

**TOWNSHIP OF WEST DEPTFORD  
REPORT OF AUDIT  
YEAR ENDED DECEMBER 31, 2014**

THIS PAGE INTENTIONALLY LEFT BLANK

# INDEX

	Page
PART I	1
Independent Auditor's Report	2-4
CURRENT FUND	5
A Comparative Balance Sheet - Current Fund - Regulatory Basis	6-7
A-1 Comparative Statement of Operations and Change in Fund Balance - Current Fund - Regulatory Basis	8-9
A-2 Statement of Revenues - Regulatory Basis	10-11
A-3 Statement of Expenditures - Regulatory Basis	12-17
TRUST FUND	18
B Comparative Balance Sheet - Trust Fund - Regulatory Basis	19-20
GENERAL CAPITAL FUND	21
C Comparative Balance Sheet - General Capital - Regulatory Basis	22
C-1 Statement of Fund Balance - Regulatory Basis	23
WATER AND SEWER UTILITY FUND	24
D Comparative Balance Sheet - Water and Sewer Utility Fund - Regulatory Basis	25-26
D-1 Comparative Statement of Operations and Change in Fund Balance - Water and Sewer Utility Fund - Regulatory Basis	27
D-2 Statement of Fund Balance - Water and Sewer Capital Fund - Regulatory Basis	28
D-3 Statement of Revenues - Water and Sewer Utility Fund - Regulatory Basis	28
D-4 Statement of Expenditures - Water and Sewer Utility Fund - Regulatory Basis	29
GENERAL FIXED ASSETS ACCOUNT GROUP	30
E Statement of General Fixed Assets - Regulatory Basis	31
NOTES TO FINANCIAL STATEMENTS	32-50
SUPPLEMENTARY INFORMATION	51
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	52-53
Schedule of Expenditures of State Awards - Schedule 1	54
Notes to Schedule of Expenditures of State Financial Assistance - Schedule 2	55
CURRENT FUND	56
A-4 Schedule of Current Fund Cash -Treasurer	57
A-5 Schedule of Change Fund	58
A-6 Schedule of Taxes Receivable and Analysis of Property Tax Levy	59-60
A-7 Schedule of Tax Title Liens Receivable	61
A-8 Schedule of Property Acquired for Taxes (At Assessed Valuation)	61
A-9 Schedule of Amount Due from State of New Jersey - Senior Citizen And Veterans Deductions	62

THIS PAGE INTENTIONALLY LEFT BLANK

# **INDEX** **(CONTINUED)**

	<b>Page</b>
<b>CURRENT FUND (CONTINUED)</b>	
A-10 Schedule of Revenue Accounts Receivable	63
A-11 Schedule of Appropriation Reserves	64
A-12 Schedule of Encumbrances Payable	65
A-13 Schedule of Accounts Payable	65
A-14 Schedule of Local District School Taxes Payable	66
A-15 Schedule of Reserve for Revaluation	67
A-16 Schedule of Tax Anticipation Note Payable	68
A-17 Schedule of Grants Receivable	69
A-18 Schedule of Reserve for Grants - Appropriated	70
A-19 Schedule of Reserve for Grants - Unappropriated	71
<b>TRUST FUND</b>	72
B-1 Schedule of Trust Fund Cash - Treasurer	73
B-2 Schedule of Reserve for Dog Fund Expenditures	74
B-3 Schedule of Miscellaneous Trust Reserves	75
B-4 Schedule of Encumbrances Payable	76
<b>GENERAL CAPITAL FUND</b>	77
C-2 Schedule of General Capital Cash - Treasurer	78
C-3 Analysis of General Capital Fund Cash	79
C-4 Schedule of Deferred Charges to Future Taxation - Funded	80
C-5 Schedule of Deferred Charges to Future Taxation - Unfunded	81
C-6 Schedule of Capital Improvement Fund	82
C-7 Schedule of Improvement Authorizations	83
C-8 Schedule of General Serial Bonds	84-85
C-9 Schedule of Bonds and Notes Authorized But Not Issued	86
C-10 Schedule of Bond Anticipation Notes Payable	87
C-11 Schedule of Encumbrances Payable	88
C-12 Schedule of Grants Receivable	89
C-13 Schedule of Reserve for Down Payment on Improvements	90
C-14 Schedule of Reserve to Pay Debt Services - BANS	90
<b>WATER AND SEWER UTILITY FUND</b>	91
D-5 Schedule of Water and Sewer Utility Fund Cash	92
D-6 Analysis of Water and Sewer Utility Capital Fund Cash	93
D-7 Schedule of Consumer Accounts Receivable	94
D-8 Schedule of Utility Liens Receivable	94
D-9 Schedule of Fixed Capital	95
D-10 Schedule of Fixed Capital Authorized and Uncompleted	96
D-11 Schedule of Appropriation Reserves	97
D-12 Schedule of Encumbrances Payable	98
D-13 Schedule of Accrued Interest on Bonds and Notes and Analysis of Balance	99
D-14 Schedule of Capital Improvement Fund	100
D-15 Schedule of Reserve for Amortization	101
D-16 Schedule of Improvement Authorizations	102
D-17 Schedule of Water and Sewer Capital Serial Bonds Payable	103

THIS PAGE INTENTIONALLY LEFT BLANK

**INDEX  
(CONTINUED)**

	<b>Page</b>
<b>WATER AND SEWER UTILITY FUND (CONTINUED)</b>	
D-18 Schedule of Bond Anticipation Notes	104
D-19 Schedule of New Jersey Wastewater Loans Payable	105
D-20 Schedule of Reserve for Debt Service	106
D-21 Schedule of Reserve for Down Payments on Improvements	106
 <b>PART II</b>	 107
General Comments	108-109
Property Tax Information	110
Other Comments	111
Status of Prior Recommendations	111-112
Findings and Recommendations	112-115

THIS PAGE INTENTIONALLY LEFT BLANK



**PART I**

**INDEPENDENT AUDITOR'S REPORT**

THIS PAGE INTENTIONALLY LEFT BLANK

# PETRONI & ASSOCIATES LLC

Certified Public Accountants • Registered Municipal Accountants  
102 West High Street, Suite 100 • P.O. Box 279 • Glassboro, NJ 08028  
(856) 881-1600 • Fax (856) 881-6860

MEMBER: AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS

Nick L. Petroni, CPA, RMA

Mary A. Carey, RMA  
Wendy G. Fama, CPA  
Denise R. Nevico, CPA  
Deanna L. Roller, CPA, RMA

## INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members  
of the Township Committee  
Township of West Deptford  
400 Crown Point Road  
West Deptford, NJ 08086

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

We have audited the accompanying balance sheets - regulatory basis of the various funds and account group of the Township of West Deptford, as of December 31, 2014, the related statement of operations and changes in fund balance - regulatory basis for the year then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various funds for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the Township of West Deptford'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 basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion 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 audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity'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 policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

THIS PAGE INTENTIONALLY LEFT BLANK

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 of West Deptford on the basis of the financial reporting provisions prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements 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 each fund of the Township of West Deptford as of December 31, 2014, or changes in financial position for the years then ended.

***Basis for Qualified Opinion on Regulatory Basis of Accounting***

As described in Note 13 of the financial statements, the Township participates in a Length of Service Award Program (LOSAP) for its volunteer fire and rescue personnel. The amount reflected in the trust fund statements of \$1,181,095.09 for 2014, was not audited and, therefore, we express no opinion on the LOSAP program.

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

In our opinion, except for the effects of the matter described in the "Basis for Qualified Opinion on Regulatory Basis of Accounting" paragraph, the financial statements referred to above present fairly, in all material respects, the regulatory basis balance sheets and account group as of December 31, 2014, the regulatory basis statements of operations for the year then ended and the regulatory basis statements of revenues and expenditures for the year ended December 31, 2014, in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

***Other Matters***

***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of West Deptford's basic financial statements. The supplementary information listed in the table of contents and the schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 04-04 and the letter of comments and recommendations section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplemental information listed in the table of contents and the schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 04-04 are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to

THIS PAGE INTENTIONALLY LEFT BLANK

the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information listed in the table of contents, and the schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 04-04 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The letter of comments and recommendations section has not been subject to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

#### *Predecessor Auditor*

The financial statements for the year ended December 31, 2013, were audited by a predecessor auditor. The predecessor auditor issued an Adverse Opinion on the financial statements, stating that they do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the Township of West Deptford as of December 31, 2013, or changes in financial position for the year then ended.

The predecessor auditor issued an unmodified opinion on the regulatory basis financial statements for the year ended December 31, 2013, stating that the regulatory basis balance sheets and account group as of December 31, 2013, the regulatory basis statements of operations for the year then ended and the regulatory basis statements of revenues and expenditures for the year ended December 31, 2013, were in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

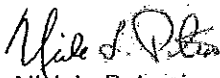
The predecessor auditor report was dated June 25, 2014.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated July 7, 2015, on our consideration of the Township of West Deptford's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters.

The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township of West Deptford's internal control over financial reporting and compliance.

PETRONI & ASSOCIATES LLC



Nick L. Petroni  
Certified Public Accountant  
Registered Municipal Accountant #252

July 7, 2015

THIS PAGE INTENTIONALLY LEFT BLANK



## CURRENT FUND

THIS PAGE INTENTIONALLY LEFT BLANK

## COMPARATIVE BALANCE SHEET - CURRENT FUND - REGULATORY BASIS

ASSETS	Ref.	Balance Dec. 31, 2014	Balance Dec. 31, 2013
<b>Regular Fund</b>			
Cash - Treasurer	A-4	\$ 3,372,067.37	\$ 10,208,560.00
Cash - Change Fund	A-5	1,500.00	1,500.00
Cash - Petty Cash			350.00
		<u>3,373,567.37</u>	<u>10,210,410.00</u>
Due to State of New Jersey - Senior Citizen and Veterans Deductions	A-9	<u>19,610.30</u>	<u>15,428.66</u>
Deferred Charges:			
Overexpenditure of Current Year Appropriations			14,016.00
Overexpenditure of Appropriation Reserves			<u>23,706.00</u>
			<u>37,722.00</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-6	1,020,753.16	1,262,614.18
Tax Title Liens Receivable	A-7	1,626,059.68	1,487,149.53
Property Acquired for Taxes - Assessed Valuation	A-8	764,800.00	2,104,400.00
Revenue Accounts Receivable	A-10	14,205.19	22,264.21
Due from Trust Other	B	487,195.56	912,192.00
Due from General Capital	C	273,384.64	36,120.35
		<u>4,186,398.23</u>	<u>5,824,740.27</u>
<b>Federal and State Grant Fund</b>			
Cash	A-4	657,402.28	496,116.90
Grants Receivable	A-17	490,598.93	647,499.61
Due from Current Fund	A	85,290.98	85,290.98
Due from General Capital Fund	C	122,792.91	122,792.91
		<u>1,356,085.10</u>	<u>1,351,700.40</u>
		<u>\$ 8,935,661.00</u>	<u>\$ 17,440,001.33</u>

The accompanying notes to the financial statements are an integral part of this statement.

EXHIBIT A  
(Continued)

COMPARATIVE BALANCE SHEET - CURRENT FUND - REGULATORY BASIS

LIABILITIES, RESERVES, AND FUND BALANCE	Ref.	Balance Dec. 31, 2014	Balance Dec. 31, 2013
<b>Regular Fund</b>			
Liabilities:			
Appropriation Reserves	A-3:A-11	\$ 860,958.11	\$ 1,572,875.00
Encumbrances Payable	A-12	496,235.51	241,549.00
Accounts Payable	A-13	18,005.45	
Due to Library	A-3:A-11	74,644.44	
Prepaid Taxes	A-4	282,263.15	260,078.00
Tax Overpayments		215,262.32	11,076.00
Tax Anticipation Note Payable			4,775,000.00
Due State - Marriage License Fees		775.00	
Due State of New Jersey - DCA Fees		5,272.00	9,036.00
Local School Taxes Payable			534,628.00
County Tax Payable		2,858.00	2,858.00
Due County for Added & Omitted Taxes	A-6	30,113.68	6,154.00
Reserve for Revaluation	A-15	6,805.45	6,805.45
Due County - PILOT		70,368.49	63,591.00
Due Trust Other	B	15,255.32	2,165.00
Due Grant Fund	A	85,290.98	85,290.98
Due Utility Operating	D	257,835.65	
		2,421,943.55	7,571,106.43
Reserve for Receivables		4,186,398.23	5,824,740.27
Fund Balance	A-1	971,234.12	2,692,454.23
		7,579,575.90	16,088,300.93
<b>Federal and State Grant Fund</b>			
Reserve for Grants - Appropriated	A-18	1,290,296.69	1,268,081.40
Reserve for Grants - Unappropriated	A-19	65,788.41	82,728.00
Encumbrances Payable			891.00
		1,356,085.10	1,351,700.40
		\$ 8,935,661.00	\$ 17,440,001.33

The accompanying notes to the financial statements are an integral part of this statement.

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

Revenue and Other Income Realized	Ref.	Year 2014	Year 2013
Fund Balance Utilized	A-2	\$ 2,010,000.00	\$ 3,610,000.00
Miscellaneous Revenue Anticipated	A-2	8,838,077.87	8,510,513.00
Receipts from Delinquent Taxes	A-2	1,267,923.13	1,711,868.00
Receipts from Current Taxes	A-2	63,311,426.21	60,347,698.00
Non-Budget Revenue	A-2	668,190.83	601,759.00
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-11	1,048,888.67	1,678,276.00
Encumbrances Payable - Canceled	A-12	395.00	
Accounts Payable Canceled			200.00
Cancellation of Prior Year Reserve			70,767.00
Interfund Loan Paid		60,255.35	
<b>Total Income</b>		<b>77,205,157.06</b>	<b>76,531,081.00</b>
<b>Expenditures</b>			
Budget Appropriations Within "CAPS"			
Operations:			
Salaries and Wages	A-3	7,271,881.00	7,696,034.00
Other Expenses	A-3	8,260,107.00	8,368,097.00
Deferred Charges and Statutory Expenditures	A-3	2,273,049.63	2,589,917.00
Budget Appropriations Excluded from "CAPS"			
Operations:			
Salaries and Wages	A-3	1,572,216.00	1,751,061.00
Other Expenses	A-3	1,451,209.11	1,492,063.00
Capital Improvements	A-3	100,000.00	100,000.00
Municipal Debt Service	A-3	10,035,205.72	15,506,491.00
County Taxes	A-6	14,493,399.08	8,007,739.00
Due County for Added Taxes	A-6	30,113.68	6,154.00
Local District School Tax	A-14	30,693,426.32	26,804,130.00
Prior Year Adjustments for Overpayments		66,990.00	
Interfund Loan Advanced		343,419.59	162,827.77
Prior Year Deductions Disallowed	A-9	14,633.90	26,794.00
Due County - PILOT		70,368.49	
Refund of Prior Year Revenue	A-4	240,357.65	2,016,993.00
<b>Total Expenditures</b>		<b>76,916,377.17</b>	<b>74,528,300.77</b>

The accompanying notes to the financial statements are an integral part of this statement.

EXHIBIT A-1  
(Continued)

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

	Ref.	Year 2014	Year 2013
Excess in Revenue		288,779.89	2,002,780.23
Expenditures included above which are by Statute Deferred Charges to Budget of Succeeding Year			14,016.00
Statutory Excess to Fund Balance		288,779.89	2,016,796.23
<b>Fund Balance</b>			
Balance January 1	A	2,692,454.23	4,285,658.00
		2,981,234.12	6,302,454.23
Decreased by:			
Utilization as Anticipated Revenue	A-1	2,010,000.00	3,610,000.00
Balance December 31	A	\$ 971,234.12	\$ 2,692,454.23

The accompanying notes to the financial statements are an integral part of this statement.

## STATEMENT OF REVENUES - REGULATORY BASIS

	Ref.	Anticipated		Realized	Excess or (Deficit)
		Budget	Special NJSA 40A:4-87		
Fund Balance Anticipated	A-1	\$ 2,010,000.00		\$ 2,010,000.00	
Miscellaneous Revenues:					
Licenses:					
Alcoholic Beverages	A-10	20,150.00		20,150.00	
Fees and Permits	A-10	78,181.00		89,927.50	\$ 11,746.50
Fines and Costs:					
Municipal Court	A-10	259,411.00		244,358.85	(15,052.15)
Interest and Costs on Taxes	A-10	279,539.00		303,206.43	23,667.43
Interest on Investments and Deposits	A-10	24,576.00		9,252.15	(15,323.85)
Consolidated Municipal Property Tax Relief	A-10	154,181.00		154,181.00	
Energy Receipts Tax	A-10	1,855,060.00		1,855,060.00	
Uniform Construction Code Fees	A-10	378,402.00		389,134.00	10,732.00
Riverwinds Fees	A-10	1,947,306.00		1,893,152.32	
Uniform Fire Safety Act	A-10	102,779.00		140,587.88	37,808.88
Franchise Fees - Cable Television	A-10	303,026.00		316,643.84	13,617.84
Host Community Benefit Agreement	A-10	441,658.00		426,468.50	(15,189.50)
Reserve for Tax Defeasance	A-10	550,000.00		552,506.62	2,506.62
Payment in Lieu of Taxes	A-10	89,000.00		87,065.32	(1,934.68)
Rental of Buildings & Grounds	A-10	432,685.00		371,541.32	(61,143.68)
FHG Restaurant Ground Lease	A-10	74,694.00		76,935.00	2,241.00
LS Power Pilot	A-10	680,211.00		498,768.03	(181,442.97)
Prior Year Pilot Payments	A-10	265,512.00		265,512.00	
Due from Escrow, RW Defeasance, Health Insurance	A-10	917,050.00		917,050.00	
Clean Communities	A-17	37,953.00		37,953.00	
Alcohol Education & Rehabilitation Fund	A-17	473.00		473.00	
Municipal Alliance on Alcoholism & Drug Abuse	A-17	1,635.00	\$ 19,920.00	21,555.00	
COPS Grant	A-17	7,930.00		7,930.00	
Recycling Tonnage Grant	A-17	69,152.00		69,152.00	
Body Armor Replacement Grant	A-17	1,756.00	3,536.65	5,292.65	
Cops in Shops	A-17	2,255.00		2,255.00	
Drunk Driving Enforcement Fund	A-17		10,479.50	10,479.50	
Bulletproof Vest	A-17		6,486.96	6,486.96	
Distracted Driving Grant	A-17		5,000.00	5,000.00	
Safe and Secure	A-17		60,000.00	60,000.00	
Total Miscellaneous Revenues		8,974,575.00	105,423.11	8,838,077.87	(187,766.56)
Receipts from Delinquent Taxes	A-2	1,453,210.00		1,267,923.13	(185,286.87)
Subtotal General Revenues		12,437,785.00	105,423.11	12,116,001.00	(373,053.43)
Amount to be Raised by Taxation		20,054,727.00		20,117,548.45	62,821.45
Budget Totals		32,492,512.00	105,423.11	32,233,549.45	\$ (310,231.98)
Non-Budget Revenue	A-2			668,190.83	
		\$ 32,492,512.00	\$ 105,423.11	\$ 32,901,740.28	
	Ref.	A-3	A-3		

The accompanying notes to the financial statements are an integral part of this statement.

STATEMENT OF REVENUES - REGULATORY BASIS

**Analysis of Realized Revenue**

	Ref.	
Allocation of Current Tax Collections:		
Revenue from Collections	A-6	\$ 63,311,426.21
Allocated to:		
School and County Taxes	A-6	44,583,777.76
Balance for Support of Municipal Budget Appropriations		<u>18,727,648.45</u>
Add: Appropriation "Reserve for Uncollected Taxes"	A-3	1,389,900.00
	A-2	<u>\$ 20,117,548.45</u>
Receipts from Delinquent Taxes:		
Delinquent Tax Collection	A-6	\$ 1,225,199.06
Tax Title Liens	A-7	42,724.07
	A-2	<u>\$ 1,267,923.13</u>

**Analysis of Non-Budget Revenue**

Miscellaneous Revenue Not Anticipated:		
Revenue Accounts Receivable:		
Refunds	A-10	\$ 24,459.90
Insurance Refunds	A-10	134,512.71
Interlocal Agreements	A-10	113,306.12
Donations	A-10	8,900.00
Fuel Purchases	A-10	14,852.24
Administrative Fees Off-Duty Police	A-10	114,939.83
Administrative Fees - Senior Citizen Deductions	A-10	5,218.53
Recreation Fees	A-10	63,303.60
Recycling Fees	A-10	57,421.13
Miscellaneous	A-10	122,864.60
Property Maintenance Liens	A-10	8,412.17
	A-2	<u>\$ 668,190.83</u>

The accompanying notes to the financial statements are an integral part of this statement.



