

**TOWNSHIP OF WEST DEPTFORD  
REPORT OF AUDIT  
YEAR ENDED DECEMBER 31, 2016**

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**PART I**  
**INDEPENDENT AUDITOR'S REPORT**

# PETRONI & ASSOCIATES LLC

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## 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, 2016 and 2015, 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, 2016, 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.

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, 2016, or changes in financial position for the years then ended.

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

As described in Note 14 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 \$1,276,653.77 for 2016, 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, 2016 and 2015, the regulatory basis statements of operations for the years then ended and the regulatory basis statements of revenues and expenditures for the year ended December 31, 2016, 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 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 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 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, 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.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 9, 2017, 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

June 9, 2017



## **CURRENT FUND**

## COMPARATIVE BALANCE SHEET - CURRENT FUND - REGULATORY BASIS

<b>ASSETS</b>	<b>Ref.</b>	<b>Balance Dec. 31, 2016</b>	<b>Balance Dec. 31, 2015</b>
<b>Regular Fund</b>			
Cash - Treasurer	A-4	\$ 7,208,401.59	\$ 4,244,743.29
Cash - Change Fund	A-5	1,500.00	1,500.00
		<u>7,209,901.59</u>	<u>4,246,243.29</u>
Due to State of New Jersey - Senior Citizen and Veterans Deductions	A-9	<u>25,123.64</u>	<u>30,994.18</u>
Deferred Charges: Overexpenditure of Appropriations	A-11	<u>20,378.76</u>	<u>32,378.40</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-6	791,810.63	976,002.98
Tax Title Liens Receivable	A-7	1,636,112.44	1,525,214.60
Property Acquired for Taxes - Assessed Valuation	A-8	764,800.00	764,800.00
Revenue Accounts Receivable	A-10	16,353.72	18,737.98
Prepaid County Pilots			166,667.00
Due Grant Fund			8,883.69
Due from Trust Other	B	73,125.91	104,185.31
Due from General Capital	C	278,409.84	278,409.84
		<u>3,560,612.54</u>	<u>3,842,901.40</u>
		<u>10,816,016.53</u>	<u>8,152,517.27</u>
<b>Federal and State Grant Fund</b>			
Cash	A-4	787,514.01	888,043.32
Grants Receivable	A-17	798,935.75	485,156.43
Expenditure Without Appropriation			17,262.10
Due from Current Fund	A	18,476.49	
Due from General Capital Fund	C	122,792.91	122,792.91
		<u>1,727,719.16</u>	<u>1,513,254.76</u>
		<u>\$ 12,543,735.69</u>	<u>\$ 9,665,772.03</u>

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

COMPARATIVE BALANCE SHEET - CURRENT FUND - REGULATORY BASIS

<b>LIABILITIES, RESERVES, AND FUND BALANCE</b>	<b>Ref.</b>	<b>Balance Dec. 31, 2016</b>	<b>Balance Dec. 31, 2015</b>
<b>Regular Fund</b>			
Liabilities:			
Appropriation Reserves	A-3:A-11	\$ 1,912,744.29	\$ 1,005,233.08
Encumbrances Payable	A-12	730,791.64	545,651.79
Accounts Payable	A-13	11,416.80	11,416.80
Prepaid Taxes	A-4	468,109.77	398,017.61
Tax Overpayments		92,346.82	297,058.75
Due State - Marriage License Fees		1,150.00	925.00
Due State of New Jersey - DCA Fees		7,335.00	13,586.00
Local School Taxes Payable	A-14	1,190,201.90	559,363.44
County Tax Payable			5,664.04
Reserve for Revaluation	A-15	6,805.45	6,805.45
Due County - PILOT		160,891.47	60,668.38
Due Trust Other	B	42,160.18	45,438.26
Due Grant Fund	A	18,476.49	
Due Utility Operating			115,582.82
		<hr/>	<hr/>
		4,642,429.81	3,065,411.42
Reserve for Receivables		3,560,612.54	3,842,901.40
Fund Balance	A-1	2,612,974.18	1,244,204.45
		<hr/>	<hr/>
		10,816,016.53	8,152,517.27
<b>Federal and State Grant Fund</b>			
Reserve for Grants - Appropriated	A-18	1,514,648.13	1,411,771.15
Reserve for Grants - Unappropriated	A-19	411.89	81,679.72
Encumbrances Payable	A-12	212,659.14	10,920.20
Due Current Fund			8,883.69
		<hr/>	<hr/>
		1,727,719.16	1,513,254.76
		<hr/>	<hr/>
		\$ 12,543,735.69	\$ 9,665,772.03
		<hr/>	<hr/>

