unexpended Balance Canceled
	Budget	Budget After Modification	Expended	Encumbered	Reserved	
<b>OPERATIONS -- EXCLUDED FROM "CAPS"</b>						
<u>Municipal Debt Service - Excluded from "CAPS":</u>						
Payment of Bond Principal	\$ 4,849,000.00	\$ 4,849,000.00	\$ 4,849,000.00			\$ 195,078.38
Interest on Bonds	1,658,200.00	1,658,200.00	1,463,121.62			
NJEIT Loan Program						
Principal	131,590.00	131,590.00	131,588.39			1.61
Interest	27,180.00	27,180.00	27,179.97			0.03
Green Trust Loan Program:						
Principal	153,900.00	171,900.00	171,739.74			160.26
Interest	29,110.00	31,110.00	31,011.69			98.31
<b>Total Municipal Debt Service - Excluded from "CAPS"</b>	<b>6,848,980.00</b>	<b>6,868,980.00</b>	<b>6,673,641.41</b>	<b>-</b>	<b>-</b>	<b>195,338.59</b>
Transferred to Board of Education for use of Local Schools (NJSA 40:48-17.1 & 17.3)	510,000.00	510,000.00		\$ 510,000.00		
<b>Total General Appropriations for Municipal Purposes Excluded from "CAPS"</b>	<b>8,016,986.30</b>	<b>8,592,365.68</b>	<b>7,869,078.18</b>	<b>510,000.00</b>	<b>\$ 17,948.91</b>	<b>195,338.59</b>
Subtotal General Appropriations	55,649,248.54	56,197,627.92	53,729,874.59	596,741.83	1,675,672.91	195,338.59
Reserve for Uncollected Taxes	735,645.06	735,645.06	735,645.06			
<b>Total General Appropriations</b>	<b>\$ 56,384,893.60</b>	<b>\$ 56,933,272.98</b>	<b>\$ 54,465,519.65</b>	<b>\$ 596,741.83</b>	<b>\$ 1,675,672.91</b>	<b>\$ 195,338.59</b>
Original Budget		\$ 56,384,893.60				
Appropriation by NJS 40A:4-87		548,379.38				
		<u>\$ 56,933,272.98</u>				
Reserve for Federal and State Grants Appropriated		\$ 790,847.68				
Disbursements		55,229,999.24				
Refunds of Appropriations		(2,290,972.33)				
		<u>\$ 54,465,519.65</u>				

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

**TOWNSHIP OF GLOUCESTER**  
**TRUST FUND**  
 Statements of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis  
 As of December 31, 2015 and 2014

ASSETS:	Ref.	2015	2014
Animal Control Fund:			
Cash	SB-1	\$ 11,613.58	\$ 10,162.13
Other Funds:			
Cash	SB-1	4,191,073.48	4,428,885.57
Change Fund	B	100.00	100.00
		<u>4,191,173.48</u>	<u>4,428,985.57</u>
Accounts Receivable:			
Due from Current Fund	SB-7	4,068,557.11	3,145,595.50
Due from Federal and State Grant Fund	A	10,000.00	10,000.00
Due from School Bus GPS System	SB-8	34,884.64	31,423.96
Due from Gloucester Township MUA	B	12,064.30	12,064.30
Rehabilitation Mortgages Receivable	B	905,471.46	905,471.46
Metro Cities Receivable	SB-8	397,815.27	115,614.74
Camden County Home Consortium Program Receivable	SB-8	46,638.00	90,938.00
		<u>5,475,430.78</u>	<u>4,311,107.96</u>
		<u>9,666,604.26</u>	<u>8,740,093.53</u>
Municipal Open Space Trust Fund:			
Cash	SB-1	181,094.07	318,453.30
Due Current Fund	SB-5		1,595.32
Due Trust Other Fund	SB-9	16,982.68	10,000.00
		<u>198,076.75</u>	<u>330,048.62</u>
		<u>\$ 9,876,294.59</u>	<u>\$ 9,080,304.28</u>
<b>LIABILITIES, RESERVES AND FUND BALANCE:</b>			
Animal Control Fund:			
Due Current Fund	SB-2		\$ 6.33
Due State of New Jersey	SB-3	\$ 8.40	8.40
Reserve for Animal Control Fund Expenditures	SB-4	11,605.18	10,147.40
		<u>11,613.58</u>	<u>10,162.13</u>
Other Funds:			
Due to Municipal Open Space Trust Fund	SB-9	16,982.68	10,000.00
Due to General Capital Fund	SB-9	30,293.77	
Reserve for:			
Seasonal Cleanup Escrows	SB-9	1,031.00	1,031.00
Accumulated Absences	SB-9	54,817.61	54,817.61
Engineering Escrows	SB-9	528,621.07	612,182.34
Cash Performance Guarantees	SB-9	434,702.05	613,448.80
Grading Escrows	SB-9	156,523.20	151,304.02
Developers Interest on Escrows	SB-9	2,272.86	2,272.86
Police Outside Employment	SB-9	65,167.05	41,739.81
Recycling Funds	SB-9	29,965.07	208,639.55
Miscellaneous Grant Escrows	SB-9	11,091.28	11,091.28

(Continued)

**TOWNSHIP OF GLOUCESTER**  
**TRUST FUND**  
 Statements of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis  
 As of December 31, 2015 and 2014

LIABILITIES, RESERVES AND FUND BALANCE (CONT'D):	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
Other Funds (cont'd):			
Reserve for (cont'd):			
Public Defender	SB-9	\$ 29,250.14	\$ 36,472.46
POAA	SB-9	3,162.00	3,054.00
Municipal Alliance Funds	SB-9	23,665.09	24,222.09
Housing and Community Development Act:			
Metro Cities Grant	SB-9	192,822.61	68,317.35
CC Home Consortium Program	SB-9	858.00	858.00
Sidewalk Improvements	SB-9	1,087.01	1,973.17
Neighborhood Preservation Program	SB-9	12,900.30	12,900.30
Disposal of Forfeited Property	SB-9	106,630.28	175,932.38
Redemption of Privately Held Liens	SB-9	452,938.98	415,345.30
Tax Sale Premium	SB-9	5,505,500.00	4,576,400.00
Workman's Compensation	SB-9		13,057.92
Workman's Compensation - Salaries and Wages	SB-9	247.48	744.90
Workman's Compensation - MUA	SB-9	6,282.92	6,282.92
Disability Claims	SB-9	36,824.55	42,564.36
Unemployment Compensation Insurance	SB-9	33,420.84	14,440.54
Special Recreation Trust	SB-9	29,922.86	35,470.77
Affordable Housing Trust	SB-9	400,441.72	233,551.60
Rehabilitation Mortgages Receivable	SB-9	905,471.46	905,471.46
Encroachment Escrows	SB-9	15,915.89	18,085.89
Multiple Dwelling Escrows	SB-9	38,425.61	38,425.61
Sloan's Legacy	SB-9	2,972.00	2,961.62
Revolving Loan Fund	SB-9	98,710.55	138,704.55
Payroll Fund	SB-9	436,569.87	180,575.45
Flexible Spending	SB-9	1,116.46	87,753.62
		<u>9,666,604.26</u>	<u>8,740,093.53</u>
Municipal Open Space Trust Fund:			
Due to Current Fund	SB-5	4,594.55	
Due to General Capital Fund	B-3	9,445.47	
Reserve for Future Use	SB-6	184,036.73	330,048.62
		<u>198,076.75</u>	<u>330,048.62</u>
		<u>\$ 9,876,294.59</u>	<u>\$ 9,080,304.28</u>

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

**TOWNSHIP OF GLOUCESTER**  
**MUNICIPAL OPEN SPACE TRUST FUND**  
 Statements of Operations and Changes in Reserve for Future Use - Regulatory Basis  
 For the Years Ended December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
REVENUE REALIZED:		
Amount to be Raised by Taxation	\$ 890,473.45	\$ 896,923.27
Miscellaneous	<u>107,188.11</u>	<u>57,249.68</u>
Total Income	<u>997,661.56</u>	<u>954,172.95</u>
EXPENDITURES:		
Budget Appropriations:		
Maintenance of Lands for Recreation and Conservation	889,488.00	684,945.61
Paid Directly from Reserve Funds:		
Other Open Space Expenditures	<u>254,185.45</u>	<u>                    </u>
Total Expenditures	<u>1,143,673.45</u>	<u>684,945.61</u>
Excess (Deficit) to Reserve	(146,011.89)	269,227.34
RESERVE FOR FUTURE USE:		
Balance January 1,	<u>330,048.62</u>	<u>60,821.28</u>
Balance December 31,	<u><u>\$ 184,036.73</u></u>	<u><u>\$ 330,048.62</u></u>

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

**TOWNSHIP OF GLOUCESTER**  
**MUNICIPAL OPEN SPACE TRUST FUND**  
**Statement of Revenues - Regulatory Basis**  
**For the Year Ended December 31, 2015**

	<u>Anticipated Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Amount to be Raised by Taxation	\$ 889,488.00	\$ 890,473.45	\$ 985.45
Miscellaneous		107,188.11	107,188.11
	<u>\$ 889,488.00</u>	<u>\$ 997,661.56</u>	<u>\$ 108,173.56</u>

Analysis of Realized Revenues

Receipts:

Miscellaneous Revenues - State Grant

\$ 106,181.25

Interest Earnings on Deposits

1,006.86

\$ 107,188.11

Open Space Tax Levy

889,488.00

Added and Omitted Taxes

985.45

890,473.45

\$ 997,661.56

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

**TOWNSHIP OF GLOUCESTER**  
**MUNICIPAL OPEN SPACE TRUST FUND**  
 Statement of Expenditures - Regulatory Basis  
 For the Year Ended December 31, 2015

	<u>Original Budget</u>	<u>Appropriations Budget After Modification</u>	<u>Paid or Charged</u>	<u>Unexpended Balance Canceled</u>
Maintenance of Lands for Recreation and Conservation:				
Other Expenses	\$ 889,488.00	\$ 889,488.00	\$ 889,488.00	\$ -
		Disbursed	\$ 880,042.53	
		Disbursed by General Capital Fund on Behalf of Open Space Fund	9,445.47	
			<u>\$ 889,488.00</u>	

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

**TOWNSHIP OF GLOUCESTER**  
**GENERAL CAPITAL FUND**  
 Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis  
 As of December 31, 2015 and 2014

ASSETS:	Ref.	2015	2014
Cash	SC-1, SC-2	\$ 1,677,423.34	\$ 3,184,427.84
Deferred Charges to Future Taxation:			
Funded	SC-3	47,434,079.76	51,895,089.32
Unfunded	SC-4	13,162,374.00	7,400,810.00
Due from New Jersey Environmental Trust Fund	SC-13	2,249,575.00	1,558,256.00
Due from Trust Other Fund	B	30,293.77	
Due from Municipal Open Space	B	9,445.47	
Due from Current Fund	SC-6	856,241.59	
		<u>65,419,432.93</u>	<u>64,038,583.16</u>
Total Assets		<u>\$ 65,419,432.93</u>	<u>\$ 64,038,583.16</u>
LIABILITIES, RESERVES AND FUND BALANCE:			
Improvement Authorizations:			
Funded	SC-5	\$ 723,015.42	\$ 2,800,105.21
Unfunded	SC-5	5,018,185.78	5,175,080.90
Due to Current Fund	SC-6		1,090.23
Reserve for Encumbrances	SC-11	2,049,971.79	1,078,821.30
Capital Improvement Fund	SC-7	3,477.69	997.69
General Serial Bonds	SC-8	42,690,000.00	47,539,000.00
Green Acres Loan Payable	SC-9	1,260,142.04	1,391,730.86
New Jersey Environmental Infrastructure Loan Payable	SC-10	3,483,937.72	2,964,358.46
Bond Anticipation Notes Payable	SC-12	8,062,512.00	
Reserve for Payment of Debt Service	SC-14	2,101,464.77	60,672.79
Fund Balance	C-1	26,725.72	3,026,725.72
		<u>65,419,432.93</u>	<u>64,038,583.16</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 65,419,432.93</u>	<u>\$ 64,038,583.16</u>

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

**TOWNSHIP OF GLOUCESTER**  
**GENERAL CAPITAL FUND**  
Statement of Fund Balance -- Regulatory Basis  
For the Year Ended December 31, 2015

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Balance December 31, 2014	\$ 3,026,725.72
Decreased by:	
Due Current Fund - Anticipated Revenue	<u>3,000,000.00</u>
Balance December 31, 2015	<u><u>\$ 26,725.72</u></u>

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

**TOWNSHIP OF GLOUCESTER**  
**GENERAL FIXED ASSET ACCOUNT GROUP**  
 Statement of General Fixed Asset Group of Accounts - Regulatory Basis  
 For Year Ending December 31, 2015

	Balance <u>Dec. 31, 2014</u>	Prior Year <u>Restatement</u>	Restated Balance <u>Dec. 31, 2014</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>Dec. 31, 2015</u>
General Fixed Assets:						
Land	\$ 7,037,273.45		\$ 7,037,273.45			\$ 7,037,273.45
Land Improvements	6,756,324.81	\$ (4,113,723.81)	2,642,601.00			2,642,601.00
Buildings and Improvements	6,732,488.64	3,990,027.00	10,722,515.64	\$ 144,752.06		10,867,267.70
Machinery, Equipment and Vehicles	20,041,249.40	(4,074,323.26)	15,966,926.14	1,688,848.64		17,655,774.78
Infrastructure		130,700.00	130,700.00			130,700.00
	<u>\$ 40,567,336.30</u>	<u>\$ (4,067,320.07)</u>	<u>\$ 36,500,016.23</u>	<u>\$ 1,833,600.70</u>	<u>\$ -</u>	<u>\$ 38,333,616.93</u>
Investment in General Fixed Assets	<u>\$ 40,567,336.30</u>	<u>\$ (4,067,320.07)</u>	<u>\$ 36,500,016.23</u>	<u>\$ 1,833,600.70</u>	<u>\$ -</u>	<u>\$ 38,333,616.93</u>

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

**TOWNSHIP OF GLOUCESTER**  
Notes to Financial Statements  
For the Year Ended December 31, 2015

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**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Description of Financial Reporting Entity** - The Township of Gloucester (hereafter referred to as the "Township" or "Gloucester Township") was incorporated in 1695 and is located in southwest New Jersey approximately fifteen miles southwest of the City of Philadelphia. The population according to the 2010 census is 64,700.

The Township is governed by a Mayor and seven-member Township Council form of government. The Mayor is elected for a four-year term and serves as the full-time Chief Executive Officer of the Township. Members of the Township Council are elected to four-year terms on a staggered basis and function as the legislative body of the Township. The Township Administrator and the Township Clerk are appointed by the Mayor and monitor the daily administrative and financial responsibilities, including but not limited to, staffing and personnel issues and budget preparation and implementation.

**Component Units** - The financial statements of the component unit of the Township are not presented in accordance with Governmental Accounting Standards Board GASB Statements No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34*. If the provisions of GASBS No. 14, as amended by GASBS No. 39 and GASBS No. 61, had been complied with, the financial statements of the following component unit would have been either blended or discretely presented with the financial statements of the Township, the primary government:

Gloucester Township Municipal Utilities Authority  
71 Landing Road, P.O. Box 216  
Blackwood, New Jersey 08012

Annual financial reports of the Gloucester Township Municipal Utilities Authority may be inspected directly at the offices of this component unit during regular business hours.

**Measurement Focus, Basis of Accounting and Financial Statement Presentation** - The financial statements of the Township contain all funds and account groups in accordance with the "Requirements of Audit" as promulgated by the State of New Jersey, Department of Community Affairs, Division of Local Government Services. The principles and practices established by the Requirements of Audit 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. Generally, the financial statements are presented using the flow of current financial resources measurement focus and modified accrual basis of accounting with minor exceptions as mandated by these "Requirements". In addition, the prescribed accounting principles previously referred to differ in certain respects from accounting principles generally accepted in the United States of America applicable to local government units. The more significant differences are explained in this note.

In accordance with the "Requirements", the Township accounts for its financial transactions through the use of separate funds which are described as follows:

**Current Fund** - The current fund accounts for resources and expenditures for governmental operations of a general nature, including federal and state grant funds.

**Trust Funds** - The various trust funds account for receipts, custodianship, and disbursement of funds in accordance with the purpose for which each reserve was created.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**General Capital Fund** - The general capital fund accounts for receipt and disbursement of funds for the acquisition of general capital facilities, other than those acquired in the current fund.

**General Fixed Asset Group of Accounts** - The general fixed asset group of accounts is utilized to account for property, land, buildings, and equipment that have been acquired by other governmental funds.

**Budgets and Budgetary Accounting** - The Township must adopt an annual budget for its current, and open space trust fund, in accordance with N.J.S.A. 40A:4 et seq. N.J.S.A. 40A:4-5 requires the governing body to introduce and approve the annual municipal budget no later than February 10 of each year. At introduction, the governing body shall fix the time and place for a public hearing on the budget and must advertise the time and place at least ten days prior to the hearing in a newspaper published and circulating in the municipality. The public hearing must not be held less than twenty-eight days after the date the budget was introduced. After the hearing has been held, the governing body may, by majority vote, adopt the budget or may amend the budget in accordance with N.J.S.A. 40A:4-9. Amendments to adopted budgets, if any, are detailed in the statements of revenues and expenditures.

An extension of the statutory dates for introduction, approval, and adoption of the municipal budget may be granted by the Director of the Division of Local Government Services, with the permission of the Local Finance Board.

Budgets are adopted on the same basis of accounting utilized for the preparation of the Township's financial statements.

**Cash, Cash Equivalents and Investments** - Cash and cash equivalents include petty cash, change funds and cash on deposit with public depositories. All certificates of deposit are recorded as cash regardless of the date of maturity. Investments are stated at cost. Consequently, unrealized gain or loss on investments has not been recorded in accordance with Governmental Accounting Standards Board Statement No. 31.

New Jersey municipal units are required by N.J.S.A. 40A:5-14 to deposit public funds in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States or of the State of New Jersey or in the New Jersey Cash Management Fund. N.J.S.A. 40A:5-15.1 provides a list of investments which may be purchased by New Jersey municipal units. In addition, other State statutes permit investments in obligations issued by local authorities and other state agencies.

N.J.S.A. 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act ("GUDPA"), a multiple financial institutional collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the amount of their deposits to the governmental units.

The cash management plan adopted by the Township requires it to deposit funds in public depositories protected from loss under the provisions of the Act.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**Interfunds** - Interfund receivables and payables that arise from transactions between funds are recorded by all funds affected by such transactions in the period in which the transaction is executed. 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 costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various statements of assets, liabilities, reserves and fund balance.

**General Fixed Assets** - Accounting for governmental fixed assets, as required by N.J.A.C. 5:30-5.6, differs in certain respects from accounting principles generally accepted in the United States of America. In accordance with the regulations, all local units, including municipalities, must maintain a general fixed assets reporting system that establishes and maintains a physical inventory of nonexpendable, tangible property as defined and limited by the U.S. Office of Management and *Budget's Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Part 200, §200.12), except that the useful life of such property is at least five years. The Township has adopted a capitalization threshold of \$5,000.00, the maximum amount allowed by the Circular. Generally, assets are valued at historical cost; however, assets acquired prior to December 31, 1985 are valued at actual historical cost or estimated historical cost. No depreciation of general fixed assets is recorded. Donated general fixed assets are recorded at their estimated fair market value on the acquisition date. Interest costs relative to the acquisition of general fixed assets are recorded as expenditures when paid. Public domain ("infrastructure") general fixed assets consisting of certain improvements such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. Expenditures for construction in progress are recorded in the capital funds until such time as the construction is completed and put into operation. The Township is required to maintain a subsidiary ledger detailing fixed assets records to control additions, retirements, and transfers of fixed assets. In addition, a statement of general fixed assets, reflecting the activity for the year, must be included in the Township's basic financial statements.