## STATEMENT OF EXPENDITURES - REGULATORY BASIS

	Appropriations		Paid or Charged	Expended		Unexpended Balance Canceled
	Budget	Budget After Modifications		Encumbered	Reserved	
OPERATIONS WITHIN "CAPS"						
GENERAL GOVERNMENT						
General Administration						
Salaries & Wages	\$ 196,307.00	\$ 196,307.00	\$ 187,907.68	\$ 399.32	\$ 8,000.00	
Other Expenses	68,050.00	68,050.00	57,675.75	338.97	10,035.28	
Mayor and Township Council						
Salaries & Wages	20,000.00	20,000.00	19,999.80		0.20	
Other Expenses	3,000.00	3,000.00	1,486.64		1,513.36	
Municipal Clerk						
Salaries & Wages	23,266.00	23,266.00	21,256.48		2,009.52	
Other Expenses	73,260.00	73,260.00	51,915.15		11,344.85	10,000.00
Financial Administration						
Salaries & Wages	143,000.00	143,000.00	125,703.00		2,297.00	15,000.00
Other Expenses	139,600.00	139,600.00	115,366.90	2,365.83	11,867.27	10,000.00
Tax Assessment						
Other Expenses	25,000.00	750.00	750.00			
Revenue Administration (Tax Collection)						
Salaries & Wages	150,000.00	130,000.00	121,896.43		8,103.57	
Other Expenses	6,000.00	6,000.00	3,336.17		2,663.83	
Legal Services & Costs						
Other Expenses	405,000.00	394,250.00	372,651.15	9,750.32	11,848.53	
Engineering Services & Costs						
Other Expenses	200,000.00	190,000.00	142,760.32	380.00	46,859.68	
LAND USE ADMINISTRATION						
Municipal Land Use Law (NJSA 40:55D-1)						
Planning Board						
Salaries & Wages	6,000.00	6,000.00	2,815.32		3,184.68	
Other Expenses	15,925.00	15,925.00	8,895.65		7,029.35	
Zoning Board and Board of Adjustment						
Salaries & Wages	33,600.00	29,600.00	23,401.85		1,198.15	5,000.00
Other Expenses	16,600.00	16,600.00	7,793.72		8,806.28	
Rental Control Commission						
Other Expenses	5,000.00	5,000.00	2,916.67		2,083.33	

The accompanying notes to the financial statements are an integral part of this statement.

## STATEMENT OF EXPENDITURES - REGULATORY BASIS

	Appropriations		Paid or Charged	Expended		Unexpended Balance Canceled
	Budget	Budget After Modifications		Encumbered	Reserved	
<b>INSURANCE</b>						
Liability Insurance	371,250.00	371,250.00	371,250.00			
Workmen's Compensation Insurance	453,750.00	453,750.00	450,589.74		3,160.26	
Group Plans for Employees	2,754,347.00	3,119,347.00	2,884,415.70	184,807.23	50,124.07	
<b>PUBLIC SAFETY FUNCTIONS</b>						
Police						
Salaries & Wages	3,864,000.00	3,744,000.00	3,687,158.37		16,841.63	40,000.00
Other Expenses	207,950.00	239,950.00	120,130.11	108,596.78	11,223.11	
Aid to Volunteer Fire Companies						
Salaries & Wages	2,000.00	2,000.00	1,686.22		313.78	
Other Expenses	190,000.00	208,000.00	118,218.95	79,331.68	10,449.37	
Fire Department						
Salaries & Wages	99,000.00	95,000.00	92,367.05		2,632.95	
Other Expenses	6,500.00	10,500.00	1,718.39	8,050.90	730.71	
Prosecutor						
Other Expenses	24,000.00	24,000.00	23,535.01		464.99	
Office of Emergency Management						
Salaries & Wages	11,200.00	11,200.00	11,108.04		91.96	
<b>PUBLIC WORKS FUNCTIONS</b>						
Road Repairs & Maintenance						
Salaries & Wages	665,000.00	647,000.00	643,182.93		3,817.07	
Other Expenses	131,400.00	131,400.00	72,184.98	15,964.35	28,250.67	15,000.00
Snow Removal						
Salaries & Wages	70,000.00	70,000.00	61,751.81		8,248.19	
Other Expenses	96,200.00	96,200.00	96,200.00			
Other Public Works Functions (Leaf Collection)						
Salaries & Wages	60,000.00	20,000.00	3,165.84		16,834.16	
Other Expenses	7,000.00	7,000.00	5,089.79	1,232.14	678.07	
Public Buildings & Grounds						
Salaries & Wages	21,500.00	21,500.00	10,528.26		10,971.74	
Other Expenses	27,275.00	27,275.00	23,340.16	3,265.00	669.84	
Solid Waste Collection						
Salaries & Wages	1,060,000.00	1,060,000.00	1,050,485.33		9,514.67	
Other Expenses	281,500.00	281,500.00	245,878.39	5,225.93	30,395.68	
Vehicle Maintenance						
Other Expenses	298,000.00	273,000.00	231,856.98	28,261.71	2,881.31	10,000.00
Recycling						
Other Expenses	50,000.00	50,000.00	30,458.68	2,625.00	16,916.32	

The accompanying notes to the financial statements are an integral part of this statement.

STATEMENT OF EXPENDITURES - REGULATORY BASIS

	Appropriations		Paid or Charged	Expended		Unexpended Balance Canceled
	Budget	Budget After Modifications		Encumbered	Reserved	
<b>HEALTH AND HUMAN SERVICES</b>						
Public Health Services (Board of Health)						
Other Expenses	20,000.00	20,000.00	7,733.89	4,154.50	8,111.61	
Animal Control Services						
Salaries & Wages	4,200.00	4,200.00	4,102.94		97.06	
Environmental Commission (40:56A et. seq.)						
Other Expenses	6,000.00	6,000.00	545.00		5,455.00	
Commission of Disabled						
Other Expenses	3,400.00	3,400.00	1,945.00	648.00	807.00	
<b>RECREATION FUNCTIONS</b>						
Recreation Services & Programs						
Salaries & Wages	394,000.00	394,000.00	342,021.49		51,978.51	
Other Expenses	225,750.00	195,750.00	173,130.11	10,266.00	12,353.89	
<b>OTHER COMMON OPERATING FUNCTIONS</b>						
Accumulated Absence Management	120,000.00	95,000.00	76,256.83		8,743.17	10,000.00
Riverwinds						
Salaries & Wages	55,708.00	95,708.00	95,708.00			
<b>UTILITY EXPENSES AND BULK PURCHASES</b>						
Electricity	222,000.00	222,000.00	208,228.77		13,771.23	
Street Lighting	302,700.00	302,700.00	221,917.72		40,782.28	40,000.00
Telephone	60,000.00	60,000.00	58,099.64	465.08	1,435.28	
Fuel Oil	19,300.00	19,300.00	16,137.87		3,162.13	
Telecommunications	48,000.00	16,000.00	3,125.00		12,875.00	10,000.00
Gasoline	260,150.00	260,150.00	219,679.45		30,470.55	
<b>LANDFILL AND SOLID WASTE DISPOSAL COSTS</b>						
Landfill/Solid Waste Disposal Costs						
Other Expenses	985,000.00	985,000.00	875,438.71		109,561.29	
<b>MUNICIPAL COURT FUNCTIONS</b>						
Municipal Court						
Salaries & Wages	228,000.00	228,000.00	206,971.59		21,028.41	
Other Expenses	22,450.00	22,450.00	14,786.11		7,663.89	
Public Defender						
Other Expenses	21,000.00	21,000.00	2,061.32		18,938.68	

The accompanying notes to the financial statements are an integral part of this statement.

STATEMENT OF EXPENDITURES - REGULATORY BASIS

UNIFORM CONSTRUCTION CODE -  
APPROPRIATIONS OFFSET BY DEDICATED  
REVENUES (NJAC 5:23-4.17)

State Uniform Construction Code

Construction Official

Salaries & Wages

Other Expenses

Plumbing Sub-Code Official

Salaries & Wages

Electrical Sub-Code Official

Salaries & Wages

Housing Official

Salaries & Wages

Total Operations within "CAPS"

Detail:

Salaries & Wages

Other Expenses

DEFERRED CHARGES

Overexpenditure of Current Year Appropriations

Overexpenditure of Capital Improvement Authorization

Overexpenditure of Appropriation Reserves

STATUTORY EXPENDITURES

Contribution to:

Public Employees' Retirement System

Deferred Compensation Retirement System

Social Security System (OASDI)

Police and Firemen's Retirement System of NJ

Unemployment Compensation Insurance

Total Deferred Charges & Statutory

Expenditures - Municipal within "CAPS"

Total General Appropriations for

Municipal Purposes within "CAPS"

	Appropriations		Paid or Charged	Expended		Unexpended Balance Canceled
	Budget	Budget After Modifications		Encumbered	Reserved	
231,000.00	235,000.00	233,127.69			1,872.31	
15,750.00	15,750.00	12,328.13			3,421.87	
20,600.00	20,600.00	15,858.60			4,741.40	
28,500.00	28,500.00	28,489.58			10.42	
40,000.00	40,000.00	24,680.60			5,319.40	10,000.00
15,614,988.00	15,714,988.00	14,347,203.45		465,729.42	719,055.13	183,000.00
7,546,881.00	7,359,881.00	7,091,631.73			180,249.27	88,000.00
8,068,107.00	8,355,107.00	7,255,571.72		465,729.42	538,805.86	95,000.00
14,016.00	14,016.00	14,016.00				
36,123.00	36,123.00	36,122.63				
23,706.00	23,706.00	23,706.00				0.37
653,399.00	653,399.00	653,399.00				
1,500.00	1,500.00				1,500.00	
735,000.00	735,000.00	692,220.57			25,779.43	17,000.00
826,306.00	826,306.00	826,306.00				
100,000.00						
2,390,050.00	2,290,050.00	2,245,770.20			27,279.43	17,000.37
18,005,038.00	18,005,038.00	16,592,973.65		465,729.42	746,334.56	200,000.37

The accompanying notes to the financial statements are an integral part of this statement.

## STATEMENT OF EXPENDITURES - REGULATORY BASIS

	Appropriations		Expended		Unexpended Balance Canceled
	Budget	Budget After Modifications	Paid or Charged	Encumbered Reserved	
<b>PUBLIC SAFETY FUNCTIONS</b>					
Length of Service Awards Program (P.L. 1997, c. 388)	75,000.00	75,000.00	72,450.00	2,550.00	
<b>EDUCATION FUNCTIONS</b>					
Maintenance of Free Public Library					
Salaries & Wages	577,266.00	577,266.00	577,266.00		
Other Expenses	217,276.00	217,276.00	216,521.71	754.29	
<b>ADDITIONAL APPROPRIATIONS OFFSET BY REVENUES</b>					
Riverwinds					
Salaries and Wages	984,292.00	984,292.00	983,472.07	819.93	
Other Expenses	963,014.00	963,014.00	802,008.58	111,253.62	20,000.00
Total Other Operations - Excluded from "CAPS"	2,816,848.00	2,816,848.00	2,651,718.36	30,506.09	20,000.00
<b>PUBLIC AND PRIVATE PROGRAMS OFF-SET BY REVENUES</b>					
Municipal Alliance	1,635.00	21,555.00	21,555.00		
Drunk Driving Enforcement		10,479.50	10,479.50		
Clean Communities	37,953.00	37,953.00	37,953.00		
Municipal Court Alcohol Education	473.00	473.00	473.00		
Cops in Shops	2,255.00	2,255.00	2,255.00		
Body Armor Replacement Grant	1,756.00	5,292.65	5,292.65		
Distracted Driving		5,000.00	5,000.00		
Safe and Secure		60,000.00	60,000.00		
Bulletproof Vest		6,486.96	6,486.96		
Recycling	69,152.00	69,152.00	69,152.00		
COPS Grant	7,930.00	7,930.00	7,930.00		
Total Operations Excluded from "CAPS"	2,938,002.00	3,043,425.11	2,878,295.47	30,506.09	20,000.00
<b>Detail:</b>					
Salaries and Wages	1,572,216.00	1,572,216.00	1,571,396.07	819.93	
Other Expenses	1,365,786.00	1,471,209.11	1,306,899.40	30,506.09	20,000.00

The accompanying notes to the financial statements are an integral part of this statement.

STATEMENT OF EXPENDITURES - REGULATORY BASIS

	Appropriations		Expended		Unexpended Balance Canceled
	Budget	Budget After Modifications	Paid or Charged	Encumbered Reserved	
<b>CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"</b>					
Capital Improvement Fund	100,000.00	100,000.00	100,000.00		
Total Capital Improvements Excluded from "CAPS"	100,000.00	100,000.00	100,000.00		
<b>MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"</b>					
Bond Principal	5,408,335.00	5,408,335.00	5,408,334.02		0.98
Bond Anticipation and Capital Notes	110,000.00	110,000.00	106,855.43		3,144.57
Interest on Bonds	4,468,112.00	4,468,112.00	4,468,112.00		
Interest on Notes	73,125.00	73,125.00	51,904.27		21,220.73
Total Municipal Debt Service Excluded from "CAPS"	10,059,572.00	10,059,572.00	10,035,205.72		24,366.28
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	13,097,574.00	13,202,997.11	13,013,501.19	30,506.09	44,366.28
Subtotal General Appropriations	31,102,612.00	31,208,035.11	29,606,474.84	496,235.51	244,366.65
<b>RESERVE FOR UNCOLLECTED TAXES</b>	1,389,900.00	1,389,900.00	1,389,900.00		
<b>TOTAL GENERAL APPROPRIATIONS</b>	<u>\$ 32,492,512.00</u>	<u>\$ 32,597,935.11</u>	<u>\$ 30,996,374.84</u>	<u>\$ 496,235.51</u>	<u>\$ 244,366.65</u>
Ref.	A-2			A-12	A
Budget	Ref.				
Appropriations by 40A:4-87	A-3	\$ 32,492,512.00			
	A-2	105,423.11			
		<u>\$ 32,597,935.11</u>			
Reserve for Federal and State Grants	Ref.				
Reserve for Uncollected Taxes	A-18	\$ 226,577.11			
Deferred Charges	A-3	1,389,900.00			
Due Library	A	73,844.63			
Disbursed	A-4	16,266.11			
		29,289,786.99			
		<u>\$ 30,996,374.84</u>			

The accompanying notes to the financial statements are an integral part of this statement.

## TRUST FUND

THIS PAGE INTENTIONALLY LEFT BLANK



## EXHIBIT B

## COMPARATIVE BALANCE SHEET - TRUST FUND - REGULATORY BASIS

	Ref.	Balance Dec. 31, 2014	Balance Dec. 31, 2013
<b>ASSETS</b>			
<b>Trust Fund</b>			
Cash - Treasurer	B-1	\$ 2,927,699.88	\$ 3,928,712.22
Escrow Receivables		14,088.45	
Due from Current Fund	A	15,255.32	2,165.00
Due from Unemployment Trust	B	3.24	
Due from Public Defender	B	1,879.00	
		<u>2,958,925.89</u>	<u>3,930,877.22</u>
<b>LOSAP (unaudited)</b>			
Investment		<u>1,181,095.09</u>	<u>1,077,508.64</u>
		<u>\$ 4,140,020.98</u>	<u>\$ 5,008,385.86</u>

The accompanying notes to the financial statements are an integral part of this statement.

EXHIBIT B  
(Continued)

COMPARATIVE BALANCE SHEET - TRUST FUND - REGULATORY BASIS

	Ref.	Balance Dec. 31, 2014	Balance Dec. 31, 2013
<b>LIABILITIES, RESERVES, AND FUND BALANCE</b>			
<b>Trust Fund</b>			
Encumbrances Payable	B-4	\$ 8,699.27	
Due to State of New Jersey			\$ 5.20
Payroll Taxes Payable		91,985.18	161,988.00
Due Current Fund	A	487,195.56	912,192.00
Due Payroll Agency	B	3.24	
Due Mayor's Fund	B	1,879.00	
Reserve for Dog Fund Expenditures	B-2	8,057.00	6,683.00
Reserve for Street Opening	B-3	105,548.08	105,628.08
Reserve for Forfeited Funds	B-3	52,754.51	67,468.00
Reserve for Off-Duty Police Fees	B-3	26,386.98	19,454.53
Deposits for Redemption of Tax Sale Certificates	B-3	37,815.55	81,587.21
Reserve for Tax Sale Premiums	B-3	692,100.00	537,400.00
Reserve for Riverwinds Tax Defeasance			50,724.12
Reserve for Developers Escrow	B-3	233,765.56	660,369.00
Reserve for Public Defender Fees			10,677.20
Reserve for POAA Fees	B-3	1,616.17	1,588.17
Reserve for Mayor Food & Holiday Drive	B-3	1,879.00	1,879.00
Reserve for K-9 Donations	B-3	5,018.94	23,726.69
Reserve for Drainage Basin	B-3	77,329.02	77,329.02
Reserve for Municipal Open Space	B-3	833,861.24	964,248.56
Reserve for Affordable Housing	B-3	149,092.30	68,346.90
Reserve for Unemployment Compensation	B-3	119,104.84	179,582.54
Reserve for Snow Removal	B-3	24,834.45	
		<u>2,958,925.89</u>	<u>3,930,877.22</u>
<b>LOSAP (unaudited)</b>			
Reserve for LOSAP Benefits		1,181,095.09	1,077,508.64
		<u>\$ 4,140,020.98</u>	<u>\$ 5,008,385.86</u>

The accompanying notes to the financial statements are an integral part of this statement.

## GENERAL CAPITAL FUND

THIS PAGE INTENTIONALLY LEFT BLANK

## EXHIBIT C

## COMPARATIVE BALANCE SHEET - GENERAL CAPITAL - REGULATORY BASIS

ASSETS	Ref.	Balance	Balance
		Dec. 31, 2014	Dec. 31, 2013
Cash	C-2	\$ 2,007,068.59	\$ 60,111.67
Grant Receivable	C-12	236,000.00	236,000.00
Due from Utility Operating Fund	D	11,547.00	11,547.00
Deferred Charges to Future Taxation:			
Funded	C-4	105,429,641.94	113,929,805.93
Unfunded	C-5	5,171,144.57	3,285,000.00
Overexpenditure of Improvement Authorization			36,122.63
		<u>\$ 112,855,402.10</u>	<u>\$ 117,558,587.23</u>
<b>LIABILITIES, RESERVES, AND FUND BALANCE</b>			
Serial Bonds Payable	C-8	\$ 105,429,641.94	\$ 113,929,805.93
Bond Anticipation Notes Payable	C-10	2,936,144.57	1,050,000.00
Encumbrances Payable	C-11	1,376,806.00	7,181.15
Capital Improvement Fund	C-6	133,820.00	331,820.00
Reserve for Payment of Debt Services - BANS	C-14	16,621.00	16,621.00
Reserve for Down Payment on Improvements	C-13	36,302.00	36,302.00
Improvement Authorizations:			
Funded	C-7	969,974.71	296,017.27
Unfunded	C-7	1,545,401.50	1,692,651.50
Due Current Fund	A	273,384.64	36,120.35
Due Grant Fund	A	122,792.91	122,792.91
Due Utility Capital Fund	D	3,111.97	1,850.00
Fund Balance	C-1	11,400.86	37,425.12
		<u>\$ 112,855,402.10</u>	<u>\$ 117,558,587.23</u>

The accompanying notes to the financial statements are an integral part of this statement.