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

<b>Revenue and Other Income Realized</b>	<b>Ref.</b>	<b>Year 2016</b>	<b>Year 2015</b>
Fund Balance Utilized	A-2	\$ 375,000.00	\$ 564,595.87
Miscellaneous Revenue Anticipated	A-2	10,675,665.11	9,713,366.18
Receipts from Delinquent Taxes	A-2	799,739.23	667,416.65
Receipts from Current Taxes	A-2	67,885,202.92	65,183,407.16
Non-Budget Revenue	A-2	313,543.00	329,138.32
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-11	718,419.50	503,463.08
Encumbrances Payable - Canceled	A-12	64,828.49	10,526.45
Interfund Loan Paid		147,383.99	553,239.98
<b>Total Income</b>		<b>80,979,782.24</b>	<b>77,525,153.69</b>
<b>Expenditures</b>			
Budget Appropriations Within "CAPS"			
Operations:			
Salaries and Wages	A-3	7,615,320.82	7,324,782.50
Other Expenses	A-3	8,399,518.22	8,048,985.56
Deferred Charges and Statutory Expenditures	A-3	2,264,080.53	2,280,724.00
Budget Appropriations Excluded from "CAPS"			
Operations:			
Salaries and Wages	A-3	1,161,894.00	1,484,538.00
Other Expenses	A-3	2,136,669.75	1,514,611.07
Capital Improvements	A-3	462,000.00	285,000.00
Municipal Debt Service	A-3	9,483,940.12	9,494,857.18
Deferred Charges and Statutory Expenditures		29,984.00	
County Taxes	A-6	15,034,325.62	14,810,324.25
Due County for Added Taxes	A-6	16,463.67	23,219.62
Local District School Tax	A-14	32,440,669.00	31,178,992.00
Interfund Loan Advanced		14,675.44	58,152.22
Prior Year Deductions Disallowed	A-9	6,563.82	9,974.80
Due County - PILOT	A	160,891.47	166,667.00
Refund of Prior Year Revenue	A-4	29,394.81	6,759.29
<b>Total Expenditures</b>		<b>79,256,391.27</b>	<b>76,687,587.49</b>

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

	Ref.	Year 2016	Year 2015
Excess in Revenue		1,723,390.97	837,566.20
Expenditures Included Above Which are by Statute Deferred Charges to Budget of Succeeding Year		20,378.76	
Statutory Excess to Fund Balance		1,743,769.73	837,566.20
<b>Fund Balance</b>			
Balance January 1	A	1,244,204.45	971,234.12
		2,987,974.18	1,808,800.32
Decreased by:			
Utilization as Anticipated Revenue	A-1	375,000.00	564,595.87
Balance December 31	A	\$ 2,612,974.18	\$ 1,244,204.45