The regulations require that general fixed assets, whether constructed or acquired through purchase, grant or gift be included in the aforementioned inventory. In addition, property management standards must be maintained that includes accurate records indicating asset description, source, ownership, acquisition cost and date, the percentage of Federal participation (if any), and the location, use, and condition of the asset. Periodically, physical inventories must be taken and reconciled with these records. Lastly, all fixed assets must be adequately controlled to safeguard against loss, damage, or theft.

**Deferred Charges** - The recognition of certain expenditures is deferred to future periods. These expenditures, or deferred charges, are generally overexpenditures of legally adopted budget appropriations or emergency appropriations made in accordance with N.J.S.A. 40A:4-46 et seq. Deferred charges are subsequently raised as items of appropriation in budgets of succeeding years.

**Liens Sold for Other Governmental Units** - Liens sold on behalf of other governmental units are not recorded on the records of the tax collector until such liens are collected. Upon their collection, such liens are recorded as a liability due to the governmental unit net of the costs of the initial sale. The related costs of sale are recognized as revenue when received.

**Fund Balance** - Fund balances included in the current fund represents amounts available for anticipation as revenue in future years' budgets, with certain restrictions.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**Revenues** - Revenues are recorded when received in cash except for certain amounts which are due from other governmental units. Revenue from federal and state grants is realized when anticipated as such in the Township's budget. Receivables for property taxes are recorded with offsetting reserves on the statement of assets, liabilities, reserves and fund balance 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 to accrual are also recorded as receivables with offsetting reserves and recorded as revenue when received.

**Property Tax Revenues** - Property tax revenues are collected in quarterly installments due February 1, May 1, August 1, and November 1. The amount of tax levied includes not only the amount required in support of the Township's annual budget, but also the amounts required in support of the budgets of the County of Camden, the Township of Gloucester School District, the Black Horse Pike Regional High School District, the Township of Gloucester Fire District No.1, the Township of Gloucester Fire District No. 2, the Township of Gloucester Fire District No. 3, the Township of Gloucester Fire District No. 4, the Township of Gloucester Fire District No. 5 and the Township of Gloucester Fire District No. 6. Unpaid property taxes are subject to tax sale in accordance with the statutes.

**School Taxes** - The Township is responsible for levying, collecting, and remitting school taxes for the Township of Gloucester School District and the Black Horse Pike Regional High School District. Operations is charged for the full amount required to be raised from taxation to operate the local school district for the period from January 1 to December 31 for both school districts.

**County Taxes** - The municipality is responsible for levying, collecting, and remitting county taxes for the County of Camden. County taxes are determined on a calendar year by the County Board of Taxation based upon the ratables required to be certified to them on January 10 of each year. Operations is charged for the amount due to the County for the year, based upon the ratables required to be certified to the County Board of Taxation by January 10 of the current year. In addition, operations is charged for the County share of added and omitted taxes certified to the County Board of Taxation by October 10 of the current year, and due to be paid to the County by February 15 of the following year.

**Fire District Taxes** - The municipality is responsible for levying, collecting, and remitting fire district taxes for the Township's 6 fire districts. Operations is charged for the full amount required to be raised from taxation to operate the Fire District for the period from January 1 to December 31.

**Reserve for Uncollected Taxes** - The inclusion of the "reserve for uncollected taxes" appropriation in the Township's annual budget protects the Township from taxes not paid currently. The reserve, the minimum amount of which is determined on the percentage of collections experienced in the immediate preceding year, with certain exceptions, is required to provide assurance that cash collected in the current year will provide sufficient cash flow to meet expected obligations.

**Expenditures** - Expenditures are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when paid. However, for charges to amounts appropriated for "other expenses", an amount is encumbered through the issuance of a numerically controlled purchase order or when a contract is executed in accordance with N.J.A.C. 5:30-5.2. When encumbered charges are paid, the amount encumbered is simultaneously liquidated in its original amount. Encumbrances are offset by an account entitled reserve for encumbrances. The reserve is classified as a cash liability under New Jersey municipal accounting. At December 31, this reserve represents the portion of appropriation reserves that has been encumbered and is subject to the same statutory provisions as appropriation reserves. Appropriations for principal and interest payments on outstanding general capital bonds and notes are provided on the cash basis.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**Appropriation Reserves** - Appropriation reserves covering unexpended appropriation balances are automatically created at year-end and recorded as liabilities, except for amounts which may be canceled 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 year. Lapsed appropriation reserves are recorded as income.

**Long-Term Debt** - Long-term debt, relative to the acquisition of capital assets, is recorded as a liability in the general capital fund. Where an improvement is a "local improvement", i.e. assessable upon completion, long-term debt associated with that portion of the cost of the improvement to be funded by assessments is transferred to the trust fund upon the confirmation of the assessments or when the improvement is fully and permanently funded.

**Compensated Absences and Postemployment Benefits** - Compensated absences for vacation, sick leave and other compensated absences are recorded and provided for in the annual budget in the year in which they are paid, on a pay-as-you-go basis. Likewise, no accrual is made for postemployment benefits, if any, which are also funded on a pay-as-you-go basis.

**Impact of Recently Issued Accounting Principles****Recently Issued and Adopted Accounting Pronouncements**

For the year ended December 31, 2015, the Township adopted GASB 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*, and GASB 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*. As a result of adopting such Statements, the Township was required to measure and disclose liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures related to their defined benefit pensions. As a result of the regulatory basis of accounting previously described in note 1, the implementation of these Statements only required financial statement disclosures. There exists no impact on the financial statements of the Township.

**Note 2: CASH AND CASH EQUIVALENTS**

**Custodial Credit Risk Related to Deposits** - Custodial credit risk is the risk that, in the event of a bank failure, the Township's deposits might not be recovered. Although the Township does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). Under the Act, the first \$250,000.00 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the municipality in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled agency funds such as salary withholdings, bail funds, or funds that may pass to the municipality relative to the happening of a future condition. Such funds are classified as uninsured and uncollateralized.

As of December 31, 2015, the Township's bank balances of \$22,556,575.12 were exposed to custodial credit risk as follows:

Insured by FDIC and GUDPA	\$ 20,627,315.79
Uninsured and Uncollateralized	<u>1,929,259.33</u>
Total	<u><u>\$ 22,556,575.12</u></u>

**New Jersey Cash Management Fund** - During the year, the Township participated in the New Jersey Cash Management Fund. The Fund is governed by regulations of the State Investment Council, who prescribe standards designed to insure the quality of investments in order to minimize risk to the Funds participants. Deposits with the New Jersey Cash Management Fund are not subject to custodial credit risk as defined above. At December 31, 2015, the Township's deposits with the New Jersey Cash Management Fund were \$312,322.51.

**Note 3: PROPERTY TAXES**

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

	<u>Year Ended</u>				
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Tax Rate	<u>\$ 4.157</u>	<u>\$ 4.132</u>	<u>\$ 3.912</u>	<u>\$ 3.846</u>	<u>\$ 3.766</u>
Apportionment of Tax Rate:					
Municipal	\$ .898	\$ .906	\$ .833	\$ .825	\$ .824
County	.813	.797	.791	.772	.731
Local School	1.026	1.040	.974	.956	.947
Regional High School	.565	.542	.517	.509	.511
Fire Districts	.835	.828	.777	.764	.734
Municipal Open Space	.020	.019	.020	.020	.019

**Note 3: PROPERTY TAXES (CONT'D)**

Five-year comparison of certain statistical information relative to property taxes and property tax collections for the current and previous four calendar years (cont'd):

**Assessed Valuation**

<u>Year</u>	<u>Amount</u>
2015	\$ 4,447,441,000.00
2014	4,406,383,200.00
2013	4,480,663,900.00
2012	4,524,196,500.00
2011	4,531,567,460.00

**Comparison of Tax Levies and Collections**

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2015	\$ 154,505,315.88	\$ 153,889,654.23	99.60%
2014	154,799,198.63	154,261,292.01	99.65%
2013	146,698,569.85	145,883,275.91	99.44%
2012	145,548,762.00	144,872,286.00	99.54%
2011	143,593,492.00	143,113,576.00	99.67%

**Delinquent Taxes and Tax Title Liens**

<u>Year</u>	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2015	\$ 1,112,369.52	\$ 162,078.52	\$ 1,274,448.04	0.82%
2014	962,001.09	210,274.52	1,172,275.61	0.76%
2013	753,373.16	302,359.44	1,055,732.60	0.72%
2012	653,644.00	386,604.00	1,040,248.00	0.71%
2011	434,019.00	403,039.00	837,058.00	0.58%

The following comparison is made of the number of tax title liens receivable on December 31 for the current and previous four calendar years:

<u>Year</u>	<u>Number</u>
2015	381
2014	356
2013	241
2012	242
2011	177

**Note 4: FUND BALANCE APPROPRIATED**

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

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
2015	\$ 3,275,723.71	\$ 3,175,830.00	96.95%
2014	6,122,254.67	4,840,000.00	79.06%
2013	4,566,249.51	4,150,000.00	90.88%
2012	5,696,091.00	3,800,000.00	66.71%
2011	2,886,624.00	2,080,558.00	72.08%

**Note 5: INTERFUND RECEIVABLES AND PAYABLES**

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

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
Current	\$ 4,594.55	\$ 5,079,703.97
Federal and State Grant	154,905.27	10,000.00
Trust - Municipal Open Space	16,982.68	14,040.02
Trust - Other	4,078,557.11	47,276.45
General Capital	895,980.83	
	<u>\$ 5,151,020.44</u>	<u>\$ 5,151,020.44</u>

The interfund receivables and payables above predominately resulted from collections and payments made by certain funds on behalf of other funds. During the year 2016, the Township expects to liquidate such interfunds, depending upon the availability of cash flow.

**Note 6: PENSION PLANS**

A substantial number of the Township's employees participate in one of the following defined benefit pension plans: the Public Employees' Retirement System ("PERS") and the Police and Firemen's Retirement System ("PFRS"), which are administered by the New Jersey Division of Pensions and Benefits. In addition, several Township employees participate in the Defined Contribution Retirement Program ("DCRP"), which is a defined contribution pension plan. This plan is administered by Prudential Financial for the New Jersey Division of Pensions and Benefits. Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to:

State of New Jersey  
Division of Pensions and Benefits  
P.O. Box 295  
Trenton, New Jersey 08625-0295  
<http://www.state.nj.us/treasury/pensions>

**Note 6: PENSION PLANS (CONT'D)****General Information about the Pension Plans****Plan Descriptions**

**Public Employees' Retirement System** - The Public Employees' Retirement System is a cost-sharing multiple-employer defined benefit pension plan which was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A. The PERS's designated purpose is to provide retirement, death, disability and medical benefits to certain qualified members. Membership in the PERS is mandatory for substantially all full-time employees of the Township, provided the employee is not required to be a member of another state-administered retirement system or other state pensions fund or local jurisdiction's pension fund. The PERS's Board of Trustees is primarily responsible for the administration of the PERS.

**Police and Firemen's Retirement System** - The Police and Firemen's Retirement System is a cost-sharing multiple-employer defined benefit pension plan which was established as of July 1, 1944, under the provisions of N.J.S.A. 43:16A. The PFRS's designated purpose is to provide retirement, death, disability and medical benefits to certain qualified members. Membership in the PFRS is mandatory for substantially all full-time police and firemen of the Township. The PFRS's Board of Trustees is primarily responsible for the administration of the PFRS.

**Defined Contribution Retirement Program** - The Defined Contribution Retirement Program is a multiple-employer defined contribution pension fund established on 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 tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) § 401(a) et seq., and is a "governmental plan" within the meaning of IRC § 414(d). The DCRP provides retirement benefits for eligible employees and their beneficiaries. Individuals covered under DCRP are employees enrolled in PERS on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits; employees enrolled in PFRS after May 21, 2010, who earn salary in excess of established "maximum compensation" limits; employees otherwise eligible to enroll in PERS on or after November 2, 2008, who do not earn the minimum annual salary for tier 3 enrollment but who earn salary of at least \$5,000.00 annually; and employees otherwise eligible to enroll in PERS after May 21, 2010 who do not work the minimum number of hours per week required for tiers 4 or 5 enrollment, but who earn salary of at least \$5,000.00 annually.

**Vesting and Benefit Provisions**

**Public Employees' Retirement System** - The vesting and benefit provisions are set by N.J.S.A. 43:15A. The 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 the PERS.

**Note 6: PENSION PLANS (CONT'D)****General Information about the Pension Plans (Cont'd)****Vesting and Benefit Provisions (Cont'd)****Public Employees' Retirement System (Cont'd)**

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 21, 2010
- 4 Members who were eligible to enroll after May 21, 2010 and prior to June 28, 2011
- 5 Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55<sup>th</sup> 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 1/60<sup>th</sup> 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 ten years of service credit and have not reached the service retirement age for the respective tier.

**Police and Firemen's Retirement System** - The vesting and benefit provisions are set by N.J.S.A. 43:16A. The PFRS provides retirement, 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.

**Note 6: PENSION PLANS (CONT'D)****General Information about the Pension Plans (Cont'd)****Vesting and Benefit Provisions (Cont'd)**

**Defined Contribution Retirement Program** - Eligible members are provided with a defined contribution retirement plan intended to qualify for favorable Federal income tax treatment under IRC Section 401(a), a noncontributory group life insurance plan and a noncontributory group disability benefit plan. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employee contributions shall immediately become and shall at all times remain fully vested and nonforfeitable. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employer contributions shall be vested and nonforfeitable on the date the participant commences the second year of employment or upon his or her attainment of age 65, while employed by an employer, whichever occurs first.

**Contributions**

**Public Employees' Retirement System** - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Members contribute at a uniform rate. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over seven years beginning in July 2012. The member contribution rate was 6.92% in State fiscal year 2015. The phase-in of the additional incremental member contribution rate takes place in July of each subsequent State fiscal year. The rate for members who are eligible for the Prosecutors Part of PERS (Chapter 366, P.L. 2001) increased from 8.5% of base salary to 10%. Employers' contributions are based on an actuarially determined amount which includes the normal cost and unfunded accrued liability.

The Township's contractually required contribution rate for the year ended December 31, 2015 was 11.53% of the Township's covered-employee payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PERS measurement date of June 30, 2015, the Township's contractually required contribution to the pension plan for the year ended December 31, 2015 is \$860,370.00, and is payable by April 1, 2016. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. Based on the PERS measurement date of June 30, 2014, the Township's contractually required contribution to the pension plan for the year ended December 31, 2014 was \$828,350.00, which was paid on April 1, 2015. Employee contributions to the plan during the year ended December 31, 2015 were \$536,204.18.

**Police and Firemen's Retirement System** - The contribution policy is set by N.J.S.A. 43:16A and requires contributions by active members and contributing employers. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 8.5% to 10.0% in October 2011. Employers' contributions are based on an actuarially determined amount which includes the normal cost and unfunded accrued liability.

**Note 6: PENSION PLANS (CONT'D)****General Information about the Pension Plans (Cont'd)****Contributions (Cont'd)**

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

The Township's contractually required contribution rate for the year ended December 31, 2015 was 23.87% of the Township's covered-employee payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Based on the most recent PFRS measurement date of June 30, 2015, the Township's contractually required contribution to the pension plan for the year ended December 31, 2015 is \$2,810,001.00, and is payable by April 1, 2016. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. Based on the PFRS measurement date of June 30, 2014, the Township's contractually required contribution to the pension plan for the year ended December 31, 2014 was \$2,582,975.00, which was paid on April 1, 2015. Employee contributions to the plan during the year ended December 31, 2015 were \$1,190,772.08.

The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the Township, for the year ended December 31, 2015 was 2.23% of the Township's covered-employee payroll.

Based on the most recent PFRS measurement date of June 30, 2015, the State's contractually required contribution, on-behalf of the Township, to the pension plan for the year ended December 31, 2015 is \$262,861.00, and is payable by April 1, 2016. Based on the PFRS measurement date of June 30, 2014, the State's contractually required contribution, on-behalf of the Township, to the pension plan for the year ended December 31, 2014 was \$189,149.00, which was paid on April 1, 2015.

**Defined Contribution Retirement Program -** The contribution policy is set by N.J.S.A. 43:15C-3 and requires contributions by active members and contributing employers. 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. In addition to the employee contributions, the Township contributes 3% of the employees' base salary, for each pay period, to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period.

For the year ended December 31, 2015, employee contributions totaled \$10,420.52, and the Township's contributions were \$6,554.45. There were no forfeitures during the year.

**Note 6: PENSION PLANS (CONT'D)****Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

**Public Employees' Retirement System** - At December 31, 2015, the Township's proportionate share of the PERS net pension liability was \$22,464,660.00. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2015. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2015 measurement date, the Township's proportion was .1000742320%, which was a decrease of .0004066623% from its proportion measured as of June 30, 2014.

At December 31, 2015, the Township's proportionate share of the PERS pension expense, calculated by the plan as of the June 30, 2015 measurement date is \$946,819.00. This expense is not recognized by the Township because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2015, the Township's contributions to PERS were \$828,350.00, and were paid on April 1, 2015.

**Police and Firemen's Retirement System** - At December 31, 2015, the Township's and State of New Jersey's proportionate share of the PFRS net pension liability were as follows:

Township's Proportionate Share of Net Pension Liability	\$ 57,581,070.00
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Township	<u>5,049,667.00</u>
	<u>\$ 62,630,737.00</u>

The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2015. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State of New Jersey, actuarially determined. For the June 30, 2015 measurement date, the Township's proportion was .3456970022%, which was an increase of .0094023757% from its proportion measured as of June 30, 2014. Likewise, at June 30, 2015, the State of New Jersey's proportion, on-behalf of the Township, was .3456970022%, which was an increase of .0094023757% from its proportion, on-behalf of the Township, measured as of June 30, 2014.

At December 31, 2015, the Township's proportionate share of the PFRS pension expense, calculated by the plan as of the June 30, 2015 measurement date is \$5,712,185.00. This expense is not recognized by the Township because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2015, the Township's contributions to PFRS were \$2,582,975.00, and were paid on April 1, 2015.

**Note 6: PENSION PLANS (CONT'D)****Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

**Police and Firemen's Retirement System (Cont'd)** - At December 31, 2015, the State's proportionate share of the PFRS pension expense, associated with the Township, calculated by the plan as of the June 30, 2015 measurement date is \$629,873.00. This on-behalf expense is not recognized by the Township because of the regulatory basis of accounting as described in note 1.

