

**TOWNSHIP OF MAURICE RIVER**

**COUNTY OF CUMBERLAND**

**REPORT OF AUDIT**

**DECEMBER 31, 2015**

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**COUNTY OF CUMBERLAND**  
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**COUNTY OF CUMBERLAND**  
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**COUNTY OF CUMBERLAND**  
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**TOWNSHIP OF MAURICE RIVER**

**COUNTY OF CUMBERLAND**

**PART I**

**REPORT ON EXAMINATION OF FINANCIAL STATEMENTS**

**AND SUPPLEMENTARY DATA**

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

# NIGHTLINGER, COLAVITA & VOLPA

*A Professional Association  
Certified Public Accountants*

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March 16, 2016

## **INDEPENDENT AUDITOR'S REPORT**

The Honorable Mayor and  
Members of the Township Committee  
Township of Maurice River  
County of Cumberland  
Leesburg, New Jersey 08327

Madam and Gentlemen:

### ***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 Maurice River, in the County of Cumberland, 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 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 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. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***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 consideration of 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting polices used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

As described in Note 1 of the financial statements, 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 U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township of Maurice River, in the County of Cumberland, 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 Maurice River, in the County of Cumberland, 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, expenditures - regulatory basis of the various funds, and general fixed assets, 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.

***Other Information***

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township's basic financial statements. The supplemental financial statements presented for the various funds 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 programs are presented for purposes of additional analysis as required by the 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 supplementary financial statements presented for the various funds and the schedule of expenditures of state financial assistance programs are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the 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 addition procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information described in the previous paragraph is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 16, 2016, on our consideration of the Township of Maurice River's, in the County of Cumberland, State of New Jersey, internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters, The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. The report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township of Maurice River's internal control over financial reporting.

Respectfully submitted,

**NIGHTLINGER, COLAVITA & VOLPA, P.A.**

Raymond Colavita, C.P.A.  
Registered Municipal Accountant

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March 16, 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 Committee  
Township of Maurice River  
County of Cumberland  
Leesburg, New Jersey 08327

Madam and Gentlemen:

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 Division of Local Government Services, Department of Community Affairs, State of New Jersey of the Township of Maurice River, County of Cumberland, State of New Jersey, as of and for the year ended December 31, 2015, and the related notes to financial statements, which collectively comprise the Township's basic financial statements, and have issued our report thereon dated March 16, 2016. Our report disclosed that, as described in Note 1 to the financial statements, the Township of Maurice River'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.

#### **Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Township of Maurice River's internal control over financial reporting as a basis for designing our auditing procedures 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 Maurice River's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Township of Maurice River's internal control over financial reporting.

*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.

### Internal Control Over Financial Reporting (Continued)

A *material weakness* is a deficiency, or 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 control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any material deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. In addition, no immaterial deficiencies were found.

### Compliance and Other Matters

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

### Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township's internal control or on compliance. This report is an integral part of an audit performed in accordance with **Government Auditing Standards** and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey in considering the Township's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

**NIGHTLINGER, COLAVITA & VOLPA, P.A.**

Raymond Colavita, C.P.A.  
Registered Municipal Accountant

**CURRENT FUND**

**COMPARATIVE BALANCE SHEET**

**STATUTORY BASIS**

		December 31,	
		2015	2014
<b><u>ASSETS</u></b>			
	<u>Ref.</u>		
Regular Fund:			
Cash - Chief Financial Officer	A-4	\$ 2,966,870.18	\$ 2,850,201.81
		<u>2,966,870.18</u>	<u>2,850,201.81</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-6	463,734.68	479,913.82
Tax Title Liens Receivable	A-7	1,254,427.91	1,303,529.06
Property Acquired for Taxes - Assessed Valuation	A-8	4,316,777.00	3,675,077.00
Revenue Accounts Receivable	A-9	3,498.18	3,386.19
Interfunds Receivable	A-10	65,502.29	106,915.25
Municipal Assessments Receivable	A-24	8,316.05	24,925.51
		<u>6,112,256.11</u>	<u>5,593,746.83</u>
		<u>9,079,126.29</u>	<u>8,443,948.64</u>
Federal and State Grant Fund:			
Cash - Chief Financial Officer	A-4	105,944.95	262,682.26
Federal and State Grants Receivable	A-22	827,348.40	811,525.15
		<u>933,293.35</u>	<u>1,074,207.41</u>
		<u>\$ 10,012,419.64</u>	<u>\$ 9,518,156.05</u>

The Accompanying Notes to the Financial Statements are an Integral Part of These Statements.

**CURRENT FUND****COMPARATIVE BALANCE SHEET****STATUTORY BASIS**

		December 31,	
		2015	2014
<u>Liabilities, Reserves and Fund Balance</u>			
	Ref.		
Regular Fund			
Liabilities			
Appropriation Reserves	A-3,11	\$ 585,298.71	\$ 652,471.61
Reserve for Encumbrances	A-23	24,516.30	23,796.54
Prepaid Taxes	A-5,6	86,934.86	88,468.58
Interfund Payable	A-10	3,649.59	
Reserve for Sale of Municipal Assets	A-12	28,082.26	28,082.26
Tax Overpayments	A-13	1,594.88	
Other Accounts Payable	A-14	1,064.00	1,704.90
Amount Due to State of New Jersey Senior Citizens and Veterans Deductions	A-16	25,266.71	25,689.95
Amount Due County for Added and Omitted Taxes	A-19	2,043.10	4,436.20
Local School District Taxes Payable	A-20	472,852.12	464,482.12
Total Liabilities		1,231,302.53	1,289,132.16
Reserve for Receivables and Other Assets	A	6,112,256.11	5,593,746.83
Fund Balance	A-1	1,735,567.65	1,561,069.65
		9,079,126.29	8,443,948.64
Federal and State Grant Fund			
Due to Current Fund	A-10		34,199.72
Encumbrances Payable	A-15	778.10	1,339.24
Reserve for State Grants:			
Unappropriated	A-21		5,375.55
Appropriated	A-23	932,515.25	1,033,292.90
		933,293.35	1,074,207.41
		\$ 10,012,419.64	\$ 9,518,156.05

The Accompanying Notes to the Financial Statements are an Integral Part of These Statements.

**CURRENT FUND**  
**COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE**  
**STATUTORY BASIS**

	Ref.	Year Ended December 31,	
		2015	2014
Revenue and Other Income Realized:			
Fund Balance Utilized	A-2	\$ 850,000.00	\$ 895,000.00
Miscellaneous Revenue Anticipated	A-2	1,625,644.36	1,422,868.73
Receipts from Delinquent Taxes	A-2	483,694.61	434,017.77
Receipts from Current Taxes	A-2	7,417,941.91	7,257,502.70
Non-Budget Revenue	A-2	36,237.77	53,805.04
Sale of Foreclosed property			900.00
Other Credits to Income:			
Statutory Excess in Animal Control Fund	A-10	3,841.80	4,424.00
Unexpended Balance of Appropriation Reserves	A-11	628,550.43	615,980.32
Interfund Returned	A-10	41,412.96	
Cancellation of Tax Sale Premium			12,500.00
Cancellation of Accounts Payable	A-14,22	605.90	626.34
Cancellation of Prior Year Grant Matching Share	A-22,23	181.35	126,319.82
<b>Total Revenue and Other Income Realized</b>		<b>11,088,111.09</b>	<b>10,823,944.72</b>
Expenditures:			
Budget and Emergency Appropriations			
Appropriations Within "CAP":			
Operations:			
Salaries and Wages	A-3	763,700.00	812,300.00
Other Expenses	A-3	1,882,496.00	1,889,096.00
Deferred Charges and Statutory Expenditures	A-3	138,000.00	129,031.00
Appropriations Excluded from "CAP":			
Operations:			
Other Expenses	A-3	284,850.35	60,630.24
Capital Improvements	A-3	315,000.00	95,000.00
Debt Service			169,547.08
Deferred Charges			53,729.83
Interfunds Advanced			53,729.83
Fire District Taxes	A-17	477,445.00	451,896.00
County Taxes	A-18	3,385,608.38	3,253,874.92
Amount Due County for Added Taxes	A-19	2,043.10	4,436.20
Local District School Tax	A-20	2,814,340.00	2,799,487.00
Refund of Prior Year Revenue	A-4	130.26	
<b>Total Expenditures</b>		<b>10,063,613.09</b>	<b>9,719,028.27</b>
Excess in Revenue		1,024,498.00	1,104,916.45
Fund Balance, January 1	A	1,561,069.65	1,351,153.20
		2,585,567.65	2,456,069.65
Decreased by:			
Utilized as Anticipated Revenue	A-2	850,000.00	895,000.00
<b>Fund Balance, December 31</b>	A	<b>\$ 1,735,567.65</b>	<b>\$ 1,561,069.65</b>

The Accompanying Notes to the Financial Statements are an Integral Part of These Statements.

**CURRENT FUND**  
**STATEMENT OF REVENUES**  
**STATUTORY BASIS**

	<u>Ref.</u>	<u>Anticipated Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Anticipated	A-1	\$ 850,000.00	\$ 850,000.00	\$
Miscellaneous Revenue				
Fees and Permits	A-2(2)	30,000.00	64,753.16	34,753.16
Fines and Costs:				
Municipal Court	A-9	34,000.00	58,232.10	24,232.10
Interest and Costs on Taxes	A-9	65,000.00	72,491.70	7,491.70
Interest on Investments and Deposits	A-9	7,000.00	15,797.94	8,797.94
Consolidated Municipal Property Tax Relief Act	A-9	293,591.00	293,591.00	
Energy Receipts Tax (P.L. 2000, c. 162 & 167)	A-9	595,849.00	595,849.00	
Uniform Construction Code Fees	A-9	25,000.00	33,959.00	8,959.00
Uniform Fire Safety Act	A-9	4,787.64	4,260.11	(527.53)
Garden State Preservation Trust Fund Per P.L. 2001, c. 152	A-24	225,865.00	225,865.00	
Special Items:				
Reserve for Recycling Tonnage Grant	A-21	5,375.55	5,375.55	
Municipal Alliance on Alcoholism and Drug Abuse	A-22	13,200.00	13,200.00	
USDA SEARCH Grants				
Leesburg-Dorchester	A-22	30,000.00	30,000.00	
Port Elizabeth	A-22	30,000.00	30,000.00	
Hazardous Discharge Site Remediation: Clean Communities Program	A-22	166,830.00	166,830.00	
		15,439.80	15,439.80	
Total Miscellaneous Revenue	A-1	1,541,937.99	1,625,644.36	83,706.37
Receipts from Delinquent Taxes	A-2	350,000.00	483,694.61	133,694.61
Amount to be Raised by Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purposes	A-2	1,282,626.07	1,379,023.14	96,397.07
Budget Totals	A-3	\$ 4,024,564.06	4,338,362.11	\$ 313,798.05
Non-budget Revenue	A-1,2		36,237.77	
			\$ 4,374,599.88	

The Accompanying Notes to the Financial Statement are an Integral Part of These Statements

**CURRENT FUND**  
**STATEMENT OF REVENUE - STATUTORY BASIS**  
**ANALYSIS OF REALIZED REVENUES**

	<u>Ref.</u>		
Allocation of Current Tax Collections			
Revenue from Collections	A-1,6	\$	7,417,941.91
Allocated to School, County and Fire District Taxes	A-17,18 19,20		6,679,436.48
			<hr/>
Excess in Support of Municipal Budget Appropriations			738,505.43
Increased by Appropriation - Reserve for Uncollected Taxes	A-3		640,517.71
			<hr/>
Amount for Support of Municipal Budget	A-2	\$	1,379,023.14
			<hr/> <hr/>
Receipts from Delinquent Taxes			
Delinquent Tax Collections	A-6	\$	452,299.77
Tax Title Lien Collections	A-7		31,394.84
			<hr/>
	A-2,1	\$	483,694.61
			<hr/> <hr/>
Fees and Permits - Other			
Clerk-Trailer Fees and Other	A-9	\$	14,475.00
Assessors Lists	A-9		90.00
Registrar of Vital Statistics	A-9		1,459.00
Zoning Board Fees	A-9		746.00
Rental Registration Fees	A-9		4,680.00
Housing Office	A-9		150.00
Land USE Board	A-9		1,700.00
Street Opening Permits	A-9		27,955.16
Fire Official Inspections	A-9		848.00
Mining Fees	A-9		12,650.00
			<hr/>
	A-2	\$	64,753.16
			<hr/> <hr/>

**ANALYSIS OF NON-BUDGET REVENUE**

Miscellaneous Revenue Not Anticipated - Treasurer	A-9	\$	31,114.90
Municipal Assessments Receivable	A-24		5,122.87
			<hr/>
	A-1,2	\$	36,237.77
			<hr/> <hr/>

The Accompanying Notes to the Financial Statement are an Integral Part of These Statements

**CURRENT FUND**

**STATEMENT OF EXPENDITURES**

**REGULATORY BASIS**

	Appropriations		Paid or Charged	Reserved
	Budget	Modified		
Operations Within "CAPS"	\$			
General Government				
General Administration				
Salaries and Wages	82,000.00	82,000.00	77,860.11	4,139.89
Other Expenses	37,000.00	37,000.00	35,759.85	1,240.15
Municipal Clerk's Office				
Salaries and Wages	30,000.00	30,000.00	28,151.07	1,848.93
Other Expenses	17,500.00	17,500.00	10,572.29	6,927.71
Mayor and Committee				
Salaries and Wages	34,000.00	34,000.00	33,514.00	486.00
Other Expenses	7,500.00	7,000.00	2,356.42	4,643.58
Elections				
Other Expenses	12,000.00	12,000.00	2,475.88	9,524.12
Financial Administration				
Salaries and Wages	55,000.00	55,000.00	53,917.18	1,082.82
Other Expenses	30,000.00	30,000.00	13,220.05	16,779.95
Audit Services				
Other Expenses	23,000.00	23,000.00		23,000.00
Assessment of Taxes				
Salaries and Wages	17,000.00	17,000.00	15,269.65	1,730.35
Other Expenses				
Revision of Tax Map	10,000.00	10,000.00	262.50	9,737.50
Miscellaneous Other Expenses	20,000.00	20,000.00	11,030.16	8,969.84
Collection of Taxes				
Salaries and Wages	50,000.00	50,000.00	48,603.52	1,396.48
Other Expenses	17,500.00	17,500.00	12,362.65	5,137.35
Liquidation of Tax Title Liens and Foreclosed Property				
Contractual	35,000.00	35,000.00	20,235.24	14,764.76
Legal Services and Costs				
Other Expenses	42,000.00	42,000.00	26,203.28	15,796.72

The Accompanying Notes to the Financial Statements are an Integral Part of These Statements.

**CURRENT FUND**

**STATEMENT OF EXPENDITURES**

**REGULATORY BASIS (Continued)**

	Appropriations		Paid or Charged	Reserved
	Budget	Modified		
Operations (Continued)				
General Government (Continued)				
Engineering Services and Costs				
Other Expenses	\$ 75,000.00	\$ 75,000.00	\$ 55,067.02	\$ 19,932.98
Economic Development Council				
Other Expenses	15,000.00	15,000.00	9,883.68	5,116.32
Public Works Functions				
Public Buildings and Grounds				
Salaries and Wages	13,000.00	13,000.00	9,278.75	3,721.25
Other Expenses	95,000.00	95,000.00	67,887.36	27,112.64
Recycling Program				
Other Expenses	54,340.00	54,340.00	54,340.00	
Street and Road Maintenance				
Salaries and Wages	258,000.00	258,000.00	234,544.52	23,455.48
Other Expenses	55,000.00	55,000.00	49,358.60	5,641.40
Vehicle Maintenance				
Other Expenses	50,000.00	50,000.00	20,644.43	29,355.57
Snow Removal				
Salaries and Wages	10,000.00	10,000.00	10,000.00	
Other Expenses	7,000.00	7,000.00	7,000.00	
Solid Waste Collection				
Other Expenses - Contractual	143,156.00	143,156.00	143,155.92	0.08
Land Use Administration				
Municipal Land Use Law (N.J.S.A. 40A:55D-1)				
Land Use Board				
Salaries and Wages	11,000.00	11,000.00	9,298.44	1,701.56
Other Expenses	15,000.00	15,000.00	10,758.39	4,241.61

The Accompanying Notes to the Financial Statements are an Integral Part of These Statements.