## EXHIBIT C-1

## STATEMENT OF FUND BALANCE - REGULATORY BASIS

Balance December 31, 2013	Ref. C	\$ 37,425.12
Increased by:		
Bond Anticipation Note Premium	C-2	<u>3,975.74</u>
		41,400.86
Decreased by:		
Funding of Ordinance	C-7	<u>30,000.00</u>
Balance December 31, 2014	C	<u><u>\$ 11,400.86</u></u>

## WATER AND SEWER UTILITY FUND

THIS PAGE INTENTIONALLY LEFT BLANK



## EXHIBIT D

COMPARATIVE BALANCE SHEET - WATER AND SEWER  
UTILITY FUND - REGULATORY BASIS

ASSETS	Ref.	Balance	Balance
		Dec. 31, 2014	Dec. 31, 2013
Operating Fund			
Cash - Treasurer	D-5	\$ 2,163,777.00	\$ 2,862,251.00
Due from Current Fund	A	257,835.65	
		<u>2,421,612.65</u>	<u>2,862,251.00</u>
Receivables with Full Reserves			
Consumer Accounts Receivable	D-7	1,773,281.14	1,417,237.17
Water & Sewer Liens	D-8	7,530.02	
		<u>1,780,811.16</u>	<u>1,417,237.17</u>
Deferred Charges:			
Overexpenditure of Appropriation	D-4	1,206.27	3,001.00
Deficit to Operations			147,918.00
		<u>1,206.27</u>	<u>150,919.00</u>
Total Operating Fund		<u>4,203,630.08</u>	<u>4,430,407.17</u>
Capital Fund			
Cash - Treasurer	D-5	658,043.77	178,903.77
Fixed Capital	D-9	58,263,126.34	58,263,126.34
Fixed Capital Authorized and Uncompleted	D-10	500,000.00	
Due from General Capital	C	3,111.97	1,850.00
Total Capital Fund		<u>59,424,282.08</u>	<u>58,443,880.11</u>
		<u>\$ 63,627,912.16</u>	<u>\$ 62,874,287.28</u>

The accompanying notes to the financial statements are an integral part of this statement.

EXHIBIT D  
(Continued)

COMPARATIVE BALANCE SHEET - WATER AND SEWER  
UTILITY FUND - REGULATORY BASIS

LIABILITIES, RESERVES, AND FUND BALANCE	Ref.	Balance Dec. 31, 2014	Balance Dec. 31, 2013
Operating Fund			
Liabilities:			
Appropriation Reserves	D-4:D-11	\$ 392,451.73	\$ 1,114,235.49
Encumbrances Payable	D-12	43,162.97	34,381.91
Accrued Interest on Bonds & Notes	D-13	182,355.30	239,051.00
Utility Rent Overpayments		35,140.07	22,782.00
Due General Capital	C	11,547.00	11,547.00
Reserve for Engineering Escrow		1,175.00	1,175.00
		665,832.07	1,423,172.40
Reserve for Receivables		1,780,811.16	1,417,237.17
Fund Balance	D-1	1,756,986.85	1,589,997.60
		4,203,630.08	4,430,407.17
Capital Fund			
Serial Bonds Payable	D-17	10,797,358.06	12,837,192.26
Bond Anticipation Notes Payable	D-18	606,715.43	617,000.00
New Jersey Wastewater Loan Payable	D-19	8,376,299.07	9,038,293.19
Improvement Authorizations:			
Funded	D-16	268,924.14	
Encumbrances Payable	D-12	210,215.86	
Capital Improvement Fund	D-14	42,723.00	42,723.00
Reserve for Debt Service	D-20	3,111.97	1,850.00
Reserve for Down Payment on Improvements	D-21	96,250.00	96,250.00
Reserve for Amortization	D-15	38,982,753.78	35,770,640.89
Fund Balance	D-2	39,930.77	39,930.77
		59,424,282.08	58,443,880.11
		\$ 63,627,912.16	\$ 62,874,287.28

The accompanying notes to the financial statements are an integral part of this statement.

## EXHIBIT D-1

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

	Ref.	Year 2014	Year 2013
<b>Revenue and Other Income Realized</b>			
Fund Balance Utilized	D-3	\$ 921,811.00	\$ 177,261.00
Rents	D-3	11,680,285.10	11,264,076.00
Miscellaneous	D-3	204,983.25	194,323.00
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	D-11	502,853.33	192,656.00
<b>Total Income</b>		<b>13,309,932.68</b>	<b>11,828,316.00</b>
<b>Expenditures</b>			
Operating	D-4	8,373,830.00	8,561,386.00
Capital Improvements	D-4	500,000.00	65,000.00
Debt Service	D-4	3,101,993.54	3,257,666.00
Statutory Expenditures	D-4	242,124.74	95,183.00
Other Expenditures:			
Refund of Prior Year Revenue	D-5	4,390.42	
<b>Total Expenditures</b>		<b>12,222,338.70</b>	<b>11,979,235.00</b>
<b>Excess (Deficit) to Fund Balance</b>		<b>1,087,593.98</b>	<b>(150,919.00)</b>
<b>Adjustments to Income Before Fund Balance:</b>			
Expenditures Included Above Which are by Statute			
Deferred Charges to Budget of Succeeding Year	D-4	1,206.27	150,919.00
<b>Statutory Excess to Fund Balance</b>		<b>1,088,800.25</b>	
<b>Fund Balance</b>			
Balance January 1	D	1,589,997.60	1,767,258.60
		2,678,797.85	1,767,258.60
Decreased by:			
Utilization as Anticipated Revenue	D-1	921,811.00	177,261.00
<b>Balance December 31</b>	D	<b>\$ 1,756,986.85</b>	<b>\$ 1,589,997.60</b>

The accompanying notes to the financial statements are an integral part of this statement.

## EXHIBIT D-2

STATEMENT OF FUND BALANCE - WATER AND SEWER  
CAPITAL FUND - REGULATORY BASIS

Balance December 31, 2013	Ref. D	\$ 39,930.77
Balance December 31, 2014	D	<u>\$ 39,930.77</u>

## EXHIBIT D-3

## STATEMENT OF REVENUES - WATER AND SEWER UTILITY FUND - REGULATORY BASIS

	Ref.	Anticipated Budget	Realized	Excess or (Deficit)
Operating Surplus Anticipated	D-1	\$ 921,811.00	\$ 921,811.00	
Rents	D-3	11,264,076.00	11,680,285.10	\$ 416,209.10
Miscellaneous	D-3	121,171.00	204,983.25	83,812.25
		<u>\$ 12,307,058.00</u>	<u>\$ 12,807,079.35</u>	<u>\$ 500,021.35</u>
	Ref. D-4			

## Analysis of Realized Revenue

Rents:	Ref.	
Consumer Accounts Receivable:		
Collected	D-7	\$ 11,657,503.01
Overpayments Applied	D-7	22,782.09
	D-3	<u>\$ 11,680,285.10</u>
Miscellaneous:		
Water and Sewer Interest		\$ 101,103.39
National Park Wheeling Fee		13,296.00
Fire Hydrant Receipts		1,153.35
Water Permits		34,000.00
Sewer Permits		34,000.00
Miscellaneous		19,857.20
Interest on Investments		1,573.31
	D-3:D-5	<u>\$ 204,983.25</u>

The accompanying notes to the financial statements are an integral part of this statement.

## STATEMENT OF EXPENDITURES - WATER AND SEWER UTILITY FUND - REGULATORY BASIS

	Appropriations		Paid or Charged	Expended		Unexpended Balance Canceled	Over- Expended
	Budget	Budget After Modifications		Encumbered	Reserved		
Operating:							
Salaries and Wages	\$ 1,258,000.00	\$ 1,258,000.00	\$ 1,194,352.11		\$ 63,647.89		
Other Expenses	7,115,830.00	7,115,830.00	6,746,946.92	\$ 40,079.24	328,803.84		
Capital Improvements:							
Capital Outlay	500,000.00	500,000.00	500,000.00				
Debt Service:							
Payment of Bond Principal	1,856,666.00	1,856,666.00	1,856,665.98			\$ 0.02	
Payment of Bond Anticipation Notes	11,000.00	11,000.00	10,284.57			715.43	
Interest on Bonds	410,772.00	410,772.00	360,089.05			50,682.95	
Interest on Notes	7,713.00	7,713.00	6,596.98			1,116.02	
Loan Principal and Interest	906,158.00	906,158.00	868,356.96			37,801.04	
Deferred Charges:							
Overexpenditure of Appropriation	3,001.00	3,001.00	3,001.00				
Deficit in Operations	147,918.00	147,918.00	147,917.47			0.53	
Statutory Expenditures:							
Social Security System (OASI)	90,000.00	90,000.00	91,206.27				\$ 1,206.27
	\$ 12,307,058.00	\$ 12,307,058.00	\$ 11,785,417.31	\$ 40,079.24	\$ 392,451.73	\$ 90,315.99	\$ 1,206.27
Ref.	D-3	D-4		D-12	D		D
Interest on Bonds and Notes		Ref.					
Deferred Charges		D-13	\$ 705,888.28				
Disbursed		D-5	150,918.47				
			10,928,610.56				
			\$ 11,785,417.31				

THIS PAGE INTENTIONALLY LEFT BLANK

**GENERAL FIXED ASSETS ACCOUNT GROUP**

THIS PAGE INTENTIONALLY LEFT BLANK



## EXHIBIT E

## STATEMENT OF GENERAL FIXED ASSETS - REGULATORY BASIS

	Balance Dec 31, 2014	Balance Dec 31, 2013
Buildings & Grounds	\$ 50,223,508.00	\$ 50,223,508.00
Land	113,137,300.00	113,137,300.00
Furniture & Equipment	4,847,130.00	4,846,539.00
Vehicles	6,952,882.00	6,855,053.00
	<u>\$ 175,160,820.00</u>	<u>\$ 175,062,400.00</u>
Investment in General Fixed Assets	<u>\$ 175,160,820.00</u>	<u>\$ 175,062,400.00</u>

The accompanying notes to the financial statements are an integral part of this statement.

THIS PAGE INTENTIONALLY LEFT BLANK

NOTES TO FINANCIAL STATEMENTS

THIS PAGE INTENTIONALLY LEFT BLANK

TOWNSHIP OF WEST DEPTFORD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2014 AND 2013

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

**A. Reporting Entity**

Except as noted below, the financial statements of the Township of West Deptford included every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Township of West Deptford, as required by NJSA 40A:5-5.

Component units are legally separate organizations for which the Township is financially accountable. The Township is financially accountable for an organization if the Township appoints a voting majority of the organization's governing board and (1) the Township is able to significantly influence the programs or services performed or provided by the organization; or (2) the Township is legally entitled to or can otherwise access the organization's resources; the Township is legally obligated or has otherwise assumed the responsibility to finance the deficits of or provide financial support to the organization; or the Township is obligated for debt of the organization. Component units may also include organizations that are fiscally dependent on the Township in that the Township approves the budget, the issuance of debt or the levying of the taxes. The Township has no component units.

**B. Description of Funds and Account Groups**

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

**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. In addition, the fund is used to track the status of debt authorized for capital projects.

**Water & Sewer Operating and Capital Funds** - Account for the operations and acquisition of capital facilities of the municipally-owned Water & Sewer Utility.

**Payroll/Payroll Agency Account** - Receipt and disbursement of funds to meet obligations to employees and payroll tax liabilities.

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

TOWNSHIP OF WEST DEPTFORD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2014 AND 2013

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Basis of Accounting**

The accounting principles and practices prescribed for municipalities in the State of New Jersey differ in certain respects from accounting principles generally accepted in the United States of America applicable to local governmental units. A modified accrual basis of accounting is followed with minor exceptions. 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. Fund balance utilized to balance the budget is recorded as revenue and budgeted transfers from other funds are also recorded as revenue when anticipated in the budget. This method of revenue recognition differs from accounting principles generally accepted in the United States of America which recognizes revenue in the accounting period in which it is earned net of allowances for doubtful accounts.

**Expenditures** - are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods and services through the issuance of a purchase order in conjunction with the Encumbrance Accounting System. Outstanding encumbrances at December 31 are reported as a cash liability in the financial statements and constitute part of the Township's statutory Appropriation Reserve balance. Appropriation reserves covering unexpended appropriation balances are automatically created at December 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. Grant appropriations are charged upon budget adoption to create separate spending reserves. Budgeted transfers to other funds are recorded as expenditures when the budget is adopted, to the extent permitted or required by law. 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. This method differs from accounting principles generally accepted in the United States of America which requires that expenditures be recorded when services are rendered or goods are received. Under accounting principles generally accepted in the United States of America appropriation reserves do not exist and encumbrances do not constitute expenditures.

**Property Taxes** - The County Board of Taxation certifies the tax levy of the municipality each year. The tax levy is based on the assessed valuation of taxable property within the municipality. Taxes are payable on the first day of February, May, August, and November. Any taxes that have not been paid by the 11<sup>th</sup> day of the 11<sup>th</sup> month, in the year levied, are subject to being included in the tax sale and the lien enforced by selling the property in accordance with NJSA 54:5 et. seq.

TOWNSHIP OF WEST DEPTFORD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2014 AND 2013

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Basis of Accounting (Continued)**

**Property Taxes (Continued)** - The municipality is responsible for remitting 100% of the school and county taxes to the respective agency. The loss for delinquent or uncollectible accounts is borne by the municipality and not the school district or county. The inclusion of the "Reserve for Uncollected Taxes" appropriation in the Township's annual budget protects the Township from those taxes not paid. The minimum amount of the reserve is determined by the percentage of collections experienced in the preceding year, is required to provide assurance that cash collected in the current year will provide sufficient cash flow to meet expected obligations. Under accounting principles generally accepted in the United States of America, a "Reserve for Uncollected Taxes" would not be an appropriation.

**Interest on Delinquent Taxes** - It is the policy of the Township to collect interest for the nonpayment of taxes or assessments on or before the date when they would become delinquent. The Tax Collector is authorized to charge eight percent (8%) per annum on the first \$1,500.00 of taxes becoming delinquent after due date and eighteen percent (18%) per annum on any amount of taxes in excess of \$1,500.00 becoming delinquent after due date and if a delinquency is in excess of \$10,000.00 and remains in arrears beyond December 31<sup>st</sup>, an additional penalty of six percent (6%) shall be charged against the delinquency. There is a ten day grace period.

**Foreclosed Property** - Foreclosed property is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved. Under accounting principles generally accepted in the United States of America, foreclosed property would be recorded at historical cost and no reserve would be provided.

**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. Under accounting principles generally accepted in the United States of America inter-funds are not reserved.

**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. Under accounting principles generally accepted in the United States of America inventory would be recorded as an asset on the balance sheet.

**Insurance** - Cost of insurance for all funds are recorded as expenditures at the time of payment. Insurance costs chargeable to future periods are not carried as prepayments.

**General Fixed Assets** - In accordance with NJAC 5:30-5.6 Accounting for Governmental Fixed Assets, as promulgated by the Division of Local Government Services, which differs in certain respects from generally accepted accounting principles, the Township has developed a fixed assets accounting and reporting system.

As required by New Jersey Statutes, foreclosed property is reported in the current operating fund of the municipality.

TOWNSHIP OF WEST DEPTFORD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2014 AND 2013

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Basis of Accounting (Continued)**

**General Fixed Assets (Continued)** - 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 except for land, which is valued at estimated market value on the date of acquisition. The Township capitalizes fixed assets with an original cost in excess of \$2,000.00.

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

No depreciation has been provided for in the financial statements.

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

Property and equipment purchased by the Water & Sewer Utility Fund is recorded in the respective capital account at cost and are adjusted for dispositions and abandonment. The amounts shown do not purport to represent reproduction costs or current value. Contributions in aid of construction are not capitalized. The balances in Reserve for Amortization and Deferred Reserve for Amortization accounts in the Utility Capital Fund represent charges to operations for the costs of acquisition of property, equipment and improvements. The utility does not record depreciation on fixed assets.

**General Long-Term Debt** - General Long-Term Debt is accounted for in the General Capital and Utility Capital Fund. Accounting principles generally accepted in the United States of America require General Long-Term Debt to be accounted for in the General Long-Term Debt Account Group.

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

**Capitalization of Interest** - It is the policy of the Township to capitalize interest in the Utility Capital Fund on projects during the construction phase.

**D. 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 (i.e., presentation of prior year totals by fund type) data have not been presented in the statement of revenues - regulatory basis and the statement of expenditures - regulatory basis since their inclusion would make the statements unduly complex and difficult to read.



TOWNSHIP OF WEST DEPTFORD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2014 AND 2013

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**E. Recent Accounting Pronouncements Not Yet Effective**

In June 2012, the Governmental Accounting Standards Board (GASB) issued Statement No. 68, "Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27." This statement, which is effective for fiscal periods beginning after June 15, 2014, will not have any effect on the Township's financial reporting.

In November 2013, the Governmental Accounting Standards Board (GASB) issued Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68." The provisions of this statement are required to be applied simultaneously with the provisions of Statement No. 68 which is effective for periods beginning after June 15, 2014. The impact of this statement on the Township's financial reporting is not presently determinable.

**NOTE 2: BUDGETARY INFORMATION**

The Township must adopt an annual budget in accordance with NJSA 40A:4 et. seq. This budget is required to be a balanced cash basis document. To accomplish this, the municipality is required to establish a reserve for uncollected taxes. This protects the Township from taxes not paid currently. Once approved, the Township may make emergency appropriations for a purpose which is not foreseen at the time the budget is adopted per NJSA 40A:4-46 and 54. This type of appropriation shall be made to meet a pressing need for public expenditure to protect or promote the public health, safety or welfare 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. Budget transfers between appropriation accounts are prohibited until the last two months of the year. Budget transfers during the year were not significant. After approval from the Director, the Township can also make amendments for any special item of revenue made available by any public or private funding source as per NJSA 40A:4-87.

The Township amended the budget during the year by the insertion of Special Items of Revenue in the amount of \$105,423.11 for various grants as detailed on Exhibit A-2.

**NOTE 3: CASH AND CASH EQUIVALENTS**

**Custodial Credit Risk – Deposits**

Custodial Credit Risk is the risk that in the event of a bank failure, the government's deposits may not be able to recover the value of its deposits or investments. Deposits are considered to be exposed to Custodial Credit Risk if they are: uncollateralized (securities not pledged to the depositor), collateralized with securities held by the pledging financial institution, or collateralized with securities held by the financial institution's trust department or agent but not in the government's name. The municipality's policy is based on New Jersey Statutes requiring cash to be deposited only in New Jersey based banking institutions that participate in the New Jersey Governmental Unit Deposit Protection Act (GUDPA) or in qualified investments established in NJSA 40A:5-15.1(a) that are treated as cash equivalents.

TOWNSHIP OF WEST DEPTFORD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2014 AND 2013

**NOTE 3: CASH AND CASH EQUIVALENTS (CONTINUED)**

**Custodial Credit Risk – Deposits (Continued)**

At December 31, 2014 and 2013, the carrying amount of the Township's deposits was \$11,787,558.89 and \$17,736,505.56, respectively. As of December 31, 2014 and 2013, \$0 of the municipality's bank balance of \$12,381,168.29 and \$18,010,419.00, respectively, was exposed to Custodial Credit Risk.

**NOTE 4: INVESTMENTS**

As of December 31, 2014 or 2013, the Township did not have any investments other than for LOSAP.

**Interest Rate Risk** - The Township does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, NJSA 40A:5-15.1(a) limits the length of time for most investments to 397 days.

**Credit Risk** - NJSA 40A:5-15.1(a) limits municipal investments to those specified in the statutes. The type of allowable investments are Bonds or other obligations of the United States or obligations guaranteed by the United States, Bonds or other obligations of the Township or bonds or other obligations of the Township school district, Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Investment of the Department of Treasury for investment by local units, government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

**Concentration of Credit Risk** - The Township places no limit on the amount the Township may invest in any one issuer.

**Unaudited Investments** - As more fully described in Note 13, the Township has created a Length of Service Award Program (LOSAP) for emergency service volunteers. The LOSAP investments are similar to those allowed in a deferred compensation program as specified in NJSA 43:15B-1 et. seq. except that all investments are retained in the name of the Township. All investments are valued at contract value. In accordance with NJAC 5:30-14.37, the investments are maintained by Lincoln Financial Group, which is an authorized provider approved by the Division of Local Government Services. The balance in the accounts on December 31, 2014 and 2013, amounted to \$1,181,095.09 and \$1,077,508.64, respectively. The information on 5% or more invested with Variable Annual Life Insurance Company is not yet available.