**Deferred Outflows of Resources and Deferred Inflows of Resources** - At December 31, 2015, the Township had deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources			Deferred Inflows of Resources		
	<u>PERS</u>	<u>PFRS</u>	<u>Total</u>	<u>PERS</u>	<u>PFRS</u>	<u>Total</u>
Differences between Expected and Actual Experience	\$ 535,928.00	\$ -	\$ 535,928.00	\$ -	\$ 496,655.00	\$ 496,655.00
Changes of Assumptions	2,412,525.00	10,630,896.00	13,043,421.00	-	-	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	-	-	361,189.00	1,002,148.00	1,363,337.00
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions	-	3,304,618.00	3,304,618.00	2,347,537.00	-	2,347,537.00
Township Contributions Subsequent to the Measurement Date	430,185.00	1,405,001.00	1,835,186.00	-	-	-
	<u>\$ 3,378,638.00</u>	<u>\$ 15,340,515.00</u>	<u>\$ 18,719,153.00</u>	<u>\$ 2,708,726.00</u>	<u>\$ 1,498,803.00</u>	<u>\$ 4,207,529.00</u>

\$430,185.00 and \$1,405,001.00 for PERS and PFRS, respectively, included in deferred outflows of resources, will be included as a reduction of the net pension liability in the year ending December 31, 2016. These amounts were based on an estimated April 1, 2017 contractually required contribution, prorated from the pension plans measurement date of June 30, 2015 to the Township's year end of December 31, 2015.

**Note 6: PENSION PLANS (CONT'D)****Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

**Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd)** - The Township will amortize the above other deferred outflow of resources and deferred inflows of resources related to pensions over the following number of years:

	PERS		PFRS	
	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between Expected and Actual Experience				
Year of Pension Plan Deferral:				
June 30, 2014	-	-	-	-
June 30, 2015	5.72	-	-	5.53
Changes of Assumptions				
Year of Pension Plan Deferral:				
June 30, 2014	6.44	-	6.17	-
June 30, 2015	5.72	-	5.53	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments				
Year of Pension Plan Deferral:				
June 30, 2014	-	5.00	-	5.00
June 30, 2015	-	5.00	-	5.00
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions				
Year of Pension Plan Deferral:				
June 30, 2014	6.44	6.44	6.17	6.17
June 30, 2015	5.72	5.72	5.53	5.53

**Note 6: PENSION PLANS (CONT'D)****Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

**Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd)** - Other amounts included as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in future periods as follows:

<b>Year Ending Dec 31,</b>	<b>PERS</b>	<b>PFRS</b>	<b>Total</b>
2016	\$ (56,692.00)	\$ 2,506,124.00	\$ 2,449,432.00
2017	(56,692.00)	2,506,124.00	2,449,432.00
2018	(56,691.00)	2,506,123.00	2,449,432.00
2019	223,590.00	3,585,337.00	3,808,927.00
2020	186,212.00	1,333,003.00	1,519,215.00
	<u>\$ 239,727.00</u>	<u>\$12,436,711.00</u>	<u>\$12,676,438.00</u>

**Actuarial Assumptions**

The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2015. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	<b>PERS</b>	<b>PFRS</b>
Inflation	3.04%	3.04%
Salary Increases:		
2012-2021	2.15% - 4.40% Based on Age	2.60% - 9.48% Based on Age
Thereafter	3.15% - 5.40% Based on Age	3.60% - 10.48% Based on Age
Investment Rate of Return	7.90%	7.90%
Mortality Rate Table	RP-2000	RP-2000
Period of Actuarial Experience		
Study upon which Actuarial		
Assumptions were Based	July 1, 2008 - June 30, 2011	July 1, 2010 - June 30, 2013

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

**Note 6: PENSION PLANS (CONT'D)****Actuarial Assumptions (Cont'd)**

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

For PERS and PFRS, in accordance with State statute, the long-term expected rate of return on plan investments (7.90% at June 30, 2015) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's and PFRS's target asset allocation as of June 30, 2015 are summarized in the following table:

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

**Note 6: PENSION PLANS (CONT'D)**

**Actuarial Assumptions (Cont'd)**

**Discount Rate** - The discount rate used to measure the total pension liability at June 30, 2015 was 4.90% for PERS and 5.79% for PFRS. For both PERS and PFRS, the respective single blended discount rates were based on the long-term expected rate of return on pension plan investments of 7.90%, and a municipal bond rate of 3.80% as of June 30, 2015, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rates assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and for PFRS, the non-employer contributing entity, will be made based on the average of the last five years of contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033 for PERS and through 2045 for PFRS. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033 for PERS and through 2045 for PFRS, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liabilities.

**Sensitivity of Township's Proportionate Share of Net Pension Liability to Changes in the Discount Rate**

**Public Employees' Retirement System (PERS)** - The following presents the Township's proportionate share of the net pension liability at June 30, 2015, the plans measurement date, calculated using a discount rate of 4.90%, as well as what the Township's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

	<b>PERS</b>		
	<b>1% Decrease (3.90%)</b>	<b>Current Discount Rate (4.90%)</b>	<b>1% Increase (5.90%)</b>
Township's Proportionate Share of the Net Pension Liability	\$ 27,920,823.00	\$ 22,464,660.00	\$ 17,890,252.00

**Police and Firemen's Retirement System (PFRS)** - As previously mentioned, PFRS has a special funding situation, where the State of New Jersey pays a portion of the Township's annual required contribution. As such, the net pension liability as of June 30, 2015, the plans measurement date, for the Township and the State of New Jersey, calculated using a discount rate of 5.79%, as well as using a discount rate that is 1% lower or 1% higher than the current rates used is as follows:

	<b>PFRS</b>		
	<b>1% Decrease (4.79%)</b>	<b>Current Discount Rate (5.79%)</b>	<b>1% Increase (6.79%)</b>
Township's Proportionate Share of the Net Pension Liability	\$ 75,910,131.00	\$ 57,581,070.00	\$ 42,635,359.00
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Township	6,657,064.00	5,049,667.00	3,738,978.00
	<u>\$ 82,567,195.00</u>	<u>\$ 62,630,737.00</u>	<u>\$ 46,374,337.00</u>

**Note 6: PENSION PLANS (CONT'D)****Pension Plan Fiduciary Net Position**

Detailed information about each pension plan's fiduciary net position is available in the separately issued New Jersey Division of Pension and Benefits financial report. Information on where to obtain the report is indicated at the beginning of this note.

**Supplementary Pension Information**

In accordance with GASB 68, the following information is also presented for the PERS and PFRS Pension Plans. These schedules are presented to illustrate the requirements to show information for 10 years; however, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

***Schedule of the Township's Proportionate Share of the Net Pension Liability - Public Employees' Retirement System (PERS) (Last Three Years)***

	<u>Measurement Date Ended June 30,</u>		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
Township's Proportion of the Net Pension Liability	0.1000742320%	0.1004808943%	0.1178066439%
Township's Proportionate Share of the Net Pension Liability	\$ 22,464,660.00	\$ 18,812,772.00	\$ 22,515,190.00
Township's Covered-Employee Payroll	\$ 6,853,252.00	\$ 6,877,064.00	\$ 5,685,840.00
Township's Proportionate Share of the Net Pension Liability as a Percentage of it's Covered-Employee Payroll	327.80%	273.56%	395.99%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	47.93%	52.08%	48.72%

***Schedule of the Township's Contributions - Public Employees' Retirement System (PERS) (Last Three Years)***

	<u>Year Ended December 31,</u>		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
Township's Contractually Required Contribution	\$ 860,370.00	\$ 828,350.00	\$ 887,649.00
Township's Contribution in Relation to the Contractually Required Contribution	<u>(860,370.00)</u>	<u>(828,350.00)</u>	<u>(887,649.00)</u>
Township's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Township's Covered-Employee Payroll	\$ 7,462,451.00	\$ 6,825,776.00	\$ 6,696,274.00
Township's Contributions as a Percentage of it's Covered-Employee Payroll	11.53%	12.14%	13.26%

**Note 6: PENSION PLANS (CONT'D)****Supplementary Pension Information (Cont'd)*****Schedule of the Township's Proportionate Share of the Net Pension Liability - Police and Firemen's Retirement System (PFRS) (Last Three Years)***

	<u>Measurement Date Ended June 30,</u>		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
Township's Proportion of the Net Pension Liability	0.3456970022%	0.3362946265%	0.3109934496%
Township's Proportionate Share of the Net Pension Liability	\$ 57,581,070.00	\$ 42,302,745.00	\$ 41,343,773.00
State's Proportionate Share of the Net Pension Liability associated with the Township	<u>5,049,667.00</u>	<u>4,555,295.00</u>	<u>3,853,742.00</u>
Total	<u>\$ 62,630,737.00</u>	<u>\$ 46,858,040.00</u>	<u>\$ 45,197,515.00</u>
Township's Covered-Employee Payroll	\$ 10,918,532.00	\$ 10,554,980.00	\$ 9,646,628.00
Township's Proportionate Share of the Net Pension Liability as a Percentage of it's Covered-Employee Payroll	527.37%	400.78%	428.58%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	56.31%	62.41%	58.70%

***Schedule of the Township's Contributions - Police and Firemen's Retirement System (PFRS) (Last Three Years)***

	<u>Year Ended December 31,</u>		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
Township's Contractually Required Contribution	\$ 2,810,001.00	\$ 2,582,975.00	\$ 2,268,939.00
Township's Contribution in Relation to the Contractually Required Contribution	<u>(2,810,001.00)</u>	<u>(2,582,975.00)</u>	<u>(2,268,939.00)</u>
Township's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Township's Covered-Employee Payroll	\$ 11,771,077.00	\$ 10,878,044.00	\$ 10,618,007.00
Township's Contributions as a Percentage of it's Covered-Employee Payroll	23.87%	23.74%	21.37%

**Note 6: PENSION PLANS (CONT'D)****Other Notes to Supplementary Pension Information*****Public Employees' Retirement System (PERS)***

Changes in Benefit Terms - None

Changes in Assumptions - The discount rate changed from 5.39% as of June 30, 2014, to 4.90% as of June 30, 2015, in accordance with Paragraph 44 of GASB Statement No. 67.

Other Changes in Assumptions – New assumptions related to future increases on Social Security Wage Base and the 401(a)(17) compensation limit have been added as follows:

401(a)(17) Pay Limit – 3.00 per annum  
Social Security Wage Base – 4.00 per annum

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

Changes in Benefit Terms - None

Changes in Assumptions - The discount rate changed from 6.32% as of June 30, 2014, to 5.79% as of June 30, 2015, in accordance with Paragraph 44 of GASB Statement No. 67.

Other Changes in Assumptions – Demographic assumptions with respect to no-vested withdrawal, disability, service retirement, active death, salary increases rates and inactive mortality were revised in accordance with the results of the July 1, 2010 – June 30, 2013 experience study and approved by the Board of Trustees of the PERS Pension Plan at its February 9, 2015 Board Meeting.

**Note 7: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS**

**Plan Description** - The Township provides certain medical and prescription drug benefits for retired employees, where such benefits are established and amended by various union contracts, separate employee agreements and Township policies.

The Township provides for 100% payment of retired employees health, dental and prescription coverage until the retiree is eligible for Medicare benefits at age 65. The Township also pays the entire Medicare Part B premium for retirees who purchase Medicare Part B and their beneficiaries. The retired employee has a choice of benefit plans based on union contracts. The plans are administered by the Township; therefore, premium payments are made directly by the Township to the insurance carriers. The Plan does not issue a separate financial report.

**Funding Policy** - The contribution requirements of plan members and the Township are established and may be amended by the Township's governing body. Plan members receiving benefits contribute twenty percent (20%) of the total cost of the medical benefits, per retiree, spouse, and family per year.

**Retirees** - The Township presently funds its current retiree postemployment benefit costs on a "pay-as-you-go" basis. The Township contributes 100% of the cost of the benefits for employees with 25 or more years of service; however, retirees with less than 25 years of service have to pay 100% of the self-insured premium to continue coverage. The Township's contributions to the plan for the years ended December 31, 2015, 2014, and 2013 were \$3,690,737.00, \$3,811,487.00, and \$3,781,388.00, respectively.

**Note 7: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS****Funding Policy (Cont'd)**

**Future Retirees** - In accordance with Statement No. 45 of the Governmental Accounting Standards Board, the Township is required to disclose the *annual required contribution of the employer (ARC)*, an amount actuarially determined in accordance with the parameters of Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty (30) years. The ARC includes the costs of both current and future retirees. The current ARC was determined to be \$8,973,163.00 at an unfunded discount rate of 4.0%. As stated above, the Township has funded the cost of existing retirees in the amount of \$3,690,737.00, and has incurred the benefit costs for future eligible employees, but has not yet begun funding this outstanding liability.

**Annual OPEB Cost** - For year ended December 31, 2015, the Township's annual OPEB cost (expense) of \$8,555,963.00 for the plan was equal to the ARC plus certain adjustments because the Township's actual contributions in prior years differed from the ARC.

The Township's annual required contribution (ARC), the interest on the net OPEB obligation, the adjustment to the ARC, the increase or decrease in the net OPEB obligation, the net OPEB obligation, and the percentage of annual OPEB cost contributed to the plan for years 2015, 2014, and 2013 are as follows:

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Annual Required Contribution (ARC)	\$ 8,973,163.00	\$ 8,973,163.00	\$ 8,586,455.00
Interest on the Net OPEB Obligation	936,000.00	744,499.00	562,927.00
Adjustment to the ARC	<u>(1,353,200.00)</u>	<u>(1,119,745.00)</u>	<u>(828,674.00)</u>
Annual OPEB Cost	8,555,963.00	8,597,917.00	8,320,708.00
Pay-as-You Go Cost (Existing Retirees)	<u>(3,690,737.00)</u>	<u>(3,811,487.00)</u>	<u>(3,781,388.00)</u>
Increase (Decrease) in the Net OPEB Obligation	4,865,226.00	4,786,430.00	4,539,320.00
Net OPEB Obligation, January 1	<u>23,398,913.00</u>	<u>18,612,483.00</u>	<u>14,073,163.00</u>
Net OPEB Obligation, December 31	<u>\$ 28,264,139.00</u>	<u>\$ 23,398,913.00</u>	<u>\$ 18,612,483.00</u>
Percentage of Annual OPEB Cost Contributed	43.1%	44.3%	45.4%

**Note 7: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS**

**Funded Status and Funding Progress** - The funded status of the plan as of the past two actuarial valuation dates is as follows:

	<u>2014</u>	<u>2012</u>
Actuarial Accrued Liability (AAL)	\$ 118,133,916.00	\$ 114,036,259.00
Actuarial Value of Plan Assets	-	-
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$ 118,133,916.00</u>	<u>\$ 114,036,259.00</u>
Funded Ratio (Actuarial Value of Plan Assets / AAL)	0.0%	0.0%
Covered Payroll (Active Plan Members)	\$ 21,590,006.95	\$ 19,155,930.00
UAAL as a Percentage of Covered Payroll	547.2%	595.3%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, as shown above, presents multiyear trend information that shows whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

**Actuarial Methods and Assumptions** - Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the December 31, 2014 actuarial valuation, the Projected Unit Credit Funding Method was used. The actuarial assumptions included a 4.0% investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate identified in the below table. The actuarial value of the Township Plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a four year period. The Township Plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an closed basis. The remaining amortization period at December 31, 2014 was twenty-six years on a straight line basis.

**Note 7: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**

**Healthcare Trend Rate**

	<b>Medical</b>		<b>Medical</b>
<u>Year</u>	<u>Trend</u>	<u>Year</u>	<u>Trend</u>
2014	(4.3%)	2023	5.32%
2015	0.24%	2024 – 2030	5.29%
2016	1.94%	2035	5.27%
2017	3.13%	2030	5.29%
2018	4.31%	2035	5.27%
2019	5.50%	2040	5.16%
2020	5.43%	2050	4.75%
2021	5.80%	2075	3.84%
2022	5.36%	2090+	3.84%

The information was determined as part of the actuarial valuation at the date indicated. Additional information as of the latest actuarial valuation follows:

Valuation Date	December 31, 2014
Actuarial Cost Method	Projected Unit Credit Actuarial Cost Method
Amortization Method	Closed/Level
Remaining Amortization	25 years
Asset Valuation Method	Market Value
Actuarial Assumptions:	
Investment Rate of Return	4.0%
Rate of Medical Inflation/Healthcare Trend Rate	See Above Table

For determining the GASB ARC, the rate of employer contributions to the Plan is composed of the Normal Cost plus amortization of the Unfunded Actuarial Liability. The Normal Cost is a portion of the actuarial present value of plan benefits and expenses which is allocated to a valuation year by the actuarial cost method. The Actuarial Liability is that portion of the Present Value of Projected Benefits that will not be paid by Future Employer Normal Costs or active employee contributions. The difference between this liability and the funds accumulated as of the same date is the Unfunded Actuarial Liability.

**Note 8: COMPENSATED ABSENCES**

Full-time Township employees are granted vacation and sick leave in varying amounts in accordance with the Township's personnel policies and collective bargaining agreements. Unused sick leave and vacation days may be accumulated and carried forward to the subsequent year. Employees who retire from the Township shall be paid for unused sick leave and vacation days in accordance with the Township's agreement or personnel policy.

The Township does not record accrued expenses related to compensated absences. However, it is estimated that, at December 31, 2015, accrued benefits for compensated absences are valued at \$6,258,176.35. Actual payment for compensated absences occurs through the Accumulated Leave Trust Fund at the time the employee terminates employment. The Trust Fund is funded through the annual budget appropriation of the Current Fund budget. The balance in the Trust Fund as of December 31, 2015, is \$54,817.61.

**Note 9: DEFERRED COMPENSATION SALARY ACCOUNT**

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

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

**Note 10: CAPITAL DEBT****General Improvement Bonds**

General Improvement Bonds, Series 2007 - On December 1, 2007, the Township issued \$6,154,000.00 of General Improvement Bonds, with interest rates ranging from 2.00% to 3.80%. The purpose of the bonds was to fund various capital ordinances. The final maturity of the bonds is December 1, 2020.

General Improvement Bonds, Series 2011 - On February 1, 2011, the Township issued \$10,000,000.00 of General Improvement Bonds, with interest rates ranging from 3.00% to 4.00%. The purpose of the bonds was to fund various capital ordinances. The final maturity of the bonds is February 1, 2022.

General Improvement Refunding Revenue Bonds CCIA Lease, Series 2011 - On April 1, 2011, the Township issued \$3,440,000.00 of General Improvement Refunding Bonds with interest rates ranging from 2.00% - 5.00%. The bonds were issued to refund \$3,580,000.00 in Revenue Bonds CCIA Lease, Series 2001 with an interest rate of 4.95% and \$410,000.00 of General Improvement Bonds, Series 2003 with an interest rate of 3.85%. The final maturity of the bonds is April 1, 2022.

General Improvement Refunding Bonds, Series 2012 - On February 1, 2012, the Township issued \$5,540,000.00 of General Improvement Refunding Bonds with an interest rate of 2.00%. The bonds were issued to refund \$5,438,000.00 in General Improvement Bonds, Series 2003 with an interest rate of 3.85%. The final maturity of the bonds is February 1, 2018.

General Improvement Bonds, Series 2012 - On November 15, 2012, the Township issued \$1,985,000.00 of General Improvement Bonds, with interest rates ranging from 2.00% to 3.50%. The purpose of the bonds was to fund various capital ordinances. The final maturity of the bonds is November 15, 2024.

General Improvement Bonds, Series 2014 - On April 2, 2014, the Township issued \$21,154,000.00 of General Improvement Bonds, with interest rates ranging from 2.00% to 3.00%. The purpose of the bonds was to fund various capital ordinances. The final maturity of the bonds is February 15, 2025.