**CURRENT FUND**

**STATEMENT OF EXPENDITURES**

**REGULATORY BASIS (Continued)**

	Appropriations		Paid or Charged	Reserved
	Budget	Modified		
Operations (Continued)				
Insurance				
Surety Bond Premiums	\$ 3,500.00	\$ 3,500.00	\$ 1,253.00	\$ 2,247.00
Unemployment Insurance	5,000.00	5,000.00	4,221.73	778.27
Group Insurance Plans for Employees	320,000.00	320,000.00	277,966.03	42,033.97
Other Insurance Premiums	110,000.00	103,400.00	93,506.92	9,893.08
Workers Compensation Insurance	95,000.00	101,600.00	101,529.00	71.00
Health Benefit Waiver	2,000.00	2,000.00	2,000.00	
Public Safety Functions				
Ambulance and First Aid	47,000.00	47,000.00	47,000.00	
Contractual Services				
911 Mapping Revisions				
Other Expenses	4,000.00	4,000.00		4,000.00
Aid to Volunteer Fire Companies and Rescue Squad in Adjoining Municipalities	3,000.00	3,000.00	3,000.00	
Municipal Prosecutor				
Other Expenses	13,000.00	13,000.00	11,906.64	1,093.36
Office of Emergency Management				
Salaries and Wages	8,000.00	8,000.00	6,693.96	1,306.04
Other Expenses	17,000.00	17,000.00	6,473.77	10,526.23
Uniform Fire Safety Act				
Salaries and Wages	3,200.00	3,200.00	3,144.70	55.30
Other Expenses	5,000.00	5,000.00	1,766.47	3,233.53
Municipal Court				
Salaries and Wages	65,000.00	65,000.00	60,221.63	4,778.37
Other Expenses	12,000.00	12,000.00	6,891.23	5,108.77
Public Defender				
Other Expenses	5,000.00	5,000.00	4,050.00	950.00

The Accompanying Notes to the Financial Statements are an Integral Part of These Statements.

**CURRENT FUND**

**STATEMENT OF EXPENDITURES**

**REGULATORY BASIS (Continued)**

	Appropriations		Paid or Charged	Reserved
	Budget	Modified		
Operations (Continued)				
County Authority - Tipping Fees	\$ 125,000.00	\$ 125,000.00	\$ 78,857.82	\$ 46,142.18
Test Well Monitoring				
Other Expenses	12,000.00	12,000.00	2,778.00	9,222.00
Health and Human Services				
Animal Control Services				
Other Expenses	20,000.00	20,000.00	17,433.82	2,566.18
Demolition				
Other Expenses	27,000.00	27,000.00	7,923.19	19,076.81
Environmental Health Services				
Other Expenses	7,000.00	7,000.00	1,979.40	5,020.60
Parks and Recreation Functions				
Recreation Commission				
Other Expenses	30,000.00	30,000.00	19,025.92	10,974.08
Contribution to Senior Citizens Center (N.J.S.A. 4:48-9.4)				
Salaries and Wages	36,000.00	36,000.00	35,462.28	537.72
Other Expenses	4,000.00	4,000.00	3,001.11	998.89
Celebration of Public Events				
Other Expenses	2,000.00	2,000.00	144.00	1,856.00
Grant Coordinator				
Other Expenses	7,000.00	7,000.00		7,000.00

The Accompanying Notes to the Financial Statements are an Integral Part of These Statements.

**CURRENT FUND**

**STATEMENT OF EXPENDITURES**

**REGULATORY BASIS (Continued)**

	Appropriations		Paid or Charged	Reserved
	Budget	Modified		
Operations (Continued)				
Uniform Construction Code - Appropriations Offset by				
Dedicated Revenues (N.J.A.C. 5:23-4.17)				
State Uniform Construction Code				
(N.J.S.A. 57:27D-120 et seq.)				
Code Enforcement				
Construction/Housing/Zoning Inspector				
Salaries and Wages	\$ 22,000.00	\$ 22,000.00	\$ 21,123.92	\$ 876.08
Other Expenses	750.00	750.00	41.80	708.20
Housing Official				
Salaries and Wages	10,000.00	10,000.00	8,987.87	1,012.13
Other Expenses	750.00	750.00	311.45	438.55
Construction Official				
Salaries and Wages	43,000.00	43,000.00	41,848.69	1,151.31
Other Expenses	6,000.00	6,000.00	2,361.36	3,638.64
Electrical Inspector				
Salaries and Wages	6,500.00	6,500.00	5,999.50	500.50
Other Expenses	500.00	1,000.00	863.36	136.64
Plumbing Inspector				
Salaries and Wages	5,500.00	5,500.00	5,191.94	308.06
Other Expenses	500.00	500.00	95.00	405.00
Fire Sub-code Inspector				
Salaries and Wages	4,500.00	4,500.00	3,941.60	558.40
Other Expenses	500.00	500.00	66.46	433.54

The Accompanying Notes to the Financial Statement are an Integral Part of These Statements

**CURRENT FUND**

**STATEMENT OF EXPENDITURES**

**REGULATORY BASIS (Continued)**

	Appropriations		Paid or Charged	Reserved
	Budget	Modified		
Operations (Continued)				
Unclassified				
Utility Expenses and Bulk Purchases				
Gasoline	\$ 17,000.00	\$ 17,000.00	\$ 2,390.73	\$ 14,609.27
Electricity	50,000.00	50,000.00	39,656.08	10,343.92
Telephone and Telegraph	13,000.00	13,000.00	10,578.17	2,421.83
Heating Oil	9,000.00	9,000.00	5,877.81	3,122.19
Street Lighting	60,000.00	60,000.00	50,509.85	9,490.15
Natural Gas	26,000.00	26,000.00	17,278.91	8,721.09
Diesel	56,000.00	56,000.00	20,435.69	35,564.31
Telecommunications Charges	6,000.00	6,000.00	4,047.76	1,952.24
<b>Total Operations Within "CAPS"</b>	<b>2,646,196.00</b>	<b>2,646,196.00</b>	<b>2,112,849.53</b>	<b>533,346.47</b>
<b>Detail:</b>				
Salaries and Wages	763,700.00	763,700.00	713,053.33	50,646.67
Other Expenses	1,882,496.00	1,882,496.00	1,399,796.20	482,699.80
<b>Deferred Charges and Statutory Expenditures Municipal Within "CAPS"</b>				
Statutory Expenditures				
Contribution to:				
Public Employees' Retirement System	72,000.00	72,000.00	71,139.00	861.00
Social Security System (O.A.S.I.)	65,000.00	65,000.00	53,835.68	11,164.32
Defined Contribution Retirement Program	1,000.00	1,000.00	328.08	671.92
<b>Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"</b>	<b>138,000.00</b>	<b>138,000.00</b>	<b>125,302.76</b>	<b>12,697.24</b>
<b>Total General Appropriations for Municipal Purposes Within "CAPS"</b>	<b>2,784,196.00</b>	<b>2,784,196.00</b>	<b>2,238,152.29</b>	<b>546,043.71</b>

The Accompanying Notes to the Financial Statement are an Integral Part of These Statements

**CURRENT FUND**

**STATEMENT OF EXPENDITURES**

**REGULATORY BASIS (Continued)**

	Appropriations		Paid or Charged	Reserved
	Budget	Modified		
Operations Excluded from "CAPS"				
Education Functions				
Aid to Library (N.J.S.A. 40:54-35)	\$ 1,700.00	\$ 1,700.00	\$ 1,700.00	\$
Other Expenses				
Supplemental Fire Services Program	2,305.00	2,305.00	2,305.00	
Total Other Operations - Excluded from "CAPS"	4,005.00	4,005.00	4,005.00	
Public and Private Programs Offset by Revenues				
Clean Communities Program	15,439.80	15,439.80	15,439.80	
Matching Share for Grants	16,700.00	16,700.00		16,700.00
Municipal Alliance on Alcoholism and Drug Abuse				
State Share	13,200.00	13,200.00	13,200.00	
Local Share	3,300.00	3,300.00	3,300.00	
Recycling Tonnage Grant	5,375.55	5,375.55	5,375.55	
USDA SEARCH Grants:				
Leesburg-Dorchester	30,000.00	30,000.00	30,000.00	
Port Elizabeth	30,000.00	30,000.00	30,000.00	
HDSRF Ackley Garage - 2015	166,830.00	166,830.00	166,830.00	

The Accompanying Notes to the Financial Statement are an Integral Part of These Statements

**CURRENT FUND**

**STATEMENT OF EXPENDITURES**

**REGULATORY BASIS (Continued)**

	Budget	Appropriations Modified	Paid or Charged	Reserved
Operations Excluded From "CAPS" (Continued)				
Total Public and Private Programs Offset by Revenues	\$ 280,845.35	\$ 280,845.35	\$ 264,145.35	\$ 16,700.00
Total Operations Excluded from "CAPS"	284,850.35	284,850.35	268,150.35	16,700.00
Detail:				
Salaries and Wages				
Other Expenses	284,850.35	284,850.35	268,150.35	16,700.00
Capital Improvements Excluded From "CAPS"				
Capital Improvement Fund Reserve for Backhoe	225,000.00	225,000.00	225,000.00	22,555.00
	90,000.00	90,000.00	67,445.00	
Total Capital Improvements	315,000.00	315,000.00	292,445.00	22,555.00

The Accompanying Notes to the Financial Statement are an Integral Part of These Statements

**CURRENT FUND**

**STATEMENT OF EXPENDITURES**

**REGULATORY BASIS (Continued)**

	Budget	Appropriations Modified	Paid or Charged	Reserved
Deferred Charges - Municipal Excluded From "CAPS"				
Deferred Charges				
Special Emergency Auth - 5 Years	\$	\$	\$	\$
Total Deferred Charges - Municipal Excluded From "CAPS"				
Total General Appropriation for Municipal Purposes Excluded from "CAPS"	599,850.35	599,850.35	560,595.35	39,255.00
Subtotal General Appropriations	3,384,046.35	3,384,046.35	2,798,747.64	585,298.71
Reserve for Uncollected Taxes	640,517.71	640,517.71	640,517.71	
Total General Appropriations	\$ 4,024,564.06	\$ 4,024,564.06	\$ 3,439,265.35	\$ 585,298.71
Original Budget	\$ 3,829,094.26			
Added per Chapter #159	195,469.80			
	\$ 4,024,564.06			
Paid or Charged:				
Reserve for Uncollected Taxes Disbursed			\$ 640,517.71	
Transfer to Snow Reserve			2,506,436.40	
Matching Share for Grants			3,649.59	
Encumbrances Payable			3,300.00	
State Grants			24,516.30	
			260,845.35	
Total Paid or Charged			\$ 3,439,265.35	

Ref. A-2 A-2 A-1 A:A-1

A-2  
A-4  
A-10  
A-10,23  
A-15  
A-23

The Accompanying Notes are an Integral Part of the Financial Statements

**TRUST FUND**  
**COMPARATIVE BALANCE SHEET**  
**STATUTORY BASIS**

	<u>Ref.</u>	<u>Balance December 31, 2015</u>	<u>Balance December 31, 2014</u>
<b><u>ASSETS</u></b>			
Animal Control Fund			
Cash - Chief Financial Officer	B-1	\$ 12,969.80	\$ 14,431.00
Other Trust Funds			
Cash - Chief Financial Officer	B-1	654,299.15	610,911.99
Due from Current Fund	B-2	3,649.59	
		<u>657,948.74</u>	<u>610,911.99</u>
		\$ 670,918.54	\$ 625,342.99
<b><u>LIABILITIES, RESERVES AND FUND BALANCE</u></b>			
Animal Control Fund			
Reserve for Animal Control Fund Expenditures	B-3	\$ 9,128.00	\$ 10,007.00
Due to Current Fund	B-2	3,841.80	4,424.00
		<u>12,969.80</u>	<u>14,431.00</u>
Other Trust Funds			
Due to Current Fund	B-2		560.66
Reserves for			
Accumulated Absences	B-4	49,847.94	60,511.97
Public Defender Fees	B-4	10,234.73	8,875.73
Planning Board Escrow Deposits	B-4	32,053.52	33,424.02
Senior Citizens Trust	B-4	6,684.73	6,054.73
Municipal Alliance	B-4	6,880.61	6,266.64
Snow Trust	B-4	15,779.50	12,129.91
Performance Guarantee	B-4	141,741.25	125,386.17
Sanitary Landfill Escrow	B-4	97,962.01	97,673.36
Construction Deposits	B-4	124,575.93	124,575.93
Bayshore Housing	B-4	46,884.71	52,142.21
Tax Title Lien Redemptions	B-6	62,003.81	3,210.66
Premiums Received at Tax Sale	B-7	63,300.00	80,100.00
		<u>657,948.74</u>	<u>610,911.99</u>
		\$ 670,918.54	\$ 625,342.99

The Accompanying Notes to the Financial Statements are an Integral Part of These Statements.

**GENERAL CAPITAL FUND****COMPARATIVE BALANCE SHEET****STATUTORY BASIS**

	<u>Ref.</u>	<u>Balance December 31, 2015</u>	<u>Balance December 31, 2014</u>
<b><u>ASSETS</u></b>			
Cash - Chief Financial Officer	C-2	\$ 621,585.50	\$ 466,562.05
Deferred Charges to Future Taxation - Unfunded	C-4	1,205,000.00	
		<u>\$ 1,826,585.50</u>	<u>\$ 466,562.05</u>
<b><u>LIABILITIES, RESERVES AND FUND BALANCE</u></b>			
Capital Improvement Fund	C-5	\$ 161,784.74	\$ 201,488.70
Improvement Authorizations			
Funded	C-6	267,266.63	237,097.42
Unfunded	C-6	1,205,000.00	
Contracts and Encumbrance Payable	C-7	184,129.75	317.00
Due to Current Fund	C-8		19,254.55
Fund Balance	C-1	8,404.38	8,404.38
		<u>\$ 1,826,585.50</u>	<u>\$ 466,562.05</u>

There were bonds or notes authorized but not issued on December 31, 2015 of \$1,205,000 and none on December 31, 2014. (See EXHIBIT C-7)

The Accompanying Notes to the Financial Statements are an Integral Part of These Statements.

**GENERAL CAPITAL FUND**

**STATEMENT OF FUND BALANCE - STATUTORY BASIS**

Balance, December 31, 2014 and 2015	<u>Ref.</u> C	\$ <u>8,404.38</u>
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The Accompanying Notes to the Financial Statements are an Integral Part of These Statements.