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	\$ 375,000.00		\$ 375,000.00	
Miscellaneous Revenues:					
Licenses:					
Alcoholic Beverages	A-10	22,150.00		20,750.00	\$ (1,400.00)
Fees and Permits	A-10	92,647.00		108,274.74	15,627.74
Fines and Costs:					
Municipal Court	A-10	212,392.00		257,623.50	45,231.50
Interest and Costs on Taxes	A-10	258,594.00		231,951.88	(26,642.12)
Interest on Investments and Deposits	A-10	9,028.00		9,692.13	664.13
Utility Operating Surplus	A-10	650,000.00		650,000.00	
Consolidated Municipal Property Tax Relief	A-10	123,147.00		123,147.00	
Energy Receipts Tax	A-10	1,886,094.00		1,886,094.00	
Borough of National Park Police	A-10	535,000.00		535,000.00	
City of Woodbury Construction Code Official	A-10	110,000.00		110,000.00	
Township of Mantua Municipal Clerk	A-10	36,400.00		3,325.00	(33,075.00)
Uniform Construction Code Fees	A-10	384,532.00		703,187.50	318,655.50
Riverwinds Fees	A-10	1,893,152.00		1,918,993.14	25,841.14
Uniform Fire Safety Act	A-10	127,464.00		130,808.35	3,344.35
Franchise Fees - Cable Television	A-10	321,011.00		336,565.39	15,554.39
Host Community Benefit Agreement	A-10	395,354.00		446,505.16	51,151.16
Reserve for Tax Defeasance	A-10	526,219.00		526,219.00	
Payment in Lieu of Taxes	A-10	79,165.00		59,973.98	(19,191.02)
Rental of Buildings & Grounds	A-10	333,177.00		324,872.87	(8,304.13)
FHG Restaurant Ground Lease	A-10	81,621.00		81,620.58	(0.42)
LS Power Pilot	A-10	1,400,000.00		1,434,941.39	34,941.39
School Resource Officer	A-10	32,304.00		32,303.51	(0.49)
NJMV Resource Officer	A-10	98,280.00		98,280.00	
NJ Transportation Trust Fund Authority Act	A-17	170,000.00	\$ 192,000.00	362,000.00	
Clean Communities	A-17		52,754.87	52,754.87	
Click It or Ticket	A-17		3,000.00	3,000.00	
Municipal Alliance on Alcoholism & Drug Abuse	A-17	24,898.64		24,898.64	
Body Camera Initiative Grant	A-17		12,000.00	12,000.00	
Recycling Tonnage Grant	A-17	76,349.96		76,349.96	
Body Armor Replacement Grant	A-17	3,867.77		3,867.77	
Municipal Court Alcohol Educ. & Rehab Fund	A-17		664.75	664.75	
Community Development Block Grant	A-17	50,000.00		50,000.00	
Safe and Secure	A-17	60,000.00		60,000.00	
Total Miscellaneous Revenues		9,992,847.37	260,419.62	10,675,665.11	422,398.12
Receipts from Delinquent Taxes	A-2	815,000.00		799,739.23	(15,260.77)
Subtotal General Revenues		11,182,847.37	260,419.62	11,850,404.34	407,137.35
Amount to be Raised by Taxation		21,380,889.86		21,684,872.80	303,982.94
Budget Totals		32,563,737.23	260,419.62	33,535,277.14	\$ 711,120.29
Non-Budget Revenue	A-2			313,543.00	
		<u>\$ 32,563,737.23</u>	<u>\$ 260,419.62</u>	<u>\$ 33,848,820.14</u>	
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	\$ 67,885,202.92
Allocated to:		
School and County Taxes	A-6	47,491,458.29
Balance for Support of Municipal Budget Appropriations		20,393,744.63
Add: Appropriation "Reserve for Uncollected Taxes"	A-3	1,291,128.17
	A-2	<u>\$ 21,684,872.80</u>
Receipts from Delinquent Taxes:		
Delinquent Tax Collection	A-6	\$ 772,757.51
Tax Title Liens	A-7	26,981.72
	A-2	<u>\$ 799,739.23</u>

**Analysis of Non-Budget Revenue**

Miscellaneous Revenue Not Anticipated:		
Revenue Accounts Receivable:		
Refunds	A-10	\$ 13.48
Insurance Refunds	A-10	40,317.69
Donations	A-10	17,300.00
Fuel Purchases	A-10	4,416.99
Off Duty Administrative Fees	A-10	30,339.75
Other Fees	A-10	17,027.29
Sale of Municipal Assets	A-10	10,441.50
Recreation Fees	A-10	55,609.00
Recycling Fees	A-10	23,749.73
Dumpster Fees	A-10	16,500.00
Miscellaneous	A-10	75,797.78
Property Maintenance Liens	A-10	22,029.79
	A-2	<u>\$ 313,543.00</u>