General Improvement Refunding Bonds, Series 2014 - On October 1, 2014, the Township issued \$4,770,000.00 of General Improvement Refunding Bonds with interest rates ranging from 3.00% to 4.00%. The bonds were issued to refund \$4,928,000.00 in General Improvement Bonds, Series 2005 with interest rates ranging from 2.75% to 4.00%. The final maturity of the bonds is August 1, 2023.

**Note 10: CAPITAL DEBT (CONT'D)****General Improvement Bonds (Cont'd)**

The following schedule represents the remaining debt service, through maturity, for general improvement bonds:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 4,940,000.00	\$ 1,193,412.50	\$ 6,133,412.50
2017	5,040,000.00	1,062,587.50	6,102,587.50
2018	5,155,000.00	921,725.00	6,076,725.00
2019	4,960,000.00	786,612.50	5,746,612.50
2020	5,055,000.00	644,337.50	5,699,337.50
2021-2025	17,345,000.00	1,253,537.50	18,598,537.50
2026	195,000.00	6,337.50	201,337.50
	<u>\$ 42,690,000.00</u>	<u>\$ 5,868,550.00</u>	<u>\$ 48,558,550.00</u>

**General Debt - New Jersey Environmental Infrastructure Loans**

On September 1, 2012, the Township entered into a loan agreement with the New Jersey Environmental Infrastructure Trust to provide \$1,185,938.00, at no interest, from the fund loan, and \$375,000.00 with interest rates ranging from 3.00% to 5.00% from the trust loan. The proceeds were used to finance various capital ordinances. Semiannual debt payments are due February 1st and August 1st through 2031.

On May 21, 2014, the Township entered into a loan agreement with the New Jersey Environmental Infrastructure Trust to provide \$1,173,256.00, at no interest, from the fund loan, and \$385,000.00 with interest rates ranging from 3.00% to 5.00% from the trust loan. The proceeds were used to finance various capital ordinances. Semiannual debt payments are due February 1st and August 1st through 2033.

On May 28, 2015, the Township entered into a loan agreement with the New Jersey Environmental Infrastructure Trust to provide \$526,319.00, at no interest, from the fund loan, and \$165,000.00 with interest rates ranging from 4.00% to 5.00% from the trust loan. The proceeds were used to finance various capital ordinances. Semiannual debt payments are due February 1st and August 1st through 2034.

The following schedule represents the remaining debt service, through maturity, for the New Jersey Environmental Infrastructure loans:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 185,660.40	\$ 35,450.02	\$ 221,110.42
2017	185,660.40	34,000.02	219,660.42
2018	185,660.40	32,250.02	217,910.42
2019	185,660.40	30,500.02	216,160.42
2020	185,660.40	28,750.02	214,410.42
2021-2025	998,302.00	111,000.10	1,109,302.10
2026-2030	1,048,302.00	54,918.84	1,103,220.84
2031-2034	509,031.72	10,525.02	519,556.74
	<u>\$ 3,483,937.72</u>	<u>\$ 337,394.06</u>	<u>\$ 3,821,331.78</u>

**Note 10: CAPITAL DEBT (CONT'D)****General Debt - New Jersey Green Acres Loans**

The Township entered into a loan agreement with the New Jersey Department of Environmental Protection. Semiannual debt payments are due through 2028.

The following schedule represents the remaining debt service, through maturity, for the New Jersey Green Acres loans:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 134,233.76	\$ 24,541.03	\$ 158,774.79
2017	132,268.11	21,836.93	154,105.04
2018	130,216.32	19,224.97	149,441.29
2019	132,833.67	16,607.60	149,441.27
2020	130,894.27	13,937.67	144,831.94
2021-2025	516,376.09	33,260.47	549,636.56
2026-2028	<u>83,319.82</u>	<u>2,083.20</u>	<u>85,403.02</u>
	<u>\$ 1,260,142.04</u>	<u>\$ 131,491.87</u>	<u>\$ 1,391,633.91</u>

The following schedule represents the Township's summary of debt for the current and two previous years:

	<u>2015</u>	<u>2014</u>	<u>2013</u>
<b><u>Issued</u></b>			
General:			
Bonds, Loans and Notes	\$ 55,496,591.76	\$ 51,895,089.32	\$ 50,294,826.49
<b><u>Authorized but not Issued</u></b>			
General:			
Bonds, Loans and Notes	<u>5,099,862.00</u>	<u>7,400,810.00</u>	<u>4,263,960.00</u>
Total Issued and Authorized but not Issued	<u>60,596,453.76</u>	<u>59,295,899.32</u>	<u>54,558,786.49</u>
<b><u>Deductions</u></b>			
General:			
Funds Temporarily Held to Pay Debt	<u>2,101,464.77</u>	<u>60,672.79</u>	<u>60,672.79</u>
<b>Net Debt</b>	<u>\$ 58,494,988.99</u>	<u>\$ 59,235,226.53</u>	<u>\$ 54,498,113.70</u>

**Note 10: CAPITAL DEBT (CONT'D)****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 indicated a statutory net debt of 1.406%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School Purposes	\$ 11,156,000.00	\$ 11,156,000.00	
Regional School Purposes	9,161,835.64	9,161,835.64	
General	60,596,453.76	2,101,464.77	\$ 58,494,988.99
	<u>\$ 80,914,289.40</u>	<u>\$ 22,419,300.41</u>	<u>\$ 58,494,988.99</u>

Net debt \$58,494,988.99 divided by the equalized valuation basis per N.J.S.A.40A:2-2, as amended, \$4,160,906,319.67, equals 1.406%.

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 145,631,721.19
Less: Net Debt	<u>58,494,988.99</u>
Remaining Borrowing Power	<u>\$ 87,136,732.20</u>

A revised Annual Debt Statement should be filed by the Chief Financial Officer.

**Note 11: ARBITRAGE REBATE**

The Tax Reform Act of 1986 placed restriction on investments of the proceeds of certain tax-exempt bonds issued after December 31, 1986. Specifically, investment earnings which are above arbitrage bond yield are required to be rebated to the United States Treasury Department within sixty days of the end of the fifth bond year. A bond year is defined, at the option of the issuing entity, as either the date of the first anniversary of bond settlement or the issuing entity's year end.

**Note 11: ARBITRAGE REBATE (CONT'D)**

The Township has the following bond issues outstanding at December 31, 2015:

<u>Issue Date</u>	<u>Amount</u>	<u>Liability</u>
December 1, 2007	\$ 6,154,000.00	None (2)
February 1, 2011	10,000,000.00	None (3)
April 1, 2011	3,440,000.00	None (1)
February 1, 2012	5,540,000.00	None (3)
November 15, 2012	1,985,000.00	None (1)
April 2, 2014	21,154,000.00	None (3)
October 1, 2014	4,770,000.00	None (1)

- (1) Issue meets the small issuer or other exceptions and is not subject to an arbitrage calculation.
- (2) Arbitrage calculation was completed and no rebate is due.
- (3) The rebate calculations on these bonds are required to be made at least once every five years. However, the Township of Gloucester has not prepared the rebate calculation for purposes of determining any contingent liability for rebate. It is anticipated that when such calculation is made, the liability, if any, will be appropriated in that year's current fund budget.

**Note 12: RISK MANAGEMENT**

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

**Property and Liability Insurance** - The Township maintains commercial insurance coverage for property, liability, vehicle, surety bonds, etc.

**New Jersey Unemployment Compensation Insurance** - The Township has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the Township is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The Township is billed quarterly for amounts due to the State.

The following is a summary of Township contributions, reimbursements to the State for benefits paid and the ending balance of the Township's trust fund for the current and previous two years:

<u>Year</u>	<u>Employee Contributions</u>	<u>Interest Earnings</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2015	\$ 49,930.23	\$ 137.49	\$ 31,087.42	\$ 33,420.84
2014	24,474.25	91.70	25,753.91	14,440.54
2013	23,681.89		15,213.91	15,628.50

It is estimated that unreimbursed payments on behalf of the Township at December 31, 2015 are \$5,200.91.

**Note 12: RISK MANAGEMENT (CONT'D)**

**Self- Insurance Plan** - The Township is self-insured for the following:

**Health Benefits** - The Township contracts with third party administrators to provide health, prescription and dental benefits. Per the contracts, there is a stop loss deductible of \$75,000.00 per individual and a \$1,000,000.00 aggregate at 125% of projected claims. At December 31, 2015, the balance of estimated health insurance payables was \$577,097.99, as provided by the third party administrators. None of the pending claims have been recorded as accounts payable and charged to the employee group insurance appropriation as of December 31, 2015. Any additional funding required for claims will be paid and charged to future budgets.

**Workers Compensation** - The Township is self-insured for worker's compensation up to \$250,000.00 per incident with an aggregate of \$500,000.00. A commercial policy is maintained for claims in excess of \$250,000.00 per occurrence. The Gloucester Township Municipal Utilities Authority is also covered under this policy and reimburses the Township for claims applicable to their employees.

A workers' compensation insurance claims liability (incurred) is based on an analysis prepared by management, which is based on historical trends. The remaining claims liability (incurred) is based on an evaluation performed by the third-party administrator of the plan. The total liability of \$151,211.52 consists of claims reported and payable as well as an estimate for claims incurred but not reported. None of the pending claims have been recorded as accounts payable and charged to the workman's compensation budget appropriation as of December 31, 2015. Any additional funding required for claims will be paid and charged to future budgets.

**Temporary Disability Insurance** – The Township's Temporary Disability program is a mirror image of the State of New Jersey Temporary Disability Insurance Plan, whereby an employee who becomes temporarily disabled within fourteen (14) days of their last day of work is covered. Each employee must contribute 1/2 of a percent on the first \$20,200.00 of covered wages up to a maximum of \$101.00. The Township is required to contribute at a variable rate.

A Reserve for Disability Insurance was established in the Trust - Other Fund to account for and finance its related uninsured risks. The following is a summary of Township contributions, claims paid and the ending balance of the Township's trust fund for the current and previous two years:

<u>Year</u>	<u>Receipts</u>	<u>Claims Paid</u>	<u>Ending Balance</u>
2015	\$ 15,358.06	\$ 21,097.87	\$ 36,824.55
2014	21,825.29	26,565.40	42,564.36
2013	29,982.08	38,532.26	47,304.47

At December 31, 2015, the balance of disability insurance payables was unable to be determined. Any additional funding required for claims in excess of the aforementioned reserve will be paid and charged to future budgets. No estimate of the required reserve for claims has been made.

**Note 13: OPEN SPACE, RECREATION AND FARMLAND PRESERVATION TRUST**

On November 6, 2001, pursuant to P.L. 1997, c. 24 (N.J.S.A. 40:12-15.1 et seq.), the voters of the Township authorized the establishment of the Township of Gloucester Open Space, Recreation and Farmland Preservation Trust Fund effective February 25, 2002, for the purpose of raising revenue for the acquisition of lands and interests in lands for the conservation of farmland and open space. Overall, as a result of the referendum, the Township levies a tax not to exceed two cents per one hundred dollars of equalized valuation. Amounts raised by taxation are assessed, levied and collected in the same manner and at the same time as other taxes. Future increases in the tax rate or to extend the authorization must be authorized by referendum. All revenue received is accounted for in a trust fund dedicated by rider (N.J.S.A. 40A:4-39) for the purposed stated. Interest earned on the investment of these funds is credited to the Township of Gloucester Open Space, Recreation and Farmland Preservation Trust Funds.

**Note 14: CONTINGENCIES**

**Grantor Agencies** - Amounts received or receivable from grantor agencies could be subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the Township expects such amount, if any, to be immaterial.

**Litigation** - The Township is a defendant in several legal proceedings that are in various stages of litigation. It is believed that the outcome, or exposure to the Township, from such litigation is either unknown or potential losses, if any, would not be material to the financial statements.

**Note 15: CONCENTRATIONS**

The Township depends on financial resources flowing from, or associated with, both the federal government and the State of New Jersey. As a result of this dependency, the Township is subject to changes in specific flows of intergovernmental revenues based on modifications to federal and State laws and federal and State appropriations.

**Note 16: PRIOR PERIOD ADJUSTMENT**

In 2015, the Township had an inventory of it's fixed assets completed. As a result of the inventory, it was noted that various prior year deletions had never been removed from the fixed asset listing and certain assets were revalued by the appraisal company which conducted the inventory. As a result, the following prior period adjustment is required.

	<b><u>As Reported</u></b> <b><u>Dec. 31, 2014</u></b>	<b><u>Prior Period</u></b> <b><u>Adjustment</u></b>	<b><u>Restated</u></b> <b><u>Dec. 31, 2014</u></b>
General Fixed Assets:			
Land	\$ 7,037,273.45		\$ 7,037,273.45
Land Improvements	6,756,324.81	\$ (4,113,723.81)	2,642,601.00
Buildings and Improvements	6,732,488.64	3,990,027.00	10,722,515.64
Machinery, Equipment and Vehicles	20,041,249.40	(4,074,323.26)	15,966,926.14
Infrastructure		130,700.00	130,700.00
	<u>40,567,336.30</u>	<u>(4,067,320.07)</u>	<u>36,500,016.23</u>
Investment in General Fixed Assets	<u>\$ 40,567,336.30</u>	<u>\$ (4,067,320.07)</u>	<u>\$ 36,500,016.23</u>

**Note 17: SUBSEQUENT EVENTS**

Subsequent to December 31, 2015 the Township authorized additional bonds and notes as follows:

<b><u>Purpose</u></b>	<b><u>Adoption</u></b>	<b><u>Authorization</u></b>
<b>General Improvements:</b>		
Acquisition of Various Pieces of Capital Equipment and Completion of Various Capital Improvements	01/25/16	\$ 5,983,240.00
Various Improvements to the Stormwater Drainage System	01/25/16	1,550,000.00
Various Improvements to Recreation Facilities	01/25/16	2,009,523.00
Installation of Guide Rails Along Lakeview Drive	02/22/16	156,750.00

**Issuance of General Debt**

On May 26, 2016 the Township issued \$1,220,888.00 of New Jersey Environmental Infrastructure Loans to finance the completion of various capital improvements to the storm water drainage system project. \$920,888.00 is in the form of an interest free Fund Loan and \$300,000.00 is in the form of a Trust Loan with interest rates ranging from 3.00% to 5.00%. The final maturity for both the Fund Loan and Trust Loan is August 1, 2035.

## **SUPPLEMENTAL EXHIBITS**

**SUPPLEMENTAL EXHIBITS**

**CURRENT FUND**

**TOWNSHIP OF GLOUCESTER**  
**CURRENT FUND**  
 Statement of Current Cash -- Treasurer  
 For the Year Ended December 31, 2015

Balance December 31, 2014		\$	13,323,245.02
Increased by Receipts:			
Taxes Receivable	\$	152,684,107.13	
Tax Overpayments		113,144.48	
Tax Title Liens		170,060.58	
Prepaid Taxes		1,249,385.21	
Prepaid Abatements		325.00	
Revenue Accounts Receivable		9,080,798.05	
Miscellaneous Revenue not Anticipated		629,809.99	
Refunds of Appropriations		2,290,972.33	
Refunds of Appropriation Reserves		14,189.13	
Petty Cash Funds		300.00	
Due State of New Jersey -- Veterans' and Senior Citizens' Deductions		582,257.28	
Property Maintenance Liens Receivable		106,414.16	
Due State of New Jersey -- Training Fees Surcharge		107,056.00	
Due State of New Jersey -- Marriage Licenses		8,835.00	
Police Outside Services Receivable		1,474.06	
Due Camden County Municipal Utilities Authority		937,775.91	
Due Gloucester Municipal Utilities Authority		461,408.89	
Due Animal Control Fund		6.33	
Due Trust Other Fund:			
Tax Title Liens Collected on Behalf of Trust Other Fund		3,014,368.78	
Prior Year Interfund Received		1,109.90	
Current Year Interfunds		33,383.17	
Due General Capital Fund:			
Current Year Interfunds		1,215.30	
BANS Collected on Behalf of General Capital Fund		7,262,512.00	
Reserve for Payment of Debt Service Collected on-behalf of General Capital Fund		395,555.50	
Federal and State Grants - Unappropriated		20,024.27	
Federal and State Grants Receivable		588,726.66	
		179,755,215.11	

Balance Carried Forward

193,078,460.13  
 (Continued)

**TOWNSHIP OF GLOUCESTER**  
CURRENT FUND

Statement of Current Cash -- Treasurer  
For the Year Ended December 31, 2015

Balance Carried Forward	\$	193,078,460.13
Decreased by Disbursements:		
2015 Appropriations	\$	55,229,999.24
2015 Appropriation Reserve		730,362.24
County Taxes Payable		36,101,138.04
County Added and Omitted Taxes		642,291.51
Local School District Tax Payable		43,693,788.00
Regional High School Tax Payable		25,204,148.35
Special (Fire) District Taxes Payable		6,516,358.00
Tax Overpayments		81,177.63
Petty Cash Funds		300.00
Due State of New Jersey -- Training Fees Surcharge		100,453.00
Due State of New Jersey -- Marriage Licenses		7,575.00
Property Maintenance Liens Receivable		88,391.03
Due Trust Other Fund:		
Tax Title Lien Trust Fund		2,000,000.00
Trust Other Fund		125,900.24
Due Municipal Open Space Trust Fund:		
2015 Levy		889,468.00
Prior Year Interfund		1,595.32
Current Year Interfund		5,600.00
Due General Capital:		
Current Year Interfund		3,001,045.49
Disbursements Made on Behalf of General Capital Fund		800,000.00
Due Camden County Municipal Utilities Authority		782,517.53
Due Gloucester Municipal Utilities Authority		436,498.46
Reserve for Federal and State Grants Appropriated		716,182.79
		<u>177,154,789.87</u>
Balance December 31, 2015	\$	<u>15,923,670.26</u>

**TOWNSHIP OF GLOUCESTER**  
**CURRENT FUND**  
 Schedule of Change Funds  
 As of December 31, 2015

<u>Office</u>	<u>Amount</u>
Tax Collector	\$ 400.00
Municipal Court	1,000.00
Township Chief Finance Officer	200.00
Township Clerk	100.00
Municipal Alliance Office	100.00
Mayor's Office	50.00
	\$ 1,850.00

**Exhibit SA-3**

**CURRENT FUND**  
 Statement of Petty Cash Funds  
 For the Year Ended December 31, 2015

<u>Office</u>	<u>Received from Treasurer</u>	<u>Returned to Treasurer</u>
Finance Office	\$ 300.00	\$ 300.00

**TOWNSHIP OF GLOUCESTER**  
CURRENT FUND

Statement of Due from State of New Jersey - Senior Citizens' and Veterans Deductions  
For the Year Ended December 31, 2015

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Balance December 31, 2014		\$ 89,841.06
Increased by:		
2015 Levy:		
Deductions per Tax Billing	\$ 575,750.00	
2015 Deductions Allowed by Collector	<u>12,250.00</u>	
	588,000.00	
Less: 2015 Deductions Disallowed by Collector	<u>(8,686.99)</u>	<u>579,313.01</u>
		669,154.07
Decreased by:		
Receipts		<u>582,257.28</u>
Balance December 31, 2015		<u><u>\$ 86,896.79</u></u>