**PUBLIC ASSISTANCE FUND**

**STATEMENT OF ASSETS AND RESERVES**

**STATUTORY BASIS**

	<u>Ref.</u>	Balance December 31, 2015	Balance December 31, 2014
<b><u>ASSETS</u></b>			
Cash	D-1	\$ 2,808.16	\$ 2,808.16
<b><u>LIABILITIES AND RESERVES</u></b>			
Reserve for Public Assistance	D-3	\$ 2,808.16	\$ 2,808.16

The Accompanying Notes to the Financial Statements are an Integral Part of These Statements

**PAYROLL ACCOUNT**  
**COMPARATIVE BALANCE SHEET**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

<u>ASSETS</u>	<u>Ref.</u>	<u>Balance December 31, 2015</u>	<u>Balance December 31, 2014</u>
Cash - Chief Financial Officer	E-1	\$ 62,278.71	\$ 68,904.29
Total Assets		<u>\$ 62,278.71</u>	<u>\$ 68,904.29</u>
 <u>LIABILITIES</u>			
Payroll Deductions Payable	E-2	\$ 618.22	\$ 20,427.97
Due to Current Fund	B-2	61,660.49	48,476.32
Total Liabilities		<u>\$ 62,278.71</u>	<u>\$ 68,904.29</u>

The Accompanying Notes to the Financial Statements are an Integral Part of These Statements



**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2015**

1. **Summary of Significant Accounting Policies**

A. **Reporting Entity**

Except as noted below, the financial statements of the Township of Maurice River include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Township of Maurice River, as required by **N.J.S.A. 40A:5-5**. Accordingly, the financial statements of the Township of Maurice River do not include the operations of the Township's free public library.

The Township has a three-member committee form of government, as defined by revised statutes. The Mayor is separately appointed each year by the existing elected committee members.

The financial statements do not contain any component units of the Township, as defined by Governmental Accounting Standard Board Statement No. 14, since none exist at December 31, 2015.

B. **Description of Funds**

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

**Current Fund** - resources and expenditures for governmental operations of a general nature, including Federal and State grant funds.

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

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

**Public Assistance Fund** - receipt and disbursement of funds that provide assistance to certain residents of the Township pursuant to Title 44 of New Jersey statutes. The public assistance fund operations were turned over to Cumberland County as of January 1, 1998.

**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2015**  
**(CONTINUED)**

1. **Summary of Significant Accounting Policies** - Continued

B. Description of Funds - Continued

Payroll Account - receipt and disbursement of funds to meet obligations to employees and payroll tax liabilities.

General Fixed Assets - account for fixed assets used in governmental operations.

C. Basis of Accounting

A modified accrual basis of accounting is followed. The more significant accounting principles are as follows:

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

Expenditures - are recorded on the "budgetary" basis of accounting. Generally expenditures are recorded when an amount is encumbered for goods and services through the issuances of a purchase order in conjunction with the Encumbrance Accounting System. Outstanding encumbrances at December 31 are reported as a cash liability in the financial statements as encumbrances payable. Appropriation reserves covering unexpended appropriation balances are automatically created at December 31 of each year and recorded as liabilities, except for amounts, which may be 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 fiscal year. Lapsed appropriation reserves are recorded as income. Appropriations for principal payments on outstanding general capital bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis, whereas interest on utility indebtedness is on the accrual basis.

Property Taxes - Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied annually and are payable in quarterly installments on February 1, May 1, August 1 and November 1 of each year. All unpaid taxes levied become delinquent January 1 of the following year. Delinquent taxes are considered fully collectible and therefore no allowance for uncollectible taxes is provided.

**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2015**  
**(CONTINUED)**

1. **Summary of Significant Accounting Policies** - Continued

C. **Basis of Accounting** - Continued

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

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

Inventories of Supplies - The 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 balance sheets.

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

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

Fixed assets used in governmental operations (general fixed assets) are accounted for in the General Fixed Assets Account Group. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. All fixed assets are recorded at historical cost or estimated historical cost if actual historical cost is not available, in accordance with the State of New Jersey's Technical Accounting Directive 85-2. However, land and improvements are recorded at their assessed value, which is a departure from the aforementioned directive.

No depreciation has been provided for in the financial statements.

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

**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2015**  
**(CONTINUED)**

1. **Summary of Significant Accounting Policies** - Continued

C. **Basis of Accounting** - Continued

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

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

Departures from Generally Accepted Accounting Principles - The accounting principles and practices followed by the Township of Maurice River differ in some respects, which in some instances may be material, from generally accepted accounting principles applicable to local government units. The more significant are as follows:

- Taxes and other receivables are fully reserved.
- Interfund receivables in the Current Fund are fully reserved.
- Unexpended and uncommitted appropriations are reflected as expenditures.
- Overexpended appropriations and emergency appropriations are deferred to the succeeding year's operations.
- Undetermined contributions to state-administered pension plans applicable to the six months ended December 31 are not accrued.
- Estimated losses arising from tax appeals and other contingencies are not recorded when it is probable that a loss has been incurred and the amount of such loss can be reasonably estimated.
- The provision made for accumulated vested vacation and sick leave does not necessarily equate to the actual estimated amount calculated.
- It is not practicable to determine the effect of such differences.

D. **Budgets and Budgetary Accounting**

The Township of Maurice River must adopt an annual budget in accordance with the **N.J.S.A. 40A: et al. 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 public hearing on the budget and must advertise the time and place in a newspaper published and circulated in the municipality at least 10 days prior to the hearing. 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**.

**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2015**  
**(CONTINUED)**

1. **Summary of Significant Accounting Policies** - Continued

D. **Budgets and Budgetary Accounting-** Continued

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.

The Chief Financial Officer has the discretion of approving intra department budgetary transfers throughout the year. Inter department transfers are not permitted prior to November 1. After November 1 these transfers can be made in the form of a resolution and approved by the Township Committee. There were no significant budget transfers approved during 2015.

**N.J.S.A.** 40A:4-87 permits special items of revenue and appropriations to be inserted into the annual budget when the item has been made available by any public or private funding source and the item was not determined at the time of budget adoption. There were three (3) Chapter 159's approved and inserted into the 2015 Budget totaling \$195,469.80.

The municipality may make emergency appropriations, after the adoption of the budget, for a purpose which was not foreseen at the time the budget was adopted on for which adequate provision was not made therein. This type of appropriation shall be made to meet a pressing need for public expenditure to protect or promote the public health, safety, morals or welfare or to provide temporary housing or public assistance prior to the next succeeding fiscal year. Emergency appropriations, except those classified as a special emergency, must be raised in the budget of the succeeding year. Special emergency appropriations are permitted to be raised in the budgets of the succeeding three or five years. During 2015, there were no special emergency authorizations.

**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2015**  
**(CONTINUED)**

1. **Summary of Significant Accounting Policies** - Continued

E. Cash and Investments

The Township is also required to have a cash management plan. This plan listed the GUDPA approved depository banks, any brokers, and the approved investment instructions selected by the Township's governing body. The cash management plan is adopted by resolution, usually at the reorganization meeting, or first meeting of the year. It may also be amended at any time during the year to reflect changes due to changes in laws, depositories, funds or investments. The Chief Financial Officer is charged with the administration of the plan.

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 the New Jersey Cash Management fund. **N.J.S.A.** 40A:5-15.1 provides a list of securities which may be purchased by New Jersey municipal units.

The Governmental Unit Deposit Protection Act, P.L. 1970, Chapter 236, was passed to afford protection against bankruptcy or default by a depository. C.17:9-42 provides that no governmental unit shall deposit funds in a public depository unless such funds are secured in accordance with this act. C.17:9-44 provides that every public depository having public funds on deposit shall, as security for such deposits, maintain eligible collateral having a market value at least equal to either (1) 5% of the average daily period ending on the next preceding valuation date (June 30 or December 31) or (2) at the election of the depository, at least equal to 5% of the average balance of collected public funds on deposit on the first, eighth, fifteenth and twenty-second days of each month in the 6 month period ending on the next preceding valuation date (June 30 or December 31). No public depository shall be required to maintain any eligible collateral pursuant to this act as security for any deposit or deposits of any governmental unit to the extent such deposits are insured by F.D.I.C. or any other U.S. agency which insures public depository funds.

No public depository shall at any time receive and hold on deposit for any period in excess of 15 days public funds of governmental unit(s) which, in the aggregate, exceed 75% of the addition to the security required to be maintained under the paragraph above, secure such excess by eligible collateral with a market value at least equal to 100% of such excess.

In the event of a default, the Commissioner of Banking, within 20 days after the default occurrence, shall ascertain the amount of public funds on deposit in the defaulting depository and the amount covered by Federal deposit insurance and certify the amounts to each affected governmental unit. Within 10 days after receipt of this certification, each unit shall furnish to the Commissioner verified statements of its public deposits.

**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2015**  
**(CONTINUED)**

1. **Summary of Significant Accounting Policies** – Continued

E. Cash and Investments - Continued

The Commissioner shall ascertain the amount derived or to be derived from the liquidation of the collateral maintained by the defaulting depository and shall distribute such proceeds pro rata among the governmental units to satisfy the net deposit liabilities to such units. If the proceeds of the sale of the collateral are insufficient to pay in full the liability to all affected governmental units, the Commissioner shall assess the deficiency against all other public depositories having public funds on deposit determined by a formula determined by law. All sums collected by the Commissioner shall be paid to the governmental units having deposits in the defaulting depository in the proportion that the net deposit liability to each such governmental unit bears to the aggregate of the net deposit liabilities to all such governmental units.

All public depositories are required to furnish information and reports dealing with public funds on deposit every six months, June 30 and December 31, with the Commissioner of Banking. Any public depository which refuses or neglects to give any information so required may be excluded by the Commissioner from the right to receive public funds for deposit until such time as the Commissioner shall acknowledge that such depository has furnished the information requested.

Upon review and approval of the Certification Statement that the public depository complies with statutory requirements, the Commissioner issues forms approving the bank as a municipal depository. The Township should request copies of these approval forms semiannually to assure that all depositories are complying with requirements.

F. County Taxes

The municipality is responsible for levying, collecting and remitting County taxes for the County of Cumberland. Operations are charged for the amount due 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 are 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 1 of the following year.

G. Fire District Taxes

The municipality is responsible for levying, collecting and remitting Fire District Taxes for Leesburg Fire District No. 1, Heislerville Fire District No. 2, Port Elizabeth Fire District No. 3 and Cumberland Fire District No. 4. Operations are charged for the amounts required to be raised by taxation to support the districts for the year.

**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2015**  
**(CONTINUED)**

1. **Summary of Significant Accounting Policies** - Continued

H. 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, is required to provide assurance that cash collected in the current year will provide sufficient cash flow to meet expected obligations.

I. School Taxes

The municipality is responsible for levying, collecting and remitting school taxes for the Maurice River Township school district. Operations are charged for the full amount required to be raised from taxation to operate the school district on a fiscal year basis.

J. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles or the statutory basis of accounting requires management to make estimates and assumptions that affect certain reported amounts of disclosures. Accordingly, actual results could differ from those estimates.

K. Comparative Data

Comparative total data for the prior year has been presented in the accompanying balance sheets and statement of operations in order to provide an understanding of changes in the Township's financial position. However, comparative data have not been presented in many of the supplemental schedules since their inclusion would make the statements unduly complex and difficult to read.

Deposits were with a contracted depository bank, which were secured at the balance sheet date by FDIC coverage and by the State of New Jersey Government Unit Deposit Protection Act (G.U.D.P.A.) as afforded under **N.J.S.A.** 17:9-41.

Although the pledged securities are not in the name of the municipality, the deposits are deemed collateralized under New Jersey law, and certificates to eligibility are issued every six months by the bank as a public depository under the provisions of G.U.D.P.A.

**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2015**  
**(CONTINUED)**

2. **Deposits and Investments**

Custodial Credit Risk

All bank deposits and investments as of the balance sheet date are entirely insured or collateralized by a pool maintained by public depositories as required by the Governmental Unit Protection Act and are classified as to credit risk.

Custodial Credit Risk for deposits is the risk that, in the event of a bank failure, the Township's deposits may not be returned to it. Although the Township does not have a formal policy regarding custodial credit risk, as described in Note 1, 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 Protection Act.

The Township designates and approves a list of authorized depository institutions based on an evaluation of solicited responses and presentation of GUDPA certifications provided by the financial institutions. As of December 31, 2015, the Township's bank balance of \$4,425,989.47, was exposed to custodial credit risk as follows:

Insured - FDIC	\$ 500,000.00
Collateralized with securities held by pledging financial institutions	3,925,989.47
	<hr/>
	\$ 4,425,989.47
	<hr/> <hr/>

**New Jersey Cash Management Fund** – All investments in the fund are governed by the regulations of the Investment Council, which prescribe specific standards designed to insure the quality of investments and to minimize the risks related to investments. In addition to the Council regulations, the division sets further standards for specific investments and monitors the credit of all eligible securities issuers on a regular basis.

As of December 31, 2015 the Township had \$252,081.95 on deposit with the New Jersey Cash Management Fund.

3. **Deferred Charges to be Raised in Succeeding Budgets**

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2013, the Township paid off the deferred charge, representing a revaluation program incurred in 2008.

4. **Fund Balances Appropriated**

Of the \$1,735,567.65 in Current Fund balance at December 31, 2015, \$900,000 has been appropriated and included as anticipated revenue in the adopted budget for the year ending December 31, 2016.

**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2015**  
**(CONTINUED)**

5. **Taxes Collected in Advance**

Taxes collected in advance, set forth as cash liabilities in the financial statements are as follows:

		Balance December 31, 2015		Balance December 31, 2014
Prepaid Taxes	\$	86,934.86	\$	88,468.58

6. **Long-Term Debt**

Summary of Municipal Debt

The Township had no long-term debt issued at December 31, 2015.

Summary of Statutory Debt Condition – Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 0.4%.

		<u>Gross Debt</u>		<u>Deductions</u>		<u>Net Debt</u>
Local District School Debt	\$	1,025,000	\$	1,025,000	\$	
General Debt		1,205,000				1,205,000
<b>Total</b>	<b>\$</b>	<b>2,230,000</b>	<b>\$</b>	<b>1,025,000</b>	<b>\$</b>	<b>1,205,000</b>

Net Debt \$1,205,000 divided by Equalized Valuation Basis per **N.J.S.A.** 40A:2-2, \$302,069,829 = 0.4%.

Equalized Valuation Basis:

2013	\$	308,678,291
2014	\$	303,185,978
2015	\$	<u>294,345,219</u>

3 year Average \$302,069,829

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

3 1/2% of Equalized Valuation Basis		\$ 10,572,444.02
Municipal Net Debt		1,205,000.00
<b>Remaining Borrowing Power</b>	<b>\$</b>	<b><u>9,367,444.02</u></b>

**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2015**  
**(CONTINUED)**

6. **Long-Term Debt** - Continued

<u>Summary of Municipal Debt</u>	<u>Year 2015</u>	<u>Year 2014</u>	<u>Year 2013</u>
Authorized but Not Issued:			
General:			
Bonds and Notes	<u>\$1,205,000</u>	<u>0.00</u>	<u>0.00</u>
Net of Bonds and Notes Issued and Authorized but Not Issued	<u>\$1,205,000</u>	<u>\$0.00</u>	<u>\$0.00</u>

7. **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 and surety bonds. Adequacy of insurance coverage is the responsibility of the Township Committee.

**Insurance** – Costs of insurance for all funds are recorded as expenditures at the time of payment. Insurance costs chargeable to future periods are not carried on the balance sheets as prepayments.

8. **Pensions**

All required employees of the Township are covered by either the Public Employees' Retirement System which have been established by state statute and are administered by the New Jersey Division of Pensions and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of the System will be assumed by the State of New Jersey should the System terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System. These reports may be obtained by writing to the Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625-0295 or the report can be accessed on the internet at <http://www.state.nj.us/treasury/pensions/financial-rprts-home.shtml>.