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

## STATEMENT OF EXPENDITURES - REGULATORY BASIS

	Appropriations		Expended			
	Budget	Budget After Modifications	Paid or Charged	Encumbered	Reserved	Overexpended
OPERATIONS WITHIN "CAPS"						
GENERAL GOVERNMENT						
General Administration						
Salaries & Wages	\$ 160,364.94	\$ 160,364.94	\$ 147,095.69		\$ 13,269.25	
Other Expenses	77,650.00	77,650.00	68,409.74	\$ 7,956.56	1,283.70	
Mayor and Township Council						
Salaries & Wages	15,000.00	15,000.00	15,000.00			
Other Expenses	5,000.00	5,000.00	2,515.26	1,504.60	980.14	
Municipal Clerk						
Salaries & Wages	19,075.00	19,075.00	34,797.65			\$ 15,722.65
Other Expenses	73,275.00	73,275.00	55,047.38	1,334.59	16,893.03	
Financial Administration						
Salaries & Wages	162,234.00	162,234.00	152,237.18		9,996.82	
Other Expenses	91,550.00	88,550.00	80,082.42	3,359.39	5,108.19	
Audit Services						
Other Expenses	50,000.00	50,000.00	48,786.73		1,213.27	
Computerized Data Processing						
Other Expenses	80,000.00	80,000.00	30,436.53	49,525.08	38.39	
Revenue Administration (Tax Collection)						
Salaries & Wages	134,879.00	134,879.00	134,793.22		85.78	
Other Expenses	16,550.00	16,550.00	8,090.99	121.94	8,337.07	
Legal Services & Costs						
Other Expenses	464,000.00	464,000.00	150,879.88	103,213.75	209,906.37	
Engineering Services & Costs						
Other Expenses	200,000.00	250,000.00	241,793.90	3,000.00	5,206.10	
LAND USE ADMINISTRATION						
Municipal Land Use Law (NJSA 40:55D-1)						
Planning Board						
Salaries & Wages	2,081.00	2,081.00	2,080.80		0.20	
Other Expenses	18,285.00	21,285.00	21,129.01	75.00	80.99	
Zoning Board and Board of Adjustment						
Salaries & Wages	37,979.00	37,979.00	36,021.03		1,957.97	
Other Expenses	8,475.00	8,475.00	5,531.51		2,943.49	
Rental Control Commission						
Other Expenses	4,500.00	4,500.00	3,181.50		1,318.50	

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>INSURANCE</b>						
Liability Insurance	407,607.00	407,607.00	403,944.95	2,646.00	1,016.05	
Workmen's Compensation Insurance	499,212.00	499,212.00	489,912.80		9,299.20	
Group Plans for Employees	2,425,399.16	2,425,399.16	2,303,915.45	4,215.40	117,268.31	
<b>PUBLIC SAFETY FUNCTIONS</b>						
Police						
Salaries & Wages	4,136,979.00	4,136,979.00	4,076,095.85		60,883.15	
Other Expenses	221,405.55	221,405.55	188,031.67	26,018.38	7,355.50	
Emergency Management Services						
Salaries & Wages	12,989.00	12,989.00	12,981.00		8.00	
Aid to Volunteer Fire Companies						
Other Expenses	236,000.00	236,000.00	133,458.20	91,497.76	11,044.04	
Fire Department						
Salaries & Wages	85,666.00	85,666.00	85,520.96		145.04	
Other Expenses	7,800.00	7,800.00	4,736.21	1,608.18	1,455.61	
Prosecutor						
Other Expenses	24,000.00	24,000.00	23,535.00		465.00	
<b>PUBLIC WORKS FUNCTIONS</b>						
Road Repairs & Maintenance						
Salaries & Wages	555,842.00	540,842.00	458,405.78		82,436.22	
Other Expenses	171,066.00	171,066.00	86,324.12	78,321.46	6,420.42	
Snow Removal						
Salaries & Wages	90,000.00	90,000.00	40,567.19		49,432.81	
Other Expenses	56,500.00	56,500.00	37,898.24	8,360.00	10,241.76	
Other Public Works Functions (Leaf Collection)						
Salaries & Wages	60,000.00	60,000.00	9,174.21		50,825.79	
Other Expenses	10,500.00	10,500.00		8,323.91	2,176.09	
Solid Waste Collection						
Salaries & Wages	1,043,066.00	1,018,066.00	930,379.63		87,686.37	
Other Expenses	286,200.00	286,200.00	258,277.48	19,865.27	8,057.25	
Public Buildings & Grounds						
Salaries & Wages	30,500.00	30,500.00	1,845.28		28,654.72	
Other Expenses	70,833.40	70,833.40	55,149.31	14,961.96	722.13	
Vehicle Maintenance						
Other Expenses	304,100.00	344,100.00	272,096.92	60,310.93	11,692.15	