**TOWNSHIP OF GLOUCESTER**  
**CURRENT FUND**  
 Statement of Taxes Receivable and Analysis of Property Tax Levy  
 For the Year Ended December 31, 2015

	<u>Balance</u> <u>Dec. 31, 2014</u>	<u>2015 Levy</u>	<u>2014</u>	<u>2015</u>	<u>Due from</u> <u>State of</u> <u>New Jersey</u>	<u>Canceled</u>	<u>Arrears</u> <u>Transfers</u>	<u>Transferred</u> <u>to Tax</u> <u>Title Liens</u>	<u>Balance</u> <u>Dec. 31, 2015</u>
Bankruptcies	\$ 207,358.57			\$ 88,506.01		\$ 7,026.06	\$ 64,128.21	\$ 24,582.19	\$ 151,372.52
2014	<u>2,915.95</u>			<u>2,915.95</u>					
	210,274.52			91,421.96		7,026.06	64,128.21	24,582.19	151,372.52
2015		\$ 154,505,315.88	\$ 925,046.55	152,385,294.67	\$ 579,313.01	283,198.19	(64,128.21)	257,629.25	10,706.00
	<u>\$ 210,274.52</u>	<u>\$ 154,505,315.88</u>	<u>\$ 925,046.55</u>	<u>\$ 152,476,716.63</u>	<u>\$ 579,313.01</u>	<u>\$ 290,224.25</u>	<u>\$ -</u>	<u>\$ 282,211.44</u>	<u>\$ 162,078.52</u>

Analysis of 2015 Property Tax Levy

<u>Tax Yield:</u>	
General Purpose	\$ 147,733,397.04
Fire District Tax	6,516,358.00
Added / Omitted Taxes	<u>255,560.84</u>
	<u>\$ 154,505,315.88</u>
<u>Tax Levy:</u>	
Local District School Tax	\$ 45,638,520.00
Regional High School Tax	25,159,352.00
County Taxes:	
County Tax	\$ 33,232,707.66
County Library Tax	2,044,313.59
County Open Space Preservation	824,116.79
Due County for Added and Omitted Taxes	<u>40,136.82</u>
	36,141,274.86
Special (Fire) District Tax	6,516,358.00
Municipal Open Space Tax	889,488.00
Due Municipal Open Space Trust for Added and Omitted	985.45
Local Tax for Municipal Purposes	39,944,899.00
Add: Additional Tax Levied	<u>214,438.57</u>
	<u>47,566,169.02</u>
	<u>\$ 154,505,315.88</u>

**TOWNSHIP OF GLOUCESTER**  
**CURRENT FUND**  
Statement of Tax Title Liens  
For the Year Ended December 31, 2015

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Balance December 31, 2014		\$ 962,001.09
Increased by:		
Transfers from Taxes Receivable	\$ 282,211.44	
Miscellaneous Added	23,103.88	
I/C on Tax Sale	<u>15,113.69</u>	
		<u>320,429.01</u>
		1,282,430.10
Decreased by:		
Collections		<u>170,060.58</u>
Balance December 31, 2015		<u><u>\$ 1,112,369.52</u></u>

**TOWNSHIP OF GLOUCESTER**  
**CURRENT FUND**

Statement of Revenue Accounts Receivable  
 For the Year Ended December 31, 2015

	<u>Balance</u> <u>Dec. 31, 2014</u>	<u>Accrued</u> <u>in 2015</u>	<u>Collected</u>	<u>Balance</u> <u>Dec. 31, 2015</u>
Miscellaneous Revenue:				
Alcoholic Beverages		\$ 59,640.00	\$ 59,640.00	
Licenses Other		34,996.00	34,996.00	
Fees and Permits		63,041.00	63,041.00	
Fines and Costs - Municipal Court	\$ 109,788.80	783,539.62	844,458.19	\$ 48,870.23
Interest and Costs on Taxes		366,406.92	366,406.92	
Interest on Investments and Deposits		74,030.54	74,030.54	
Recreation Fees		221,955.24	221,955.24	
Tax Sale Fees		231,347.90	231,347.90	
Payment in Lieu of Senior Citizen Housing Complex		168,199.26	168,199.26	
Municipal Pool Fees		73,490.00	73,490.00	
Lease of Public Building		11,840.03	11,840.03	
Tax Abatement in Lieu of Billing	6,384.53	222,168.43	179,663.25	48,889.71
Police Dept Fees		4,183.25	4,183.25	
Cable TV Fees		216,543.71	216,543.71	
Consolidated Municipal Property Tax Relief Aid		440,047.00	440,047.00	
Energy Receipts Tax (P.L. 1997, Chapters 162 & 167)		4,666,412.00	4,666,412.00	
Uniform Construction Code Fees		1,328,733.00	1,328,733.00	
Payment of Bond Principal - Due from Black Horse				
Pike Regional High School District		80,000.00	80,000.00	
Interest on Interlocal Service Agreement - Police Salaries - Lenape Regional High School				
Pike Regional High School District		16,716.25	16,716.25	
Special Items of General Revenue Anticipated with Prior Written Consent of Director of Local Government Services - Other Special Items:				
General Capital Surplus		3,000,000.00	3,000,000.00	
	<u>\$ 116,173.33</u>	<u>\$ 12,063,290.15</u>	<u>\$ 12,081,703.54</u>	<u>\$ 97,759.94</u>
Cash Receipts		\$ 9,080,798.05		
Due from General Capital Fund		3,000,905.49		
		<u>\$ 12,081,703.54</u>		

**TOWNSHIP OF GLOUCESTER**  
**CURRENT FUND**  
Statement of Accounts Payable  
For the Year Ended December 31, 2015

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Balance December 31, 2014		\$ 19,385.36
Increased by:		
Transferred from Appropriation Reserves		40.70
		19,426.06
Decreased by:		
Accounts Payable Canceled		18,285.43
Balance December 31, 2015		\$ 1,140.63

## Exhibit SA-9

**CURRENT FUND**  
Statement of Special (Fire) District Taxes Payable  
For the Year Ended December 31, 2015

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Increased by:		
2015 Levy		\$ 6,516,358.00
Decreased by:		
Disbursements		\$ 6,516,358.00

**TOWNSHIP OF GLOUCESTER**  
**CURRENT FUND**  
Statement of Appropriation Reserves  
For the Year Ended December 31, 2015

	Balance December 31, 2014				
	<u>Reserved</u>	<u>Encumbered</u>	<u>Balance After Modification</u>	<u>Paid or Charged</u>	<u>Lapsed to Fund Balance</u>
<b>OPERATIONS -- WITHIN "CAPS"</b>					
<b>Administrative and Executive:</b>					
Office of Business Administrator:					
Salaries and Wages	\$ 977.72		\$ 977.72		\$ 977.72
Other Expenses	3.11		3.11		3.11
Office of Administrative Support:					
Salaries and Wages	39.48		39.48		39.48
Other Expenses	1,826.61		3,326.61	\$ 3,235.19	91.42
Office of Personnel:					
Salaries and Wages	157.05	\$ 529.10	686.15		686.15
Other Expenses	137.64		3,137.64	2,829.96	307.68
Office of Mayor:					
Salaries and Wages	17.97		17.97		17.97
Other Expenses	81.33		81.33		81.33
Office of Twp. Council:					
Other Expenses	49.90		49.90	(345.00)	394.90
Office of Public Information:					
Other Expenses	13,257.50		13,257.50	8,233.50	5,024.00
Office of Twp. Clerk:					
Salaries and Wages	1,985.31		1,985.31		1,985.31
Other Expenses	163.40	64.80	728.20	325.00	403.20
Office of Treasury:					
Salaries and Wages	586.04		586.04		586.04
Other Expenses	191.00		191.00	58.08	132.92
Office of Data Processing:					
Salaries and Wages	97.91		97.91		97.91
Other Expenses	332.64		7,832.64	7,597.85	234.79
Office of Tax Collector:					
Salaries and Wages	49.92		49.92		49.92
Other Expenses	54,837.91	910.67	58,948.58	58,814.78	133.80
Tax Assessment Administration:					
Salaries and Wages	214.52		214.52		214.52
Other Expenses	157.26	161.89	319.15	32.08	287.07
Legal Services:					
Salaries and Wages	583.12		583.12		583.12
Other Expenses	8,152.31	1,424.33	9,576.64	5,007.67	4,568.97
Engineering Services:					
Other Expenses	3,436.75		3,436.75	2,193.75	1,243.00
Office of Grants Administration:					
Other Expenses	134.29		134.29		134.29
Rent Stabilization Board:					
Other Expenses	125.00		125.00		125.00
Office of Community Development:					
Salaries and Wages	3,760.60		3,760.60		3,760.60
Other Expenses	169.65		169.65	53.06	116.59
Const. Code Enforcement Agency:					
Salaries and Wages	32.15		32.15		32.15
Other Expenses	2,271.68		3,271.68	3,101.00	170.68
<b>Health and Welfare:</b>					
Director of Community Services:					
Salaries and Wages	8.11		8.11		8.11
Other Expenses	589.99		589.99		589.99
Office of Senior Citizens:					
Salaries and Wages	1,930.85		1,930.85		1,930.85
Other Expenses	1,350.00		1,350.00		1,350.00
Board of Health					
Salaries and Wages	6.37		6.37		6.37
Other Expenses	227.81	73.50	301.31	73.50	227.81
<b>Land Use Administration:</b>					
Planning Board:					
Salaries and Wages	371.89		471.89	416.67	55.22
Other Expenses	967.73		967.73	90.00	877.73
Zoning Board of Adjustment:					
Salaries and Wages	427.73		427.73		427.73
Other Expenses	6,480.03		41,480.03	40,707.85	772.18
Office of Zoning:					
Salaries and Wages	1,366.10		1,366.10		1,366.10
Insurance:					
General Liability	736.32	3,855.65	4,591.97		4,591.97
Workers Compensation	684.01		684.01	(1,823.40)	2,507.41
Employee Group Health	11.34		87,011.34	86,990.57	20.77
Unemployment insurance	20,000.00		20,000.00	20,000.00	
<b>Public Safety:</b>					
Police Department:					
Salaries and Wages	22,542.62		2,542.62		2,542.62
Other Expenses	71,371.26	38,990.28	70,561.54	46,829.57	23,731.97
Police Communications:					
Salaries and Wages	48.64		48.64		48.64
Other Expenses	5,739.32	17,042.25	22,781.57	15,911.83	6,869.74

(Continued)

**TOWNSHIP OF GLOUCESTER**  
**CURRENT FUND**  
Statement of Appropriation Reserves  
For the Year Ended December 31, 2015

	Balance December 31, 2014				
	<u>Reserved</u>	<u>Encumbered</u>	<u>Balance After Modification</u>	<u>Paid or Charged</u>	<u>Lapsed to Fund Balance</u>
<b><u>Public Safety (Cont'd):</u></b>					
Office of Prosecutor:					
Other Expenses	\$ 1,704.89		\$ 1,704.89		\$ 1,704.89
Office of Emergency Management					
Salaries and Wages	1,757.90		1,757.90		1,757.90
Other Expenses	2,409.59		2,409.59		2,409.59
Municipal Court:					
Salaries and Wages	45,065.84		5,065.84		5,065.84
Other Expenses	8.67	\$ 120.00	4,128.67	\$ 3,937.50	191.17
<b><u>Public Works:</u></b>					
Office of Director:					
Salaries and Wages	1.46		1.46		1.46
Other Expenses	6,198.60	1,519.39	7,717.99	3,153.79	4,564.20
Street and Road Maintenance:					
Salaries and Wages	38.05		38.05		38.05
Other Expenses	8,689.69	7,675.03	16,364.72	9,147.23	7,217.49
Sanitation:					
Contractual	537.91		537.91		537.91
Public Buildings and Grounds					
Salaries and Wages	63.89		63.89		63.89
Other Expenses	558.89	4,478.43	9,037.32	8,119.06	918.26
<b><u>Other PW Functions</u></b>					
Other Expenses	101,676.75		101,676.75	77,589.15	24,087.60
Vehicle Maintenance:					
Salaries and Wages	3,568.01		3,568.01		3,568.01
Other Expenses	1,824.71	5,211.50	10,036.21	9,771.90	264.31
<b><u>Parks and Recreation:</u></b>					
Recreation					
Salaries and Wages	15,476.73		15,476.73		15,476.73
Other Expenses	4,900.58		4,900.58	226.00	4,674.58
Office of Community Activities:					
Other Expenses	5,591.22		5,591.22	1,077.59	4,513.63
<b><u>Municipal Pool:</u></b>					
Salaries and Wages	49.73		49.73		49.73
Other Expenses	2,183.55		2,183.55		2,183.55
<b><u>Maintenance of Parks and Play Grounds:</u></b>					
Salaries and Wages	23,624.79		23,624.79		23,624.79
Other Expenses	21,258.78		21,258.78	2,288.89	18,969.89
<b><u>Utility Expenses and Bulk Purchases:</u></b>					
Electric	18,172.98		18,172.98	12,827.09	5,345.89
Street Lights	70,671.70		80,671.70	80,491.86	179.84
Telephone	28,647.07	4,098.67	12,745.74	6,509.18	6,236.56
Water	4,337.74		4,337.74	4,131.69	206.05
Heating	13,099.88	491.73	13,591.61	10,052.10	3,539.51
Sewer	2.96		2.96		2.96
Gasoline	69,628.80	30,301.64	49,930.44	48,287.39	1,643.05
<b><u>Landfill Disposal Costs:</u></b>					
Other Expenses	122,673.64		132,673.64	131,685.60	988.04
<b><u>Unclassified:</u></b>					
Absences Leave - Retires	251.39		251.39		251.39
Compensated Absences Leave	39.50		39.50		39.50
Total Operations Including Contingent - Within "CAPS"	<u>803,405.78</u>	<u>116,948.86</u>	<u>920,354.64</u>	<u>709,629.53</u>	<u>210,725.11</u>
<b><u>DEFERRED CHARGES AND STATUTORY EXPENDITURES MUNICIPAL -- WITHIN "CAPS"</u></b>					
<b><u>Statutory Expenditures</u></b>					
Contribute To:					
PERS	3,480.86		3,480.86		3,480.86
Social Security System(O.A.S.I)	3.05		3.05		3.05
DCRP	3,960.06		3,960.06		3,960.06
PFRS	592.57		592.57		592.57
Total Deferred Charges and Statutory Expenditures- Municipal Within "CAPS"	<u>8,036.54</u>	<u>-</u>	<u>8,036.54</u>	<u>-</u>	<u>8,036.54</u>
<b><u>Operations Excluded from "CAPS"</u></b>					
Streets and Road Maintenance					
Sanitation - Recycling Tax	18,610.51		18,610.51	6,584.28	12,026.23
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	<u>18,610.51</u>		<u>18,610.51</u>	<u>6,584.28</u>	<u>12,026.23</u>
Total General Appropriations	<u>\$ 830,052.83</u>	<u>\$ 116,948.86</u>	<u>\$ 947,001.69</u>	<u>\$ 716,213.81</u>	<u>\$ 230,787.88</u>
Cash Disbursed				\$ 730,362.24	
Transfer to Accounts Payable				40.70	
Reimbursements				(14,189.13)	
				<u>\$ 716,213.81</u>	

**TOWNSHIP OF GLOUCESTER**  
**CURRENT FUND**  
 Statement of Prepaid Taxes  
 For the Year Ended December 31, 2015

---

Balance December 31, 2014 (2015 Taxes)		\$ 925,046.55
Increased by:		
Receipts (2016 Taxes)	\$ 1,249,385.21	
Overpayments Applied	<u>264,958.50</u>	
		<u>1,514,343.71</u>
		2,439,390.26
Decreased by:		
Application to 2015 Taxes		<u>925,046.55</u>
Balance December 31, 2015 (2016 Taxes)		<u><u>\$ 1,514,343.71</u></u>

## Exhibit SA-12

**CURRENT FUND**  
 Statement of Tax Overpayments  
 For the Year Ended December 31, 2015

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Balance December 31, 2014		\$ 10,601.33
Increased by:		
Created - 2015 Taxes	\$ 113,144.48	
Created - Prepaid Taxes	<u>210,314.36</u>	
	323,458.84	
Added Tax Overpayments	<u>12,075.96</u>	
		<u>335,534.80</u>
		346,136.13
Decreased by:		
Disbursements:		
Tax Overpayments	81,177.63	
Overpayments Applied - Prepaid Taxes	<u>264,958.50</u>	
		<u>346,136.13</u>
Balance December 31, 2015		<u><u>\$ -</u></u>

**TOWNSHIP OF GLOUCESTER**  
**CURRENT FUND**  
 Statement of County Taxes Payable  
 For the Year Ended December 31, 2015

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2015 Levy:		
County Tax	\$	33,232,707.66
County Library Tax		2,044,313.59
County Open Space Preservation		<u>824,116.79</u>
	\$	36,101,138.04
Decreased by:		
Disbursements		<u><u>\$ 36,101,138.04</u></u>

Exhibit SA-14

**CURRENT FUND**  
 Statement of Due County for Added and Omitted Taxes  
 For the Year Ended December 31, 2015

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Balance December 31, 2014		\$ 642,291.51
Increased by:		
Added Assessments (2014)	\$	2,629.91
Added Assessments (2015)		<u>37,506.91</u>
		<u>40,136.82</u>
		682,428.33
Decreased by:		
Disbursements		<u><u>\$ 642,291.51</u></u>
Balance December 31, 2015		<u><u>\$ 40,136.82</u></u>

**TOWNSHIP OF GLOUCESTER**  
**CURRENT FUND**  
 Statement of Regional High School Tax  
 For the Year Ended December 31, 2015

---

Balance December 31, 2014	\$	44,796.88
Increased by:		
Levy -- Calendar Year		25,159,352.00
		25,204,148.88
Decreased by:		
Disbursements		25,204,148.35
Balance December 31, 2015	\$	0.53

**CURRENT FUND**  
 Statement of Local School District Tax Payable  
 For the Year Ended December 31, 2015

---

Balance December 31, 2014	\$	4,901.54
Increased by:		
Levy -- Calendar Year		45,638,520.00
		45,643,421.54
Decreased by:		
Disbursements		43,693,788.00
Balance December 31, 2015	\$	1,949,633.54

**TOWNSHIP OF GLOUCESTER**  
CURRENT FUND  
Statement of Municipal Open Space Tax  
For the Year Ended December 31, 2015

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Increased by:			
2015 Levy	\$	889,488.00	
Added and Omitted Taxes		<u>985.45</u>	
			\$ 890,473.45
Decreased by:			
Disbursements			<u>889,468.00</u>
Balance December 31, 2015			<u><u>\$ 1,005.45</u></u>

**TOWNSHIP OF GLOUCESTER**  
**CURRENT FUND**  
Statement of Reserve for Encumbrances  
For the Year Ended December 31, 2015

Balance December 31, 2014		
Current Fund Appropriations		\$ 116,948.86
Federal and State Grant Fund		<u>243,791.92</u>
		360,740.78
Increased by:		
Current Year Encumbrances:		
Current Fund Appropriations	\$ 596,741.83	
Federal and State Grant Fund	<u>293,987.50</u>	
		<u>890,729.33</u>
		1,251,470.11
Decreased by:		
Prior Year Encumbrances Reclassified:		
Current Fund Appropriations	116,948.86	
Federal and State Grant Fund	<u>243,791.92</u>	
		<u>360,740.78</u>
Balance December 31, 2015		<u><u>\$ 890,729.33</u></u>