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

The Defined Contribution Retirement Program (DCRP) was established as of July 1, 2008 under the provisions of Chapter 92, P.L. 2008 (NJSA 43:15c-1 et seq). The DCRP is a cost-sharing multiple-employer defined contribution pension fund. The DCRP provides eligible members, and their beneficiaries with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by N.J.S.A. 43:15C-1 et seq.

**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2015**  
**(CONTINUED)**

8. **Pensions** - Continued

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service.

P.L. 1987, c. 384 and P.L. 1990, c.6 required the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post retirement medical premiums changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to Chapter 126, P.L. 1992, which provides free health benefits to members of PERS who retired from a municipality with 25 years of service.

The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. PERS provide for employee contributions of 6.92% through June 30, 2015 and 7.06% thereafter of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in PERS. The current PERS rate is 11.92% of covered payroll. The Township's contributions to PERS for the years ended December 31, 2015, and 2014, were \$67,223 and \$53,169 respectively, equal to the required contributions for each year. The actuarially determined contribution includes funding for cost - of - living adjustments, noncontributory death benefits, and post-retirement medical premiums.

**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2015**  
**(CONTINUED)**

8. **Pensions** - Continued

The total payroll for the years ended December 31, 2015 and 2014 was \$713,053 and \$708,032. Payroll covered by PERS was \$557,004 and \$583,420 respectively.

Information regarding contributions made by the State of New Jersey on behalf of the Township is not available. Contributions to the system for the year ended December 31, 2015 is as follows:

	<u>PERS</u>	<u>DCRP</u>
Employees	\$ 42,944	\$ 601
Township	71,139	328
Total	<u>\$ 114,083</u>	<u>\$ 929</u>

**GASB 68 - Accounting and Financial Reporting for Pensions**

Effective June 30, 2014, state and local governments participating in government pension plans are required to reflect liabilities, deferred outflows/inflows of resources and expenditures related to pension activity. The objective of this statement is to improve accounting and financial reporting by state and local governments for pensions and improve information provided by state and local governmental employers about financial support for pensions that are provided by other state entities.

The Township does not and is not required to follow generally accepted accounting principles (GAAP) and, as such, does not follow GASB requirements with respect to the recording of pension liabilities and deferred outflows/inflows of resources on its balance sheets.

As described in Note 1 of 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. However, N.J.A.C. 5:30-6.1[c][2] requires the Borough to disclose GASB 68 information in the Notes to the Financial Statements.

**Components of Net Pension Liability** - At December 31, 2015, the Township's proportionate share of the PERS net pension liability was \$1,526,711. The net pension liability was measured as of June 30, 2014. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2013, to the measurement date of June 30, 2014. The Township's proportion of the net pension liability was based on the Township's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2014. The Township's proportion measured as of June 30, 2014, was .00815%, which was an increase of .0011% from its proportion measured as of June 30, 2013.

**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2015**  
**(CONTINUED)**

8. **Pensions** - Continued

**Pension Expense and Deferred Outflows/Inflows of Resources** - The Township's 2015 pension expense, with respect to GASB 68, was \$67,223. The Township's 2015 deferred outflows of resources and deferred inflows of resources were from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$	\$
Changes of assumptions	48,008	
Net difference between projected and actual earnings on pension plan investments		90,984
Changes in proportion and differences between District contributions and proportionate share of contributions	177,241	
District contributions subsequent to the measurement date	67,223	
<b>Total</b>	<b>\$ 292,472</b>	<b>\$ 90,984</b>

The \$67,223 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date (i.e. for the year ending December 31, 2015, the plan measurement date is June 30, 2014) will be recognized as a reduction of the net pension liability in the year ended December 31, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year	PERS
2016	\$ 9,959
2017	9,959
2018	9,959
2019	9,959
2020	9,960
Thereafter	84,469
<b>Total</b>	<b>\$ 134,265</b>

**Additional Information** - Collective Balances at June 30, 2014 and 2013 are as follows:

	Actuarial Valuation Date	
	6/30/2014	6/30/2013
Collective deferred outflows of resources	\$ 292,472	\$ 53,169
Collective deferred inflows of resources	90,984	
Collective net pension liability	1,526,711	1,348,630
District's Proportion	0.00815%	0.00705%

**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2015**  
**(CONTINUED)**

8. **Pensions** - Continued

**Actuarial Assumptions** - The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013, which was rolled forward to June 30, 2014. The total pension liability for the June 30, 2013 measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	<u>PERS</u>
Measurement Date	June 30, 2014
Actuarial Valuation Date	June 30, 2013
Interest Rate	7.90%
Salary Scale (Based on Age):	
2012-2021	2.15% - 4.40%
Thereafter	3.15% - 5.40%
Inflation	3.01%

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

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

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

**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2015**  
**(CONTINUED)**

8. **Pensions** - Continued

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	6.00%	80.00%
Core Bonds	1.00%	2.49%
Intermediate - Term Bonds	11.20%	2.26%
Mortgages	2.50%	2.17%
High Yield Bonds	5.50%	4.82%
Inflation-Indexed Bonds	2.50%	3.51%
Broad US Equities	25.90%	8.22%
Developed Foreign Equities	12.70%	8.12%
Emerging Market Equities	6.50%	9.91%
Private Equity	8.25%	13.02%
Hedge Funds/Absolute Return	12.25%	4.92%
Real Estate (Property)	3.20%	5.80%
Commodities	2.50%	5.35%
Total	100%	

**Discount Rate** - The discount rate used to measure the total pension liability was 5.39% as of June 30, 2014. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 4.29% as of June 30, 2014, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current member contribution rates and that contributions from employers will be made on the average of the last five years of contributions made in relation to the last five years of recommended contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate** - The following presents the collective net pension liability of the participating employers as of June 30, 2014, calculated using the discount rate as disclosed above, as well as what the collective net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.39%) or 1-percentage-point higher (6.39%) than the current rate:

**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2015**  
**(CONTINUED)**

8. **Pensions** - Continued

	1% Decrease (4.39%)	Current Discount (5.39%)	1% Increase (6.39%)
Township's proportionate share of the net pension liability	\$ 1,920,654	\$ 1,526,711	\$ 1,195,899

**Significant Legislation** - P.L. 2011, c.78, effective June 28, 2011, made various changes to the manner in which PERS operate and to the benefit provisions of those systems.

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

- For new members of PERS hired on or after June 28, 2011 (Tier 5 members), the years of creditable service needed for early retirement benefits increased from 25 to 30 years and the early retirement age increased from 55 to 65.
- The eligibility age to qualify for a service retirement in the PERS increased from age 62 to 65 for Tier 5 members.
- The annual benefit under special retirement for new PERS members enrolled after June 28, 2011 (Tier 3 members) decreased from 65 percent of final compensation to 60 percent of final compensation after 25 years of service and from 70 percent of final compensation to 65 percent of final compensation after 30 or more years of service.
- It increased the PERS active member rates from 5.5 percent of annual compensation to 6.5 percent plus an additional 1 percent phased-in over 7 years for members hired or reappointed on or after June 28, 2011. For Fiscal Year 2012, the member contribution rates increased in October 2011. The phase-in of the additional incremental member contributions for PERS members takes place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries was suspended. COLA increases may be reactivated at a future date as permitted by this law.
- It changed the method for amortizing the pension system's unfunded accrued liability (from a level percent of pay method to a level dollar of pay method).

P.L. 2010, c.3, effective May 21, 2010, replaced the accidental and ordinary disability retirement for new members of the PERS with disability insurance coverage similar to that provided by the State to individuals enrolled in the State Defined Contribution Retirement Program.

**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2015**  
**(CONTINUED)**

8. **Pensions** - Continued

Trend Information – Ten year historical trend information presenting the various systems progress in accumulating sufficient assets to pay benefits as they come due is available from the New Jersey Division of Pensions and Benefits.

Related Party Investments – During the year ended December 31, 2015, the PERS held no securities issued by the Township or other related parties.

Township employees are also covered by the Federal Insurance Contribution Act.

Information as to the comparison of the actuarially computed value of vested benefit with the System's assets is not available from the State Retirement Systems and, therefore, is not presented.

9. **Accrued Sick and Vacation Benefits – Compensated Absences**

Employees of the Township are entitled to paid vacation and sick days based on job description, collective bargaining agreement and other factors. It is not practical to estimate the amount of future compensation arising from compensating absences and accordingly, no liability is required to be recorded in the accompanying financial statements as governed by state statute and directive of the Director of the Division of Local Government Services. The current policy of the Division of Local Government Services and the Borough is to recognize the cost of compensated absences in the budget of the year paid. The estimated amount of uncompensated accumulated sick and vacation benefits calculated from data in the payroll records as of December 31, 2015 is \$103,752.55. The Other Trust Fund includes a Reserve for Accumulated Absences in the amount of \$49,847.94, at December 31, 2015.

10. **Contingent Liabilities**

As per confirmation from the Township's solicitor, no known contingent liabilities of a material amount were noted. There are, however, three threatened litigations and one pending tax appeal involving a major taxpayer of which the outcome is not known.

**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2015**  
**(CONTINUED)**

11. **Local District School Tax**

Regulations provide for the deferral of not more than 50% of the annual levy when school taxes are raised for a school year and have not been requisitioned by the school district. In the case of Maurice River Township, the amount of \$1,407,170 would be the maximum amount permitted to be deferred as of December 31, 2015, under those regulations. In prior years, the Township elected to defer school taxes and the accumulation of such deferrals amounts to \$933,182.88. No additional amount was added to deferred school tax during the year ended December 31, 2015.

Local District School Tax has been raised and liabilities deferred by statute, resulting in the school taxes payable set forth in the Current Fund liabilities as follows:

	Local District School Tax Balance, December 31	
	<u>2015</u>	<u>2014</u>
Balance of Tax	\$ 1,406,035.00	\$ 1,397,665.00
Deferred	933,182.88	933,182.88
Taxes Payable	<u>\$ 472,852.12</u>	<u>\$ 464,482.12</u>

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 and surety bonds. Adequacy of insurance coverage is the responsibility of Township Committee.

**Insurance** – Costs of insurance for all funds are recorded as expenditures at the time of payment. Insurance costs chargeable to future periods are not carried on the balance sheets as prepayments.

**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2015**  
**(CONTINUED)**

**13. Comparative Statement of Operations and Change in Fund Balance - Current Fund**

	Year 2015		Year 2014	
	Amount	%	Amount	%
<u>Revenue and Other Income</u>				
Fund Balances Utilized	\$ 850,000.00	7.67%	\$ 895,000.00	8.27%
Miscellaneous - From Other than Local Property Tax Levies	2,336,474.57	21.07%	2,237,424.25	20.67%
Collection of Delinquent Taxes and Tax Title Liens	483,694.61	4.36%	434,017.77	4.01%
Collection of Current Tax Levy	7,417,941.91	66.90%	7,257,502.70	67.05%
	<u>\$ 11,088,111.09</u>	<u>100.00%</u>	<u>\$ 10,823,944.72</u>	<u>100.00%</u>
<u>Expenditures</u>				
Budget Expenditures:				
Municipal Purposes	\$ 3,384,046.35	33.63%	\$ 3,155,604.32	32.47%
County Taxes	3,387,651.48	33.66%	3,258,311.12	33.53%
Local School Taxes	2,814,340.00	27.97%	2,799,487.00	28.80%
Special District Taxes	477,445.00	4.74%	451,896.00	4.65%
Interfunds Advanced	130.26	0.00%	53,729.83	0.55%
	<u>10,063,613.09</u>	<u>100.00%</u>	<u>9,719,028.27</u>	<u>100.00%</u>
Excess in Revenue	1,024,498.00		1,104,916.45	
Fund Balance, January 1	1,561,069.65		1,351,153.20	
	<u>2,585,567.65</u>		<u>2,456,069.65</u>	
Less:				
Utilization as Anticipated Revenue	850,000.00		895,000.00	
Fund Balance, December 31	<u>\$ 1,735,567.65</u>		<u>\$ 1,561,069.65</u>	

**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2015**  
**(CONTINUED)**

**14. Comparison of Tax Rate Information**

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Tax Rate:	\$ 2.488	\$ 2.442	\$ 2.385

**Apportionment of Tax Rate:**

Municipal	0.427	0.428	0.422
County	1.063	1.021	0.999
County Open Space	0.011	0.011	0.011
Local Health Services	0.052	0.051	0.051
Local School District	0.935	0.931	0.902
Fire District No. 1	0.156	0.153	0.133
Fire District No. 2	0.188	0.178	0.169
Fire District No. 3	0.117	0.097	0.081
Fire District No. 4	0.186	0.186	0.164

**Assessed Valuations:**

2015	\$ 301,072,547		
2014		\$ 300,705,295	
2013			\$ 300,058,632

**15. Comparison of Tax Levies and Collection Currently**

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

<u>Year</u>	<u>Tax Levy</u>		<u>Currently</u>	
			<u>Cash Collections</u>	<u>Percentage of Collection</u>
2015	\$ 7,973,188.93	\$	7,417,941.91	93.04%
2014	7,807,512.32		7,257,502.70	92.96%
2013	7,575,970.16		7,092,829.39	93.62%

**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2015**  
**(CONTINUED)**

**16. Delinquent Taxes and Tax Title Liens**

<u>December 31</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2014	\$ 1,254,427.91	\$ 463,734.68	\$ 1,718,162.59	21.55%
2013	1,303,529.06	479,913.82	1,783,442.88	22.84%
2012	1,240,084.71	426,018.19	1,666,102.90	21.99%

**17. Property Acquired by Tax Title Lien Liquidation**

There were additions to Foreclosed Property by Court Judgment in the amount of \$625,719.01. The value of property acquired by liquidation of tax title liens on December 31, on the basis of the last assessed valuation of such property was as follows:

<u>Year</u>	<u>Amount</u>
2015	\$ 4,316,777.00
2014	3,675,077.00
2013	3,674,777.00

**18. Comparative Schedule of Fund Balance**

	<u>Year</u>	<u>Balance December 31</u>	<u>in Budget of Succeeding Year</u>
Current Fund	2015	\$ 1,735,567.65	\$ 900,000.00 *
	2014	1,561,069.65	850,000.00
	2013	1,351,153.20	895,000.00
	2012	956,461.16	828,696.00
	2011	1,152,956.22	825,000.00
	2010	908,009.41	750,000.00
	2009	1,013,989.54	800,000.00
	2008	1,063,421.54	800,000.00

**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2015**  
**(CONTINUED)**

19. **Interfunds**

The Current Fund had interfund balances at December 31, 2015, as follows:

Due from Animal Control Fund	\$ 3,841.80
Due from Trust Other Fund	(3,649.59)
Due from Payroll Fund	61,660.49
	<hr/>
Due to(from) Current Fund	\$ 61,852.70
	<hr/> <hr/>

20. **Post-Retirement Benefits**

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required PERS to fund post-retirement medical benefits for those State employees who retire after reaching age 60 and accumulating 25 years of credited service. The cost of these benefits is funded through contributions by the State in accordance with Chapter 62, P.L. 1994. The funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning in fiscal year 1994 with an additional contribution beginning in fiscal year of 1996 which will increase the medical reserve by one half of 1% of payroll.

In accordance with State statute, employees participating in the Public Employee's Retirement System (PERS) who retire after accumulating 25 years of credited service are eligible to receive post-retirement health care benefits. The cost of these benefits is actuarially determined and advance funded through contributions by the State. The funded status and funding progress of post-retirement benefits is combined with the funded status and funding progress of pension benefits described in Note 8.

21. **Subsequent Events**

There were no material events between December 31, 2015 and March 16, 2016 affecting the financial status of the Township of Maurice River.