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>HEALTH AND HUMAN SERVICES</b>						
Public Health Services (Board of Health)						
Other Expenses	20,000.00	30,000.00	18,707.88	1,900.00	9,392.12	
Environmental Commission (40:56A et seq.)						
Other Expenses	4,400.00	4,400.00	360.00		4,040.00	
Animal Control Services						
Salaries & Wages	5,000.00	5,000.00	4,708.28		291.72	
Commission of Disabled						
Other Expenses	4,400.00	4,400.00	2,513.50		1,886.50	
Beautification Committee						
Other Expenses	4,400.00	4,400.00	2,267.00		2,133.00	
<b>RECREATION FUNCTIONS</b>						
Recreation Services & Programs						
Salaries & Wages	342,753.00	342,753.00	276,092.87		66,660.13	
Other Expenses	245,250.00	245,250.00	146,004.62	62,556.27	36,689.11	
<b>UTILITY EXPENSES AND BULK PURCHASES</b>						
Electricity	270,000.00	270,000.00	198,538.66	8,979.14	62,482.20	
Street Lighting	309,000.00	309,000.00	240,683.54		68,316.46	
Telephone	55,000.00	55,000.00	59,656.11			4,656.11
Fuel Oil	16,000.00	16,000.00	2,482.07	2,566.47	10,951.46	
Telecommunications	20,000.00	20,000.00	2,500.00		17,500.00	
Gasoline	200,000.00	180,000.00	103,910.97	9,150.65	66,938.38	
<b>LANDFILL AND SOLID WASTE DISPOSAL COSTS</b>						
Landfill/Solid Waste Disposal Costs						
Other Expenses	1,104,000.00	1,104,000.00	873,227.22	16,602.46	214,170.32	
<b>MUNICIPAL COURT FUNCTIONS</b>						
Municipal Court						
Salaries & Wages	189,812.00	189,812.00	173,602.15		16,209.85	
Other Expenses	22,500.00	22,500.00	15,859.54	372.42	6,268.04	
Public Defender						
Other Expenses	21,000.00	21,000.00	21,000.00			
<b>OTHER COMMON OPERATING FUNCTIONS</b>						
Accumulated Absence Management	78,700.23	38,700.23			38,700.23	
Riverwinds						
Salaries & Wages	217,299.00	217,299.00	217,299.00			
Other Expenses	29,024.00	29,024.00	29,024.00			

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>UNIFORM CONSTRUCTION CODE - APPROPRIATIONS OFFSET BY DEDICATED REVENUES (NJAC 5:23-4.17)</b>						
State Uniform Construction Code						
Construction Official						
Salaries & Wages	225,049.00	225,049.00	218,724.31		6,324.69	
Other Expenses	85,980.00	85,980.00	6,409.52	63,765.94	15,804.54	
Plumbing Sub-Code Official						
Salaries & Wages	26,730.00	25,430.00	17,614.50		7,815.50	
Electrical Sub-Code Official						
Salaries & Wages	26,600.00	27,900.00	27,251.26		648.74	
Housing Official						
Salaries & Wages	21,000.00	21,000.00	5,465.25		15,534.75	
Other Expenses	94,000.00	94,000.00	48,712.95	14,900.00	30,387.05	
Total Operations Within "CAPS"	15,994,460.28	15,994,460.28	13,822,775.87	667,013.51	1,525,049.66	20,378.76
Detail:						
Salaries & Wages	7,679,598.17	7,599,598.17	7,077,753.09		537,567.73	15,722.65
Other Expenses	8,314,862.11	8,394,862.11	6,745,022.78	667,013.51	987,481.93	4,656.11
<b>DEFERRED CHARGES</b>						
Overexpenditure of Appropriation Reserves	32,378.40	32,378.40	32,378.40			
Grant Expenditure Without Appropriation	17,262.10	17,262.10	17,262.10			
<b>STATUTORY EXPENDITURES</b>						
Contribution to:						
Public Employees' Retirement System	546,881.23	546,881.23	546,881.23			
Social Security System (OASI)	708,657.80	708,657.80	639,772.41		68,885.39	
Police and Firemen's Retirement System of NJ	902,901.00	902,901.00	902,901.00			
Unemployment Compensation Insurance	40,000.00	40,000.00			40,000.00	
New Jersey Disability Insurance	6,000.00	6,000.00	5,244.50		755.50	
Defined Compensation Retirement System	10,000.00	10,000.00	2,757.45		7,242.55	
Total Deferred Charges & Statutory Expenditures - Municipal Within "CAPS"	2,264,080.53	2,264,080.53	2,147,197.09		116,883.44	
Total General Appropriations for Municipal Purposes Within "CAPS"	18,258,540.81	18,258,540.81	15,969,972.96	667,013.51	1,641,933.10	20,378.76