**TOWNSHIP OF GLOUCESTER**  
**CURRENT FUND**

Statement of Changes in (Assets), Liabilities and Reserves  
 For the Year Ended December 31, 2015

<u>Description</u>	Increased by		Decreased by		Balance <u>Dec. 31, 2015</u>
	<u>Balance</u> <u>Dec. 31, 2014</u>	<u>Receipts</u>	<u>Disbursements</u>		
Miscellaneous Maintenance Liens Receivable	\$ (57,663.43)	\$ 106,414.16	\$ 88,391.03	\$	(39,640.30)
Police Outside Service Receivable	(8,467.18)	1,474.06			(6,993.12)
Due to State of New Jersey:					
Marriage License Fees	1,265.00	8,835.00	7,575.00		2,525.00
State Training Fees	10,900.00	107,056.00	100,453.00		17,503.00
Due Camden County Municipal Utilities Authority	782,527.53	937,775.91	782,517.53		937,785.91
Due Gloucester Municipal Utilities Authority	437,498.46	461,408.89	436,498.46		462,408.89
Reserve For:					
Cost of Revaluation	8,771.60				8,771.60
	<u>\$ 1,174,831.98</u>	<u>\$ 1,622,964.02</u>	<u>\$ 1,415,435.02</u>	<u>\$</u>	<u>\$ 1,382,360.98</u>

**TOWNSHIP OF GLOUCESTER**  
**FEDERAL AND STATE GRANT FUND**  
**Statement of Due From Current Fund**  
**For the Year Ended December 31, 2015**

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Balance December 31, 2014		\$ 310,503.14
Increased by:		
Matching Share of Municipal Alliance Grant	\$ 16,230.00	
Receipts Collected by Current Fund on Behalf of Federal and State Grant Fund:		
Grants Receivable	588,726.66	
Unappropriated Grants	<u>20,024.27</u>	
		<u>624,980.93</u>
		935,484.07
Decreased by:		
Disbursements Made By Current Fund on Behalf of Federal and State Grant Fund	716,182.79	
Cancellation of Grants Appropriated	<u>64,396.01</u>	
		<u>780,578.80</u>
Balance December 31, 2015		<u><u>\$ 154,905.27</u></u>

**TOWNSHIP OF GLOUCESTER**  
**FEDERAL AND STATE GRANT FUND**  
 Statement of Federal and State Grants Receivable  
 For the Year Ended December 31, 2015

	<u>Balance</u> Dec. 31, 2014	<u>Anticipated</u> <u>Revenue</u>	<u>Received</u>	<u>Canceled</u>	<u>Balance</u> Dec. 31, 2015
<b>Federal Grants:</b>					
Edward Byrne Memorial Justice Assistance Grant	\$ 23,372.00	\$ 18,779.00	\$ 23,372.00		\$ 18,779.00
Bulletproof Vest Partnership Grant	24,207.19	15,302.82	15,697.50		23,812.51
Click it or Ticket		4,000.00	4,000.00		
Distracted Driving Statewide Crackdown Grant		5,000.00	5,000.00		
Drive Sober Get Pulled Over		21,325.00	21,325.00		
DVRPC	3,561.26	64,000.00		\$ 3,561.26	64,000.00
Recreational Trails	24,000.00				24,000.00
Cops in Shops	400.00	3,200.00	3,200.00	400.00	
	<u>75,540.45</u>	<u>131,606.82</u>	<u>72,594.50</u>	<u>3,961.26</u>	<u>130,591.51</u>
<b>State Grants:</b>					
NJ Transportation Trust Fund Authority Act:					
Year 2006 and Prior	27,722.52			27,722.52	
Davistown Road	145,375.02			145,375.02	
Bike Path	41,777.40			41,777.40	
Peters Lane	125,132.30			125,132.30	
Garwood Rd.	119,564.43				51,777.63
Kelly Driver Road		260,167.00	168,991.80		91,175.20
NJ DEP - Clean Communities Program		125,364.81	125,364.81		
Municipal Alliance Grant	34,781.00	41,058.00	40,548.00		35,291.00
Drunk Driving Enforcement Fund		13,713.75	13,713.75		
Safe and Secure Communities Program		90,000.00	90,000.00		
Body Armor Grant		10,959.57	10,959.57		
Green Communities Grant	3,000.00			3,000.00	
Civil Preparedness Grant	5,000.00			5,000.00	
	<u>502,352.67</u>	<u>541,263.13</u>	<u>517,364.73</u>	<u>348,007.24</u>	<u>178,243.83</u>
<b>Local Grants</b>					
Camden County Open Space Grant	53,300.00	100,000.00	25,000.00	3,300.00	125,000.00
Camden County Sobriety Check Point		1,747.73	1,747.73		
	<u>53,300.00</u>	<u>101,747.73</u>	<u>26,747.73</u>	<u>3,300.00</u>	<u>125,000.00</u>
	<u>\$ 631,193.12</u>	<u>\$ 774,617.68</u>	<u>\$ 616,706.96</u>	<u>\$ 355,268.50</u>	<u>\$ 433,835.34</u>
<b>Original Budget</b>		\$ 226,238.30			
Appropriation by N.J.S.A. 40A:4-87 (Chapter 159's)		548,379.38			
Transferred from Unappropriated Grants			\$ 27,980.30		
Cash Receipts			588,726.66		
		<u>\$ 774,617.68</u>	<u>\$ 616,706.96</u>		

**TOWNSHIP OF GLOUCESTER**  
**FEDERAL AND STATE GRANT FUND**  
 Statement of Reserve for Federal and State Grants -- Unappropriated  
 For the Year Ended December 31, 2015

	<u>Balance</u> <u>Dec. 31, 2014</u>	<u>Grant</u> <u>Received</u>	<u>Budget</u> <u>Appropriation</u>	<u>Balance</u> <u>Dec. 31, 2015</u>
Federal Grants:				
Drive Sober Get Pulled Over	\$ 9,125.00		\$ 9,125.00	
Emergency Management Grant	\$ 4,000.00	\$ 5,000.00		\$ 5,000.00
Click it or Ticket		4,000.00	4,000.00	4,000.00
	<u>13,125.00</u>	<u>9,000.00</u>	<u>13,125.00</u>	<u>9,000.00</u>
State Grants:				
Drunk Driving Enforcement Fund	2,148.00		2,148.00	
Body Armor Grant	10,959.57	11,024.27	10,959.57	11,024.27
	<u>13,107.57</u>	<u>11,024.27</u>	<u>13,107.57</u>	<u>11,024.27</u>
Local Grants:				
Camden County Sobriety Check Point	1,747.73		1,747.73	
	<u>1,747.73</u>		<u>1,747.73</u>	
Total Federal and State Unappropriated Grants	<u>\$ 27,980.30</u>	<u>\$ 20,024.27</u>	<u>\$ 27,980.30</u>	<u>\$ 20,024.27</u>

**TOWNSHIP OF GLOUCESTER**  
**FEDERAL AND STATE GRANT FUND**  
 Statement of Reserve for Federal and State Grants -- Appropriated  
 For the Year Ended December 31, 2015

	Balance Dec. 31, 2014	Transferred from 2015 Budget Appropriation	Prior Year Encumbrances Reclassified	Paid or Charged	Cancelled	Balance Dec. 31, 2015
<b>Federal Grants:</b>						
School Transportation Safety Grant	\$ 19,869.62	\$ 18,779.00	\$ 379.90	\$ 22,216.86	\$ 19,869.62	\$ 92.84
Edward Byrne Memorial Justice Assistance Grant	3,150.80					
Data Collection Grant	27,980.74				27,980.74	
Bulletproof Vest Partnership Grant	20,322.43	15,302.82		32,372.13		3,253.12
Drive Sober Get Pulled Over		21,325.00		21,325.00		
Click it or Ticket		4,000.00		4,000.00		
Distracted Driving Statewide Crackdown Grant		5,000.00		5,000.00		
DVRPC	30,825.59	64,000.00		36,708.71	30,825.59	27,291.29
Recreational Trails	24,000.00			3,644.25	400.00	20,355.75
Cops in Shop	400.00	3,200.00				3,200.00
	<u>126,549.18</u>	<u>131,606.82</u>	<u>379.90</u>	<u>125,266.95</u>	<u>79,075.95</u>	<u>54,193.00</u>
<b>State Grants:</b>						
NJ Transportation Trust Fund Authority Act:						
Year 2006 and Prior	125.45				125.45	
Davistown Road	145,375.02				145,375.02	
Bike Path	41,777.40				41,777.40	
Peters Lane	13,837.30				13,837.30	
Garwood Rd.	41,878.56		242,327.80	251,776.41		32,429.95
Kelly Driver Road		260,167.00		239,310.75		20,856.25
NJ DEP - Clean Communities Program	4,802.08	125,364.81	172.00	126,789.37		3,549.52
Municipal Alliance Grant	49,122.87	57,288.00		67,225.17		39,185.70
Drunk Driving Enforcement Fund	8,925.49	13,713.75	429.22	12,754.52		10,313.94
Safe and Secure Communities Program		90,000.00		90,000.00		
Body Armor Grant	13,064.30	10,959.57		24,023.87		
Civil Preparedness Grant	1,101.78				1,101.78	
NJ DCA - Blackwood Clementon Rd.	94,360.13			94,360.13		
Exercise Improvement Grant	1,324.04			1,324.04		
Enhanced 911 Grant	1,484.86		483.00	1,967.86		
Green Communities	3,000.00			3,000.00		
Sustainable Jersey Grant	2,976.69			2,976.69		
NJ Economic Develop Authority Grant	28,835.45			28,835.45		
Domestic Preparedness Equipment	476.34			476.34		
Special Purpose Grant - Community Center	2,131.10			2,131.10		
Hepatitis B Grant	476.00			346.00		130.00
	<u>455,074.86</u>	<u>557,493.13</u>	<u>243,412.02</u>	<u>812,226.09</u>	<u>337,288.56</u>	<u>106,465.36</u>
<b>Local Grants:</b>						
Camden County Open Space Grant	78,300.00	100,000.00		70,929.52	3,300.00	104,070.48
Camden County Sobriety Check Point		1,747.73		1,747.73		
	<u>78,300.00</u>	<u>101,747.73</u>		<u>72,677.25</u>	<u>3,300.00</u>	<u>104,070.48</u>
	<u>\$ 659,924.04</u>	<u>\$ 790,847.68</u>	<u>\$ 243,791.92</u>	<u>\$ 1,010,170.29</u>	<u>\$ 419,664.51</u>	<u>\$ 284,728.84</u>
<b>Original Budget</b>						
Appropriation by N.J.S.A. 40A:4-87 (Chapter 159's)	\$ 242,468.30					
Cancelled Against Grant Receivable	548,379.38				\$ 355,268.50	
Cancelled - Due to Current Fund Disbursements				\$ 716,182.79	64,396.01	
Reserve for Encumbrances				293,987.50		
				<u>\$ 1,010,170.29</u>	<u>\$ 419,664.51</u>	

**SUPPLEMENTAL EXHIBITS**

**TRUST FUND**

**TOWNSHIP OF GLOUCESTER**

TRUST FUND

Statement of Trust Cash - Treasurer

For the Year Ended December 31, 2015

	<u>Animal Control</u>	<u>Municipal Open Space Trust</u>	<u>Other</u>
Balance December 31, 2014	\$ 10,162.13	\$ 318,453.30	\$ 4,428,885.57
Increased by Receipts:			
Animal License Fees	\$ 56,535.60		
Due to State of New Jersey	3,773.40		
Due Current Fund:	4.93		
Interest Earnings on Deposits		\$ 896,663.32	\$ 2,125,900.24
Interfund Receipts		1,006.86	
Interest Earnings		106,181.25	
State Grant			
Budget Appropriations	65,000.00		
Receipts on Receivable			264,537.47
Reserve for Trust Other Funds:			1,213.04
Interest Earnings			36,190,692.87
Other Receipts	<u>125,313.93</u>	<u>1,003,851.43</u>	<u>38,582,343.62</u>
Decreased by Disbursements:			
Reserve for Animal Fund Expenditures	120,077.82		
Due to State of New Jersey	3,773.40		
Due Current Fund:	4.93		
Interest Earnings on Deposits Turned Over	6.33		
Interfunds Returned			3,048,861.85
Disbursed on Behalf of Trust Other Fund			
Budget Appropriations		6,982.68	
Reserve for Future Use - Other Expenses		880,042.53	
Disbursed on Receivable		254,185.45	
Reserve for Trust Other Funds			3,460.68
Balance December 31, 2015	<u>\$ 11,613.58</u>	<u>\$ 1,141,210.66</u>	<u>\$ 4,191,073.48</u>

**TOWNSHIP OF GLOUCESTER**  
**ANIMAL CONTROL FUND**  
 Statement of Due to Current Fund  
 For the Year Ended December 31, 2015

December 31, 2014		\$ 6.33
Increased by:		
Receipts - Interest Earnings		4.93
		11.26
Decreased by:		
Disbursements:		
Prior Year Interfund Liquidated	\$ 6.33	
Current Year Interest Earnings Turned Over	4.93	
		\$ 11.26

**Exhibit SB-3**

**ANIMAL CONTROL FUND**  
 Statement of Due to State of New Jersey  
 For the Year Ended December 31, 2015

Balance December 31, 2014		\$ 8.40
Increased by:		
Receipts		3,773.40
		3,781.80
Decreased by:		
Disbursements		3,773.40
Balance December 31, 2015		\$ 8.40

**Exhibit SB-4**

**ANIMAL CONTROL FUND**  
 Statement of Reserve for Animal Control Fund Expenditures  
 For the Year Ended December 31, 2015

Balance December 31, 2014		\$ 10,147.40
Increased by:		
Receipts - Animal License Fees	\$ 56,535.60	
Budget Appropriation	65,000.00	
		121,535.60
		131,683.00
Decreased by:		
Expenditures Under R.S.4:19.11		120,077.82
Balance December 31, 2015		\$ 11,605.18
 <u>License Fees Collected</u>		
<u>Year</u>		<u>Amount</u>
2013		\$ 64,138.20
2014		63,193.40
		\$ 127,331.60

**TOWNSHIP OF GLOUCESTER**  
**MUNICIPAL OPEN SPACE TRUST FUND**  
 Statement of Due from (to) Current Fund  
 For the Year Ended December 31, 2015

Balance December 31, 2014 - (Due from)		\$ 1,595.32
Increased by:		
2015 Levy	\$ 889,488.00	
Added and Omitted Levy	985.45	
		890,473.45
		892,068.77
Decreased by:		
Receipts:		
2015 Levy	889,468.00	
Prior Year Interfund Liquidated	1,595.32	
Current Year Interfund	5,600.00	
		896,663.32
Balance December 31, 2015 - Due to		\$ (4,594.55)

Analysis of Balance

Current Year Levy	\$ 20.00	
Added and Omitted Levy	985.45	
		\$ 1,005.45
Current Year Interfunds		(5,600.00)
		\$ (4,594.55)

**MUNICIPAL OPEN SPACE TRUST FUND**  
 Statement of Reserve for Future Use  
 For the Year Ended December 31, 2015

Balance December 31, 2014		\$ 330,048.62
Increased by:		
Receipts:		
2015 Levy	\$ 889,488.00	
Added and Omitted Levy	985.45	
Miscellaneous Revenues - State Grant - Urban Acquisition	106,181.25	
Interest Earnings on Deposits	1,006.86	
		997,661.56
		1,327,710.18
Decreased by:		
Disbursements:		
Budget Appropriations	880,042.53	
Other Open Space Disbursements	254,185.45	
		1,134,227.98
Disbursed by General Capital Fund on Behalf of	9,445.47	
		1,143,673.45
Balance December 31, 2015		\$ 184,036.73

**TOWNSHIP OF GLOUCESTER**  
**TRUST - OTHER FUNDS**  
Statement of Due from Current Fund  
For the Year Ended December 31, 2015

Balance December 31, 2014		\$ 3,145,595.50
Increased by:		
Disbursements:		
Interfunds Disbursed to Current Fund		
Current Year	\$ 33,383.17	
Prior Year	1,109.90	
Premiums Received at Tax Sale	<u>3,014,368.78</u>	
		<u>3,048,861.85</u>
		6,194,457.35
Decreased by:		
Receipts:		
Interfunds Received:		
Tax Title Lien Reimbursements	2,000,000.00	
Trust Other Reimbursements	<u>125,900.24</u>	
		<u>2,125,900.24</u>
Balance December 31, 2015		<u><u>\$ 4,068,557.11</u></u>

Analysis of Balance Due From/(Due To)

Disposal of Forfeited Property		\$ 81,172.04
Trust Other		(122,684.65)
Redemption of Privately Held Liens		4,103,517.13
Workman's Compensation		<u>6,552.59</u>
		<u><u>\$ 4,068,557.11</u></u>

**TOWNSHIP OF GLOUCESTER**  
**TRUST - OTHER FUNDS**

Statement of Changes in Miscellaneous Trust Other Receivables  
 For the Year Ended December 31, 2015

	Increased By		Decreased by		Balance
	<u>Awarded</u>	<u>Disbursements</u>	<u>Receipts</u>		<u>Dec. 31, 2015</u>
	<u>Balance</u>				
	<u>Dec. 31, 2014</u>				
Housing and Community Development Act					
Metro Cities Grant	\$ 115,614.74	\$ 502,438.00	\$ 220,237.47	\$	397,815.27
CC Home Consortium Program FY12	40,000.00		40,000.00		
CC Home Consortium Program FY07	50,938.00		4,300.00		46,638.00
School Bus GPS System	31,423.96	\$ 3,460.68			34,884.64
Workman's Compensation - MUA	12,064.30				12,064.30
Rehabilitation Mortgages Receivable	905,471.46				905,471.46
	<u>\$ 1,155,512.46</u>	<u>\$ 502,438.00</u>	<u>\$ 264,537.47</u>	<u>\$</u>	<u>\$ 1,396,873.67</u>

**TOWNSHIP OF GLOUCESTER**  
**TRUST - OTHER FUNDS**  
 Statement of Changes in Miscellaneous Trust Other Reserves  
 For the Year Ended December 31, 2015