End of Notes to Financial Statements

**SUPPLEMENTARY DATA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**TOWNSHIP OF MAURICE RIVER**

**COUNTY OF CUMBERLAND**

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

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Federal Grant Number	Grant Award Amount	Grant Period		Balance December 31, 2014 A/R	Cash Receipts	Receipts or Revenue Recognized	Disbursements	Balance December 31, 2015	
					From	To					A/R	Reserve
USEPA - Brownsfield Sapello - Prior	N/A	N/A	N/A	200,000	1/1/12	Closing	2,884.18	(405.78)	\$	74,790.33	\$	3,289.96
USEPA - Brownsfield Sapello - 2014	N/A	N/A	N/A	200,000	1/1/13	Closing	200,000.00	9,862.13		9862.13		190,137.87
USEPA - Brownsfield Ackley	N/A	N/A	N/A	200,000	1/1/12	Closing	77,441.67	75,265.33				2,176.34
USDA SEARCH Grants:												
Leesburg-Dorchester	10.760	N/A	N/A	30,000	1/1/15	Closing		15,000.00	30,000.00	27,000.00		15,000.00
Port Elizabeth	10.760	N/A	N/A	30,000	1/1/15	Closing		15,000.00	30,000.00	27,000.00		15,000.00
							\$ 280,325.85	\$ 114,721.68	\$ 60,000.00	\$ 138,652.46	\$	225,604.17
							\$ 280,256.63	\$ 114,721.68	\$ 60,000.00	\$ 138,652.46	\$	201,604.17

The amounts shown as expenditures on this schedule versus Exhibit A-3 are different because Exhibit A-3 charges off the entire grant amount from the Current Fund Operating Budget into the Federal and State Grant Fund.

**SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED DECEMBER 31, 2015  
TOWNSHIP OF MAURICE RIVER  
COUNTY OF CUMBERLAND**

State Grantor/ Program Title	State Grant Award No.	Grant Award		Grant Period		Balance December 31, 2014		Receipts or Revenue Recognized	2015 Receipts Revenues	2015 Budget Appropriations	Cancelled		Disbursements/ Expenditures	Balance December 31, 2015		
		State	Local	From	To	A/R	Reserve				A/R	Reserve		A/R	Reserve	
Department of Community Municipal Alliance Program	15-0661-6299- 6299-08-22213- 000	\$		1/1/12	12/31/12	500.25	\$	\$	\$	\$	500.25	\$	\$	\$	\$	
		2,850.00	712.50	1/1/13	12/31/13	1,645.02	749.87		10,532.68		1,645.02	2,058.76	(1,308.89)			
		13,200.00	3,300	1/1/14	12/31/14	13,200.00	14,120.85		2,557.99		2,667.32	3,015.99	11,104.86			
				1/1/15	12/31/15				13,200.00			16,500.00	7,537.89		10,642.01	8,962.11
Department of Transportation NJ Transportation Trust Fund Authority Act: Railroad Avenue Matts Landing Bikepath Estell Manor Rd	6320-420- 60139X-61		2,249.99	2005	Closing											
		75,000.00	190,000	2012	Closing	190,000.00	265,000.00									
		188,000.00		2013	Closing	115,437.52	168,307.68						168,307.68		190,000.00	265,000.00
Environmental Protection Clean Communities Act	4900-765-042- 4900-004-VCMB- 6020	15,439.80		1/01/15	12/31/15			15,439.80	15,439.80	15,439.80			13,403.10	2,036.70		
		11,540.82		1/01/14	12/31/14		7,097.71						7,097.71			
		11,457.00		1/01/12	12/31/12	11,457.00			10,000.00					1,457.00		
Recreational Trails Southern Pine Beetle Suppression Sustainable NJ	N/A			1/01/13	12/31/13	10,000.00	9,410.42						330.00	9,080.42		
	N/A			1/01/13	12/31/13	10,000.00								10,000.00		
Solid Waste Administration Recycling Tonnage Grant	4900-752-42-4900 -001-V42Y-6020	5,426.99		1/01/15	12/31/15								440.00	4,935.55		
				1/01/14	12/31/14		3,642.38		5,375.55				3,627.12	15.26		
Hazardous Discharge Site Remediation Fund Ackley Garage Ackley Garage Chell Gravel Pit Chell Gravel Pit - 2013 Sapello Foundry Sapello Foundry Bayshore Housing	N/A	73,375.00		2003	Closing	5,353.35	4,108.89						1,221.32	5,353.35		
		166,830.00		2015	Closing	166,830.00		166,830.00						166,830.00	2,887.57	
		109,015.00		2003	Closing	10,410.00	24,149.73			166,830.00				2,169.50	166,830.00	
		231,128.45		2003	Closing	82,833.35	231,128.45							2,169.50	21,980.23	
		109,015.00		2003	Closing	5,417.00	67.84							(5,620.00)	82,833.35	
		99,888.89		2009	Closing	80.81	5,102.89							263.00	5,417.00	
		315,000.00		2013	Closing	84,865.00	20,149.56				80.81			12,622.50	5,417.00	
						\$ 531,199.30	\$ 753,036.27	\$ 195,469.80	\$ 120,031.47	\$ 204,145.35	\$ 4,893.40	\$ 5,074.75	\$ 221,195.79	\$ 601,744.23	\$ 730,911.08	

The amounts shown as expenditures for Municipal Alliance Program, N.J. Transportation Trust, Hazardous Discharge Grant, Green Communities Grant, Southern Pine Beetle Suppression Grant, Sustainable NJ Grant, Recycling Tonnage Grant and Clean Communities Program on this schedule versus Exhibit A-3 are different because Exhibit A-3 charge off the entire grant amount from the current fund operating budget into the federal and state grant fund.

**TOWNSHIP OF MAURICE RIVER**

**COUNTY OF CUMBERLAND**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

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

NONE

**TOWNSHIP OF MAURICE RIVER**

**SCHEDULE OF CASH AND INVESTMENTS PER N.J.S. 40A:5-5**

**FOR THE PERIOD DECEMBER 31, 2015 TO FEBRUARY 29, 2016**

	General Fund	Federal and State Grant Fund	Animal Control Fund	Trust Other Fund	General Capital Fund	Public Assistance Fund	Payroll
Balance, December 31, 2015	\$ 2,966,870.18	\$ 105,944.95	\$ 12,969.80	\$ 654,299.15	\$ 621,585.50	\$ 2,808.16	\$ 62,278.71
Increased by Receipts:							
Cash Receipts Record	2,042,547.85	8,706.14	1,759.66	33,885.73	436.04	1.97	126,036.87
	5,009,418.03	114,651.09	14,729.46	688,184.88	622,021.54	2,810.13	188,315.58
Decreased by Disbursements:							
Cash Disbursement Record	1,699,840.66	13,021.02	280.86	103,381.70	15,067.69	1.97	143,397.41
Balance, February 29, 2016	\$ 3,309,577.37	\$ 101,630.07	\$ 14,448.60	\$ 584,803.18	\$ 606,953.85	\$ 2,808.16	\$ 44,918.17

**Reconciliation - February 29, 2016**

Balance per Certification of:

Cape Bank	\$ 3,311,221.88	\$ 101,630.07	\$ 14,695.80	\$ 607,775.49	\$ 621,585.50	\$ 2,808.16	\$ 45,853.02
Add:							
Deposits in Transit	32,570.63		24.00				
	3,343,792.51	101,630.07	14,719.80	607,775.49	621,585.50	2,808.16	45,853.02
Less: Outstanding Checks	34,215.14		271.20	22,972.31	14,631.65		934.85
Balance, February 29, 2016	\$ 3,309,577.37	\$ 101,630.07	\$ 14,448.60	\$ 584,803.18	\$ 606,953.85	\$ 2,808.16	\$ 44,918.17

**CURRENT FUND****SCHEDULE OF CASH - CHIEF FINANCIAL OFFICER**

	<u>Ref.</u>	<u>Current Fund</u>	<u>Grant Fund</u>
Balance, December 31, 2014	A	\$ 2,850,201.81	\$ 262,682.26
Increased by Receipts			
Collector	A-5	7,923,611.12	
Revenue Accounts Receivable	A-9	1,323,422.21	
Interfunds	A-10	58,881.95	
Other Accounts Payable	A-14	1,064.00	
Senior Citizens and Veterans Deductions	A-16	55,403.48	
State and Federal Grants	A-22		234,753.15
Municipal Assessments Receivable	A-24	5,122.87	
Total Receipts		<u>9,367,505.63</u>	<u>234,753.15</u>
		<u>12,217,707.44</u>	<u>497,435.41</u>
Decreased by Disbursements			
2015 Appropriations	A-3	2,506,436.40	
2014 Appropriation Reserves	A-11	23,921.18	
Interfunds	A-10	16,745.84	31,081.07
Refund of Tax Overpayment	A-13	5,248.46	
Miscellaneous Accounts Payable	A-14	1,099.00	
Encumbrances Payable	A-15	23,796.54	1,339.24
Fire District Taxes	A-17	477,445.00	
County Taxes	A-18	3,385,608.38	
Amount Due County for Added and Omitted Taxes	A-19	4,436.20	
Local District School Taxes	A-20	2,805,970.00	
Appropriated Grant Reserves	A-23		359,070.15
Refund of Prior Year Revenue	A-1	130.26	
Total Disbursements		<u>9,250,837.26</u>	<u>391,490.46</u>
Balance, December 31, 2015	A	\$ <u>2,966,870.18</u>	\$ <u>105,944.95</u>

**CURRENT FUND**  
**SCHEDULE OF CASH - COLLECTOR**

	<u>Ref.</u>		
Balance, December 31, 2014	A		\$ -
Increased by:			
Taxes Receivable	A-6	\$ 7,732,789.72	
Tax Title Liens	A-7	31,394.84	
Revenue Accounts Receivable	A-9	72,491.70	
2016 Prepaid Taxes	A	86,934.86	
		7,923,611.12	
			7,923,611.12
Decreased by:			
Disbursements to Chief Financial Officer	A-4		7,923,611.12
Balance, December 31, 2015	A		\$ -

**CURRENT FUND**  
**SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAXES**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

Year	Balance December 31, 2014	2015 Levy	Collections		State Share of Senior Citizens and Veterans Deductions	Transferred to Title Liens	Cancelled	Transfer to Overpayments	Transferred to Foreclosed Property	Balance December 31, 2015
			2014	2015						
2010	\$ 697.90	\$	\$	697.90	\$	\$	\$	\$	\$	128.01
2011	4,669.24			4,541.23						
2012	2,306.81			2,306.81						
2013	3,379.81			310.52	(2,500.00)	250.00				2,819.29
2014	468,860.06			446,943.31		17,767.80				6,648.95
	479,913.82			454,799.77	(2,500.00)	18,017.80				9,596.25 *
2015		7,976,384.80	88,468.58	7,277,989.95	58,326.72	75,992.93	17,630.54	6,843.34	10,680.99	454,138.43
	\$ 479,913.82	\$ 7,976,384.80	\$ 88,468.58	\$ 7,732,789.72	\$ 55,826.72	\$ 94,010.73	\$ 17,630.54	\$ 6,843.34	\$ 10,680.99	\$ 463,734.68
Ref.	A	A-6	A-1,2	A-1,2,5	A-1,2,16	A-7	A-1,2	A-13	A-8	A
* Represents Bankrupt Items										
<u>Analysis of 2015 Property Tax Levy</u>										
Tax Yield										
General Purpose Tax			A-6	\$ 7,491,229.28						
Special District Tax			A-6	477,445.00						
Penalties				3,195.87						
Added and Omitted Taxes			A-6	4,514.65						
					\$ 7,976,384.80					
Tax Levy										
Local District School Tax (Abstract)			A-20	\$ 2,814,340.00						
County Taxes			A-18							
County Tax (Abstract)				\$ 3,385,608.38						
Amount Due County for Added and Omitted Taxes (54:4-63.1 et seq. and 54:4-63.12 et seq.)			A-19	2,043.10						
Total County Taxes					3,387,651.48					
Fire District Tax Certified			A-17		477,445.00					
Local Tax for Municipal Purposes (Abstract)			A-2	1,282,626.07						
Add: Excess in Tax Levied				14,322.25						
					1,296,948.32					
					\$ 7,976,384.80					

**CURRENT FUND**  
**SCHEDULE OF TAX TITLE LIENS**

	<u>Ref.</u>		
Balance, December 31, 2014	A		\$ 1,303,529.06
Increased by:			
Transfer from Taxes Receivable	A-6	\$ 94,010.73	
Adjustment		750.79	
Transfer from Assessments Receivable	A-24	19,948.54	
Interest and Cost Accrued by Sale of June 11, 2015		4,387.28	
		<hr/>	119,097.34
			<hr/>
			1,422,626.40
Decreased by:			
Cash Collections	A-2,5	31,394.84	
Transferred to Foreclosed Property	A-8	136,803.65	
		<hr/>	168,198.49
			<hr/>
Balance, December 31, 2015	A		\$ <u><u>1,254,427.91</u></u>

EXHIBIT A-8

**CURRENT FUND**  
**SCHEDULE OF PROPERTY ACQUIRED FOR TAXES**

	<u>Ref.</u>		
Balance, December 31, 2014	A		\$ 3,675,077.00
Increased by:			
Transfer from Taxes Receivable	A-6	\$ 10,680.99	
Transfer from Tax Title Liens	A-7	136,803.65	
Adjustment		494,215.36	
		<hr/>	641,700.00
			<hr/>
			4,316,777.00
Decreased by:			
Cash Sale	A-1,4		
Balance, December 31, 2015	A		\$ <u><u>4,316,777.00</u></u>

**CURRENT FUND**

**SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE**

Ref.	Balance December 31, 2014	Accrued in 2015	Collector	Treasurer	Balance December 31, 2015
Miscellaneous Revenue Anticipated					
Fees and Permits					
Clerk:					
Trailer Fees	\$ 450.00	\$ 14,025.00	\$	\$ 14,475.00	\$
Assessors Lists		90.00		90.00	
Registrar of Vital Statistics		1,459.00		1,459.00	
Zoning Board of Adjustment:					
Fees and Permits		746.00		746.00	
Rental Registration Fees		4,680.00		4,680.00	
Housing Officer:					
Fees and Permits		150.00		150.00	
Land Use Board:					
Fees and Permits		1,700.00		1,700.00	
Street Opening Permits		27,955.16		27,955.16	
Fire Official Inspections		848.00		848.00	
Mining Fees		12,650.00		12,650.00	
Uniform Construction Code Fees		33,959.00		33,959.00	
Uniform Fire Safety Act		4,260.11		4,260.11	
Municipal Court:					
Fees and Costs	2,936.19	58,794.09		58,232.10	3,498.18
Interest and Costs on Taxes		72,491.70	72,491.70		
Interest on Investments and Deposits		15,797.94		15,797.94	
Consolidated Municipal Property Tax Relief Act		293,591.00		293,591.00	
Energy Receipts Tax		595,849.00		595,849.00	
Garden State Preservation Trust Fund		225,865.00		225,865.00	
	<u>3,386.19</u>	<u>1,364,911.00</u>	<u>72,491.70</u>	<u>1,292,307.31</u>	<u>3,498.18</u>

**CURRENT FUND**

**SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE**

Ref.	Balance December 31, 2014	Accrued in 2015	Collector	Treasurer	Balance December 31, 2015
	\$	\$		\$	\$
		245.71		245.71	
		80.00		80.00	
		1,844.81		1,844.81	
		10,500.42		10,500.42	
		22.31		22.31	
		375.00		375.00	
		53.15		53.15	
		8,206.00		8,206.00	
		2,387.00		2,387.00	
		90.00		90.00	
		1,108.07		1,108.07	
		5,000.00		5,000.00	
		346.20		346.20	
		614.23		614.23	
		242.00		242.00	
		31,114.90		31,114.90	
	\$ 3,386.19	\$ 1,396,025.90	\$ 72,491.70	\$ 1,323,422.21	\$ 3,498.18
Ref.	A		A-5	A-4	A