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)	80,000.00	80,000.00			80,000.00	
<b>EDUCATION FUNCTIONS</b>						
Maintenance of Free Public Library Other Expenses	758,326.43	758,326.43	758,326.43			
<b>SHARED SERVICE AGREEMENTS</b>						
City of Woodbury Construction Code Official Salaries and Wages	64,957.00	64,957.00	64,957.00			
Other Expenses	24,591.59	24,591.59	24,591.59			
Borough of National Park Police Salaries and Wages	77,286.00	77,286.00	77,286.00			
Other Expenses	74,090.08	74,090.08	74,090.08			
Township of Mantua Municipal Clerk (Payroll Services) Salaries and Wages	21,175.00	21,175.00	3,325.00		17,850.00	
Other Expenses	15,225.00	15,225.00			15,225.00	
<b>ADDITIONAL APPROPRIATIONS OFFSET BY REVENUES</b>						
Riverwinds Salaries and Wages	938,476.00	938,476.00	891,787.83		46,688.17	
Other Expenses	954,676.00	954,676.00	787,199.85	56,428.13	111,048.02	
Total Other Operations - Excluded from "CAPS"	3,008,803.10	3,008,803.10	2,681,563.78	56,428.13	270,811.19	
<b>PUBLIC AND PRIVATE PROGRAMS OFF-SET BY REVENUES</b>						
Municipal Alliance	31,123.30	31,123.30	31,123.30			
Body Camera Initiative Grant		12,000.00	12,000.00			
Clean Communities		52,754.87	52,754.87			
Municipal Court Alcohol Educ. & Rehab Fund		664.75	664.75			
Body Armor Replacement Grant	3,867.77	3,867.77	3,867.77			
Safe and Secure	60,000.00	60,000.00	60,000.00			
Click It or Ticket		3,000.00	3,000.00			
Recycling	76,349.96	76,349.96	76,349.96			
Community Development Block Grant	50,000.00	50,000.00	50,000.00			
Total Operations Excluded from "CAPS"	3,230,144.13	3,298,563.75	2,971,324.43	56,428.13	270,811.19	
Detail:						
Salaries and Wages	1,161,894.00	1,161,894.00	1,097,355.83		64,538.17	
Other Expenses	2,068,250.13	2,136,669.75	1,873,968.60	56,428.13	206,273.02	

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		
NJ DOT Trust Fund Authority Act	170,000.00	362,000.00	362,000.00		
Total Capital Improvements Excluded from "CAPS"	270,000.00	462,000.00	462,000.00		
<b>MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"</b>					
Bond Principal	5,674,387.80	5,674,387.80	5,674,387.80		
Bond Anticipation and Capital Notes	110,000.00	110,000.00	110,000.00		
Interest on Bonds	3,671,370.10	3,671,370.10	3,671,370.10		
Interest on Notes	28,182.22	28,182.22	28,182.22		
Total Municipal Debt Service Excluded from "CAPS"	9,483,940.12	9,483,940.12	9,483,940.12		
<b>DEFERRED CHARGES - MUNICIPAL EXCLUDED FROM CAPS</b>					
Deferred Charges to Future Taxation - Unfunded Ordinance 2010-08	29,984.00	29,984.00	29,984.00		
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	13,014,068.25	13,274,487.87	12,947,248.55	56,428.13	270,811.19
Subtotal General Appropriations	31,272,609.06	31,533,028.68	28,917,221.51	723,441.64	1,912,744.29
<b>RESERVE FOR UNCOLLECTED TAXES</b>	1,291,128.17	1,291,128.17	1,291,128.17		
<b>TOTAL GENERAL APPROPRIATIONS</b>	<b>\$ 32,563,737.23</b>	<b>\$ 32,824,156.85</b>	<b>\$ 30,208,349.68</b>	<b>\$ 723,441.64</b>	<b>\$ 1,912,744.29</b>
Ref.	A-2			A-12	A
Budget	Ref. A-3	\$ 32,563,737.23			
Appropriations by 40A:4-87	A-2	260,419.62			
		<u>\$ 32,824,156.85</u>			
Reserve for Federal and State Grants	Ref. A-18	\$ 651,760.65			
Deferred Charges	A-20	49,640.50			
Reserve for Uncollected Taxes	A-3	1,291,128.17			
Disbursed	A-4	28,215,820.36			
		<u>\$ 30,208,349.68</u>			