TOWNSHIP OF WEST DEPTFORD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2014 AND 2013

**NOTE 5: FUND BALANCES APPROPRIATED**

	Year	Balance December 31	Utilized in Budget of Succeeding Year
Current Fund	2014	\$ 971,234.12	\$ 564,595.87
	2013	2,692,954.23	2,010,000.00
	2012	4,285,658.00	3,610,000.00
	2011	3,752,475.00	2,102,337.00
	2010	868,986.00	
Utility Fund	2014	1,756,986.85	693,597.50
	2013	1,589,997.60	921,811.00
	2012	1,767,258.60	177,261.00
	2011	1,298,747.00	539,234.00
	2010	1,477,233.00	610,444.00

**NOTE 6: RISK MANAGEMENT**

The Township is exposed to various risks or loss related to torts, thefts of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The Township maintains commercial insurance coverage for property, liability and surety bonds. Any potential liability of the Township with respect to loss claims would be equal to the deductibles associated with policies and an event, which may exceed coverage limits. There have not been any significant reductions in insurance coverage amounts.

**New Jersey Unemployment Compensation Insurance**

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

Year	Employee Contributions	Amount Reimbursed	Balance Dec. 31
2014	\$ 15,581.11	\$ 76,058.81	\$ 119,104.84
2013	26,674.54	42,232.00	179,582.54
2012	24,901.00	49,741.00	195,140.00

TOWNSHIP OF WEST DEPTFORD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2014 AND 2013

**NOTE 7: INTERFUND RECEIVABLES AND PAYABLES**

The following schedule reconciles interfund receivables and payables for the year ended December 31, 2014.

	Due From	Due To
Current Fund		
Trust Other	\$ 487,195.56	\$ 15,255.32
General Capital	273,384.64	
Grant Fund		85,290.98
Utility Operating		257,835.65
Federal and State Grant Fund		
Current Fund	85,290.98	
General Capital	122,792.91	
Trust Other		
Current Fund	15,255.32	487,195.56
Unemployment Trust	3.24	3.24
Due from Public Defender	1,879.00	1,879.00
General Capital Fund		
Utility Operating	11,547.00	
Current Fund		273,384.64
Grant Fund		122,792.91
Utility Capital		3,111.97
Utility Operating Fund		
Current Fund	257,835.65	
General Capital		11,547.00
Utility Capital Fund		
General Capital	3,111.97	
	<u>\$ 1,258,296.27</u>	<u>\$ 1,258,296.27</u>

The purpose of these interfunds are short-term borrowings.

**NOTE 8: ACCUMULATED ABSENCE BENEFITS**

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave, and sabbatical leave. The liability for compensated absences that are attributable to services already rendered and that are not contingent on a specific event that is outside the control of the Township and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the Township and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

Employees of the Township are entitled to paid vacation and paid sick days depending on job classification, length of service, and other factors. Employees are represented by a number of labor unions, and each contract contains different provisions for employee-compensated absences.

The total value of compensated absences owed to employees as of December 31, 2014 and 2013, was \$591,691.64 and \$617,702.00, respectively.

TOWNSHIP OF WEST DEPTFORD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2014 AND 2013

**NOTE 9: DEFERRED COMPENSATION PLAN**

The Township offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all Township employees, permits them to defer a portion of their salary and avoid paying taxes on the deferred portion until the withdrawal date. The deferred compensation is not available for withdrawal by employees until termination, retirement, death or unforeseeable emergency.

An unrelated financial institution administers the deferred compensation plan. Under the terms of an IRC Section 457 deferred compensation plan, all deferred compensation and income attributable to the investment of the deferred compensation amounts held by the financial institution, until paid or made available to the employees or beneficiaries, are the property of the employees.

As part of its fiduciary role, the Township has an obligation of due care in selecting third party administrators. The independent administrators are Nationwide Retirement Systems, Equitable, and Annuity Life Insurance Company.

**NOTE 10: FIXED ASSETS**

The following is a summary of changes in the General Fixed Assets Account Group for the year ending December 31, 2014:

	Balance Dec. 31, 2013	Additions	Deletions	Prior Year Adjustment	Balance Dec. 31, 2014
Buildings and Grounds	\$ 50,223,508.00				\$ 50,223,508.00
Land	113,137,300.00				113,137,300.00
Furniture and Equipment	4,846,539.00	\$ 92,945.00	\$ 92,354.00		4,847,130.00
Vehicles	6,855,053.00	59,786.00	46,062.00	\$ 84,105.00	6,952,882.00
	<u>\$ 175,062,400.00</u>	<u>\$ 152,731.00</u>	<u>\$ 138,416.00</u>	<u>\$ 84,105.00</u>	<u>\$ 175,160,820.00</u>

**NOTE 11: TAXES COLLECTED IN ADVANCE**

Taxes collected in advance are recorded as cash liabilities in the financial statements. The following is a comparison of the liability for the previous two years:

	Balance Dec. 31, 2014	Balance Dec. 31, 2013
Prepaid Taxes - Cash Liability	<u>\$ 282,263.15</u>	<u>\$ 260,078.00</u>

**NOTE 12: ECONOMIC DEPENDENCY**

The Township of West Deptford is not economically dependent on any one business or industry within the Township.

TOWNSHIP OF WEST DEPTFORD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2014 AND 2013

**NOTE 13: LENGTH OF SERVICE AWARD PROGRAM**

During the year 2001 the voters of the Township of West Deptford approved the establishment of a Length of Service Awards Program (LOSAP) Deferred Compensation Plan. This plan was approved by voters of the Township of West Deptford by referendum at the general election on November 6, 2001. This plan is made available to all bona fide eligible volunteers who are performing qualified services which are defined as firefighting services pursuant to section 457 of the Internal Revenue Code of 1986, as amended, except for provisions added by reason of the LOSAP, as enacted into federal law in 1997. The establishment of this LOSAP also complies with New Jersey Public Law of 1997, Chapter 338 and the LOSAP document. The balance is subject to the general creditors of the Township.

Contributions by the Township for qualified participants were \$72,450.00 and \$73,600.00 for 2014 and 2013, respectively. These payments are made in the subsequent year for participants who met the required qualifications. The assets of the plan are held by an independent administrator, Lincoln Financial Group.

**NOTE 14: PENSION FUNDS**

**Description of Plans** - All eligible employees of the Township are covered by either the Public Employees' Retirement System, (PERS) or the Police and Firemen's Retirement System (PFRS), a cost-sharing, multiple-employer defined benefit pension plans which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of the Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the PERS and PFRS. The reports may be obtained by writing to the Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625-0295 or can be accessed on the internet at <http://www.state.nj.us/treasury/pensions/actuarial-rpts.shtml>.

**Public Employees' Retirement System (PERS)** - The Public Employees' Retirement System (PERS) was established as of January 1, 1955, under the provisions of NJSA 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 generally required for substantially all full-time employees of the State or any county, municipality, school district or public agency provided the employee is not a member of another state-administered retirement system or other state or local jurisdiction.

**Police and Firemen's Retirement System (PFRS)** - The Police and Firemen's Retirement System was established in July 1944, under the provisions of NJSA 43:16A, to provide coverage to substantially all full-time county or municipal police and fire-fighters and State fire-fighters appointed after June 30, 1944. Plan members and employer contributions may be amended by State of New Jersey legislation.

**Funding Policy** - The contribution policy is set by NJSA 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997, and NJSA 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. The PERS contribution rate increased to 6.5% of base salary effective with the first payroll, to be paid on or after October 1, 2011. Subsequent increases will then be

TOWNSHIP OF WEST DEPTFORD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2014 AND 2013

**NOTE 14: PENSION FUNDS (CONTINUED)**

**Funding Policy (Continued)** - phased in over 7 years (each July 1st) to bring the total pension contribution rate to 7.5% of base salary as of July 1, 2018. The PFRS contribution rate increased to 10% of base salary effective with the first payroll to be paid on or after October 1, 2011. Employers are required to contribute at an actuarially determined rate in PERS and PFRS. The actuarially determined contribution includes funding for, cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums.

The Township's contributions to PERS for the years ending December 31, 2014 and 2013, were \$653,399.00 and \$666,454.00, respectively, equal to the required contributions for each year. The Township's contributions to PFRS for the years ending December 31, 2014 and 2013, were \$826,306.00 and \$961,824.00, respectively, equal to the required contributions for each year.

**Defined Contribution Retirement Program (DCRP)** - The Township established Defined Contribution Retirement Program by ordinance on December 4, 2008, as required by Chapter 92 of the Laws of 2007 and NJSA 43:15C-1 et. seq. DCRP provides for employee contributions of 5 1/2% of employees' annual base salary. Employers are required to contribute 3% of the employees' base salary. The Township's contributions to DCRP for the year ending December 31, 2014, was \$0 equal to the required contributions for each year.

**NOTE 15: POST-EMPLOYMENT HEALTHCARE PLAN**

**Plan Description** - Township of West Deptford, New Jersey Post-employment Healthcare Benefit Plan is a single-employer defined benefit healthcare plan administered by Benefit Concepts. The plan provides fully-insured medical, vision, dental and prescription drug coverage to eligible retirees and their spouses.

**Funding Policy** - The contribution requirements of the Township healthcare plan are established by negotiated labor contracts. The required contribution is based on projected pay-as-you-go financing requirements. For calendar year 2014, the Township contributed \$2,120,000 to the plan for current premiums. Plan members receiving benefits are not required to make contributions.

**Annual OPEB Cost and Net OPEB Obligation** - The Township's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the *annual required contribution of the employer (ARC)*, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

The following table shows the components of the Township's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Township's net OPEB obligation to Benefit Concepts (dollar amounts in thousands):

TOWNSHIP OF WEST DEPTFORD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2014 AND 2013

**NOTE 15: POST-EMPLOYMENT HEALTHCARE PLAN (CONTINUED)**

Annual Required Contribution (Thousands)	\$ 8,470
Interest on Net OPEB Obligation	930
Adjustment to Annual Required Contribution	<u>(1,220)</u>
Annual OPEB Cost (Expense) (Thousands)	8,180
Contributions Made (Thousands)	<u>2,120</u>
Increase in Net OPEB Obligation (Thousands)	6,060
Net OPEB Obligation - Beginning of Year	<u>20,620</u>
Net OPEB Obligation - End of Year (Thousands)	<u><u>\$ 26,680</u></u>

The Township's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2014 follows (dollar amounts in thousands):

Calendar Year Ended	Annual OPEB Cost (Thousands)	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation (Thousands)
12/31/2014	\$ 8,180	25.90%	\$ 26,680

**Funded Status and Funding Progress** - As of December 31, 2014, the Township is considered to be an unfunded plan. There are no plan assets. The retiree benefits are paid annually on a cash basis.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend.

The Actuarial Accrued Liability ("AAL") is the present value of all future expected post-retirement medical payments and administrative costs which are attributable to past service. The Township's unfunded AAL is calculated to be \$101,210 (thousands) as of December 31, 2014.

**Actuarial Methods and Assumptions** - Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. The December 31, 2014, actuarial valuation, utilized the projected unit credit method with amortization on a level dollar basis/open for a period of 30 years.

**NOTE 16: SELF-INSURED HEALTH PLAN**

The Township has a self-insured health plan for all its employees. The Township has purchased stop-loss insurance in order to limit its exposure, which will reimburse the Township for individual claims in excess of \$90,000.00 annually.



TOWNSHIP OF WEST DEPTFORD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2014 AND 2013

**NOTE 16: SELF-INSURED HEALTH PLAN (CONTINUED)**

The plan is administered by Insurance Administrator of America, Inc. The coverage and contribution requirements are established based on company policy. The required contribution is based on projected pay-as-you-go financing requirements. Plan members receiving benefits are required to make contributions through payroll deductions. There are no plan assets.

**NOTE 17: LABOR CONTRACTS**

As of December 31, 2014, the Township's employees are organized in the following collective bargaining units.

Public Works Committee - Term of contract is January 1, 2014 through December 31, 2016.

PBA Local #122 - Term of contract is January 1, 2014 through December 31, 2018.

PBA Superior Officers - Term of contract is January 1, 2014 through December 31, 2018.

**NOTE 18: SCHOOL TAXES**

Regulations provide for the deferral of not more than 50% of the annual levy when school taxes are raised for a school year and have not been requisitioned by the School District. In the Township's case, the amount of \$15,030,132.50 would be the maximum amount permitted to be deferred as of December 31, 2014, under these regulations. The Township has elected to defer school taxes as stated below.

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

	Balance Dec. 31, 2014	Balance Dec. 31, 2013
Local School Taxes:		
Balance of Tax	13,540,017.68	14,707,807.00
Deferred	13,540,017.68	14,173,179.00
Tax Payable	None	534,628.00

TOWNSHIP OF WEST DEPTFORD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2014 AND 2013

**NOTE 19: LONG-TERM DEBT**

**Summary of Municipal Debt Service**

Long-Term debt as of December 31, 2014, consisted of the following:

	Year 2014	Year 2013	Year 2012
Bonds, Notes and Loans Issued	\$ 128,146,159.07	\$ 137,472,291.38	\$ 151,059,538.00
Bonds and Notes Authorized But Not Issued	2,235,000.00	2,235,000.00	2,235,000.00
Net Bonds, Notes and Loans Issued and Authorized But Not Issued	<u>\$ 130,381,159.07</u>	<u>\$ 139,707,291.38</u>	<u>\$ 153,294,538.00</u>

	Balance 12/31/2013	Issued	Retired/ Reduction	Balance 12/31/2014
Issued:				
General:				
Serial Bonds Payable	\$ 113,929,805.93	\$ 50,776,834.00	\$ 59,276,997.99	\$ 105,429,641.94
Bond Anticipation Note	1,050,000.00	1,993,000.00	106,855.43	2,936,144.57
Utility:				
Serial Bonds Payable	12,837,192.26	3,008,166.00	5,048,000.20	10,797,358.06
Bond Anticipation Note	617,000.00		10,284.57	606,715.43
Loans	9,038,293.19		661,994.12	8,376,299.07
Authorized But Not Issued:				
General:				
Bonds and Notes	2,235,000.00	1,993,000.00	1,993,000.00	2,235,000.00
	<u>\$ 139,707,291.38</u>	<u>\$ 57,771,000.00</u>	<u>\$ 67,097,132.31</u>	<u>\$ 130,381,159.07</u>

\$5,083,732.79 General Obligation Bonds dated November 2007, payable in annual installments through November 2022. Interest is paid semi-annually at a rate of 4.125% - 4.25% per annum. The balance remaining at December 31, 2014, was \$3,235,767.94.

\$473,267.21 Utility Obligation Bonds dated November 2007, payable in annual installments through November 2022. Interest is paid semi-annually at a rate of 4.125% - 4.25% per annum. The balance remaining at December 31, 2014, was \$301,232.06.

\$5,918,380.00 General Obligation Bonds dated September 2008, payable in annual installments through September 2018. Interest is paid semi-annually at a rate of 3.82% per annum. The balance remaining at December 31, 2014, was \$4,421,040.00.

\$2,836,620.00 Utility Obligation Bonds dated September 2008, payable in annual installments through September 2018. Interest is paid semi-annually at a rate of 3.82% per annum. The balance remaining at December 31, 2014, was \$2,118,960.00.

\$9,945,000.00 General Obligation Bonds dated October 2008, payable in annual installments through October 2027. Interest is paid semi-annually at a rate of 3.25% per annum. The balance remaining at December 31, 2014, was \$6,780,000.00.

TOWNSHIP OF WEST DEPTFORD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2014 AND 2013

**NOTE 19: LONG-TERM DEBT (CONTINUED)**

\$8,385,000.00 General Obligation Refunding Bonds dated September 2010, payable in annual installments through September 2019. Interest is paid semi-annually at a rate of 2.00% - 4.00% per annum. The balance remaining at December 31, 2014, was \$5,440,000.00.

\$30,930,000.00 General Obligation Refunding Bonds dated August 2012, payable in annual installments through July 2032. Interest is paid semi-annually at a rate of 2.25% - 5.00% per annum. The balance remaining at December 31, 2014, was \$25,025,000.00.

\$8,298,673.00 General Obligation Refunding Bonds dated November 2012, payable in annual installments through September 2028. Interest is paid semi-annually at a rate of 2.00% - 4.00% per annum. The balance remaining at December 31, 2014, was \$7,446,000.00.

\$3,180,000.00 General Obligation Refunding Bonds dated November 2012, payable in annual installments through September 2019. Interest is paid semi-annually at a rate of 2.00% - 3.00% per annum. The balance remaining at December 31, 2014, was \$2,305,000.00.

\$5,986,327.00 Utility Obligation Refunding Bonds dated November 2012, payable in annual installments through September 2028. Interest is paid semi-annually at a rate of 2.00% - 4.00% per annum. The balance remaining at December 31, 2014, was \$5,369,000.00.

\$50,776,834.00 General Obligation Refunding Bonds dated November 2014, payable in annual installments through September 2030. Interest is paid semi-annually at a rate of 1.00% - 5.00% per annum. The balance remaining at December 31, 2014, was \$50,776,834.00.

\$3,008,166.00 Utility Obligation Refunding Bonds dated November 2014, payable in annual installments through September 2030. Interest is paid semi-annually at a rate of 1.00% - 5.00% per annum. The balance remaining at December 31, 2014, was \$3,008,166.00.

\$690,000.00 NJ Environmental Infrastructure Loan dated November 2004, payable in annual installments through August 2024. Interest is paid semi-annually at a rate of 4.00% - 5.00% per annum. The balance remaining at December 31, 2014, was \$435,000.00.

\$711,288.00 NJ Environmental Infrastructure Loan dated November 2004, payable in semi-annual installments through August 2024. Interest is paid semi-annually at a rate of 4.00% - 5.00% per annum. The balance remaining at December 31, 2014, was \$364,894.46.

\$1,840,000.00 NJ Environmental Infrastructure Loan dated November 2004, payable in annual installments through August 2024. Interest is paid semi-annually at a rate of 4.00% - 5.00% per annum. The balance remaining at December 31, 2014, was \$1,265,000.00.

\$2,672,058.00 NJ Environmental Infrastructure Loan dated November 2004, payable in semi-annual installments through August 2024. Interest is paid semi-annually at a rate of 4.00% - 5.00% per annum. The balance remaining at December 31, 2014, was \$1,367,735.83.

\$410,000.00 NJ Environmental Infrastructure Loan dated November 2007, payable in annual installments through August 2027. Interest is paid semi-annually at a rate of 4.00% - 5.00% per annum. The balance remaining at December 31, 2014, was \$315,000.00.

TOWNSHIP OF WEST DEPTFORD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2014 AND 2013

**NOTE 19: LONG-TERM DEBT (CONTINUED)**

\$401,631.00 NJ Environmental Infrastructure Loan dated November 2007, payable in semi-annual installments through August 2027. Interest is paid semi-annually at a rate of 4.00% - 5.00% per annum. The balance remaining at December 31, 2014, was \$268,094.11.

\$3,045,000.00 NJ Environmental Infrastructure Loan dated November 2007, payable in annual installments through August 2027. Interest is paid semi-annually at a rate of 4.00% - 5.00% per annum. The balance remaining at December 31, 2014, was \$2,340,000.00.

\$3,023,500.00 NJ Environmental Infrastructure Loan dated November 2007, payable in semi-annual installments through August 2027. Interest is paid semi-annually at a rate of 4.00% - 5.00% per annum. The balance remaining at December 31, 2014, was \$2,020,574.67.