Miscellaneous Revenue Not Anticipated:

- Tax Maps, Copies, etc.
- Bid Specs
- Lease Revenue
- Cable Television
- Insurance Refund
- Donations
- Spoiled Postage
- Post Office Rent
- Recycling Shared Services
- Recycling Misc
- Senior Citizen/Veterans Admin. Fee
- EMAA Allocation
- Homestead Mailing Rebate
- Grant Admin Fee
- Miscellaneous Other

**CURRENT FUND**

**SCHEDULE OF INTERFUNDS RECEIVABLE/PAYABLE**

Ref.	Total	Federal and State Grant Fund	General Capital Fund	Trust Other Fund	Animal Control Fund	Payroll Fund
A	\$ 106,915.25	\$ 34,199.72	\$ 19,254.55	\$ 560.66	\$ 4,424.00	\$ 48,476.32
Balance, December 31, 2014						
Increased by						
A-1,22,23	181.35	181.35				
A-4	16,745.84					16,745.84
A-1	3,841.80				3,841.80	
	127,684.24	34,381.07	19,254.55	560.66	8,265.80	65,222.16
Decreased by						
A-3	3,300.00	3,300.00				
A-3	3,649.59			3,649.59		
A-4	58,881.95	31,081.07	19,254.55	560.66	4,424.00	3,561.67
	65,831.54	34,381.07	19,254.55	4,210.25	4,424.00	3,561.67
A	\$ 61,852.70	\$	\$	\$ (3,649.59)	\$ 3,841.80	\$ 61,660.49
Balance, December 31, 2015						
Interfunds Receivable						
A	\$ 65,502.29					
Interfunds Payable						
A	(3,649.59)					
	\$ 61,852.70					

**CURRENT FUND**

**SCHEDULE OF 2014 APPROPRIATION RESERVES**

	Appropriations		Expended	Balance Lapsed
	Budget	Budget After Modification		
OPERATIONS WITHIN "CAPS"				
General Administration:				
Other Expenses	\$ 11,728.74	\$ 11,728.74	\$ 1,429.47	\$ 10,299.27
Municipal Clerk's Office:				
Other Expenses	5,741.95	5,741.95	928.19	4,813.76
Audit Services	23,000.00	23,000.00	18,025.00	4,975.00
Collection of Taxes:				
Other Expenses	6,343.54	6,343.54	1,175.15	5,168.39
Assessment of Taxes:				
Other Expenses	15,349.79	15,349.79	3,178.35	12,171.44
Revision of Tax Map:				
Other Expenses	10,266.00	10,266.00	412.50	9,853.50
Liquidation of Tax Title Liens and Foreclosed Property	9,546.10	9,546.10	595.00	8,951.10
Legal Services & Costs:				
Other Expenses	14,721.69	14,721.69	3,356.40	11,365.29
Engineering Services and Costs				
Other Expenses	36,772.58	36,772.58	12,397.32	24,375.26
Construction Official				
Other Expenses	5,564.79	5,564.79	525.00	5,039.79
Insurance:				
Other Insurance for Employees	11,441.55	11,441.55	(1,444.00)	12,885.55
Worker's Compensation Insurance	3,359.00	3,359.00	1,265.00	2,094.00
Group Insurance for Employees	27,383.53	27,383.53	(31,899.42)	59,282.95

**CURRENT FUND**

**SCHEDULE OF 2014 APPROPRIATION RESERVES**

	Appropriations		Expended	Balance Lapsed
	Budget	Budget After Modification		
<b>OPERATIONS WITHIN "CAPS"</b>				
Streets and Roads				
Other Expenses	\$ 20,282.69	\$ 20,282.69	\$ 1,534.57	\$ 18,748.12
Test Well Monitoring				
Other Expenses	5,284.77	5,284.77	504.00	4,780.77
Animal Control Services				
Other Expenses	4,249.81	4,249.81		4,249.81
Building and Grounds				
Other Expenses	27,521.74	27,521.74	2,109.04	25,412.70
Vehicle Maintenance				
Other Expenses	27,373.62	27,373.62		27,373.62
Contribution to Senior Citizens Center				
Other Expenses	2,393.40	2,393.40		2,393.40
Recreation Commission				
Other Expenses	7,122.09	7,122.09	(4,859.20)	11,981.29
Utility Expenses and Bulk Purchases:				
Electricity	19,468.28	19,468.28	3,910.26	15,558.02
Street Lighting	5,440.44	5,440.44	5,108.14	332.30
Telephone and Telegraph	868.73	868.73	811.11	57.62
Telecommunication Charges	2,211.25	2,211.25	199.91	2,011.34
Gasoline	10,042.76	10,042.76	(893.48)	10,936.24
Diesel	14,635.36	14,635.36	(4,593.47)	19,228.83
County Authority	44,882.35	44,882.35	8,396.34	36,486.01
Municipal Court				
Other Expenses	5,657.89	5,657.89	1,750.00	3,907.89
Accounts with No Changes	273,817.17	273,817.17		273,817.17
	\$ 652,471.61	\$ 652,471.61	\$ 23,921.18	\$ 628,550.43
Ref.	A	A	A-4	A-1

**CURRENT FUND****SCHEDULE OF RESERVE FOR SALE OF MUNICIPAL ASSETS**

	<u>Ref.</u>	
Balance, December 31, 2014 and 2015	A	\$ <u>28,082.26</u>

**CURRENT FUND****SCHEDULE OF TAX OVERPAYMENTS**

	<u>Ref.</u>	
Balance, December 31, 2014	A	\$
Increased by:		
Transfer from Taxes Receivable	A-6	6,843.34
Decreased by		
Refund	A-4	5,248.46
Balance, December 31, 2015	A	\$ <u>1,594.88</u>

**CURRENT FUND**

**SCHEDULE OF OTHER ACCOUNTS PAYABLE**

	<u>Ref.</u>	<u>Total</u>	<u>DCA Fees</u>	<u>Marriage License Fees</u>	<u>Other</u>
Balance, December 31, 2014	A	\$ 1,704.90	\$ 1,049.00	\$ 50.00	\$ 605.90
Increased by Receipt	A-4	1,064.00	989.00	75.00	
		<u>2,768.90</u>	<u>2,038.00</u>	<u>125.00</u>	<u>605.90</u>
Decreased by Cancellation	A-1	605.90			605.90
Disbursement	A-4	1,099.00	1,049.00	50.00	
		<u>1,704.90</u>	<u>1,049.00</u>	<u>50.00</u>	<u>605.90</u>
Balance, December 31, 2015	A	\$ <u>1,064.00</u>	\$ <u>989.00</u>	\$ <u>75.00</u>	\$ <u>605.90</u>

**GRANT FUND**

**SCHEDULE OF ENCUMBRANCES PAYABLE**

	<u>Ref.</u>	<u>Current Fund</u>	<u>Grant Fund</u>
Balance, December 31, 2014	A	\$ 23,796.54	\$ 1,339.24
Increased by 2015 Budget Appropriation	A-3,23	24,516.30	778.10
		<u>48,312.84</u>	<u>2,117.34</u>
Decreased by Disbursement	A-4	23,796.54	1,339.24
Balance, December 31, 2015	A	\$ <u>24,516.30</u>	\$ <u>778.10</u>

**CURRENT FUND**

**SCHEDULE OF DUE TO STATE OF NEW JERSEY - SENIOR CITIZENS**

**AND VETERANS DEDUCTIONS PER CH. 20 P.L. 1971**

	<u>Ref.</u>		
Balance, December 31, 2014	A	\$	25,689.95
Increased by:			
Receipt from State of New Jersey	A-4		55,403.48
			<u>81,093.43</u>
Decreased by:			
Senior Citizens Deductions per Tax Billings		\$	20,000.00
Veterans Deductions per Tax Billings			37,250.00
Add Deductions Allowed:			
Senior Citizens Deductions			1,500.00
			<u>58,750.00</u>
Less: Senior Citizens and Veterans			
Deductions Disallowed by Tax Collector - 2014			2,500.00
Deductions Disallowed by Tax Collector - 2015			423.28
	A-6		<u>55,826.72</u>
Balance, December 31, 2015	A	\$	<u><u>25,266.71</u></u>

EXHIBIT A-17

**CURRENT FUND**

**SCHEDULE OF SPECIAL DISTRICT TAXES PAYABLE**

	<u>2015 Levy</u>	<u>Payments</u>
Fire District Taxes	\$ 477,445.00	\$ 477,445.00
	<u>477,445.00</u>	<u>477,445.00</u>
	<u>Ref.</u>	
	A-1,2,6	A-4

**CURRENT FUND**

**SCHEDULE OF COUNTY TAXES PAYABLE**

	<u>Ref.</u>		
2015 Tax Levy:			
General County		\$ 3,198,381.85	
County Health		156,190.18	
County Open Space		31,036.35	
		<hr/>	
	A - 1, 2, 6		\$ 3,385,608.38
Decreased by			
Payments	A-4		\$ <u>3,385,608.38</u>

**CURRENT FUND**

**SCHEDULE OF AMOUNT DUE COUNTY FOR ADDED AND OMITTED TAXES**

	<u>Ref.</u>		
Balance, December 31, 2014	A	\$	4,436.20
Increased by:			
Added Taxes and Omitted Taxes	A-1, 2, 6		2,043.10
			<hr/>
			6,479.30
Decreased by			
Payments	A-4		4,436.20
			<hr/>
Balance, December 31, 2015	A	\$	<u>2,043.10</u>

**CURRENT FUND**

**SCHEDULE OF LOCAL DISTRICT SCHOOL TAXES**

	<u>Ref.</u>		
Balance, December 31, 2014:			
School Tax Deferred		\$ 933,182.88	
School Tax Payable	A	464,482.12	
		\$ 1,397,665.00	
Increased by:			
Levy - School Year July 1, 2015 to June 30, 2016	A-2, 6		2,814,340.00
			4,212,005.00
Decreased by:			
Payments	A-4		2,805,970.00
			1,406,035.00
Balance, December 31, 2015:			
School Tax Deferred		\$ 933,182.88	
School Tax Payable	A	472,852.12	
		\$ 1,406,035.00	

**2015 Liability for Local District School Tax**

Taxes Paid	A-4	\$ 2,805,970.00	
Taxes Payable December, 31 2015	A	472,852.12	
		\$ 3,278,822.12	
Less: Tax Payable December 31, 2014	A		464,482.12
Amount Charged to 2015 Operations	A-1		\$ 2,814,340.00

**FEDERAL AND STATE GRANT FUNDS**  
**SCHEDULE OF RESERVE FOR STATE GRANTS - UNAPPROPRIATED**

<u>Grant Title</u>	<u>Balance December 31, 2014</u>	<u>2015 Receipts</u>	<u>Anticipated as Revenue in 2015 Budget</u>	<u>Balance December 31, 2015</u>
Recycling Tonnage	\$ 5,375.55	\$	5,375.55	\$
	<u>\$ 5,375.55</u>	<u>\$</u>	<u>5,375.55</u>	<u>\$</u>
<u>Ref.</u>	A		A-2	

**FEDERAL AND STATE GRANT FUND**  
**SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE**

<u>Grant Title</u>	<u>Balance December 31, 2014</u>	<u>2015 Revenue Realized</u>	<u>Received by Grant Fund</u>	<u>Cancelled</u>	<u>Balance December 31, 2015</u>
<b>Federal Grants</b>					
USEPA - Brownfields Ackley	\$ 2,884.18	\$	\$ (405.78)	\$	\$ 3,289.96
USEPA - Brownfields Sapello - 2013	200,000.00		9,862.13		190,137.87
USEPA - Brownfields Sapello - Prior	77,441.67		75,265.33		2,176.34
<b>USDA SEARCH Grants:</b>					
Leesburg-Dorchester		30,000.00	15,000.00		15,000.00
Port Elizabeth		30,000.00	15,000.00		15,000.00
<b>Total Federal Grants</b>	<u>\$ 280,325.85</u>	<u>\$ 60,000.00</u>	<u>\$ 114,721.68</u>	<u>\$</u>	<u>\$ 225,604.17</u>
<b>State Grants</b>					
Clean Communities Grant - 2015		15,439.80	15,439.80		
Municipal Alliance Program - 2013	1,645.02			1,645.02	
Municipal Alliance Program - 2014	13,200.00		10,532.68	2,667.32	
Municipal Alliance Program - 2015		13,200.00	2,557.99		10,642.01
Municipal Alliance Program - 2012	500.25			500.25	
Recreational Trails Program	11,457.00		10,000.00		1,457.00
<b>NJ Transportation Trust Fund Authority Act:</b>					
Matts Landing Bikepath	190,000.00				190,000.00
Estell Manor Rd.	115,437.52				115,437.52
<b>Hazardous Discharge Site Remediation:</b>					
Ackley Garage	5,353.35				5,353.35
Ackley Garage - 2015		166,830.00			166,830.00
Cheli Gravel Pit (Prior)	10,410.00				10,410.00
Cheli Gravel Pit - 2013	82,833.35				82,833.35
Sapello Foundry	5,417.00				5,417.00
Sapello Foundry - 2009	80.81			80.81	
Bayshore Housing	84,865.00		81,501.00		3,364.00
Southern Pine Beetle Suppression Grant	10,000.00				10,000.00
<b>Total State Grants</b>	<u>\$ 531,199.30</u>	<u>\$ 195,469.80</u>	<u>\$ 120,031.47</u>	<u>\$ 4,893.40</u>	<u>\$ 601,744.23</u>
<b>Total Federal and State Grants</b>	<u>\$ 811,525.15</u>	<u>\$ 255,469.80</u>	<u>\$ 234,753.15</u>	<u>\$ 4,893.40</u>	<u>\$ 827,348.40</u>
<u>Ref.</u>	A	A-2	A-4	A-1, 10	A