	Increased by			Decreased by		
	Balance Dec. 31, 2014	Interest Earnings	Other Receipts	Current Year Awards	Paid or Charged	Balance Dec. 31, 2015
Reserve for:						
Seasonal Cleanup Escrows	\$ 1,031.00					\$ 1,031.00
Accumulated Absences	54,817.61					54,817.61
Engineering Escrows	612,182.34		\$ 606,390.78		689,952.05	528,621.07
Cash Performance Guarantees	613,448.80		26,949.01		205,695.76	434,702.05
Grading Escrows	151,304.02		5,219.18			156,523.20
Developers Interest on Escrows	2,272.86					2,272.86
Police Outside Employment	41,739.81		417,265.05		393,837.81	65,167.05
Recycling Funds	208,639.55				178,674.48	29,965.07
Miscellaneous Grant Escrows	11,091.28				23,500.00	11,091.28
Public Defender	36,472.46		16,277.68			29,250.14
POAA	3,054.00		108.00			3,162.00
Municipal Alliance Funds	24,222.09		40.00		597.00	23,665.09
Housing and Community Development Act:						
Metro Cities Grant	68,317.35		35,000.00	\$ 502,438.00	412,932.74	192,822.61
CC Home Consortium Program	858.00					858.00
Sidewalk Improvements	1,973.17				886.16	1,087.01
Neighborhood Preservation Program	12,900.30					12,900.30
Disposal of Forfeited Property	175,932.38		50,955.80		120,257.90	106,630.28
Redemption of Privately Held Liens	415,345.30		4,285,857.52		4,248,263.84	452,938.98
Tax Sale Premium	4,576,400.00		3,780,700.00		2,851,600.00	5,505,500.00
Workman's Compensation	13,057.92		335,568.97		348,626.89	
Workman's Compensation - Salaries and Wages	744.90		83,000.00		83,497.42	247.48
Workman's Compensation - MUA	6,282.92					6,282.92
Disability Claims	42,564.36		15,358.06		21,097.87	36,824.55
Unemployment Compensation Insurance	14,440.54	\$ 137.49	49,930.23		31,087.42	33,420.84
Special Recreation Trust	35,470.77				5,547.91	29,922.86
Affordable Housing Trust	233,551.60	1,065.17	167,786.50		1,961.55	400,441.72
Rehabilitation Mortgages Receivable	905,471.46					905,471.46
Encroachment Escrows	18,085.89		916.00		3,086.00	15,915.89
Multiple Dwelling Escrows	38,425.61					38,425.61
Sloan's Legacy	2,961.62	10.38				2,972.00
Revolving Loan Fund	138,704.55		42,618.00		82,612.00	98,710.55
Payroll Fund	180,575.45		26,245,770.01		25,989,775.59	436,569.87
Flexible Spending	87,753.62		24,982.08		111,619.24	1,116.46
	\$ 8,730,093.53	\$ 1,213.04	\$ 36,190,692.87	\$ 502,438.00	\$ 35,805,109.63	\$ 9,619,327.81
Disbursed						
Disbursed by Open Space Fund on Behalf of Trust Other Fund					\$ 35,767,833.18	
Disbursed by General Capital Fund on Behalf of Trust Other Fund					6,982.68	
					30,293.77	
					\$ 35,805,109.63	

**SUPPLEMENTAL EXHIBITS**

**GENERAL CAPITAL FUND**

**TOWNSHIP OF GLOUCESTER**  
**GENERAL CAPITAL FUND**  
Statement of General Capital Cash  
For the Year Ended December 31, 2015

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Balance December 31, 2014		\$ 3,184,427.84
Increased by Receipts:		
Due Current Fund:		
Interest Earnings	\$ 905.49	
Interfunds Liquidated	3,001,045.49	
Bond Anticipation Notes	800,000.00	
Refund of Improvement Authorizations	22,154.14	
Capital Improvement Fund	<u>300,000.00</u>	
		<u>4,124,105.12</u>
		7,308,532.96
Decreased by Disbursements:		
Improvement Authorizations	5,590,155.08	
Due Current Fund	1,215.30	
Disbursements Made on Behalf of:		
Open Space Fund	9,445.47	
Trust Other Fund	<u>30,293.77</u>	
		<u>5,631,109.62</u>
Balance December 31, 2015		<u>\$ 1,677,423.34</u>

**TOWNSHIP OF GLOUCESTER**  
**GENERAL CAPITAL FUND**  
 Analysis of General Capital Cash  
 For the Year Ended December 31, 2015

	Balance or (Deficit) Dec. 31, 2014		Receipts		Disbursements		Transfers		Balance or (Deficit) Dec. 31, 2015			
			Miscellaneous	Improvement Authorizations	Notes Issued	Improvement Authorizations	Miscellaneous	From		To		
Due to/(from) Current Fund	\$	1,090.23	\$	3,001,950.98				\$	3,800,000.00	\$	(856,241.59)	
Due from Municipal Open Space Trust Fund											(9,445.47)	
Due from Trust Fund Other											(30,293.77)	
Due from New Jersey Environmental Infrastructure Trust Fund		(1,558,256.00)						691,319.00			(2,249,575.00)	
Capital Improvement Fund		997.69	300,000.00					297,520.00			3,477.69	
Encumbrances		1,078,821.30						1,078,821.30		2,049,971.79	2,049,971.79	
Reserve for Payment of Debt		60,672.79								2,040,791.98	2,101,464.77	
Fund Balance		3,026,725.72						3,000,000.00			26,725.72	
<b>Ordinance Number</b>												
<b>General Improvements:</b>												
00-19 Various Capital Improvements		(1,800.00)									(1,800.00)	
02-34 Acquisition of Various Vehicles		(951.00)									(951.00)	
03-26 Acquisition of Vehicles		(119.00)									(119.00)	
04-19 Various Capital Improvements		(133.00)									(133.00)	
04-26 Acquisition of Vehicles		(228.00)									(228.00)	
05-14 Various Capital Improvements		(69.00)									(69.00)	
09-12 Various Capital Improvements		(228,833.19)									(228,833.19)	
09-15 Various Capital Improvements		(313,473.67)									(313,473.67)	
09-17 Various Capital Improvements		(204,548.87)									(146,222.19)	
09-21 Various Capital Improvements		(20,920.87)							58,326.68		(20,920.87)	
10-17 Construction of Street Hockey Rinks		22,639.60									22,639.60	
10-23 Various Capital Improvements						\$	7,634.11				3,070.86	
11-03 Acquisition of Various Capital Equipment									11,996.00		621.52	
11-16 Cost of Closure Remediation		(31.00)									(31.00)	
11-21 Acquisition of Four Wheel Drive Vehicles		(507,342.67)								8,320.52	(499,022.15)	
12-06 Various Capital Improvements		310,568.11							55,400.90		240,690.77	
12-07 Energy Savings Improvement Program		30,156.27									30,156.27	
12-12 Building Improvements		142,070.20								4,425.00	126,122.20	
12-28 Drainage Improvements		135,667.51									135,667.51	
12-29 Various Capital Improvements		670,750.47								45,995.18	157,681.88	
13-03 Various Capital Improvements		(104,546.60)								32,333.74	956.30	
14-01 Various Capital Improvements		1,652,962.85								2,100.00	(146,285.20)	
14-02 Various Capital Improvements - NJEIT		(224,842.78)							1,002,775.00		289,835.82	
14-15 Landfill Closure/ Dam Repairs		(781,117.25)							18,625.58		(31,174.38)	
14-19/15-16 Various Capital Improvements - NJEIT		(1,482.00)							638,487.27		18,042.75	
15-01 Various Capital Improvements									824,767.00		(1,021,775.60)	
15-11 Improvements to Wash Bay									489,635.48		1,962,557.48	
15-15 Severe Storm Emergency									800,000.00		200,000.00	
		\$	3,184,427.84	\$	3,301,950.98	\$	22,154.14	\$	17,220,936.07	\$	40,954.54	
											\$	1,677,423.34

**TOWNSHIP OF GLOUCESTER**  
**GENERAL CAPITAL FUND**  
Statement of Deferred Charges to Future Taxation -- Funded  
For the Year Ended December 31, 2015

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Balance December 31, 2014		\$ 51,895,089.32
Increased by:		
NJEIT Loan Issued		691,319.00
		52,586,408.32
Decreased by:		
Budget Appropriation:		
Serial Bonds	\$ 4,849,000.00	
NJEIT Loans Payable	171,739.74	
Green Acres Loans Payable	131,588.82	
		5,152,328.56
Balance December 31, 2015		\$ 47,434,079.76

**TOWNSHIP OF GLOUCESTER**  
**GENERAL CAPITAL FUND**  
 Statement of Deferred Charges to Future Taxation -- Unfunded  
 For the Year Ended December 31, 2015

Improvement Description	Ordinance Number	Increased by		Decreased by		Analysis of Balance		Unexpended Improvement Authorizations
		Balance Dec. 31, 2014	2015 Authorizations	NJEIT Loan Issued	Reappropriated	Balance Dec. 31, 2015	Financed by Bond Anticipation Notes	
General Improvements:								
Various Capital Improvements	00-19	\$ 1,800.00				\$ 1,800.00		\$ 1,800.00
Various Capital Improvements	02-34	951.00				951.00		951.00
Various Capital Improvements	03-26	119.00				119.00		119.00
Various Capital Improvements	04-19	133.00				133.00		133.00
Acquisition of Vehicles	04-26	228.00				228.00		228.00
Various Capital Improvements	05-14	69.00				69.00		69.00
Various Capital Improvements	09-12	228,833.19				228,833.19		228,833.19
Various Capital Improvements	09-15	313,473.67				313,473.67		313,473.67
Various Capital Improvements	09-17	482,814.00				482,814.00		482,814.00
Various Capital Improvements	09-21	20,920.87				20,920.87		20,920.87
Cost of Closure Remediation	11-16	31.00				31.00		31.00
Acquisition of Four Wheel Drive Vehicles	11-21	518,225.00				518,225.00		518,225.00
Various Capital Improvements	12-06	2,847.00				2,847.00		2,847.00
Drainage Improvements	12-28	597,734.00				597,734.00		597,734.00
Various Capital Improvements	13-03	272,525.27				272,525.27		272,525.27
Various Capital Improvements	14-01	477.00				477.00		477.00
Various Capital Improvements - NJEIT	14-02	1,750,000.00		\$ 691,319.00		1,058,681.00	\$ 1,609,629.00	31,174.38
Landfill Closure/ Dam Repairs	14-15	1,609,629.00				1,609,629.00		1,609,629.00
Various Capital Improvements - NJEIT	14-19/15-16	1,600,000.00				1,600,000.00		1,600,000.00
Various Capital Improvements	15-01		\$ 5,652,883.00		\$ (200,000.00)	5,452,883.00	5,452,883.00	1,021,775.60
Improvement to Wash Bay	15-11		200,000.00		200,000.00	200,000.00	200,000.00	200,000.00
Severe Storm Emergency	15-15		800,000.00			800,000.00	800,000.00	800,000.00
		<u>\$ 7,400,810.00</u>	<u>\$ 6,452,883.00</u>	<u>\$ 691,319.00</u>	<u>\$ -</u>	<u>\$ 13,162,374.00</u>	<u>\$ 8,062,512.00</u>	<u>\$ 2,411,038.25</u>
								<u>\$ 2,688,823.75</u>
								<u>\$ 5,018,185.78</u>
								<u>\$ 2,688,823.75</u>

Improvement Authorizations -- Unfunded  
 Less: Unexpended Proceeds of Bond Anticipation Notes Issued:

Ordinance Number	
10-17	\$ 22,639.60
12-12	126,122.20
14-15	18,042.75
15-01	1,962,557.48
15-11	200,000.00
	<u>2,329,362.03</u>



**TOWNSHIP OF GLOUCESTER**  
**GENERAL CAPITAL FUND**  
Statement of Due (To)/From Current Fund  
For the Year Ended December 31, 2015

---

Balance December 31, 2014 - (Due To)		\$ (1,090.23)
Increased by:		
Receipts:		
Interest Earnings	\$ (905.49)	
Interfund Receipts	(3,001,045.49)	
Anticipated Revenue in Current Fund	(3,000,000.00)	
Disbursements Made by Current Fund on Behalf of General Capital Fund	(800,000.00)	(6,801,950.98)
Decreased by:		(6,803,041.21)
Collections by Current Fund on Behalf of General Capital Fund:		
Reserve to Pay Debt Service Received by Current Fund	395,555.50	
Bond Anticipation Notes	7,262,512.00	
Disbursements:		
Interfunds Liquidated	1,215.30	7,659,282.80
Balance December 31, 2015 - Due From		\$ 856,241.59

## Exhibit SC-7

**GENERAL CAPITAL FUND**  
Statement of Capital Improvement Fund  
For the Year Ended December 31, 2015

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Balance December 31, 2014		\$ 997.69
Increased by:		
Budget Appropriation - Receipts		300,000.00
		300,997.69
Decreased by:		
Appropriation to Finance Improvement Authorizations		297,520.00
Balance December 31, 2015		\$ 3,477.69

**TOWNSHIP OF GLOUCESTER**  
**GENERAL CAPITAL FUND**  
 Statement of General Serial Bonds  
 For the Year Ended December 31, 2015

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding December 31, 2015	Interest Rate	Decreased By		Balance Dec. 31, 2015
					Balance Dec. 31, 2014	Payment of Bonds	
General Bonds 2005	07/15/05	\$ 9,378,000.00					
General Bonds 2007	12/01/07	6,154,000.00	\$ 550,000.00 12/01/16-18 12/01/19-20	3.750% 3.800%	\$ 525,000.00	\$ 525,000.00	\$ 2,850,000.00
General Bonds 2011	02/01/11	10,000,000.00	02/01/16 02/01/17 02/01/18 02/01/19 02/01/20 02/01/21 02/01/22	3.000% 3.000% 3.000% 3.000% 3.000% 3.125% 4.000%		500,000.00	
Refunding Revenue Bonds CCJA Lease of 2011	04/01/11	3,440,000.00	04/01/16 04/01/17 04/01/18 04/01/19 04/01/20 04/01/21 04/01/22	2.000% 2.375% 2.750% 5.000% 5.000% 5.000% 5.000%		950,000.00	7,375,000.00
Refunding Bonds 2012	02/01/12	5,540,000.00	02/01/16 02/01/17 02/01/18	2.000% 2.000% 2.000%		300,000.00	2,355,000.00
General Bonds 2012	11/15/12	1,985,000.00	11/15/16 11/15/17 11/15/18 11/15/19 11/15/20 11/15/21 11/15/22 11/15/23 11/15/24	2.000% 2.000% 2.000% 2.000% 2.000% 2.000% 2.750% 3.270% 3.500%		1,200,000.00	3,790,000.00
General Bonds 2014	04/02/14	21,154,000.00	02/15/16 02/15/17 02/15/18 02/15/19 02/15/20 02/15/21 02/15/22 02/15/23 02/15/24 02/15/25	2.000% 2.000% 2.000% 2.000% 2.000% 2.500% 3.000% 3.000% 3.000%		110,000.00	1,660,000.00
Refunding Bonds 2014	10/01/14	4,770,000.00	08/01/16 08/01/17 08/01/18 08/01/19 08/01/20 08/01/21 08/01/22 08/01/23	3.000% 2.000% 3.000% 4.000% 4.000% 4.000% 4.000% 4.000%		1,234,000.00	19,920,000.00
						30,000.00	4,740,000.00
						\$ 4,849,000.00	\$ 42,690,000.00

**TOWNSHIP OF GLOUCESTER**  
**GENERAL CAPITAL FUND**  
Statement of Green Acres Trust Fund Loan Payable  
For the Year Ended December 31, 2015

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Balance December 31, 2014	\$ 1,391,730.86
Decreased by:	
Paid by Budget Appropriation	131,588.82
Balance December 31, 2015	\$ 1,260,142.04

Schedule of Loan Payable December 31, 2015

<u>Year</u>	<u>Interest</u>	<u>Principal</u>
2016	\$ 24,541.03	\$ 134,233.76
2017	21,836.93	132,268.11
2018	19,224.97	130,216.32
2019	16,607.60	132,833.67
2020	13,937.67	130,894.27
2021	11,352.79	128,869.79
2022	8,762.49	131,460.08
2023	6,284.89	100,989.50
2024	4,255.00	92,566.74
2025	2,605.30	62,489.98
2026	1,349.25	46,744.18
2027	610.81	24,262.47
2028	123.14	12,313.17
	\$ 131,491.87	\$ 1,260,142.04

**TOWNSHIP OF GLOUCESTER**  
**GENERAL CAPITAL FUND**  
 Statement of New Jersey Environmental Trust Fund Loan Payable  
 For the Year Ended December 31, 2015

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Outstanding</u>	<u>Date</u>	<u>Maturities of Bonds Outstanding, December 31, 2015</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2014</u>	<u>Increased By</u>		<u>Decreased By</u>	
								<u>Issued</u>	<u>Issued</u>	<u>Payment of Loans</u>	<u>Balance Dec. 31, 2015</u>
N.J. Environmental Infrastructure Trust Loan	09/01/12	\$ 375,000.00			09/01/16-20	5.000%	\$ 345,000.00				\$ 330,000.00
					09/12/1-25	5.000%					
					09/1/26	5.000%					
					09/1/27-28	3.000%					
N.J. Environmental Infrastructure Fund Loan	09/01/12	1,185,938.00	(1)	2016 - 2030	09/1/29	3.125%	1,061,102.46				998,684.69
					09/1/30	3.200%					
					09/1/31	3.250%					
N.J. Environmental Infrastructure Trust Loan	05/21/14	385,000.00			08/01/16	3.000%					370,000.00
					08/01/17-20	5.000%					
					08/01/21-24	5.000%					
					08/01/25-26	3.000%					
					08/01/27-31	3.000%					
					08/01/32	3.125%					
					08/01/33	3.250%					
N.J. Environmental Infrastructure Fund Loan	05/21/14	1,173,256.00	(1)	2016 - 2032	08/01/33	3.250%	385,000.00				370,000.00
					2033	NIL					
N.J. Environmental Infrastructure Trust Loan	05/28/15	165,000.00			8/1/2016-21	5.000%					165,000.00
					8/1/2022-26	5.000%					
					8/1/2027-33	4.000%					
N.J. Environmental Infrastructure Fund Loan	05/28/15	526,319.00	(1)	2016 - 2033	8/01/34	4.000%	526,319.00				508,477.68
					2034	NIL					
							<u>\$ 2,964,358.46</u>	<u>\$ 526,319.00</u>	<u>\$ 171,739.74</u>	<u>\$ 1,111,775.35</u>	<u>\$ 3,483,937.72</u>

(1) Semiannual Principal Payments due February 1 and August 1.