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

Year Ended	Principal	Interest	Total
2015	\$ 7,700,823.27	\$ 4,060,638.96	\$ 11,761,462.23
2016	7,438,010.09	4,289,635.72	11,727,645.81
2017	7,661,401.19	4,096,028.22	11,757,429.41
2018	7,866,510.06	3,885,586.22	11,752,096.28
2019	7,572,844.27	3,621,862.46	11,194,706.73
2020-2024	37,146,157.61	14,327,343.80	51,473,501.41
2025-2029	37,667,552.58	6,444,500.00	44,112,052.58
2030-2032	11,550,000.00	625,425.00	12,175,425.00
	<u>\$ 124,603,299.07</u>	<u>\$ 41,351,020.38</u>	<u>\$ 165,954,319.45</u>

**SUMMARY OF STATUTORY DEBT CONDITION – ANNUAL DEBT STATEMENT**

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 4.620%.

	Gross Debt	Deductions	Net Debt
Local School District Debt	\$ 13,808,374.00	\$ 13,808,374.00	
Water & Sewer Debt	19,780,372.56	19,780,372.56	
General Debt	110,600,786.51	16,621.00	\$ 110,584,165.51
	<u>\$ 144,189,533.07</u>	<u>\$ 33,605,367.56</u>	<u>\$ 110,584,165.51</u>

Net Debt \$110,584,165.51/Equalized Valuation Basis per NJSA 40A:2-2 as amended  
\$2,393,490,857.33 = 4.620%.

TOWNSHIP OF WEST DEPTFORD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2014 AND 2013

**NOTE 19: LONG-TERM DEBT (CONTINUED)**

**Borrowing Power Under NJSA 40:A2-6 as Amended**

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 83,772,180.01
Add: Extension of Credit Approved by Local Finance Board	26,811,985.56
Net Debt	<u>110,584,165.57</u>
Remaining Borrowing Power	<u>None</u>

Calculation of "Self-Liquidating Purpose" Water & Sewer Utility per NJSA 40:2-45.

Cash Receipts from Fees, Rents, or Other Charges	\$ 12,807,079.35
Deductions:	
Operating and Maintenance Costs	\$ 8,463,830.00
Debt Service per Water and Sewer Account	<u>3,101,993.54</u>
	11,565,823.54
Excess in Revenue	<u>\$ 1,241,255.81</u>

**NOTE 20: BOND ANTICIPATION NOTES**

The Township has outstanding at December 31, 2014, a bond anticipation note in the amount of \$1,549,860.00. This note will mature on April 17, 2015, at an interest rate per annum of 1.00%.

The Township has outstanding at December 31, 2014, a bond anticipation note in the amount of \$1,993,000.00. This note will mature on April 17, 2015, at an interest rate per annum of 1.25%.

**NOTE 21: OPERATING LEASES**

The Township has commitments to lease copiers with a term of 60 months. The monthly lease payment is \$370.00. Future lease payments are as follows:

Year Ended December 31,	Payments
2015	\$ 4,440.00
2016	4,440.00
2017	4,440.00
2018	4,440.00
2019	<u>2,960.00</u>
	<u>\$ 20,720.00</u>

TOWNSHIP OF WEST DEPTFORD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2014 AND 2013

**NOTE 22: DEFERRED CHARGES**

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2014, the following deferred charge is shown on the balance sheet of the following fund:

	Balance 12/31/2014	2015 Budget Appropriation
Utility Operating Fund:		
Overexpenditure of Appropriation	\$ 1,206.27	\$ 1,206.27

**NOTE 23: TAX ABATEMENT PROGRAMS**

Tax abatement programs were established to encourage development in the Township. There are five year programs where real estate taxes on the approved improvements are abated and payments are made in lieu. Payments are based on financial agreements adopted through Township ordinances. The Township also has long-term programs in accordance with the Local Redevelopment and Housing Law and the Long-Term Exemption Law, codified at NJSA 40A:20-1 et seq. These programs are for thirty years and require a payment of 5% of the fee collected be made to the County of Gloucester.

**NOTE 24: CONTINGENCIES**

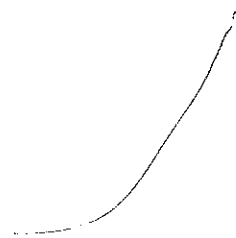
The Township participates in federal and state assisted grant programs. The Township is potentially liable for expenditures which may be disallowed pursuant to the terms of these grant programs. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.

The Township is also a defendant in several lawsuits arising in the normal course of business. To the extent the outcome of such litigation has been determined to result in probable loss to the Township, such loss has been accrued in the accompanying financial statements. One such loss in the amount of \$70,368.49 that has been accrued involves litigation where the County of Gloucester, State of New Jersey is the plaintiff and the Township is the defendant regarding the payments in lieu of taxes (PILOT) annual service charges paid by a redeveloper which is to be remitted to the County. The outcome of the remaining claims cannot be determined at this time.

**NOTE 25: SUBSEQUENT EVENTS**

Management has reviewed and evaluated all events and transactions that occurred between December 31, 2014 and July 7, 2015, the date that the financial statements were issued, and no additional items have come to their attention that would require disclosure.

## SUPPLEMENTAL INFORMATION



THIS PAGE INTENTIONALLY LEFT BLANK



# PETRONI & ASSOCIATES LLC

Certified Public Accountants • Registered Municipal Accountants  
102 West High Street, Suite 100 • P.O. Box 279 • Glassboro, NJ 08028  
(856) 881-1600 • Fax (856) 881-6860

MEMBER: AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS

Nick L. Petroni, CPA, RMA

Mary A. Carey, RMA  
Wendy G. Fama, CPA  
Denise R. Nevico, CPA  
Deanna L. Roller, CPA, RMA

## 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

Honorable Mayor and Members  
of the Township Council  
Township of West Deptford  
400 Crown Point Road  
West Deptford, NJ 08086

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the accompanying balance sheets- regulatory basis of the various funds and account group, the related statement of operations and changes in fund balance – regulatory basis, and the related statement of revenues – regulatory basis and statement of expenditures – regulatory basis of the Township of West Deptford, as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the Township of West Deptford's basic financial statements, and have issued our report thereon dated July 7, 2015, which contained an adverse opinion on those financial statements due to being presented in accordance with the New Jersey regulatory basis of accounting.

#### ***Internal Control over Financial Reporting***

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying *schedule of findings and recommendations*, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

THIS PAGE INTENTIONALLY LEFT BLANK

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying *schedule of findings and recommendations* as items 2014-001 and 2014-002 to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying *schedule of findings and recommendations* as items 2014-003, 2014-004, 2014-005, 2015-006, 2014-007, 2014-008, 2014-009, 2014-010, and 2014-011 to be significant deficiencies.

#### ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Township's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying *schedule of findings and recommendations* as items 2014-012, 2014-013, 2014-014, 2014-015, 2014-016, 2014-017, and 2014-018.

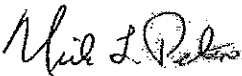
#### ***Municipality's Responses to Findings***

The Township's responses to the findings identified in our audit in the accompanying *schedule of findings and recommendations* will be addressed in their corrective action plan.

#### ***Purpose of this Report***

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

PETRONI & ASSOCIATES LLC



Nick L. Petroni  
Certified Public Accountant  
Registered Municipal Accountant #252

July 7, 2015

THIS PAGE INTENTIONALLY LEFT BLANK

TOWNSHIP OF WEST DEPTFORD  
SCHEDULE OF EXPENDITURES OF STATE AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2014

State Funding Department/Program	State Grant Number	Program Amount	Funds Received	Grant Period		Amount of Expenditures	Cumulative Expenditures
				From	To		
Department of Law and Public Safety:							
Drunk Driving Enforcement Program	1110-448-301020-60	\$ 12,753.00		1/1/12	12/31/12	\$ 1,510.00	\$ 8,809.00
Drunk Driving Enforcement Program	1110-448-301020-60	8,560.00		1/1/13	12/31/13	2,023.37	3,631.37
Drunk Driving Enforcement Program	1110-448-301020-60	10,479.50	\$ 10,479.50	1/1/14	12/31/14		
Safe & Secure Program	100-066-1020-232	60,000.00		1/1/11	12/31/11		37,976.00
Safe & Secure Program	100-066-1020-232	60,000.00		1/1/12	12/31/12	56,410.00	60,000.00
Safe & Secure Program	100-066-1020-232	60,000.00	15,000.00	1/1/13	12/31/13	60,000.00	60,000.00
Safe & Secure Program	100-066-1020-232	60,000.00	30,000.00	1/1/14	12/31/14	6,666.76	6,666.76
Department of Community Affairs:							
Municipal Alliance on Alcohol and Drugs	N/A	22,400.00		1/1/12	12/31/12	6,410.00	22,400.00
Municipal Alliance on Alcohol and Drugs	N/A	21,555.00		1/1/14	12/31/14	19,843.60	19,843.60
Recycling Tonnage Grant	4900-752-042-4900-001-V424-6020	58,982.00		1/1/12	12/31/12	21,772.41	40,544.41
Recycling Tonnage Grant	4900-752-042-4900-001-V424-6020	108,740.00		1/1/13	12/31/13		
Recycling Tonnage Grant	4900-752-042-4900-001-V424-6020	68,152.00		1/1/14	12/31/14	1,101.67	1,101.67
Department of Environmental Protection							
Clean Communities	4900-765-042-4900-004-VCMB-6020	33,143.00		1/1/10	12/31/10	14,300.55	33,143.00
Clean Communities	4900-765-042-4900-004-VCMB-6020	35,042.00		1/1/11	12/31/11		2,316.55
Clean Communities	4900-765-042-4900-004-VCMB-6020	35,145.00		1/1/12	12/31/12	8,623.46	13,656.78
Clean Communities	4900-765-042-4900-004-VCMB-6020	40,465.00		1/1/13	12/31/13		
Clean Communities	4900-765-042-4900-004-VCMB-6020	37,953.00	37,953.00	1/1/14	12/31/14		
Department of Transportation:							
Roadway Repair State Aid	2010-480-078-6320-ALQ-TCAP-6010	175,000.00		1/1/10	12/31/10		112,881.00
Roadway Repair State Aid	2011-480-078-6320-ALQ-TCAP-6010	200,000.00		1/1/11	12/31/11		194,358.00
Roadway Repair State Aid	2012-480-078-6320-ALQ-TCAP-6010	175,000.00	175,000.00	1/1/12	12/31/12		
Department of Health:							
Municipal Court Alcohol Education Rehabilitation Fund	9735-760-098-Y900-001-X100-6020	11,650.00		1/1/06	12/31/06	700.00	7,559.00
Municipal Court Alcohol Education Rehabilitation Fund	9735-760-098-Y900-001-X100-6020	473.00	472.64	1/1/14	12/31/14		
		<u>\$ 1,296,492.50</u>	<u>\$ 268,905.14</u>			<u>\$ 199,361.82</u>	<u>\$ 624,887.14</u>

The accompanying notes to schedule of expenditures of state awards is an integral part of this schedule.

TOWNSHIP OF WEST DEPTFORD  
NOTES TO SCHEDULE OF EXPENDITURES OF  
STATE FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 1: GENERAL

The accompanying Schedule of Expenditures of State Financial Assistance include state activity of the Township of West Deptford. The Township is defined in Note 1 to the Township's financial statements. All state assistance received directly from state agencies, as well as state financial assistance passed through other government agencies, is included on the Schedule of Expenditures of State Financial Assistance.

NOTE 2: BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of State Financial Assistance include the state grant activity of the Township of West Deptford and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and New Jersey OMB 04-04. Therefore, some amounts presented in these schedules may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 3: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

## CURRENT FUND

THIS PAGE INTENTIONALLY LEFT BLANK



## SCHEDULE OF CURRENT FUND CASH - TREASURER

	Ref.	Current	Grants
Balance December 31, 2013	A	<u>\$ 10,208,560.00</u>	<u>\$ 496,116.90</u>
Increased by Receipts:			
Taxes Receivable	A-6	63,928,724.38	
Tax Title Liens	A-7	42,724.07	
Prepaid Taxes	A	282,263.15	
Tax Overpayments		22,801.36	
Grants Receivable	A-17		300,749.79
Grants Unappropriated	A-19		65,788.41
Revenue Accounts Receivable	A-10	9,279,691.59	
Due State of New Jersey - Senior Citizen and Veterans Deductions	A-9	260,926.50	
Due State of New Jersey Registrar Fees		4,300.00	
Construction DCA Fees		32,406.00	
Petty Cash		350.00	
Due from Trust Other		856,136.44	
		<u>74,710,323.49</u>	<u>366,538.20</u>
		<u>84,918,883.49</u>	<u>862,655.10</u>
Decreased by Disbursements:			
Current Year Budget Appropriations	A-3	29,289,786.99	
Appropriation Reserves	A-11	447,602.55	
Encumbrances Payable	A-12	241,154.00	891.00
Reserve for Grants - Appropriated	A-18		204,361.82
Tax Overpayments		58,036.58	
County Taxes	A-6	14,493,399.08	
Due County Added & Omitted Taxes		6,153.61	
Tax Anticipation Note	A-16	4,775,000.00	
Local District School Tax	A-14	31,228,054.32	
Due County - PILOT		79,631.51	
Due State of New Jersey Registrar Fees		3,525.00	
Construction DCA Fees		36,170.00	
Due Trust Other		410,680.54	
Due General Capital		237,264.29	
Prior Year Refunds	A-1	240,357.65	
		<u>81,546,816.12</u>	<u>205,252.82</u>
Balance December 31, 2014	A	<u><u>\$ 3,372,067.37</u></u>	<u><u>\$ 657,402.28</u></u>

## EXHIBIT A-5

## SCHEDULE OF CHANGE FUND

Balance December 31, 2013	Ref. A	<u>\$ 1,500.00</u>
Balance December 31, 2014	A	<u><u>\$ 1,500.00</u></u>

## SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

Year	Balance Dec. 31, 2013	Levy	Added Taxes	Collected	2013	2014	Overpayments Applied	Canceled	Transferred to Tax Title Liens	Balance Dec. 31, 2014
2006	\$ 812.18			\$		794.10	\$ 18.08			
2007	3,554.69					120.35				\$ 3,434.34
2008	3,080.82					352.00				2,728.82
2009	2,975.26					2,975.26				
2010	4,094.35					4,012.70				72.65
2011	4,988.20					4,980.81		8.79		
2012	24,066.49		\$ 4,562.91			22,707.47	4,562.91	7.39		1,359.02
2013	1,219,042.19		20,562.86			1,184,675.38		6,322.64	\$ 45,419.41	3,187.62
	1,262,614.18		25,125.77			1,220,618.07		6,338.82	45,419.41	10,782.66
2014	\$ 64,740,805.67	\$ 64,740,805.67	\$ 25,125.77	\$ 25,125.77	\$ 260,077.78	62,987,848.35	63,500.08	257,881.54	161,527.42	1,009,970.50
	\$ 1,262,614.18	\$ 64,740,805.67	\$ 25,125.77	\$ 260,077.78	\$ 260,077.78	\$ 64,208,466.42	\$ 68,081.07	\$ 264,220.36	\$ 206,946.83	\$ 1,020,763.16
Ref.	A								A-7	A

Cash - Treasurer	Ref.
Due State of New Jersey	A-4
	A-9
	\$ 63,928,724.38
	279,742.04
	<u>\$ 64,208,466.42</u>

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY.

Analysis of Property Tax Levy

**Tax Yield**

General Purpose Tax:

Business Personality Tax	\$ 133,959.36
General Property Tax	64,475,541.98

\$ 64,609,501.34
131,304.33

Added Taxes (54:4-63.1 et seq.)

\$ 64,740,805.67

**Tax Levied**

Ref.

Local District School Tax (Abstract)

A-14

\$ 30,060,265.00

County Taxes:

County Tax (Abstract)	\$ 13,550,956.55
Due County for Open Space	942,442.53
Due County for Added Taxes (54:4-63.1 et seq.)	30,113.68

Total County Taxes

14,523,512.76

Local Tax for Municipal Purposes

A-2

19,260,185.00

Minimum Library Tax

A-2

794,542.00

Add: Additional Taxes Levied

102,300.91

20,157,027.91

\$ 64,740,805.67

## EXHIBIT A-7

## SCHEDULE OF TAX TITLE LIENS RECEIVABLE

Balance December 31, 2013	Ref. A		\$ 1,487,149.53
Increased by:			
Transfers from Taxes Receivable	A-6	\$ 206,946.83	
Interest and Costs		<u>2,894.44</u>	
			<u>209,841.27</u>
			1,696,990.80
Decreased by:			
Cash Receipts	A-4	42,724.07	
Prior Year Adjustment		<u>28,207.05</u>	
			<u>70,931.12</u>
Balance December 31, 2014	A		<u>\$ 1,626,059.68</u>

## EXHIBIT A-8

SCHEDULE OF PROPERTY ACQUIRED FOR TAXES  
(AT ASSESSED VALUATION)

Balance December 31, 2013	Ref. A	\$ 2,104,400.00
Decreased by:		
Prior Period Adjustment		<u>1,339,600.00</u>
Balance December 31, 2014	A	<u>\$ 764,800.00</u>

SCHEDULE OF AMOUNT DUE FROM STATE OF NEW JERSEY -  
SENIOR CITIZEN AND VETERANS DEDUCTIONS

Balance December 31, 2013	Ref. A	\$ 15,428.66
Increased By:		
Current Year Deductions Per Tax Duplicate		\$ 273,250.00
Current Year Deductions Allowed by Collector		10,251.17
Current Year Deductions Disallowed by Collector		(3,759.13)
		<hr/>
Prior Year Deductions Disallowed by Collector	A-6	279,742.04
	A-1	(14,633.90)
		<hr/>
		265,108.14
		<hr/>
		280,536.80
Decreased by:		
Cash Receipts	A-4	260,926.50
		<hr/>
Balance December 31, 2014	A	<u><u>\$ 19,610.30</u></u>

## SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	Balance Dec. 31, 2013	Accrued in 2014	Collected	Balance Dec. 31, 2014
<b>Miscellaneous Revenue Anticipated</b>				
Licenses:				
Alcoholic Beverages		\$ 20,150.00	\$ 20,150.00	
Fees and Permits		89,927.50	89,927.50	
Fines and Costs:				
Municipal Court	\$ 22,264.21	236,299.83	244,358.85	\$ 14,205.19
Interest and Costs on Taxes		303,206.43	303,206.43	
Interest on Investments and Deposits		9,252.15	9,252.15	
Consolidated Municipal Property Tax Relief		154,181.00	154,181.00	
Energy Receipts Tax		1,855,060.00	1,855,060.00	
Uniform Construction Code Fees		389,134.00	389,134.00	
Riverwinds Fees		1,893,152.32	1,893,152.32	
Uniform Fire Safety Act		140,587.88	140,587.88	
Franchise Fees - Cable Television		316,643.84	316,643.84	
Host Community Benefit Agreement		426,468.50	426,468.50	
Reserve for Tax Defeasance		552,506.62	552,506.62	
Payment in Lieu of Taxes		87,065.32	87,065.32	
Rental of Buildings & Grounds		371,541.32	371,541.32	
FHG Restaurant Ground Lease		76,935.00	76,935.00	
LS Power Pilot		498,768.03	498,768.03	
Prior Year Pilot Payments		265,512.00	265,512.00	
Due from Escrow, RW Defeasance, Health Insurance		917,050.00	917,050.00	
<b>Miscellaneous Revenue Not Anticipated</b>				
Refunds		24,459.90	24,459.90	
Insurance Refunds		134,512.71	134,512.71	
Interlocal Agreements		113,306.12	113,306.12	
Donations		8,900.00	8,900.00	
Fuel Purchases		14,852.24	14,852.24	
Administrative Fees Off-Duty Police		114,939.83	114,939.83	
Administrative Fees - Senior Citizen Deductions		5,218.53	5,218.53	
Recreation Fees		63,303.60	63,303.60	
Recycling Fees		57,421.13	57,421.13	
Miscellaneous		122,864.60	122,864.60	
Property Maintenance Liens		8,412.17	8,412.17	
	<u>\$ 22,264.21</u>	<u>\$ 9,271,632.57</u>	<u>\$ 9,279,691.59</u>	<u>\$ 14,205.19</u>
Ref.	A		A-4	A