**FEDERAL AND STATE GRANT FUND**  
**SCHEDULE OF RESERVES FOR FEDERAL AND STATE GRANTS - APPROPRIATED**

	Balance December 31, 2014	Transferred from 2015 Budget Appropriation	Paid or Charged	Cancelled	Balance December 31, 2015
<b>Federal Grants:</b>					
USEPA - Brownfields Sapello - Prior	\$ 76,966.67	\$	\$ 74,790.33	\$	\$ 2,176.34
USEPA - Brownfields Sapello - 2013	200,000.00		9,862.13		190,137.87
USEPA - Brownfields Ackley	3,289.96				3,289.96
USDA SEARCH Grants					
Leesburg-Dorchester		30,000.00	27,000.00		3,000.00
Port Elizabeth		30,000.00	27,000.00		3,000.00
<b>Total Federal Grants</b>	<b>\$ 280,256.63</b>	<b>\$ 60,000.00</b>	<b>\$ 138,652.46</b>	<b>\$</b>	<b>\$ 201,604.17</b>
<b>State Grants:</b>					
Municipal Alliance Program:					
2013 State Share	103.61		103.61		
2013 Local Share Ext	129.25		(284.49)	413.74	
2013 State Share Ext	517.01		(1,128.01)	1,645.02	
2014 Local Share	2,824.15		2,475.48	348.67	
2014 State Share	11,296.70		8,629.38	2,667.32	
2015 Local Share		3,300.00	1,667.57		1,632.43
2015 State Share		13,200.00	5,870.32		7,329.68
Recycling Tonnage Grant-2014	3,642.38		3,627.12		15.26
Recycling Tonnage Grant-2015		5,375.55	440.00		4,935.55
Hazardous Discharge Site Remediation:					
Ackley Garage	4,108.89		1,221.32		2,887.57
Ackley Garage - 2015		166,830.00			166,830.00
Cheli Gravel Pit - Prior	24,149.73		2,169.50		21,980.23
Cheli Gravel Pit - 2013	231,128.45				231,128.45
Sapello Foundry - Prior	67.84		(5,620.00)		5,687.84
Sapello Foundry-2009	5,102.89		263.00		4,839.89
Southern Pine Beetle Suppression Grant	9,410.42		330.00		9,080.42
NJ Transportation Trust Fund Authority Act:					
Matts Landing Bike Path					
Local Share	190,000.00				190,000.00
State Share	75,000.00				75,000.00
Estell Manor Rd	168,307.68		168,307.68		
Clean Communities Program-2014	7,097.71		7,097.71		
Clean Communities Program-2015		15,439.80	13,403.10		2,036.70
Bayshore Housing Grant					
State	5,149.56		1,800.00		3,349.56
Local	15,000.00		10,822.50		4,177.50
<b>Total State Grants</b>	<b>\$ 753,036.27</b>	<b>\$ 204,145.35</b>	<b>\$ 221,195.79</b>	<b>\$ 5,074.75</b>	<b>\$ 730,911.08</b>
<b>Total Federal and State Grants</b>	<b>\$ 1,033,292.90</b>	<b>\$ 264,145.35</b>	<b>\$ 359,848.25</b>	<b>\$ 5,074.75</b>	<b>\$ 932,515.25</b>
<b>Ref.</b>	<b>A</b>			<b>A-1,10</b>	<b>A</b>
Grant Share	A-3	\$ 260,845.35			
Township Matching Share	A-3	3,300.00			
Encumbrances Payable	A-15		\$ 778.10		
Paid by Grant Fund	A-4		359,070.15		
		<b>\$ 264,145.35</b>	<b>\$ 359,848.25</b>		

**CURRENT FUND****SCHEDULE OF MUNICIPAL ASSESSMENTS RECEIVABLE**

	<u>Ref.</u>		
Balance, December 31, 2014	A	\$	24,925.51
Increased by:			
2015 Additions			<u>8,461.95</u>
			33,387.46
Decreased by			
Payments	A-1,4	\$	5,122.87
Transfer to Tax Title Liens	A-7		<u>19,948.54</u>
			<u>25,071.41</u>
Balance, December 31, 2015	A	\$	<u><u>8,316.05</u></u>

**TRUST FUND****SCHEDULE OF CASH - CHIEF FINANCIAL OFFICER**

	<u>Ref.</u>	<u>Animal Control</u>	<u>Other</u>
Balance, December 31, 2014	B	\$ 14,431.00	\$ 610,911.99
Increased by Receipts			
Dog License Fees	B-3	3,987.00	
Trust Other Reserves	B-4		41,930.95
Tax Title Lien Redemptions	B-6		197,619.16
Tax Sale Premiums	B-7		9,200.00
		<u>3,987.00</u>	<u>248,750.11</u>
Total Receipts		<u>18,418.00</u>	<u>859,662.10</u>
Decreased by Disbursements			
Amount Due to Current Fund	B-2	4,424.00	560.66
Trust Other Reserves	B-4		39,976.28
Amount Due to State of New Jersey	B-5	1,024.20	
Tax Title Lien Redemptions	B-6		138,826.01
Tax Sale Premiums	B-7		26,000.00
		<u>5,448.20</u>	<u>205,362.95</u>
Total Disbursements		<u>5,448.20</u>	<u>205,362.95</u>
Balance, December 31, 2015	B	\$ <u>12,969.80</u>	\$ <u>654,299.15</u>

**TRUST FUND**  
**SCHEDULE OF AMOUNT DUE TO CURRENT FUND**

	<u>Ref.</u>		<u>Animal Control Fund</u>		<u>Trust Other Fund</u>
Balance, December 31, 2014	B	\$	4,424.00	\$	560.66
Increased by:					
Statutory Excess in Dog License	B-3		3,841.80		
			8,265.80		560.66
Decreased by:					
Transfer to Snow Reserve	B-4				3,649.59
Disbursement	B-1		4,424.00		560.66
			4,424.00		4,210.25
Balance, December 31, 2015	B	\$	3,841.80	\$	(3,649.59)

**TRUST FUND**  
**SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES**

	<u>Ref.</u>				
Balance, December 31, 2014	B			\$	10,007.00
Increased by:					
Dog License Fees Collected	B-1				3,987.00
					13,994.00
Decreased by:					
NJ Department of Health Fees	B-5	\$	1,024.20		
Statutory Excess Due to Current Fund	B-2		3,841.80		
			4,866.00		
Balance, December 31, 2015	B			\$	9,128.00

License Fees Collected

<u>Year</u>	<u>Amount</u>
2013	\$ 4,796.00
2014	4,332.00
	9,128.00
	\$ 9,128.00

**OTHER TRUST FUNDS**  
**SCHEDULE OF TRUST OTHER RESERVES**

Ref.	Total	Accumulated Absences	Public Defender Fees	Planning Board Escrow Deposits	Senior Citizens Proceeds	Municipal Alliance	Snow Trust	Performance Guarantee	Sanitary Landfill Escrow	Construction Deposits	Bayshore Housing Trust
Balance, December 31, 2014	B \$ 527,040.67	\$ 60,511.97	\$ 8,875.73	\$ 33,424.02	\$ 6,054.73	\$ 6,266.64	\$ 12,129.91	\$ 125,386.17	\$ 97,673.36	\$ 124,575.93	\$ 52,142.21
Increased by											
Due from Current Fund	B-2						3,649.59				
Receipts	B-1		1,359.00	17,784.25	5,030.00	1,113.97		16,355.08	288.65		
		60,511.97	10,234.73	51,208.27	11,084.73	7,380.61	15,779.50	141,741.25	97,962.01	124,575.93	52,142.21
Decreased by											
Disbursements	B-1	10,664.03		19,154.75	4,400.00	500.00					5,257.50
Balance, December 31, 2015	B \$ 532,644.93	\$ 49,847.94	\$ 10,234.73	\$ 32,053.52	\$ 6,684.73	\$ 6,880.61	\$ 15,779.50	\$ 141,741.25	\$ 97,962.01	\$ 124,575.93	\$ 46,884.71

**OTHER TRUST FUNDS**

**SCHEDULE OF AMOUNT DUE TO NJ DEPARTMENT OF HEALTH**

	<u>Ref.</u>	
Balance, December 31, 2014	B	\$ -
Increased by:		
Receipt	B-3	1,024.20
		<u>1,024.20</u>
Decreased by:		
Disbursement	B-1	1,024.20
		<u>1,024.20</u>
Balance, December 31, 2015	B	<u><u>\$ -</u></u>

EXHIBIT B-6

**TRUST FUND**

**SCHEDULE OF RESERVE FOR TAX TITLE LIEN REDEMPTIONS**

	<u>Ref.</u>	
Balance, December 31, 2014	B	\$ 3,210.66
Increased by:		
Receipt	B-3	197,619.16
		<u>200,829.82</u>
Decreased by:		
Disbursement	B-1	138,826.01
		<u>138,826.01</u>
Balance, December 31, 2015	B	<u><u>\$ 62,003.81</u></u>

**Analysis of Balance:**

<u>Date</u>	<u>Block</u>	<u>Lot</u>	<u>Amount</u>
4/18/1995	88	70	\$ 48.49
7/2/2004	105	3	0.33
12/13/2004	313	2	228.10
1/28/2011	309	4	2,933.74
12/28/2015	306	1	4,694.97
12/31/2015	100	11	54,098.18
			<u><u>\$ 62,003.81</u></u>

TRUST FUND

SCHEDULE OF PREMIUMS RECEIVED AT TAX SALE

	<u>Ref.</u>	
Balance, December 31, 2014	B	\$ 80,100.00
Increased by:		
Tax Sale Premiums Received	B-1	<u>9,200.00</u>
		89,300.00
Decreased by:		
Disbursements	B-1	<u>26,000.00</u>
Balance, December 31, 2015	B	<u><u>\$ 63,300.00</u></u>

Analysis of Balance:

<u>Date of Sale</u>	<u>Block</u>	<u>Lot</u>	<u>Amount</u>
6/11/2013	100	11	\$ 14,700.00
6/11/2013	102	1	3,700.00
6/11/2013	122	2	4,800.00
6/11/2013	227	7	800.00
6/11/2013	280	2	4,000.00
6/11/2013	283	5	4,500.00
6/11/2013	296	1.03	3,500.00
6/12/2014	4	11	16,800.00
6/12/2014	297	8	3,100.00
6/12/2014	310	2	2,000.00
6/12/2014	314	2	500.00
6/12/2015	122	5	3,900.00
6/12/2015	223	7	<u>1,000.00</u>
			<u><u>\$ 63,300.00</u></u>

**GENERAL CAPITAL FUND****SCHEDULE OF CASH - CHIEF FINANCIAL OFFICER**

	<u>Ref.</u>		
Balance, December 31, 2014	C:C-3	\$	466,562.05
Increased by Receipts:			
2015 Budget Appropriation:			
Capital Improvement Fund	C-5		225,000.00
			<u>691,562.05</u>
Decreased by Disbursement:			
Improvement Authorizations	C-6	\$	50,405.00
Contracts Payable	C-7		317.00
Due to Current Fund	C-8		19,254.55
			<u>69,976.55</u>
Balance, December 31, 2015	C:C-3	\$	<u><u>621,585.50</u></u>

**GENERAL CAPITAL FUND**

**ANALYSIS OF CASH**

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

Description	Balance December 31, 2014	Receipts		Disbursements		Transfers		Balance December 31, 2015
		Budget 2015	Miscellaneous	Improvement Authorization	Miscellaneous	From	To	
Fund Balance	\$ 8,404.38	\$	\$	\$	\$	\$	\$	8,404.38
Due from Current Fund	19,254.55				19,254.55			161,784.74
Capital Improvement Fund	201,488.70	225,000.00				300,000.00	35,296.04	184,129.75
Contracts Payable	317.00				317.00			
<b>Improvement Authorization:</b>								
Ordinance								
10/18/90 Ord#373 Preparation of Landfill Closure Plan	63,555.00							63,555.00
5/19/12 Ord#610 Thompson's Beach Restoration Project	28,447.50			405.00				28,042.50
5/19/12 Ord#611 East Point Shoreline Erosion Control Project	21,660.27							21,660.27
11/15/12 Ord#621 Acquisition of Various Real Property and Equipment	38,138.61					14,631.65		23,506.96
9/19/13 Ord#626 Various Improvements - Salt Shed and Matts Landing Road	50,098.04			50,000.00		98.04		
6/19/14 Ord#627 Various Improvements - Salt Shed and Matts Landing Road	35,198.00					35,198.00		
10/15/15 Ord. #643 Improvement and Reconstruction of Township Roads						169,498.10	300,000.00	130,501.90
	\$ 466,562.05	\$ 225,000.00	\$	\$ 50,405.00	\$ 19,571.55	\$ 519,425.79	\$ 519,425.79	\$ 621,585.50
	C:C-2	C-2		C-2	C-8			C-C-2

Ref.

**GENERAL CAPITAL FUND**

**SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED**

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

Ord No.	Improvement Description	Balance December 31, 2014	2015 Authorizations	Balance December 31, 2015	Analysis of Balance - December 31, 2015		
					Bond Anticipation Notes	Expenditures	Unexpended Improvement Authorizations
643	Various Improvements and Reconstruction of Township Roads	\$	\$ 1,205,000.00	\$ 1,205,000.00	\$	\$	\$ 1,205,000.00
		\$	\$ 1,205,000.00	\$ 1,205,000.00	\$	\$	\$ 1,205,000.00

Ref.

C

C-6

C

**GENERAL CAPITAL FUND**  
**SCHEDULE OF CAPITAL IMPROVEMENT FUND**  
**YEAR ENDED DECEMBER 31, 2015**

	<u>Ref.</u>		
Balance, December 31, 2014	C		\$ 201,488.70
Increased by:			
Transferred From 2015 Budget	C-2	\$ 225,000.00	
Cancellation of Capital Ordinances	C-6	<u>35,296.04</u>	
			<u>260,296.04</u>
			461,784.74
Decreased by:			
Appropriated to Finance Capital Ordinance	C-6		<u>300,000.00</u>
Balance, December 31, 2015	C		<u><u>\$ 161,784.74</u></u>

**GENERAL CAPITAL FUND**

**SCHEDULE OF IMPROVEMENT AUTHORIZATIONS**

Ord No.	Improvement Description	Date	Amount	Balance December 31, 2014		2015 Authorizations	Paid or Charged	Canceled	Balance December 31, 2015	
				Funded	Unfunded				Funded	Unfunded
373	Preparation of Landfill Closure Plan	10/15/90	\$ 65,000	\$ 63,555.00	\$	\$	\$	\$	\$ 63,555.00	\$
610	Thompson's Beach Restoration Project	5/19/12	30,000	28,447.50		405.00			28,042.50	
611	East Point Shoreline Erosion Control Project	5/19/12	110,000	21,660.27					21,660.27	
621	Acquisition of Various Real Property and Equipment	11/15/12	100,000	38,138.61		14,631.65			23,506.96	
626	Various Improvements - Salt Shed and Mats Landing Road	9/19/13	130,000	50,098.04		50,000.00	98.04			
627	Purchase of Loader	6/19/14	130,000	35,198.00			35,198.00			
643	Various Improvements and Restructure of Roads	11/19/15	1,505,000		1,505,000.00	169,498.10			130,501.90	1,205,000.00
				\$ 237,097.42	\$	\$ 1,505,000.00	\$ 234,534.75	\$ 35,296.04	\$ 267,266.63	\$ 1,205,000.00
				C	C	C-5	C-2	C-4	C	
Ref.										
	Payments						\$ 50,405.00			
	Deferred Charges to Future Taxation					\$ 1,205,000.00				
	Capital Improvement Fund					300,000.00				
	Contracts Payable						184,129.75			
						\$ 1,505,000.00	\$ 234,534.75			

**GENERAL CAPITAL FUND****SCHEDULE OF CONTRACTS PAYABLE****YEAR ENDED DECEMBER 31, 2015**

	<u>Ref.</u>	
Balance, December 31, 2014	C	\$ 317.00
Increased by:		
2015 Contracts Payable	C-6	184,129.75
		<u>184,446.75</u>
Decrease by:		
Payment	C-2	317.00
Balance, December 31, 2015	C	\$ <u><u>184,129.75</u></u>

**GENERAL CAPITAL FUND****SCHEDULE OF DUE FROM CURRENT FUND****YEAR ENDED DECEMBER 31, 2014**

	<u>Ref.</u>	
Balance, December 31, 2014	C	\$ 19,254.55
Decreased by:		
Payment	C-2	19,254.55
Balance, December 31, 2015	C	\$ <u><u>                    </u></u>

**GENERAL CAPITAL FUND**

**SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED**

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance December 31, 2014</u>	<u>2015 Authorization</u>	<u>Balance December 31, 2015</u>
643	Various Improvements and Reconstruction of Roads	\$	\$ 1,205,000.00	\$ 1,205,000.00
		\$	\$ 1,205,000.00	\$ 1,205,000.00
<u>Ref.</u>		C	C-6	C