**TOWNSHIP OF GLOUCESTER**  
**GENERAL CAPITAL FUND**  
Statement of Reserve for Encumbrances  
For the Year Ended December 31, 2015

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Balance December 31, 2014	\$ 1,078,821.30
Increased by:	
Encumbered Against:	
Improvement Authorizations	<u>2,049,971.79</u>
	3,128,793.09
Decreased by:	
Encumbrances Reclassified:	
Improvement Authorizations	<u>1,078,821.30</u>
Balance December 31, 2015	<u><u>\$ 2,049,971.79</u></u>

**TOWNSHIP OF GLOUCESTER**  
 GENERAL CAPITAL FUND  
 Statement of Bond Anticipation Notes  
 For the Year Ended December 31, 2015

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Original Issue</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Issued</u>	<u>Balance Dec. 31, 2015</u>
14-15	Various Capital Improvements	03/20/15	03/20/15	03/18/16	0.49%	\$ 1,609,629.00	\$ 1,609,629.00
15-01	Various Capital Improvements	03/20/15	03/20/15	03/18/16	0.49%	5,452,883.00	5,452,883.00
15-11	Improvement to Wash Bay	03/20/15	03/20/15	03/18/16	0.49%	200,000.00	200,000.00
15-15	Severe Storm Emergency - Refunding Note	12/31/15	12/31/15	12/15/16	1.0899%	800,000.00	800,000.00
						<u>\$ 8,062,512.00</u>	<u>\$ 8,062,512.00</u>

**TOWNSHIP OF GLOUCESTER**  
GENERAL CAPITAL FUND  
Statement of Due from State of New Jersey  
Environmental Infrastructure Trust Receivable  
For the Year Ended December 31, 2015

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Balance December 31, 2014	\$ 1,558,256.00
Increased by:	
2015 NJEIT Loan Issued	<u>691,319.00</u>
Balance December 31, 2015	<u>\$ 2,249,575.00</u>

**TOWNSHIP OF GLOUCESTER**  
GENERAL CAPITAL FUND  
Statement of Reserve for Payment of Debt Service  
For the Year Ended December 31, 2015

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Balance December 31, 2014		\$ 60,672.79
Increased by:		
Due from Current Fund:		
Receipts Collected On-behalf of General Capital Fund	\$ 395,555.50	
Funded Improvement Authorizations Cancelled	<u>1,645,236.48</u>	
		<u>2,040,791.98</u>
Balance December 31, 2015		<u><u>\$ 2,101,464.77</u></u>

**TOWNSHIP OF GLOUCESTER**  
**GENERAL CAPITAL FUND**  
 Statement of Bonds and Notes Authorized but Not Issued  
 For the Year Ended December 31, 2015

Ordinance Number	Improvement Description	Increased by		Decreased by		Balance Dec. 31, 2015
		Balance Dec. 31, 2014	2015 Authorizations	Issuance of NJEIT Loan	Issuance of Notes	
00-19	Various Capital Improvements	\$ 1,800.00				\$ 1,800.00
02-34	Acquisition of Various Vehicles	951.00				951.00
03-26	Acquisition of Vehicles	119.00				119.00
04-19	Acquisition of Vehicles	133.00				133.00
04-26	Acquisition of Vehicles	228.00				228.00
05-14	Various Capital Improvements	69.00				69.00
09-12	Various Capital Improvements	228,833.19				228,833.19
09-15	Various Capital Improvements	313,473.67				313,473.67
09-17	Various Capital Improvements	482,814.00				482,814.00
09-21	Various Capital Improvements	20,920.87				20,920.87
11-16	Landfill Closure Costs	31.00				31.00
11-21	Acquisition of Four Wheel Drive Vehicle	518,225.00				518,225.00
12-06	Various Capital Improvements	2,847.00				2,847.00
12-28	Drainage Improvements	597,734.00				597,734.00
13-03	Various Capital Improvements	272,525.27				272,525.27
14-01	Various Capital Improvements	477.00				477.00
14-02	Drainage Improvements	1,750,000.00		\$ 691,319.00	\$ 1,609,629.00	1,058,681.00
14-15	Landfill Closure/ Dam Repairs	1,609,629.00				1,609,629.00
14-19/15-16	Drainage Improvements	1,600,000.00				1,600,000.00
15-01	Various Capital Improvements		\$ 5,652,883.00		\$ 5,452,883.00	\$ (200,000.00)
15-11	Improvement to Wash Bay		800,000.00		800,000.00	200,000.00
15-15	Severe Storm Emergency					
		\$ 7,400,810.00	\$ 6,452,883.00	\$ 691,319.00	\$ 8,062,512.00	\$ 5,099,862.00
						\$ -

**PART 2**  
**SINGLE AUDIT**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

**REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY STATE OF NEW JERSEY CIRCULAR 15-08-OMB**

**INDEPENDENT AUDITOR'S REPORT**

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

***Report on Compliance for Each Major State Program***

We have audited the Township of Gloucester's, in the County of Camden, State of New Jersey, compliance with the types of compliance requirements described in the *New Jersey State Grant Compliance Supplement* that could have a direct and material effect on each of the Township of Gloucester's major state programs for the year ended December 31, 2015. The Township of Gloucester's major state programs are identified in the *Summary of Auditor's Results* section of the accompanying *Schedule of Findings and Questioned Costs*.

***Management's Responsibility***

Management is responsible for compliance with the state statutes, regulations, and the terms and conditions of its state awards applicable to its major state programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the Township of Gloucester's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards and State of New Jersey Circular 15-08-OMB require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the Township of Gloucester's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

***Opinion on Each Major State Program***

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

**Report on Internal Control Over Compliance**

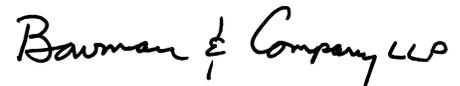
Management of Township of Gloucester is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Township of Gloucester's internal control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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of State of New Jersey Circular 15-08-OMB. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,



BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants



Robert P. Nehila, Jr.  
Certified Public Accountant  
Registered Municipal Accountant

Voorhees, New Jersey  
December 5, 2016

## TOWNSHIP OF GLOUCESTER

Schedule of Expenditures of State Financial Assistance  
For the Year Ended December 31, 2015

State Grantor/Program Title	State GMIS Number	Program or Award Amount	Matching Contribution	Grant Period	
				From	To
N.J. Department of the Attorney General, Law and Public Safety:					
Body Armor Replacement Program:					
Body Armor Replacement	718-066-1020-001	\$ 14,199.81	N/A	01/01/14	12/31/14
Body Armor Replacement	718-066-1020-001	10,959.57	N/A	01/01/15	12/31/15
Body Armor Replacement (Unappropriated Grant)	718-066-1020-001	11,024.27	N/A	01/01/16	12/31/16
Total Body Armor Replacement Program					
Drunk Driving Enforcement Fund:					
Drunk Driving Enforcement Fund	100-066-6400-xxx	16,004.44	N/A	01/01/14	12/31/14
Drunk Driving Enforcement Fund	100-066-6400-xxx	13,713.75	N/A	07/01/14	06/30/15
Total Drunk Driving Enforcement Fund					
Safe and Secure Communities	100-066-1020-232	90,000.00	N/A	01/01/15	12/31/15
Domestic Preparedness Equipment	2007-100-022-8030-803-PT-6020	5,755.17	N/A	09/01/06	06/30/07
Civil Defense Preparedness	100-066-1200-726	5,000.00	N/A	01/01/09	12/31/09
Total N.J. Department of the Attorney General, Law and Public Safety					
N.J. Office of Information Technology:					
Enhanced 911 Grant	2034-100-082-05-G04-072	60,960.00	N/A	01/01/09	12/31/09
N.J. Department of Health and Senior Services:					
Exercise Improvement Grant	Not Available	14,886.34	N/A	01/01/12	12/31/12
Sustainable Jersey Grant	Not Available	10,000.00	N/A	01/01/12	12/31/12
Communicable Disease Services:					
Hepatitis B Grant	100-045-5230-241	5,000.00	N/A	01/01/03	12/31/03
Total N.J. Department of Health and Senior Services					
N.J. Department of Environmental Protection:					
Municipality Road Mileage					
Clean Communities	765-042-4900-004	102,896.26	N/A	01/01/14	12/31/14
Clean Communities	765-042-4900-004	125,364.81	N/A	01/01/15	12/31/15
Total Municipality Road Mileage					
State Recycling					
Recycling Tonnage Grant	752-042-4900-001	Unknown	N/A	Prior Years	
Recycling Tonnage Grant	752-042-4900-001	81,914.10	N/A	01/01/11	Completion
Recycling Tonnage Grant	100-042-4910-224	101,215.27	N/A	01/01/12	Completion
Total State Recycling:					
Green Acres Program:					
Urban Acquisition Grant - Open Space	727-042-4800-013	106,181.25		01/01/15	12/31/15
Green Communities	10-100-042-4870-038	3,000.00	N/A	01/01/11	12/31/11
Passed through New Jersey Economic Development Authority:					
Green Acres - Hazardous Discharge and Site Remediation	69-022-1644	47,154.00	N/A	01/01/05	12/31/05
Total N.J. Department of the Environmental Protection					
N.J. Department of Community Affairs:					
Smart Future Planning Programs:					
Special Purpose Grant - Community Center	8020-100-022-8070-039-6120	56,000.00	N/A	01/01/06	12/31/07
Blackwood/Clementon Commercial Center	8020-100-022-8070-039-6120	94,360.13	N/A	01/01/08	12/31/08
Total Smart Future Planning Programs					

Balance Dec. 31, 2014	Receipts or Revenue Recognized	Prior Year Encumbrances Reclassified	Disbursements/ Expenditures	Encumbrances	Cancellations	Balance Dec. 31, 2015	(Memo Only)	
							Cash Receipts	Accumulated Expenditures
\$ 13,064.30	\$ 10,959.57		\$ 2,288.87	\$ 10,775.43 10,959.57			\$ 10,959.57 11,024.27	\$ 14,199.81 10,959.57
13,064.30	10,959.57	-	2,288.87	21,735.00	-	-	21,983.84	25,159.38
8,925.49	13,713.75	\$ 429.22	9,354.71 3,247.31	152.50		\$ 10,313.94	13,713.75	16,004.44 3,247.31
8,925.49	13,713.75	429.22	12,602.02	152.50	-	10,313.94	13,713.75	19,251.75
	90,000.00		90,000.00				90,000.00	90,000.00
476.34					\$ 476.34			5,278.83
1,101.78					1,101.78			3,898.22
23,567.91	114,673.32	429.22	104,890.89	21,887.50	1,578.12	10,313.94	125,697.59	143,588.18
1,484.86		483.00			1,967.86			58,992.14
1,324.04					1,324.04			13,562.30
2,976.69					2,976.69			7,023.31
476.00			346.00			130.00		4,870.00
4,776.73			346.00		4,300.73	130.00		25,455.61
4,802.08	125,364.81	172.00	4,974.08 121,815.29			3,549.52	125,364.81	102,896.26 121,815.29
4,802.08	125,364.81	172.00	126,789.37	-	-	3,549.52	125,364.81	224,711.55
25,510.18			25,510.18					
81,914.10			81,914.10					81,914.10
101,215.27			71,250.20			29,965.07		71,250.20
208,639.55	-	-	178,674.48	-	-	29,965.07	-	153,164.30
	106,181.25		106,181.25				106,181.25	106,181.25
3,000.00					3,000.00			3,000.00
28,835.45					28,835.45			18,318.55
245,277.08	231,546.06	172.00	411,645.10	-	31,835.45	33,514.59	231,546.06	505,375.65
2,131.10					2,131.10			53,868.90
94,360.13					94,360.13			
96,491.23	-	-	-	-	96,491.23	-	-	53,868.90

(Continued)

**TOWNSHIP OF GLOUCESTER**

Schedule of Expenditures of State Financial Assistance  
For the Year Ended December 31, 2015

<u>State Grantor/Program Title</u>	<u>State GMIS Number</u>	<u>Program or Award Amount</u>	<u>Matching Contribution</u>	<u>Grant Period</u>	
				<u>From</u>	<u>To</u>
N.J. Department of Transportation:					
State Aid Highway Projects:					
Jarvis Road (2004)	480-078-6320-xxx	\$ 102,757.62	N/A	Prior Years	
Peters Lane (2008)	480-078-6320-xxx	50,000.00	N/A	Prior Years	
Bikepath (2010)	480-078-6320-xxx	225,000.00	N/A	Prior Years	
Davistown Road (2011)	480-078-6320-xxx	200,856.00	N/A	Prior Years	
Garwood Road (2014)	480-078-6320-xxx	267,140.00	N/A	07/08/13	Completion
Kelly Driver Road	480-078-6320-xxx	260,167.00	N/A	06/26/15	Completion
Total State Highway Projects					
N.J. Department of Treasury:					
Passed through the County of Camden					
Municipal Alliance Grant	100-082-2000-044	Various	Various	Prior Years	
Municipal Alliance Grant	100-082-2000-044	62,337.00	N/A	01/01/14	12/31/14
Municipal Alliance Grant	100-082-2000-044	41,058.00	\$ 16,230.00	01/01/15	12/31/15
Total N.J. Department of Treasury					
Total State Financial Assistance					

Trust Other Fund  
Municipal Open Space Trust Fund  
Federal and State Grant Fund

The accompanying Notes to the Financial Statements and Notes to the Schedule of Expenditures of State Financial Assistance are an integral part of this schedule.

Balance Dec. 31, 2014	Receipts or Revenue Recognized	Prior Year Encumbrances Reclassified	Disbursements/ Expenditures	Encumbrances	Cancellations	Balance Dec. 31, 2015	(Memo Only)	
							Cash Receipts	Accumulated Expenditures
\$ 125.45					\$ 125.45			\$ 102,632.17
13,837.30					13,837.30			36,162.70
41,777.40					41,777.40			183,222.60
145,375.02					145,375.02			55,480.98
41,878.56		\$ 242,327.80	\$ 251,776.41			\$ 32,429.95	\$ 67,786.80	251,776.41
	\$ 260,167.00		11,210.75	\$ 228,100.00		20,856.25	168,991.80	11,210.75
242,993.73	260,167.00	242,327.80	262,987.16	228,100.00	201,115.17	53,286.20	236,778.60	640,485.61
24,222.09	40.00		597.00			23,665.09	40.00	
49,122.87			49,122.87					62,337.00
	57,288.00		17,902.30	200.00		39,185.70	40,548.00	17,902.30
73,344.96	57,328.00	-	67,622.17	200.00	-	62,850.79	40,588.00	80,239.30
<u>\$ 687,936.50</u>	<u>\$ 663,714.38</u>	<u>\$ 243,412.02</u>	<u>\$ 847,491.32</u>	<u>\$ 250,187.50</u>	<u>\$ 337,288.56</u>	<u>\$ 160,095.52</u>	<u>\$ 634,610.25</u>	<u>\$ 1,508,005.39</u>
\$ 232,861.64	\$ 40.00		\$ 179,271.48			\$ 53,630.16	\$ 40.00	\$ 153,164.30
	106,181.25		106,181.25				106,181.25	106,181.25
455,074.86	557,493.13	\$ 243,412.02	562,038.59	\$ 250,187.50	\$ 337,288.56	106,465.36	528,389.00	1,248,659.84
<u>\$ 687,936.50</u>	<u>\$ 663,714.38</u>	<u>\$ 243,412.02</u>	<u>\$ 847,491.32</u>	<u>\$ 250,187.50</u>	<u>\$ 337,288.56</u>	<u>\$ 160,095.52</u>	<u>\$ 634,610.25</u>	<u>\$ 1,508,005.39</u>

**TOWNSHIP OF GLOUCESTER**  
Notes to Schedule of Expenditures of State Financial Assistance  
For the Year Ended December 31, 2015

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**Note 1: BASIS OF PRESENTATION**

The accompanying schedule of expenditures of state financial assistance includes state award activity of the Township of Gloucester (hereafter referred to as the "Township") under programs of the state government for the year ended December 31, 2015. The Township is defined in note 1 to the financial statements. The information in this schedule is presented in accordance with the requirements of State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Because this schedule presents only a selected portion of the operations of the Township, it is not intended to and does not present the financial position and changes in operations of the Township.

**Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the schedule are reported on the modified accrual basis of accounting as promulgated by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. This basis of accounting is described in note 1 to the financial statements. Such expenditures are recognized following State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, wherein certain types of expenditures are not allowed or are limited as to reimbursement.

**Note 3: RELATIONSHIP TO FINANCIAL STATEMENTS**

Amounts reported in the accompanying schedule agree with amounts reported in the Township's financial statements. Expenditures from awards are reported in the Township's financial statements as follows:

<u>Fund</u>	<u>Amount</u>
Federal and State Grant Fund	\$562,038.59
Trust – Other Fund	179,271.48
Municipal Open Space Trust Fund	<u>106,181.25</u>
Total State Financial Assistance	<u>\$847,491.32</u>

**Note 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

Amounts reported in the accompanying schedule agree with the amounts reported in the related state financial reports.

**Note 5: MAJOR PROGRAMS**

Major programs are identified in the *Summary of Auditor's Results* section of the *Schedule of Findings and Questioned Costs*.

**PART 3**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

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

**GLOUCESTER TOWNSHIP**  
Schedule of Findings and Questioned Costs  
For the Year Ended December 31, 2015

**Section 1- Summary of Auditor's Results**

**Financial Statements**

Type of auditor's report issued Unmodified

Internal control over financial reporting:

Material weakness(es) identified? \_\_\_ yes X no

Significant deficiency(ies) identified? \_\_\_ yes X none reported

Noncompliance material to financial statements noted? \_\_\_ yes X no

**Federal Awards**

Internal control over major programs: **(THIS SECTION IS NOT APPLICABLE)**

Material weakness(es) identified? \_\_\_ yes \_\_\_ no

Significant deficiency(ies) identified? \_\_\_ yes \_\_\_ none reported

Type of auditor's report issued on compliance for major programs \_\_\_\_\_

Any audit findings disclosed that are required to be reported in accordance with Section 516 of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance)? \_\_\_ yes \_\_\_ no

Identification of major programs:

**CFDA Number(s)**

**Name of Federal Program or Cluster**


Dollar threshold used to determine Type A programs \_\_\_\_\_

Auditee qualified as low-risk auditee? \_\_\_ yes \_\_\_ no



**TOWNSHIP OF GLOUCESTER**  
Schedule of Findings and Questioned Costs  
For the Year Ended December 31, 2015

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***Section 2 - Schedule of Financial Statement Findings***

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with *Government Auditing Standards* and with audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

No current year findings

**TOWNSHIP OF GLOUCESTER**  
Schedule of Findings and Questioned Costs  
For the Year Ended December 31, 2015

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***Section 3 - Schedule of Federal Award Findings and Questioned Costs***

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major Federal programs, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

This section is not applicable

**TOWNSHIP OF GLOUCESTER**  
Schedule of Findings and Questioned Costs  
For the Year Ended December 31, 2015

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***Section 4 - Schedule of State Financial Assistance Findings and Questioned Costs***

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major State programs, as required by State of New Jersey Circular 15-08-OMB.

No Current Year Findings

**TOWNSHIP OF GLOUSTER**  
Summary Schedule of Prior Year Audit Findings  
and Questioned Costs as Prepared by Management

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This section identifies the status of prior year findings related to the financial statements and Federal Awards and State Financial Assistance that are required to be reported in accordance with *Government Auditing Standards*, OMB A-133 and State of New Jersey Circular 04-04-OMB.

This section is not applicable. There were no prior year findings.

**TOWNSHIP OF GLOUCESTER**  
 Officials in Office and Surety Bonds

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

<u>Name</u>	<u>Title</u>	<u>Amount of Surety Bond</u>	
David R. Mayer	Mayor		
Glen V. Bianchini	President of Council		
Orlando Mercado	Vice President of Council		
Frank Schmidt	Councilperson		
Samuel Siler	Councilperson		
Tracey Trotto	Councilperson		
Michelle Winter	Councilperson		
Dan Hutchinson	Councilperson		
Rosemary DiJosie	Township Clerk, Officer for Searches for Municipal Liens	\$100,000	A
Nancy Power	Assistant Township Clerk	\$100,000	A
Thomas C. Cardis	Township Administrator	\$20,000	B
Sandra Ferguson	Tax Collector, Tax Search Officer	\$410,000	B
Christie Ehret	Chief Financial Officer, Treasurer	\$283,000	B
David Carlamere	Solicitor		
Nicholas Trabosh	Magistrate	\$100,000	A
Patricia Carroll	Municipal Court & Violations Clerk	\$100,000	A
Margaret Monahan	Deputy Court Clerk	\$100,000	A

A Employees are covered by a public employee's honesty blanket bond with the Western Surety Insurance Company in the amount of \$100,000.

B Western Surety Company

12950

**APPRECIATION**

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I express my appreciation for the assistance and courtesies rendered by the Township officials during the course of the audit.

Respectfully submitted,

BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants



Robert P. Nehila, Jr.  
Certified Public Accountant  
Registered Municipal Accountant