## SCHEDULE OF APPROPRIATION RESERVES

	Balance Dec. 31, 2013	Balance After Transfers	Paid or Charged	Balance Lapsed
Salaries and Wages				
Snow Removal	\$ 11,134.00	\$ 11,134.00	\$ 11,134.00	
Library	72,395.00	72,395.00	58,378.33	\$ 14,016.67
Other Expenses				
General Administration	14,891.00	8,891.00	310.00	8,581.00
Municipal Clerk	853.00	853.00	853.00	
Finance	15,337.00	15,337.00	14,772.00	565.00
Revenue Administration	1,378.00	1,378.00	23.00	1,355.00
Legal	14,750.00	29,750.00	29,383.00	367.00
Engineering Services	4,000.00	28,000.00	27,984.00	16.00
Buildings & Grounds	39,089.00	23,089.00		23,089.00
Planning Board	4,027.00	4,027.00	1,556.00	2,471.00
Zoning Board	976.00	976.00	385.00	591.00
Rental Control Commission	4,675.00	4,675.00	3,535.00	1,140.00
Group Plan for Employees	233,478.00	178,978.00	4,088.00	174,890.00
Aid to Volunteer Fire Companies	102,132.00	102,132.00	63,958.00	38,174.00
Fire Department	107.00	107.00	62.00	45.00
Police	19,114.00	19,114.00	6,969.00	12,145.00
Streets and Roads	9,750.00	9,750.00	1,762.00	7,988.00
Snow Removal	17,068.00	17,068.00	17,068.00	
Street Lighting	40,409.00	40,409.00	24,890.00	15,519.00
Leaf Collection	16,085.00	16,085.00	2,234.00	13,851.00
Solid Waste Collection	66,030.00	66,030.00	42,939.00	23,091.00
Vehicle Maintenance	6,120.00	22,120.00	20,379.00	1,741.00
Sanitary Landfill	70,346.00	70,346.00	70,140.00	206.00
Park & Recreation	9,271.00	9,271.00	972.00	8,299.00
Municipal Court	5,873.00	5,079.00	247.00	4,832.00
Public Defender	578.00	1,372.00	1,372.00	
Electricity	35,418.00	35,418.00	14,623.00	20,795.00
Telephone	5,301.00	5,301.00	936.00	4,365.00
Fuel Oil	3,844.00	3,844.00	2,678.00	1,166.00
Gasoline	4,334.00	13,334.00	13,274.00	60.00
Construction Code	1,625.00	1,625.00	282.00	1,343.00
Social Security	12,046.00	12,046.00	4,179.00	7,867.00
Unemployment Insurance	100,000.00	100,000.00	30,693.00	69,307.00
Riverwinds	8,918.00	52,918.00	51,928.00	990.00
Other Accounts - No Change	621,523.00	590,023.00		590,023.00
	<u>\$ 1,572,875.00</u>	<u>\$ 1,572,875.00</u>	<u>\$ 523,986.33</u>	<u>\$ 1,048,888.67</u>
Ref. A		Ref. A-1		
Disbursed		A-4	\$ 447,602.55	
Due to Library		A	58,378.33	
Accounts Payable		A-13	18,005.45	
			<u>\$ 523,986.33</u>	



## EXHIBIT A-12

## SCHEDULE OF ENCUMBRANCES PAYABLE

	Ref.	Current	Grants
Balance December 31, 2013	A	\$ 241,549.00	\$ 891.00
Increased by:			
Charges to Current Year Appropriations	A-3	496,235.51	
		<u>737,784.51</u>	<u>891.00</u>
Decreased by:			
Payments	A-4	241,154.00	891.00
Canceled	A-1	395.00	
		<u>241,549.00</u>	<u>891.00</u>
Balance December 31, 2014	A	<u>\$ 496,235.51</u>	

## EXHIBIT A-13

## SCHEDULE OF ACCOUNTS PAYABLE

	Ref.	
Increased by:		
Charges to Appropriation Reserves	A-11	\$ 18,005.45
Balance December 31, 2014	A	<u>\$ 18,005.45</u>

## SCHEDULE OF LOCAL DISTRICT SCHOOL TAXES PAYABLE

Balance December 31, 2013	Ref.		
School Tax Payable	A	\$ 534,628.00	
School Tax Deferred		<u>14,173,179.00</u>	
			\$ 14,707,807.00
Increased by:			
2014 Calendar Year School Levy	A-6		30,060,265.00
Decreased by:			
Payments	A-4		<u>31,228,054.32</u>
Balance December 31, 2014	Ref.		
School Tax Deferred		<u>13,540,017.68</u>	
			<u>\$ 13,540,017.68</u>
2014 Tax Liability for Local District School Tax:			
Tax Paid/Encumbered	A-14		\$ 31,228,054.32
School Tax Payable December 31, 2013	A		<u>534,628.00</u>
Amount Charged to 2014 Operations	A-1		<u>\$ 30,693,426.32</u>

## SCHEDULE OF RESERVE FOR REVALUATION

Balance December 31, 2013	Ref. A	\$ 6,805.45
Balance December 31, 2014	A	<u>\$ 6,805.45</u>

SCHEDULE OF TAX ANTICIPATION NOTE PAYABLE

2013 Series A	Original Date of Issue	Date of Maturity	Interest Rate	Balance	
				Dec. 31, 2013	Paid
	6/27/13	2/20/14	1.25%	\$ 4,775,000.00	\$ 4,775,000.00
				A	A-4

Ref.

## SCHEDULE OF GRANTS RECEIVABLE

	Balance Dec. 31, 2013	Budget Revenue Realized	Received	From Grants Unappropriated	Balance Dec. 31, 2014
<b>Federal Grants</b>					
West Deptford Riverwinds Bike Trail	\$ 182,517.81				\$ 182,517.81
Over the Limit Under Arrest	175.00				175.00
Bulletproof Vest Program	3,502.00	\$ 6,486.96	\$ 3,388.00		6,600.96
Cops Grant Award		7,930.00		\$ 7,930.00	
Cops in Shops		2,255.00		2,255.00	
Distracted Driving Statewide Crackdown Grant		5,000.00	5,000.00		
Buckle Up	4,000.00				4,000.00
CDBG	12,594.00				12,594.00
	202,788.81	21,671.96	8,388.00	10,185.00	205,887.77
<b>State Grants</b>					
Clean Communities	4,111.80	37,953.00	37,953.00		4,111.80
Municipal Alliance Youth Service	15,922.00	21,555.00	19,920.00	1,635.00	15,922.00
Recycling Tonnage Grant		69,152.00		69,152.00	
Body Armor		5,292.65	3,536.65	1,756.00	
Drunk Driving Enforcement		10,479.50	10,479.50		
Safe and Secure	15,000.00	60,000.00	45,000.00		30,000.00
Municipal Court Alcohol Education		473.00	472.64		0.36
NJ Transportation Trust	37,500.00				37,500.00
Individuals with Handicapped Recreation Grant	6,604.00				6,604.00
Road Repair State Aid	127,142.00				127,142.00
Road Repair State Aid	175,000.00		175,000.00		
NJ DOT Lewis/Garret Ave	51,166.00				51,166.00
Buffer Zone Protection Program	236.00				236.00
Municipal Stormwater	12,029.00				12,029.00
	444,710.80	204,905.15	292,361.79	72,543.00	284,711.16
	\$ 647,499.61	\$ 226,577.11	\$ 300,749.79	\$ 82,728.00	\$ 490,598.93
Ref.	A	A-2	A-4	A-19	A

## SCHEDULE OF RESERVE FOR GRANTS - APPROPRIATED

	Balance Dec. 31, 2013	Transferred from Budget Appropriation	Paid or Charged	Balance Dec. 31, 2014
<b>Federal Grants:</b>				
West Deptford Riverwinds Bike Trail	\$ 383,540.00			\$ 383,540.00
Over the Limit Under Arrest	175.00			175.00
Click it or Ticket	4,750.00			4,750.00
Bulletproof Vest Program	6,340.00	\$ 6,486.96		12,826.96
Cops Grant Award	2,860.00	7,930.00		10,790.00
Cops in Shops	1,100.00	2,255.00		3,355.00
Buckle Up	2,000.00			2,000.00
Distracted Driving Statewide Crackdown Grant		5,000.00	\$ 5,000.00	
CDBG	95,739.00			95,739.00
Emergency Management	5,000.00			5,000.00
	<u>501,504.00</u>	<u>21,671.96</u>	<u>5,000.00</u>	<u>518,175.96</u>
<b>State Grants:</b>				
Clean Communities	117,602.68	37,953.00	22,924.01	132,631.67
Municipal Alliance Youth Service	6,410.00	21,555.00	26,253.60	1,711.40
Recycling Tonnage Grant	148,950.00	69,152.00	22,874.08	195,227.92
Body Armor	22,755.00	5,292.65		28,047.65
Drunk Driving Enforcement	12,406.00	10,479.50	3,533.37	19,352.13
Safe and Secure	138,434.00	60,000.00	123,076.76	75,357.24
Municipal Court Alcohol Education	4,791.00	473.00	700.00	4,564.00
NJ Transportation Trust	62,119.00			62,119.00
Individuals with Handicapped Recreation Grant	41,349.39			41,349.39
Road Repair State Aid	175,000.00			175,000.00
Road Repair State Aid	5,642.00			5,642.00
Buffer Zone Protection Program	236.00			236.00
Municipal Stormwater	2,621.00			2,621.00
Clean Shores	11,915.33			11,915.33
Riverwinds Generator	16,346.00			16,346.00
	<u>766,577.40</u>	<u>204,905.15</u>	<u>199,361.82</u>	<u>772,120.73</u>
	<u>\$ 1,268,081.40</u>	<u>\$ 226,577.11</u>	<u>\$ 204,361.82</u>	<u>\$ 1,290,296.69</u>
Ref.	A	A-3	A-4	A

## SCHEDULE OF RESERVE FOR GRANTS - UNAPPROPRIATED

	Balance Dec. 31, 2013	Receipts	To Grants Receivable	Balance Dec. 31, 2014
<b>Federal Grants:</b>				
Cops Grant Award	\$ 7,930.00	\$ 440.00	\$ 7,930.00	\$ 440.00
Cops in Shops	2,255.00	660.00	2,255.00	660.00
	10,185.00	1,100.00	10,185.00	1,100.00
<b>State Grants:</b>				
Municipal Alliance	1,635.00	845.39	1,635.00	845.39
Recycling Tonnage Grant	69,152.00	58,583.54	69,152.00	58,583.54
Body Armor	1,756.00		1,756.00	
Drunk Driving Enforcement		5,259.48		5,259.48
	72,543.00	64,688.41	72,543.00	64,688.41
	\$ 82,728.00	\$ 65,788.41	\$ 82,728.00	\$ 65,788.41
Ref.	A	A-4	A-17	A

THIS PAGE INTENTIONALLY LEFT BLANK



## TRUST FUND

THIS PAGE INTENTIONALLY LEFT BLANK

## EXHIBIT B-1

## SCHEDULE OF TRUST FUND CASH - TREASURER

Balance December 31, 2013	Ref. B		\$ 3,928,712.22
Increased by Receipts:			
Interest		\$ 1,318.93	
Interfund Receivable		347,089.54	
Payroll withholding		6,028,443.62	
Dog License Fees:			
Municipal Share	B-2	3,619.00	
State Share		641.00	
Forfeited Funds	B-3	3,767.16	
Off-Duty Police Fees	B-3	176,139.43	
Tax Sale Premiums	B-3	495,700.00	
Tax Sale Redemptions	B-3	526,811.45	
K-9 Donations	B-3	65,632.04	
POAA Fees	B-3	28.00	
Public Defender Fees	B-3	4,509.44	
Street Openings	B-3	1,070.00	
Riverwinds Tax Defeasance	B-3	767,294.50	
Snow Removal	B-3	25,661.99	
Municipal Open Space	B-3	3,118.09	
Affordable Housing	B-3	80,745.40	
Unemployment Trust	B-3	15,581.11	
Employee Health Claims	B-3	93.15	
Escrow Fees	B-3	126,093.90	
			<u>8,673,357.75</u>
			<u>12,602,069.97</u>
Decreased by Disbursements:			
Due to State of New Jersey		646.20	
Payroll taxes		6,282,416.80	
Escrow Fees	B-3	315,737.27	
Expenditures Under RS 4:19-15.11	B-2	1,894.50	
Forfeited Funds	B-3	18,480.65	
Off-Duty Police Fees	B-3	166,446.98	
Tax Sale Premiums	B-3	341,000.00	
Tax Sale Redemptions	B-3	570,583.11	
K-9 Donations	B-3	84,339.79	
Street Openings	B-3	1,150.00	
Municipal Open Space	B-3	133,505.41	
Public Defender Fees	B-3	15,186.64	
Snow Removal	B-3	827.54	
Unemployment Compensation	B-3	76,058.81	
Employee Health Claims	B-3	93.15	
Riverwinds Tax Defeasance	B-3	818,018.62	
Interfund Payable		846,665.69	
Interest Due Current Fund		1,318.93	
			<u>9,674,370.09</u>
Balance December 31, 2014	B		<u>\$ 2,927,699.88</u>

## EXHIBIT B-2

## SCHEDULE OF RESERVE FOR DOG FUND EXPENDITURES

Balance December 31, 2013	Ref. B		\$ 6,683.00
Increased by:			
Municipal Share of Dog License Fees	B-1		3,619.00
			<u>10,302.00</u>
Decreased by:			
Expenditures Under RS 4:19-15.11	B-1	\$ 1,894.50	
Excess Fees due Current Fund		<u>350.50</u>	
			<u>2,245.00</u>
Balance December 31, 2014	B		<u><u>\$ 8,057.00</u></u>

## License Fees Collected

Year	Amount
2012	\$ 4,034.00
2013	<u>4,023.00</u>
	<u><u>\$ 8,057.00</u></u>

## EXHIBIT B-3

## SCHEDULE OF MISCELLANEOUS TRUST RESERVES

	Balance Dec. 31, 2013	Receipts	Disbursements	Due Current	Encumbered	Balance Dec. 31, 2014
Tax Sale Redemption	\$ 81,587.21	\$ 526,811.45	\$ 570,583.11			\$ 37,815.55
Tax Sale Premium	537,400.00	495,700.00	341,000.00			692,100.00
Open Space	964,248.56	3,118.09	133,505.41			833,861.24
Forfeited Funds	67,468.00	3,767.16	18,480.65			52,754.51
Snow Removal		25,661.99	827.54			24,834.45
Employee Health Claims Trust Fund		93.15	93.15			
POAA Fees	1,588.17	28.00				1,616.17
K-9 Donations	23,726.69	65,632.04	84,339.79			5,018.94
Street Opening	105,628.08	1,070.00	1,150.00			105,548.08
Affordable Housing	68,345.90	80,745.40				149,092.30
Drainage Basin	77,329.02					77,329.02
Riverwinds Tax Defeasance	50,724.12	767,294.50	818,018.62			
Police Off-Duty	19,454.53	176,139.43	166,446.98		\$ 2,760.00	26,386.98
Public Defender	10,677.20	4,509.44	15,186.64			119,104.84
Unemployment Compensation	179,582.54	15,581.11	76,058.81			1,879.00
Mayor's Food & Holiday Drive	1,879.00					
Developer's Escrow Fund	660,369.00	126,093.90	315,737.27	\$ 231,020.80	5,939.27	233,765.56
	\$ 2,850,009.02	\$ 2,292,245.66	\$ 2,541,427.97	\$ 231,020.80	\$ 8,699.27	\$ 2,361,106.64
Ref.	B	B-1	B-1		B-4	B

## EXHIBIT B-4

## SCHEDULE OF ENCUMBRANCES PAYABLE

	Ref.	
Increased by Charges for:		
Developer's Escrow	B-3	\$ 5,939.27
Police Off-Duty	B-3	2,760.00
Balance December 31, 2014	B	<u>\$ 8,699.27</u>

## GENERAL CAPITAL FUND

THIS PAGE INTENTIONALLY LEFT BLANK



## EXHIBIT C-2

## SCHEDULE OF GENERAL CAPITAL CASH - TREASURER

Balance December 31, 2013	Ref. C		\$ 60,111.67
Increased by:			
Budget Appropriation			
Capital Improvement Fund	C-6	\$ 100,000.00	
Fund Ordinance Overexpended	C-3	36,122.63	
Donations	C-3	750,000.00	
Due Current Fund	C-3	237,264.29	
Due Utility Capital	C-3	1,261.97	
Bond Anticipation Note	C-3	1,993,000.00	
Premium on Bond Anticipation Note	C-3	3,975.74	
			<u>3,121,624.63</u>
			3,181,736.30
Decreased by:			
Improvement Authorizations	C-7	1,168,721.56	
Encumbrances Payable	C-11	5,946.15	
			<u>1,174,667.71</u>
Balance December 31, 2014	C		<u>\$ 2,007,068.59</u>

## ANALYSIS OF GENERAL CAPITAL FUND CASH

	Balance Dec. 31, 2013	Receipts		Bond Anticipation Notes	Disbursements		Transfers To/(From)	Balance Dec. 31, 2014
		Miscellaneous			Improvement Authorizations	Miscellaneous		
Grants Receivable	\$ (236,000.00)							\$ (236,000.00)
Deferred Charge - Overexpenditure of Improvement Authorization	(36,122.63)	\$ 36,122.63						(11,547.00)
Due from Utility Operating Fund	(11,547.00)							273,384.64
Due Current Fund	36,120.35	237,264.29						122,792.91
Due Grant Fund	122,792.91							3,111.97
Due Utility Capital Fund	1,850.00	1,261.97						(133,820.00)
Capital Improvement Fund	331,820.00	100,000.00					\$ (298,000.00)	36,302.00
Reserve for Down Payment on Improvements	36,302.00							16,621.00
Reserve for Payment of Debt Service	16,621.00							1,376,806.00
Encumbrances Payable	7,181.15							11,400.86
Fund Balance	37,425.12	3,975.74			\$ 5,946.15			
Improvement Authorizations:								
Ordinance								
Number								
2009-13	Acquisition, Construction, Repair and Installation of							
2010-08	Various Capital Improvements	293,344.48					1,235.00	294,579.48
2010-11	Bond Ordinance-Costs of Issuance	(89,953.00)						(89,953.00)
2011-06	Purchase of Equipment	335.00						335.00
2011-10	Various Capital Improvements	58,900.00						58,900.00
2012-07	Acquisition of a Bus	1,010.00						1,010.00
2012-11	Tax Appeal Refunding Issue	(599,645.50)						(599,645.50)
2014-11	Purchase of Equipment	89,677.79			\$ 34,815.43			54,862.36
2014-14	Purchase of Workstations and Computers				62,134.77		70,000.00	7,865.23
2014-19	Various Capital Improvements				64,512.00		(1,376,806.00)	551,682.00
	Various Capital Improvements				1,007,259.36		258,000.00	740.64
Ref.		\$ 60,111.67	\$ 1,128,624.63	\$ 1,993,000.00	\$ 1,168,721.56	\$ 5,946.15		\$2,007,068.59
		C-2	C-2	C-10	C-7	C-2		C-2

## EXHIBIT C-4

## SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

Balance December 31, 2013	Ref. C		\$ 113,929,805.93
Increased by:			
Refunding Bond	C-8		<u>50,776,834.00</u>
			164,706,639.93
Decreased by:			
Payments on General Serial Bonds	C-8	\$ 5,408,334.02	
Refunding Bond	C-8	<u>53,868,663.97</u>	
			<u>59,276,997.99</u>
Balance December 31, 2014	C		<u><u>\$ 105,429,641.94</u></u>

## SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

Ordinance Number	Improvement Description	Funded By		Analysis of Balances Dec. 31, 2014			
		Balance Dec. 31, 2013	Budget Appropriation	Authorized	Balance Dec. 31, 2014	Financed by Bond Anticipation Notes	Unexpended Improvement Authorizations
2008-09	Acquisition, Construction, Repair and Installation of Various Capital Improvements	\$ 908,500.00	\$ 98,240.94		\$ 810,259.06	\$ 810,259.06	
2009-13	Acquisition, Construction, Repair and Installation of Various Capital Improvements	141,500.00	8,614.49		132,885.51	132,885.51	
2010-08	Refunding Bond Issuance Costs	165,000.00			165,000.00		\$ 75,047.00
2012-07	Tax Appeal Refunding	2,070,000.00		\$ 1,993,000.00	2,070,000.00	1,993,000.00	1,470,354.50
					1,993,000.00		
Ref.		\$ 3,285,000.00	\$ 106,855.43	\$ 1,993,000.00	\$ 5,171,144.57	\$ 2,936,144.57	\$ 1,545,401.50
		C	C-10	C-9	C	C-10	C-3
							C-7