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

## **TRUST FUND**

## EXHIBIT B

## COMPARATIVE BALANCE SHEET - TRUST FUND - REGULATORY BASIS

	Ref.	Balance Dec. 31, 2016	Balance Dec. 31, 2015
<b>ASSETS</b>			
<b>Trust Fund</b>			
Cash - Treasurer	B-1	\$ 2,431,081.16	\$ 2,203,300.32
Escrow Receivables			35,914.25
Due from Current Fund	A	42,160.18	45,438.26
Due from Payroll Agency			1,279.87
Due from Unemployment Trust	B	33,444.19	
Due from Public Defender	B	1,879.00	1,879.00
Deficit in Tax Sale Redemption Trust	B-3	443.46	
		<u>2,509,007.99</u>	<u>2,287,811.70</u>
<b>LOSAP (Unaudited)</b>			
Investment		<u>1,276,653.77</u>	<u>1,156,258.45</u>
		<u><u>\$ 3,785,661.76</u></u>	<u><u>\$ 3,444,070.15</u></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, 2016	Balance Dec. 31, 2015
<b>LIABILITIES, RESERVES, AND FUND BALANCE</b>			
<b>Trust Fund</b>			
Encumbrances Payable	B-4	\$ 120,969.75	\$ 18,456.97
Payroll Taxes Payable		3,445.47	2,890.17
Due State of New Jersey		4.20	
Due Current Fund	A	73,125.91	104,185.31
Due Unemployment Trust			1,279.87
Due Mayor's Fund	B	1,879.00	1,879.00
Due Payroll Agency	B	33,444.19	
Reserve for Dog Fund Expenditures	B-2	8,281.40	7,657.80
Reserve for Street Opening	B-3	112,914.16	107,684.16
Reserve for Forfeited Funds	B-3	56,100.29	45,543.47
Reserve for Off-Duty Police Fees	B-3	56,802.67	38,123.91
Deposits for Redemption of Tax Sale Certificates			31,775.63
Reserve for Tax Sale Premiums	B-3	826,800.00	592,300.00
Reserve for Riverwinds Tax Defeasance	B-3	331.54	144.57
Reserve for Developers Escrow	B-3	302,052.38	287,670.18
Reserve for Public Defender Fees	B-3	8,284.00	3,484.00
Reserve for POAA Fees	B-3	1,728.17	1,660.17
Reserve for Mayor Food & Holiday Drive	B-3	1,879.00	1,879.00
Reserve for K-9 Donations	B-3	473.00	
Reserve for Drainage Basin	B-3	77,329.02	77,329.02
Reserve for Municipal Open Space	B-3	483,019.12	666,864.85
Reserve for Affordable Housing	B-3	170,750.03	159,351.86
Reserve for Unemployment Compensation	B-3	75,985.19	79,197.49
Reserve for Storm Recovery	B-3	1,683.13	1,683.13
Reserve for Recreation	B-3	77,476.37	56,521.14
Reserve for Environmental Resources	B-3	1,500.00	
Reserve for Beautification Committee	B-3	10,000.00	
Reserve for Uniform Fire Safety	B-3	2,750.00	250.00
		<u>2,509,007.99</u>	<u>2,287,811.70</u>
<b>LOSAP (Unaudited)</b>			
Reserve for LOSAP Benefits		1,276,653.77	1,156,258.45
		<u>\$ 3,785,661.76</u>	<u>\$ 3,444,070.15</u>