**PUBLIC ASSISTANCE FUND****SCHEDULE OF CASH - CHIEF FINANCIAL OFFICER**

	<u>Ref.</u>		
Balance, December 31, 2014	D	\$	2,808.16
Increased by Receipts Interest Earned on Investments	D-1		<u>2,808.16</u>
Decreased by Payments	D-3		<u>2,808.16</u>
Balance, December 31, 2015	D	\$	<u><u>2,808.16</u></u>

EXHIBIT D-2

**PUBLIC ASSISTANCE FUND****SCHEDULE OF PUBLIC ASSISTANCE CASH AND RECONCILIATION****PER N.J.S.A. 40A:5-5**

	<u>Ref.</u>		
Balance, December 31, 2015	D-1	\$	2,808.16
Increased by Cash Receipts Record			<u>2,808.16</u>
Decreased by Payments			<u>2,808.16</u>
Balance, March 31, 2016		\$	<u><u>2,808.16</u></u>
<u>Reconciliation - March 31, 2015</u>			
Colonial Bank - Account #8000306293		\$	<u><u>2,808.16</u></u>

EXHIBIT D-3

**PUBLIC ASSISTANCE FUND****SCHEDULE OF RESERVE FOR PUBLIC ASSISTANCE**

	<u>Ref.</u>		
Balance December 31, 2014 and 20145	D	\$	<u><u>2,808.16</u></u>

**PAYROLL ACCOUNT**

**SCHEDULE OF CASH**

	<u>Ref.</u>		
Balance, December 31, 2014	E		\$ 68,904.29
Increase by Receipts:			
Gross Payroll	E-2	\$ 724,432.58	
			<u>724,432.58</u>
			<u>793,336.87</u>
Decrease by Disbursements:			
Gross Payroll	E-2	727,496.49	
Due From Current Fund	E	<u>3,561.67</u>	
			<u>731,058.16</u>
Balance, December 31, 2015	E		<u><u>\$ 62,278.71</u></u>

**PAYROLL ACCOUNT**

**SCHEDULE OF PAYROLL DEDUCTIONS PAYABLE/(RECEIVABLE)**

	<u>Ref.</u>		
Balance, December 31, 2014	E		\$ 20,427.97
Increase by Receipts:			
Deposits from Current Fund	E-1		707,686.74
			<u>728,114.71</u>
Decrease by Disbursements:			
Payment	E-1		<u>727,496.49</u>
Balance, December 31, 2015	E		<u><u>\$ 618.22</u></u>

Analysis of Balance:

NJUC	\$ 690.47
PERS	(143.15)
FSA	35.00
Other	<u>35.90</u>
	<u>\$ 618.22</u>

**TOWNSHIP OF MAURICE RIVER**

**COUNTY OF CUMBERLAND**

**PART II**

**ROSTER OF OFFICIALS IN OFFICE**

**INTERNAL CONTROL COMMENTS**

**GENERAL COMMENTS AND RECOMMENDATIONS**

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

**OFFICIALS IN OFFICE AND SURETY BONDS**

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

<u>Name</u>	<u>Title</u>	<u>Amount of Bond</u>
Andrew Sarclette	Mayor	
Patti Gross	Deputy Mayor	
J. Roy Oliver	Committeeman	
Allen J. Foster	Chief Financial Officer	\$75,000.00 (A)
Terence S. Graff	Tax Collector	\$105,000.00 (A)
Lisa Fisher	Senior Clerk and Dog Licensing Collector Registrar of Vital Statistics	
Denise Peterson	Municipal Clerk	
Kevin Maloney	Tax Assessor	
Michelle L. Behm	Tax Clerk, Deputy Clerk and Deputy Registrar	
John A. Casarow, Jr.	Magistrate	\$36,000.00 (B)
Harper Ewing	Court Administrator	\$36,000.00 (B)
Mary Ann Sheppard	Deputy Court Administrator	\$36,000.00 (B)
Brittany Adams	Deputy Court Administrator	\$36,000.00 (B)
Lillian Johnson	Construction, Zoning and Land Use Board Secretary	
Frank DiDomenico	Solicitor	
Edward F. Duffy	Prosecutor	
Steve Kernan	Public Defender	
Cormac Morrissey	Engineer	
Gordon Gross	Housing/Zoning Official Construction Code Official, OEM Co-ordinator	
David Smith	Fire Official	
Kathryn L. Karrer	Accounts Payable, Payroll, Recycling Co-ordinator	

(A) Selective Insurance Company

(B) Blanket Bond B6009600 – Selective Insurance Company

All other employees are covered by a \$10,000.00 Blanket Bond B6009565 – Selective Insurance Company of America.

## **INTERNAL CONTROL COMMENTS**

### **Interfunds**

Due to statutorily required handling of interfunds and resultant reporting, it is considered appropriate for clarity to clear interfunds from the record before year-end. The confusion resulting from this situation is that fund balance shown on Exhibit A-1 is understated until such time as the interfunds are cleared.

There exists a net receivable of \$61,852.70 in interfund balances of the Current Fund at December 31, 2015. The CMFO is in the process of clearing out these interfunds.

### **Old Capital Ordinance**

It is considered proper for budgeting and cash flow purposes to appropriate and spend funds under capital ordinances in a timely manner.

The only remaining ordinance over five years old is No. 373 for the preparation of a landfill closure plan approved on October 15, 1990. These funds will remain on hand until such time as the necessary affordable funding is available to complete the construction phase of the landfill closure.

There exists balances in four other capital ordinances that are current and will be reviewed for expenditure or other proper disposition in 2016.

### **Dog Licenses**

During 2015, purchase of dog licenses decreased by 9%, from 510 in 2014 to 466 in 2015. This decrease should be taken into consideration regarding the next planned dog census.

### **Premiums Received At Tax Sale**

An analysis of open premiums was available as of December 31, 2015. Internal control over tax sale premiums was strengthened by maintaining the receipts and disbursements of the premiums in a separate bank account.

### **Tax Title Lien Redemptions**

An analysis of tax title lien redemptions and corresponding disbursements was available for the year ended December 31, 2015. Internal control over tax title lien redemption was strengthened by maintaining the receipts and disbursements of the redemptions in a separate bank account.

### **Unexpended Grant Funds**

There existed several older open grant appropriations that were reviewed for proper disposition through expenditure, cancellation or refund.

## **GENERAL COMMENTS**

### **CONTRACTS AND AGREEMENTS REQUIRED TO BE ADVERTISED PER N.J.S.A. 40A:11-4**

**N.J.S.A. 40A: 11-4** states "every contract awarded by the contracting agent for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. The governing body of a contracting unit may, by resolution approved by a majority of the governing body and subject to subsections b. and c. of this section, disqualify a bidder who would otherwise be determined to be the lowest responsible bidder, if the governing body finds that it has had prior negative experience with the bidder." No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate \$17,500 except by contract or agreement.

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

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

Trash Removal Services  
2015 Road Reconstruction Program

**N.J.S.A. 40A: 11-5** provides for exceptions to the above-mentioned statutory bidding requirements for various stipulated areas of expenditures. Included in these areas of exception are all professional services, which include but are not limited to solicitors, engineers, land surveyors and accountants. However, in lieu of recording formal bidding procedures for these categories of expenditures, in awarding contracts to fill these positions, certain other statutory requirements must be adhered to by the governing body. These requirements include the following stipulation (**N.J.S.A. 40A: 11-5 (1) (a) (i)**):

"The governing body shall in each instance state supporting reasons for its action in the resolution awarding each contract and shall forthwith cause to be printed once, in a newspaper authorized by law to publish its legal advertisements, a brief notice stating the nature, duration, service and amount of the contract, and that the resolution and contract are on file..."

Our examination indicated that the Township complied with this requirement during 2015 as required by **N.J.S.A. 40A: 11-5(1) (a)**.

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

**AWARDS OR PURCHASES, CONTRACTS OR AGREEMENTS BY QUOTATIONS**  
**N.J.S.A. 40A: 11-6.1**

All contracts enumerated in this section shall be awarded as follows:

- a. For all contracts that in the aggregate are less than the bid threshold but 15 percent or more of that amount, and for those that are subject matter enumerated in subsection (1) of section 5 of P.L. 1971, c. 198 (C.40A:11-5), except for paragraph (a) of that subsection concerning professional services and paragraph (b) of that subsection concerning work by employees of the contracting unit, the contracting agent shall award the contract after soliciting at least two competitive quotations, if practicable. The award shall be made to a vendor whose response is most advantageous, price and other factors considered. The contracting agent shall retain the record of the quotation solicitation and shall include a copy of the record with the voucher used to pay the vendor.
- b. When in excess of the bid threshold, and after documented effort by the contracting agent to secure competitive quotations, a contract for extraordinary unspecifiable services may be awarded upon a determination in writing by the contracting agent that the solicitation of competitive quotations is impracticable. Any contract shall be awarded by the resolution of the governing body.
- c. If authorized by the governing body by resolution or ordinance, all contracts that are in the aggregate less than 15 percent of the bid threshold may be awarded by the contracting agent without soliciting competitive quotations.
- d. Whenever two or more responses to a request of a contracting agent offer equal prices and the lowest responsible bids or proposals, the contracting unit may award the contract to the vendor whose response, in the discretion of the contracting unit, is the most advantageous, price and other factors considered. In such a case, the award resolution or purchase order documentation shall explain why the vendor selected is the most advantageous.

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

The records indicate that there were no exceptions for purchases exceeding \$2,625.

**COLLECTION OF INTEREST ON DELINQUENT TAXES AND ASSESSMENTS**

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

The governing body, on January 2, 2015, adopted the following resolution authorizing interest to be charged on delinquent taxes:

"WHEREAS, it is necessary to specify the rate of interest on delinquent taxes and assessments;

NOW, THEREFORE, BE IT RESOLVED by the Township Committee of Maurice River Township, that the rate of interest shall be fixed at 8% on the first \$1,500.00 of delinquencies and 18% thereafter."

On January 16, 1993, the following resolution was adopted in accordance with Chapter 75, P.L. 1991 establishing penalties for tax balances in excess of \$10,000.00:

**COLLECTION OF INTEREST ON DELINQUENT TAXES AND ASSESSMENTS (Continued)**

"WHEREAS, P.L. 1991, Chapter 75 and more specifically **N.J.S.A.** 54:4-67, provides that the governing body may fix penalties to be charged to a taxpayer with a delinquency in excess of \$10,000.00 who fails to pay that delinquency prior to the end of the calendar year may be assessed a penalty not to exceed 6% of the amount of delinquency which would be over and above the normal interest as provided for by Township Resolution No. 1-93;

NOW, THEREFORE, BE IT RESOLVED by the Township Committee of Maurice River Township that the Tax Collector be empowered to levy a penalty of 6% interest on the amount of delinquency due if that delinquency exceeds \$10,000.00 and has not been paid prior to end of the calendar year.

It appears from an examination of the collector's records that interest was collected substantially in accordance with the foregoing resolution, which is in accordance with current state statutes.

**DELINQUENT TAXES AND TAX TITLE LIENS**

The delinquent taxes at December 31, 2015 include real estate taxes for 2011 - 2014 that are line items involving bankruptcy.

The last tax sale was held on June 12, 2015, and was complete.

Inspection of tax sale certificates on file revealed that all were on file with the exception of the certificates in the possession of the special attorney for foreclosure.

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

<u>Year</u>	<u>Number of Liens</u>
2015	886
2014	893
2013	886

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

For many years the Township has held numerous tax title lien certificates. Because of the large volume of liens and their age, proper controls had been a problem. During the last several years, through the work of the tax collector and special attorney, a number of certificates have been foreclosed. In 2004, three foreclosures were completed comprising numerous liens. It is advisable that, during the next few years, additional numbers of liens will be foreclosed upon or cleared from the record by appropriate legal action. As of the audit date, several tax title liens are in the possession of a special attorney regarding foreclosure. The foreclosed property ledger was updated during 2013.

In addition, we inspected the analysis of all exempt property, which was prepared in order to update the fixed asset ledger as well as the foreclosed property ledger.

**VERIFICATION OF DELINQUENT TAXES AND OTHER CHARGES**

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

<u>Type</u>	<u>Number Mailed</u>
Payments of 2016 Taxes	79
Payment of 2015 Taxes	79
Delinquent Taxes	45
Tax Title Liens	10

The result of this test, which was made as of November 30, 2015 and December 31, 2015 did not disclose any irregularities.

**OTHER COMMENTS**

Payroll

The examination of the payroll fund included a sampling of the detailed computation of various deductions from the payroll of the Township employees and did ascertain that the accumulated withholdings were disbursed to the proper agencies on a timely basis. While form W-4 for each employee was not updated for 2015, the information on the existing forms was implemented in preparation of payroll for the year.

Assignment of Duties

Due to the limited number of Township employees, there is no segregation of duties in the maintenance of accounting records, cash receipts, cash disbursements, preparation of bank reconciliation's, and the review, approval, and distribution of payroll checks. The Township Committee, however, does not believe that the potential benefit of hiring additional employees would outweigh the cost of doing so at this time. In addition, mitigating procedures are employed in order to strengthen internal control as it relates to the segregation of duties.

Planning Board

The Township has an escrow account, which was set up approximately 20 years ago. It is for DeCarlo Associates and is shown on the trust fund balance sheet as a reserve for construction deposits. This money is continually invested into certificates of deposit, and the interest earned is posted to said reserve. As these escrows were established based upon legal procedures, they will remain open until such time as a settlement or court order is received providing guidelines as to proper disposition.

Planning and Zoning Board Escrow Funds

N.J.S.A. 40:55D-53.1 requires escrow deposits in excess of \$5,000 to be invested in an interest bearing account with earnings to be allocated between the developer and the municipality. During 2015, interest was not required to be allocated or paid to any developer for a deposit in excess of \$5,000.

## **OTHER COMMENTS (Continued)**

### Animal Control Fund

The Township issued 466 licenses during the year versus 510 in 2014. This marked a decrease in the number of dog licenses issued for the fifth time in six years.

In addition, the monthly reports to the New Jersey Department of Health appeared to be filed on a timely basis.

### Municipal Court

A separate report of the municipal court transactions was filed in accordance with the requirements of the Local Finance Board. As part of the test of the records, no attempt was made to differentiate between fines due the Township, County or State or to pass upon authenticity of the preparation and procedures for complaints issued.

The court converted to the State ATS/ACS system during 1992. This system produces certain exception records on a monthly basis. These reports are maintained and made available for audit. Bank reconciliations were properly prepared.

In reviewing deposits, it was noted that deposits were made within 48 hours as required by the court manual for the ATS court system.

### Construction Code Revenue Deposits

During the audit of construction code revenues, it was noted that deposits covering individual items paid by check were individually recorded on deposit slips and supported by properly calculated permits.

### Accounts Receivable and Reserves

There existed various older accounts receivable, unspent capital ordinance balances and reserves in the liability section of the balance sheet that were reviewed for proper disposition.

### Computerized General Ledger and Tax Accounting Systems

The general ledger and tax accounting systems were properly maintained during the year under audit.

**Schedule of Comments and Recommendations**  
**For the Year Ended December 31, 2015**

Schedule of Financial Statement Comments

This section identifies the instances of noncompliance that are required to be reported in accordance with audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

**RECOMMENDATIONS**

None

**FOLLOW-UP ON PRIOR YEAR'S RECOMMENDATIONS**

In accordance with governmental auditing standards, our procedure included a review of the prior year's recommendations. There were no prior year recommendations.

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

Should any questions arise as to our comments or recommendations, or should you desire any assistance in implementing our recommendations, please do not hesitate to call us.

**APPRECIATION**

We wish to express our appreciation for the assistance and courtesies rendered to us by the officials during the course of the audit.