## EXHIBIT C-6

## SCHEDULE OF CAPITAL IMPROVEMENT FUND

	Ref.	
Balance December 31, 2013	C	\$ 331,820.00
Increased by:		
Budget Appropriation	C-2	<u>100,000.00</u>
		431,820.00
Decreased by:		
Funding of Ordinance	C-7	<u>298,000.00</u>
Balance December 31, 2014	C	<u><u>\$ 133,820.00</u></u>

## SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ordinance Number	Improvement Description	Date	Ordinance Amount	Balance Dec. 31, 2013		2014 Authorizations		Encumbrance Canceled	Paid or Charged	Encumbrance		Balance Dec. 31, 2014	
				Funded	Unfunded	Funded	Unfunded			Funded	Unfunded	Funded	Unfunded
2008-13	Acquisition, Construction, Repair and Installation of Various Capital Improvements	12/10/2008	\$ 355,000.00	\$ 146,094.48	\$ 147,250.00			\$ 1,235.00				\$ 294,570.48	
2010-08	Bond Ordinance-Costs of Issuance	8/5/2010	255,000.00		75,047.00								\$ 75,047.00
2010-11	Purchase of Equipment	8/5/2010	265,133.00	335.00								335.00	
2011-06	Various Capital Improvements	9/1/2011	408,317.00	58,800.00								58,800.00	
2011-10	Acquisition of a Bus	12/29/2011	82,000.00	1,010.00								1,010.00	
2012-07	Tax Appeal Refunding Issue	7/5/2012	33,000,000.00		1,470,354.50								1,470,354.50
2012-11	Purchase of Equipment	9/20/2012	438,080.00	89,677.78					\$ 34,815.43			54,862.36	
2014-11	Purchase of Workstations and Computers	5/1/2014	70,000.00			\$ 70,000.00			82,134.77			7,865.23	
2014-14	Various Capital Improvements	8/19/14	1,993,000.00			1,993,000.00			64,512.00	\$ 1,376,806.00		551,682.00	
2014-19	Various Capital Improvements	9/4/14	1,008,000.00			1,008,000.00			1,007,259.36			740.64	
				\$ 296,017.27	\$ 1,692,651.50	\$ 3,071,000.00		\$ 1,235.00	\$ 1,166,721.56	\$ 1,376,806.00		\$ 968,874.71	\$ 1,545,401.50
				C	C	C		C-11	C-2	C-11		C	C
				Ref.									
	Capital Improvement Fund												
	Deferred Charges - Unfunded					\$ 298,000.00							
	Fund Balance					1,993,000.00							
	Donations					30,000.00							
						750,000.00							
						\$ 3,071,000.00							

## SCHEDULE OF GENERAL SERIAL BONDS

Purpose	Date of Issue	Original Issue	Maturities of Bonds			Interest Rate	Balance Dec. 31, 2013	Refunding	Increased	Decreased	Balance Dec. 31, 2014
			Outstanding	December 31, 2014	Amount						
General Obligation Bonds, Series 2004	03/01/04	\$ 61,580,685.88					\$ 55,124,277.78	\$ (53,889,663.97)		\$ 1,255,613.81	
General Obligation Bonds, Series 2005	12/08/05	4,965,425.40					1,161,455.75			1,161,455.75	
General Obligation Bonds, Series 2007	11/26/07	5,083,732.78									
			11/1/2015	\$ 397,952.80	4.125%						
			11/1/2016	387,952.80	4.125%						
			11/1/2017	402,526.97	4.125%						
			11/1/2018	402,526.97	4.125%						
			11/1/2019	407,101.14	4.125%						
			11/1/2020	407,101.14	4.250%						
			11/1/2021	411,875.31	4.250%						
			11/1/2022	408,930.81	4.250%		3,624,572.40			369,804.46	\$ 3,235,767.94
General Obligation Refunding Bonds, Series 2008	03/01/08	5,915,360.00									
			8/1/2015	1,037,650.00	3.82%						
			8/1/2016	1,061,800.00	3.82%						
			8/1/2017	1,125,940.00	3.82%						
			8/1/2018	1,176,240.00	3.82%		4,647,500.00			226,460.00	4,421,040.00
Golf Course	10/01/08	9,945,000.00									
			10/1/2015	370,000.00	3.25%						
			10/1/2016	390,000.00	3.25%						
			10/1/2017	410,000.00	3.25%						
			10/1/2018	435,000.00	3.25%						
			10/1/2019	455,000.00	3.25%						
			10/1/2020	485,000.00	3.25%						
			10/1/2021	510,000.00	3.25%						
			10/1/2022	540,000.00	3.25%						
			10/1/2023	570,000.00	3.25%						
			10/1/2024	600,000.00	3.25%						
			10/1/2025	635,000.00	3.25%						
			10/1/2026	670,000.00	3.25%						
			10/1/2027	710,000.00	3.25%		7,130,000.00			350,000.00	6,780,000.00
General Obligation Refunding Bonds, Series 2010	09/15/10	8,385,000.00									
			9/1/2015	1,040,000.00	2.00%						
			9/1/2016	1,065,000.00	2.125%						
			9/1/2017	1,080,000.00	2.847%						
			9/1/2018	1,110,000.00	4.00%						
			9/1/2019	1,155,000.00	3.00%		6,450,000.00			1,010,000.00	5,440,000.00
General Obligation Refunding Bonds, Series 2012	08/21/12	30,830,000.00									
			7/1/2015	160,000.00	3.00%						
			7/1/2016	160,000.00	3.00%						
			7/1/2017	160,000.00	3.00%						
			7/1/2018	160,000.00	3.00%						
			7/1/2019	160,000.00	3.00%						
			7/1/2020	1,490,000.00	2.25%						
			7/1/2021	1,520,000.00	2.50%						
			7/1/2022	1,556,000.00	5.00%						
			7/1/2023	1,635,000.00	5.00%						
			7/1/2024	1,710,000.00	5.00%						
			7/1/2025	1,760,000.00	5.00%						
			7/1/2026	1,650,000.00	5.00%						
			7/1/2027	1,505,000.00	5.00%						
			7/1/2028	1,895,000.00	3.25%						
			7/1/2029	2,070,000.00	3.25%						
			7/1/2030	2,170,000.00	3.38%						
			7/1/2031	2,230,000.00	3.38%						
			7/1/2032	2,335,000.00	3.50%		25,025,000.00				25,025,000.00

SCHEDULE OF GENERAL SERIAL BONDS

Purpose	Date of Issue	Original Issue	Maturities of Bonds		Interest Rate	Balance Dec. 31, 2013	Refunding	Increased	Decreased	Balance Dec. 31, 2014
			Outstanding December 31, 2014	Amount						
General Obligation Refunding Bonds, Series 2012B	11/20/12	8,296,673.00	9/1/2015	598,000.00	2.00%					
			9/1/2016	606,000.00	3.00%					
			9/1/2017	624,000.00	2.00%					
			9/1/2018	261,000.00	2.00%					
			9/1/2019	374,000.00	3.00%					
			9/1/2020	850,000.00	2.00%					
			9/1/2021	388,000.00	2.00%					
			9/1/2022	116,000.00	4.00%					
			9/1/2023	486,000.00	2.00%					
			9/1/2024	58,000.00	4.00%					
			9/1/2025	334,000.00	2.25%					
			9/1/2026	174,000.00	4.00%					
			9/1/2027	489,000.00	2.30%					
			9/1/2028	485,000.00	2.50%					
			9/1/2029	475,000.00	2.50%					
			9/1/2030	465,000.00	2.75%					
General Obligation Refunding Bonds, Series 2012C	11/20/12	8,180,000.00	9/1/2015	440,000.00	2.00%					
			9/1/2016	445,000.00	3.00%					
			9/1/2017	260,000.00	3.00%					
			9/1/2018	200,000.00	2.307%					
			9/1/2019	475,000.00	2.667%					
			9/1/2020	485,000.00	2.917%					
			9/1/2021	1,907,022.00	1.00%					
			9/1/2022	1,538,835.00	2.00%					
			9/1/2023	1,576,588.00	2.00%					
			9/1/2024	1,609,640.00	4.00%					
			9/1/2025	2,855,813.00	4.00%					
			9/1/2026	2,973,822.00	4.00%					
			9/1/2027	3,101,272.00	4.00%					
			9/1/2028	3,233,442.00	5.00%					
			9/1/2029	3,403,374.00	5.00%					
			9/1/2030	3,582,748.00	5.00%					
General Obligation Refunding Bonds, Series 2014	11/13/14	50,776,834.00	9/1/2015	1,507,022.00	1.00%					
			9/1/2016	1,538,835.00	2.00%					
			9/1/2017	1,576,588.00	2.00%					
			9/1/2018	1,609,640.00	4.00%					
			9/1/2019	2,855,813.00	4.00%					
			9/1/2020	2,973,822.00	4.00%					
			9/1/2021	3,101,272.00	4.00%					
			9/1/2022	3,233,442.00	5.00%					
			9/1/2023	3,403,374.00	5.00%					
			9/1/2024	3,582,748.00	5.00%					
			9/1/2025	3,771,582.00	5.00%					
			9/1/2026	3,965,066.00	3.00%					
			9/1/2027	4,092,546.00	3.00%					
			9/1/2028	4,218,995.00	4.00%					
			9/1/2029	4,395,368.00	3.125%					
			9/1/2030	4,545,700.00	3.250%					
General Obligation Refunding Bonds, Series 2012C	11/20/12	8,032,000.00				8,032,000.00		596,000.00		7,446,000.00
General Obligation Refunding Bonds, Series 2014	11/13/14	50,776,834.00				2,735,000.00		430,000.00		2,305,000.00
					\$ 113,929,805.93	\$ (63,888,663.97)	\$ 50,776,834.00	\$ 5,408,334.02	\$ 105,429,841.84	
					C			C-4	C	

Ref.



EXHIBIT C-9

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Ordinance Number	Improvement Description	Balance Dec. 31, 2013	Authorized	Issued	Balance Dec. 31, 2014
2010-08	Refunding Bond Issuance Costs	\$ 165,000.00			\$ 165,000.00
2012-07	Tax Appeal Refunding	2,070,000.00			2,070,000.00
2014-14	Various Capital Improvements		\$ 1,993,000.00	\$ 1,993,000.00	
		<u>\$ 2,235,000.00</u>	<u>\$ 1,993,000.00</u>	<u>\$ 1,993,000.00</u>	<u>\$ 2,235,000.00</u>
	Ref.		C-5	C-10	

## SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE

Ordinance Number	Purpose	Amount of Original Issue	Date of Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2013	Increased	Decreased	Balance Dec. 31, 2014
2008-09	Acquisition, Construction, Repair and Installation of Various Capital Improvements	\$ 940,946.00	4/28/2010	4/18/2014	4/17/2015	1.00%	\$ 908,500.00		\$ 98,240.94	\$ 810,259.06
2009-13	Acquisition, Construction, Repair and Installation of Various Capital Improvements	147,250.00	4/28/2010	4/18/2014	4/17/2015	1.00%	141,500.00		8,614.49	132,885.51
2014-14	Various Capital Improvements	1,993,000.00	12/4/2014	12/4/2014	4/17/2015	1.25%		\$ 1,993,000.00		1,993,000.00
							\$ 1,050,000.00	\$ 1,993,000.00	\$ 106,855.43	\$ 2,936,144.57
						Ref.	C	C-9		C

## EXHIBIT C-11

## SCHEDULE OF ENCUMBRANCES PAYABLE

	Ref.		
Balance December 31, 2013	C	\$	7,181.15
Increased by:			
Charges to Improvement Authorizations	C-7		<u>1,376,806.00</u>
			1,383,987.15
Decreased by:			
Payments	C-2	\$	5,946.15
Canceled	C-7		<u>1,235.00</u>
			<u>7,181.15</u>
Balance December 31, 2014	C	\$	<u><u>1,376,806.00</u></u>

## EXHIBIT C-12

## SCHEDULE OF GRANTS RECEIVABLE

	Balance Dec. 31, 2013	Balance Dec. 31, 2014
2008 Road Program - Columbia Avenue	\$ 36,000.00	\$ 36,000.00
2009 Road Program - Tatum Street	200,000.00	200,000.00
	<u>\$ 236,000.00</u>	<u>\$ 236,000.00</u>
Ref.	C	C

## EXHIBIT C-13

## SCHEDULE OF RESERVE FOR DOWN PAYMENTS ON IMPROVEMENTS

	Ref.	
Balance December 31, 2013	C	<u>\$ 36,302.00</u>
Balance December 31, 2014	C	<u>\$ 36,302.00</u>

## EXHIBIT C-14

## SCHEDULE OF RESERVE TO PAY DEBT SERVICES - BANS

	Ref.	
Balance December 31, 2013	C	<u>\$ 16,621.00</u>
Balance December 31, 2014	C	<u>\$ 16,621.00</u>

THIS PAGE INTENTIONALLY LEFT BLANK

## WATER AND SEWER UTILITY FUND

THIS PAGE INTENTIONALLY LEFT BLANK



## EXHIBIT D-5

## SCHEDULE OF WATER AND SEWER UTILITY FUND CASH

	Ref.	Operating	Capital
Balance December 31, 2013	D	<u>\$ 2,862,251.00</u>	<u>\$ 178,903.77</u>
Increased by:			
Consumer Accounts Receivable	D-7	11,657,503.01	
Miscellaneous Revenues	D-3	204,983.25	
Budget Appropriation:			
Capital Outlay	D-16		500,000.00
Utility Rent Overpayments	D	35,140.07	
Due Utility Operating			310.48
Due Utility Capital Fund	D-5	310.48	
		<u>11,897,936.81</u>	<u>500,310.48</u>
		<u>14,760,187.81</u>	<u>679,214.25</u>
Decreased by:			
Budget Appropriations	D-4	10,928,610.56	
Appropriation Reserves	D-11	608,298.43	
Encumbrances Payable	D-12	34,381.91	
Accrued Interest Paid	D-13	762,583.98	
Improvement Authorizations	D-16		20,860.00
Refund of Prior Year Revenues	D-1	4,390.42	
Due Current Fund		258,145.51	
Due Utility Operating Fund	D-5		310.48
		<u>12,596,410.81</u>	<u>21,170.48</u>
Balance December 31, 2014	D	<u><u>\$ 2,163,777.00</u></u>	<u><u>\$ 658,043.77</u></u>

## ANALYSIS OF WATER AND SEWER UTILITY CAPITAL FUND CASH

	Receipts			Disbursements			Transfers (From)/To	Balance Dec. 31, 2014
	Balance Dec. 31, 2013	Budget Appropriation	Miscellaneous	Improvement Authorizations	Miscellaneous			
Fund Balance	\$ 39,930.77							\$ 39,930.77
Capital Improvement Fund	42,723.00							42,723.00
Encumbrances Payable								210,215.86
Due Water & Sewer Utility		\$ 310.48	\$ 310.48		\$ 310.48		\$ 210,215.86	210,215.86
Due General Capital Fund	(1,850.00)						(1,261.97)	(3,111.97)
Down Payment on Improvements	96,250.00							96,250.00
Reserve for Debt Payment	1,850.00						1,261.97	3,111.97
Improvement Authorizations:								
Ordinance								
Number								
2004-19		\$ 500,000.00		\$ 20,860.00			(210,215.86)	268,924.14
Various Capital Improvements		\$ 500,000.00	\$ 310.48	\$ 20,860.00	\$ 310.48			\$ 658,043.77
Ref.	D	D-5	D-5	D-16	D-5	D-5		D

## EXHIBIT D-7

## SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE

Balance December 31, 2013	Ref. D	\$ 1,417,237.17
Increased by:		
Utility Rents Levied		12,207,265.23
		<u>13,624,502.40</u>
Decreased by:		
Collections	D-5	11,657,503.01
Overpayments Applied	D-3	22,782.09
Transfer to Liens	D-8	7,530.02
Canceled		163,406.14
		<u>11,851,221.26</u>
Balance December 31, 2014	D	<u><u>\$ 1,773,281.14</u></u>

## EXHIBIT D-8

## SCHEDULE OF UTILITY LIENS RECEIVABLE

	Ref.	
Increased by:		
Transfer from Consumer Accounts Receivable	D-7	<u>\$ 7,530.02</u>
Balance December 31, 2014	D	<u><u>\$ 7,530.02</u></u>

## EXHIBIT D-9

## SCHEDULE OF FIXED CAPITAL

	Balance Dec. 31, 2013	Balance Dec. 31, 2014
Wells	\$ 17,355.70	\$ 17,355.70
Pumping and Storage Facilities	194,841.06	194,841.06
Land for Administration Building	9,414.17	9,414.17
Distribution Mains and Accessories	11,423,067.81	11,423,067.81
Purchase of Colonial Manor Water Co. and Attendant Improvements	171,691.12	171,691.12
Construction of New Wells	839,809.28	839,809.28
Purchase of Greenfields Water Co. and Attendant Improvements	786,159.21	786,159.21
Improvements to Water Supply and Distribution System	37,350,452.63	37,350,452.63
Improvements along Waterfront	1,997,720.00	1,997,720.00
Meters and Fittings	851,670.19	851,670.19
Sewer System	3,910,248.27	3,910,248.27
Office Machinery and Equipment	214,127.83	214,127.83
Miscellaneous	496,569.07	496,569.07
	<u>\$ 58,263,126.34</u>	<u>\$ 58,263,126.34</u>
Ref.	D	D

EXHIBIT D-10

SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

Ordinance Number	Purpose	Ordinance		Authorization	Balance Dec. 31, 2014
		Date	Amount		
2014-9	Various Capital Improvements	09/04/14	\$ 500,000.00	\$ 500,000.00	\$ 500,000.00
Ref. D-16				D	

## SCHEDULE OF APPROPRIATION RESERVES

	Balance Dec. 31, 2013	Balance After Transfers	Paid or Charged	Encumbered	Balance Lapsed
<b>Operating:</b>					
Other Expenses	\$ 1,061,257.79	\$ 1,061,257.79	\$ 608,298.43	\$ 3,083.73	\$ 449,875.63
Other Accounts - No Change	52,977.70	52,977.70			52,977.70
	<u>\$ 1,114,235.49</u>	<u>\$ 1,114,235.49</u>	<u>\$ 608,298.43</u>	<u>\$ 3,083.73</u>	<u>\$ 502,853.33</u>
Ref. D			D-5	D-12	D-1

## SCHEDULE OF ENCUMBRANCES PAYABLE

	Ref.	Operating Fund	Capital Fund
Balance December 31, 2013	D	<u>\$ 34,381.91</u>	
Increased by:			
Charges to:			
Current Appropriations	D-4	40,079.24	
Appropriation Reserves	D-11	3,083.73	
Improvement Authorizations	D-16		\$ 210,215.86
		<u>77,544.88</u>	<u>210,215.86</u>
Decreased by:			
Payments	D-5	<u>34,381.91</u>	
Balance December 31, 2014	D	<u><u>\$ 43,162.97</u></u>	<u><u>\$ 210,215.86</u></u>

SCHEDULE OF ACCRUED INTEREST ON BONDS AND NOTES  
AND ANALYSIS OF BALANCE

	Ref.	NJEIT Loans	Notes	Bonds
Balance December 31, 2013	D	\$ 89,216.00	\$ 5,142.00	\$ 144,693.00
Increased by:				
Budget Appropriation for:				
Interest on Bonds and Notes	D-4	339,202.25	6,596.98	360,089.05
Decreased by:				
Interest Paid	D-5	428,418.25	11,738.98	504,782.05
Balance December 31, 2014	D	344,118.77	7,694.21	410,771.00
		\$ 84,299.48	\$ 4,044.77	\$ 94,011.05

Analysis of Accrued Interest December 31, 2014

	Serial Bonds	Payment Due	From	To	Period	Amount
2007 Bonds		\$ 6,284.34	11/01/2014	12/31/2014	2 Months	\$ 2,094.78
2008 Bonds		40,472.14	9/01/2014	12/31/2014	4 Months	26,981.43
2012 Bonds		63,664.00	9/01/2014	12/31/2014	4 Months	42,442.66
2014 Bonds		33,738.26	9/01/2014	12/31/2014	4 Months	22,492.17
						\$ 94,011.05
	NJEIT					
2004A Clean Water		10,165.63	8/1/2014	12/31/2014	5 Months	\$ 8,471.36
2004A Drinking Water		30,131.25	8/1/2014	12/31/2014	5 Months	25,109.38
2007A Clean Water		53,631.25	8/1/2014	12/31/2014	5 Months	44,692.70
2007A Drinking Water		7,231.25	8/1/2014	12/31/2014	5 Months	6,026.04
						\$ 84,299.48
	Notes					
2014 Note		6,067.15	4/18/2014	12/31/2014	8 Months	\$ 4,044.77



## EXHIBIT D-14

## SCHEDULE OF CAPITAL IMPROVEMENT FUND

Balance December 31, 2013	Ref. D	\$ 42,723.00
Balance December 31, 2014	D	<u>\$ 42,723.00</u>

## SCHEDULE OF RESERVE FOR AMORTIZATION

Balance December 31, 2013	Ref. D		\$ 35,770,640.89
Increased by:			
Refunding Bonds of 2014	D-17	\$ 3,191,335.66	
Serial Bonds Paid by Operating Budget	D-17	1,856,664.54	
Bond Anticipation Note Paid by Operating Budget	D-18	10,284.57	
Ordinance 2004-19	D-6	500,000.00	
NJ Wastewater Loans Paid by Operating Budget	D-19	661,994.12	
			<u>6,220,278.89</u>
			41,990,919.78
Decreased by:			
Refunding Bonds of 2014	D-17		<u>3,008,166.00</u>
Balance December 31, 2014	D		<u>\$ 38,982,753.78</u>

## SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ordinance Number	Purpose	Date	Amount	Authorization		Paid or Charged	Encumbered	Balance	
				Capital Outlay				Dec. 31, 2014 Funded	
2014-19	Various Capital Improvements	09/04/14	\$ 500,000.00	\$ 500,000.00		\$ 20,860.00	\$ 210,215.86	\$ 268,924.14	
			Ref.			D-5	D-12		D

## SCHEDULE OF WATER AND SEWER CAPITAL SERIAL BONDS PAYABLE

Date of Issue	Purpose	Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance Dec. 31, 2013	Refunding	Increased	Decreased	Balance Dec. 31, 2014
			Date	Amount						
03/01/04	Water & Sewer Bonds of 2004	\$ 4,734,314.12				\$ 3,265,721.66	\$ (3,191,335.66)		\$ 74,386.00	
12/08/05	Water & Sewer Bonds of 2005	5,800,573.60							1,213,543.00	
11/26/07	Water & Sewer Bonds of 2007	473,267.21				1,213,543.00				
			11/1/15	\$ 37,047.20	4.125%					
			11/1/16	37,047.20	4.125%					
			11/1/17	37,473.03	4.125%					
			11/1/18	37,473.03	4.125%					
			11/1/19	37,898.86	4.125%					
			11/1/20	37,898.86	4.250%					
			11/1/21	38,324.69	4.250%					
			11/1/22	38,069.19	4.250%	337,427.60			36,195.54	\$ 301,232.06
09/01/08	Refunding Bonds of 2008	2,895,620.00								
			9/1/15	497,340.00	3.82%					
			9/1/16	518,400.00	3.82%					
			9/1/17	539,460.00	3.82%					
			9/1/18	553,760.00	3.82%	2,227,500.00			108,540.00	2,118,960.00
11/20/12	Refunding Bonds of 2012	5,986,327.00								
			9/1/16	432,000.00	2.00%					
			9/1/17	439,000.00	2.00%					
			9/1/18	451,000.00	2% & 3%					
			9/1/19	460,000.00	2.00%					
			9/1/20	470,000.00	2% & 3%					
			9/1/21	363,000.00	2.00%					
			9/1/22	371,000.00	2% & 4%					
			9/1/23	387,000.00	2% & 4%					
			9/1/24	361,000.00	2.30%					
			9/1/25	350,000.00	2.50%					
			9/1/26	340,000.00	2.50%					
			9/1/27	330,000.00	2.50%					
			9/1/28	315,000.00	2.75%	5,793,000.00			424,000.00	5,369,000.00
11/13/14	Refunding Bonds of 2014	3,008,166.00								
			9/1/15	112,976.00	1.00%					
			9/1/16	91,165.00	2.00%					
			9/1/17	93,402.00	2.00%					
			9/1/18	95,360.00	4.00%					
			9/1/19	159,187.00	4.00%					
			9/1/20	176,178.00	4.00%					
			9/1/21	183,728.00	4.00%					
			9/1/22	191,556.00	5.00%					
			9/1/23	201,826.00	5.00%					
			9/1/24	212,252.00	5.00%					
			9/1/25	223,438.00	5.00%					
			9/1/26	234,904.00	3.00%					
			9/1/27	242,454.00	3.00%					
			9/1/28	250,005.00	4.00%					
			9/1/29	260,631.00	3.125%					
			9/1/30	269,300.00	3.25%					
						\$ 12,837,192.26	\$ (3,191,335.66)	\$ 3,008,166.00	\$ 1,856,864.54	\$ 3,008,166.00
						D		\$ 3,008,166.00	\$ 1,856,864.54	\$ 10,797,356.06
						D				
						Ref.				

## SCHEDULE OF BOND ANTICIPATION NOTES

Ordinance Number	Purpose	Date of Issue of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance		Decreased	Balance	
						Dec. 31, 2013	Dec. 31, 2014		Dec. 31, 2014	
2006-18	Various Improvements to Sanitary Sewer Utility	06/22/11	04/18/14	04/17/15	1.00%	\$ 617,000.00	\$ 606,715.43	\$ 10,284.57	\$ 606,715.43	
					Ref.	D				D

## SCHEDULE OF NEW JERSEY WASTEWATER LOANS PAYABLE

Balance December 31, 2013	Ref. D	\$ 9,038,293.19
Decreased by:		
NJ Wastewater Loans Paid by Operating Budget		661,994.12
Balance December 31, 2014	D	<u>\$ 8,376,299.07</u>

## EXHIBIT D-20

## SCHEDULE OF RESERVE FOR DEBT SERVICE

Balance December 31, 2013	Ref. D	\$ 1,850.00
Premium on Bond Anticipation Note		1,261.97
Balance December 31, 2014	D	<u>\$ 3,111.97</u>

## EXHIBIT D-21

## SCHEDULE OF RESERVE FOR DOWN PAYMENTS ON IMPROVEMENTS

Balance December 31, 2013	Ref. D	\$ 96,250.00
Balance December 31, 2014	D	<u>\$ 96,250.00</u>

THIS PAGE INTENTIONALLY LEFT BLANK



**PART II**  
**LETTER OF COMMENTS AND RECOMMENDATIONS**  
**YEAR ENDED DECEMBER 31, 2014**

THIS PAGE INTENTIONALLY LEFT BLANK

## **GENERAL COMMENTS**

### **Contracts and Agreements Required to be Advertised for NJSA 40A:11-4**

NJSA 40A:11-4 states "Every contract or agreement 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 the Township has the responsibility of determining whether the expenditures in any category will exceed the bid threshold within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Solicitor's opinion should be sought before a commitment is made.

The minutes indicate that bids were requested by public advertisement for various items including:

Meadowcroft Road Sanitary Sewer Improvements.

HVAC Replacement for the Riverwinds Community Center.

Meadowcroft Road Restructuring and Paving Improvements.

Purchase of Two 25 C.Y. Leaf Collectors.

Purchase of a Stainless Steel Dump Truck.

The minutes indicate that resolutions were adopted and advertised authorizing the awarding of contracts or agreements for "Professional Services" per NJSA 40A:11.5.

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.

Our examination of expenditures did not reveal individual payments, contracts or agreements in excess of the bid 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 sought by public advertisement or where a resolution had been previously adopted under the provisions of NJSA 40A:11-6.

NJSA 40A:11-6.1 requires that at least two competitive quotations be obtained for all contracts that in the aggregate are less than the bid threshold but 15 percent or more of that amount.

### **Collection of Interest on Delinquent Taxes and Assessments**

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

The governing body on February 6, 2014, adopted the following resolution authorizing interest to be charged on delinquent taxes:

WHEREAS, R.S. 54:4-67 permits the governing body of each municipality to fix the rate of interest to be charged for nonpayment of taxes or assessments subject to any abatement or discount for the late payment of taxes or assessments as provided by law;

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Township Committee of the Township of West Deptford, County of Gloucester, State of New Jersey that property taxes shall be due and payable quarterly on February 1<sup>st</sup>, May 1<sup>st</sup>, August 1<sup>st</sup>, and November 1<sup>st</sup> of each year with a ten-day grace period, after which dates, if unpaid shall become delinquent, with interest charged as set forth below and reverting back to the due date on any quarterly installment of taxes.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Township Committee of the Township of West Deptford, County of Gloucester, State of New Jersey hereby fix the rate of interest at 8% per annum on the first \$1,500.00 of delinquency and 18% per annum on any amount in excess of 1,500.00.

BE IT FURTHER RESOLVED that a 6% year-end penalty be assessed on the last day of the fiscal year on delinquent accounts when in excess of \$10,000.00.

It appears from an examination of the collector's records that interest was collected in accordance with the statutes.

#### **Delinquent Taxes and Tax Title Liens**

The last tax sale was held on December 4, 2014, and was complete.

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>
2014	101
2013	121
2012	121

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

#### **Verification of Delinquent Taxes and Other Charges**

A test verification of delinquent charges and current payments was made in accordance with the regulations of the Division of Local Government Services. A separate report will be rendered if any irregularities develop after the date of the audit.

## PROPERTY TAX INFORMATION

### COMPARATIVE STATEMENT OF TAX RATE INFORMATION

	2014	2013	2012
Tax Rate	2.773	2.63	2.514
Apportionment of Tax Rate:			
Municipal	0.86	1.087	0.821
County	0.623	0.341	0.551
Local School	1.29	1.202	1.142
Assessed Valuation	2,329,949,446	2,358,659,145	2,546,769,515

### 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.

	2014	2013	2012
Tax Levy	\$ 64,740,805.67	\$ 61,703,992.00	\$ 64,453,291.00
Cash Collections	63,311,426.21	60,347,698.00	62,781,686.00
Percentage of Collections	97.79%	97.80%	97.41%

### DELINQUENT TAXES AND TAX TITLE LIENS

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

	2014	2013	2012
Amount of Tax Title Liens	\$ 1,626,059.68	\$ 1,487,150.00	\$ 1,435,374.00
Delinquent Taxes	1,020,753.16	1,262,612.00	1,294,399.00
Total Delinquent	\$ 2,646,812.84	\$ 2,749,762.00	\$ 2,729,773.00
Percentage of Tax Levy	4.09%	4.46%	4.24%

### PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

The value of property acquired by liquidation of tax title liens on December 31, on the basis of the last assessed valuation of such properties, was as follows:

	2014	2013	2012
Property Acquired for Taxes			
(Assessed Valuation)	\$ 764,800.00	\$ 2,104,400.00	\$ 764,800.00

### COMPARISON OF WATER & SEWER RENTS

This tabulation includes a comparison, expressed in percentage, of the total of delinquent water and sewer rents and utility liens, in relation to the levy of the last three years.

WATER & SEWER	2014	2013	2012
Balance January 1	\$ 1,417,237.17	\$ 1,673,784.00	\$ 1,833,536.00
Levy	12,207,265.23	11,721,151.00	11,100,188.00
Cash Collections	11,680,285.10	11,764,139.00	11,216,094.00
Percentage of Collections	85.73%	87.83%	86.72%

## **OTHER COMMENTS**

### **Chief Financial Officer**

The records maintained by the Chief Financial Officer were found to be in compliance with requirements prescribed by the Division of Local Government Services, state statutes, and administrative code requirements.

### **Tax Collector**

The records maintained by the Tax Collector were found to be in good condition.

### **Corrective Action Plan**

A corrective action plan was filed for the 2013 audit.

## **STATUS OF PRIOR RECOMMENDATIONS**

**Finding 2013-01:** Third party tax title liens do not agree to the Collector's detailed analysis of third party liens. Additionally, premiums are not properly accounted for in the Township's computer system but are only kept manually by the Collector.

**Current Status:** This has been corrected.

**Finding 2013-02:** 2013 taxes levied for municipally held liens were not properly transferred to tax title liens in the Township's computer accounting system. It was also noted that all existing municipally held liens, arrears, and township owned foreclosed properties were not transferred over from the Township's old computer system to the new computer accounting system.

**Current Status:** This has been corrected.

**Finding 2013-03:** Payroll taxes were not analyzed for the 2013 year.

**Current Status:** This has not been corrected.

**Finding 2013-04:** Compensated absences for Township employees are not being calculated properly as only sick time is being used to calculate total Township compensated absences liability at year end. Vacation liabilities are not calculated.

**Current Status:** This has been corrected.

**Finding 2013-05:** General and subsidiary ledgers are not being properly maintained on a timely basis for any fund of the Township in accordance with NJAC 5:30-5.7.

**Current Status:** The general ledger has been maintained, however, subsidiary ledgers do not agree with trial balance.

**Finding 2013-06:** Monthly bank reconciliations were not completed timely for all accounts maintained by the Township. Monthly bank reconciliations for the payroll accounts were not performed during 2013.

**Current Status:** This has not been corrected.

## STATUS OF PRIOR RECOMMENDATIONS (CONTINUED)

**Finding 2013-07:** Current fund appropriations, appropriation reserves and utility operating budget appropriations were overexpended.

**Current Status:** This has not been corrected.

**Finding 2013-08:** Grant receivables in the general capital fund totaling \$236,000 which were outstanding at the end of 2010 remained outstanding at December 31, 2013.

**Current Status:** This has not been corrected.

**Finding 2013-09:** A water and sewer connection fee calculation has not been completed.

**Current Status:** This has not been corrected.

**Finding 2013-10:** During the audit of water-sewer billings, it was noted that residents are only being billed the minimum due to their meters being inaccessible and no follow up is being conducted by the Township for those properties, which have been left four or more notices of reading attempts.

**Current Status:** This has not been corrected.

## FINDINGS AND RECOMMENDATIONS

**Finding 2014-001:** Pursuant to NJAC 5:30-5.6(a)(2), Governmental Fixed Assets are to be recorded at cost. The Township's accounting for general fixed assets indicates increases/decreases in categories based on change in market values. This method does not conform to the regulations.

**Recommendation:** Fixed assets be recorded at original cost pursuant to NJAC 5:30-5(a)(2).

**Finding 2014-002:** Bank reconciliations were not in agreement with the general ledgers of various funds of the municipality. Reconciliations were not performed in a timely fashion.

**Recommendation:** Reconciliations be prepared to reconcile the bank balance to the General Ledger. Adjustments be made to the General Ledger to adequately reflect account activity. Reconciliations should be prepared in a timely manner, ideally by the end of the subsequent month.

**Finding 2014-003:** NJSA 40A:5-15 requires the deposit of funds within 48 hours of receipt. Our audit disclosed funds received in the Construction Code Department and Riverwinds were not deposited within 48 hours.

**Recommendation:** Funds be deposited within 48 hours of receipt as required by NJSA 40A:5-15.

**Finding 2014-004:** There is no formal policy of management approval of additions and deletions to the fixed asset register.

**Recommendation:** A formal approval policy for additions and deletions of fixed assets be implemented.

## FINDINGS AND RECOMMENDATIONS (CONTINUED)

**Finding 2014-005:** There was an overexpenditure of a budget appropriation in the Utility Fund.

**Recommendation:** The provisions of NJAC 5:30-5 be followed to avoid overexpenditure of budget line items.

**Finding 2014-006:** Grantors require the timely filing of financial reports. The reports due for the Safe and Secure Communities Grant were not timely filed. The financial reports for the Municipal Alliance Grant were not made available for audit.

**Recommendation:** Grant reports be filed in a timely manner. The Chief Financial Officer should insure that a copy of grant reports is maintained on file and be available for audit.

**Finding 2014-007:** There was no supporting documentation for the purchase of two new vehicles for the K9 unit. The funds were disbursed from the K9 Trust account, but the purchase order did not appear on the Township Committee bill list for approval. Two older vehicles were sold, one each to the Borough of Pitman and the Borough of Westville police departments. A governing body resolution approving the sale was not found.

**Recommendation:** The accounting of transactions in the K9 Trust Fund be processed through the established statutory and regulatory compliance controls.

**Finding 2014-008:** The federal taxable amount of third-party disability benefits was not included on the Form 941 and Form W-3. FICA and Medicare taxable benefits were not reported on Form 941. The taxable disability benefits payable to an individual employee were incorrectly reported on the W-2 Form of another employee.

**Recommendation:** The affected Forms 941 and W-3 be amended. Corrected W-2 forms be issued to the two employees to reflect proper wages. Greater care be taken by the payroll department to insure the accuracy of required reports.

**Finding 2014-009:** Employees statutorily exempt from NJ State unemployment had the tax withheld from their wages. This resulted in improper amounts reported to the state on Form NJ-927 and incorrect withholding from the employees.

**Recommendation:** The employees be given a refund of the improperly withheld unemployment taxes and amended Form NJ-927 be filed with the State of New Jersey.

**Finding 2014-010:** The amounts on the earnings ledger for withheld pension did not agree with the amounts reported to the Division of Pensions on the quarterly report of contribution.

**Recommendation:** The payroll department investigate the reason for the differences and amend the pension reports.

**Finding 2014-011:** The amounts on the earnings ledger for taxable unemployment wages did not agree with the amounts reported to the State of New Jersey on the quarterly Form NJ-927. The taxable wages were underreported by \$990,223.53.

**Recommendation:** The payroll amend the Form NJ-927 reports to reflect the proper taxable wages for state unemployment.



## **FINDINGS AND RECOMMENDATIONS (CONTINUED)**

**Finding 2014-012:** The payroll department does not prepare an analysis of balances to reconcile amounts withheld to those due the different agencies. The payroll agency trial balance was found to be inaccurate.

**Recommendation:** A formal analysis of deductions withheld from employees be completed monthly and reconciled to the amounts due to the reporting agencies.

**Finding 2014-013:** There are two road program grants receivable, in the amount of \$200,000.00 from 2009 and \$36,000.00 from 2008, reported in the General Capital Fund.

**Recommendation:** The Chief Financial Officer review the grant documents and determine the collectability of the outstanding receivables.

**Finding 2014-014:** There are numerous interfunds existing at year end.

**Recommendation:** Interfund receivables and payables be cleared.

**Finding 2014-015:** The subsidiary ledger for deposits from vendors for Police Off-Duty services does not agree with the amount on deposit with the bank.

**Recommendation:** The finance department review the balance on deposit for the Police Off-Duty account and reconcile the subsidiary ledger.

**Finding 2014-016:** The water and sewer connection fee calculation required by statute to determine the maximum amount that can be charged for a connection fee was not completed.

**Recommendation:** The annual connection fee calculation required by NJSA 40A:31-11 and NJSA 40A:26A-11 be completed.

**Finding 2014-017:** The grant revenue report does not reflect the proper amount for grant receivables. Several grants were not recorded on the report.

**Recommendation:** The grant revenue report corrected to record all grant revenue and receivables.

**Finding 2014-018:** The water and sewer billing issues noted in the 2013 Audit Report (see finding 2013-10) remains uncorrected.

**Recommendation:** The Township institute policies and procedures to address the issues in the billing of water and sewer charges.

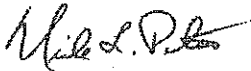
\*\*\*\*\*

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 assistance in implementing our recommendations, please do not hesitate to call us.

We received the complete cooperation of all the officials of the Township and we greatly appreciate the courtesies extended to the members of the audit team.

Respectfully submitted,



Nick L. Petroni  
Certified Public Accountant  
Registered Municipal Accountant #252