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



## **GENERAL CAPITAL FUND**

## EXHIBIT C

## COMPARATIVE BALANCE SHEET - GENERAL CAPITAL FUND - REGULATORY BASIS

<b>ASSETS</b>	Ref.	Balance	Balance
		Dec. 31, 2016	Dec. 31, 2015
Cash	C-2	\$ 531,892.98	\$ 603,192.60
Grant Receivable	C-12	81,000.00	216,000.00
Due from Utility Operating Fund	D	11,547.00	11,547.00
Deferred Charges to Future Taxation:			
Funded	C-4	93,804,619.32	99,479,007.13
Unfunded	C-5	6,295,378.43	5,061,072.00
		<u>\$ 100,724,437.73</u>	<u>\$ 105,370,818.73</u>
<b>LIABILITIES, RESERVES, AND FUND BALANCE</b>			
Serial Bonds Payable	C-8	\$ 93,804,619.32	\$ 99,479,007.13
Bond Anticipation Notes Payable	C-10	2,716,072.00	2,826,072.00
Encumbrances Payable	C-11	41,987.79	384,967.46
Capital Improvement Fund	C-6	338,820.00	238,820.00
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	425,881.68	419,185.63
Unfunded	C-7	2,919,691.93	1,545,401.50
Due Current Fund	A	278,409.84	278,409.84
Due Grant Fund	A	122,792.91	122,792.91
Due Utility Capital Fund	D	3,111.97	3,111.97
Fund Balance	C-1	20,127.29	20,127.29
		<u>\$ 100,724,437.73</u>	<u>\$ 105,370,818.73</u>

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

EXHIBIT C-1

STATEMENT OF FUND BALANCE - REGULATORY BASIS

	Ref.	
Balance December 31, 2015	C	<u>\$ 20,127.29</u>
Balance December 31, 2016	C	<u><u>\$ 20,127.29</u></u>

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

## **WATER AND SEWER UTILITY FUND**

## EXHIBIT D

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

<b>ASSETS</b>	Ref.	Balance Dec. 31, 2016	Balance Dec. 31, 2015
Operating Fund			
Cash - Treasurer	D-5	\$ 2,426,732.90	\$ 2,024,051.97
Due from Current Fund			115,582.82
		<u>2,426,732.90</u>	<u>2,139,634.79</u>
Receivables with Full Reserves			
Consumer Accounts Receivable	D-7	1,372,636.06	1,280,762.28
Water & Sewer Liens	D-8	12,549.85	7,867.84
		<u>1,385,185.91</u>	<u>1,288,630.12</u>
Total Operating Fund		<u>3,811,918.81</u>	<u>3,428,264.91</u>
Capital Fund			
Cash - Treasurer	D-5	436,684.05	427,600.19
Fixed Capital	D-9	58,330,175.20	58,294,202.20
Fixed Capital Authorized and Uncompleted	D-10	1,182,344.97	823,635.40
Due from General Capital	C	3,111.97	3,111.97
Total Capital Fund		<u>59,952,316.19</u>	<u>59,548,549.76</u>
		<u>\$ 63,764,235.00</u>	<u>\$ 62,976,814.67</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

<b>LIABILITIES, RESERVES, AND FUND BALANCE</b>	<b>Ref.</b>	<b>Balance Dec. 31, 2016</b>	<b>Balance Dec. 31, 2015</b>
Operating Fund			
Liabilities:			
Appropriation Reserves	D-4:D-11	\$ 965,198.69	\$ 259,927.72
Encumbrances Payable	D-12	400,682.34	504,379.02
Accrued Interest on Bonds & Notes	D-13	165,822.30	181,453.98
Utility Rent Overpayments		27,465.90	35,045.15
Due General Capital	C	11,547.00	11,547.00
Reserve for Engineering Escrow		1,175.00	1,175.00
		<u>1,571,891.23</u>	<u>993,527.87</u>
Reserve for Receivables		1,385,185.91	1,288,630.12
Fund Balance	D-1	854,841.67	1,146,106.92
		<u>3,811,918.81</u>	<u>3,428,264.91</u>
Capital Fund			
Serial Bonds Payable	D-17	8,632,380.66	9,717,992.86
Bond Anticipation Notes Payable	D-18	934,788.00	595,788.00
New Jersey Wastewater Loan Payable	D-19	6,676,673.71	7,705,475.80
Improvement Authorizations:			
Funded	D-16	109,987.03	82,846.38
Unfunded	D-16	8,709.57	
Encumbrances Payable	D-12	187,877.70	205,934.49
Capital Improvement Fund	D-14	723.00	723.00
Reserve for Debt Service	D-20	3,111.97	3,111.97
Reserve for Down Payment on Improvements	D-21	96,250.00	96,250.00
Reserve for Amortization	D-15	43,259,968.23	41,098,580.94
Fund Balance	D-2	41,846.32	41,846.32
		<u>59,952,316.19</u>	<u>59,548,549.76</u>
		<u>\$ 63,764,235.00</u>	<u>\$ 62,976,814.67</u>

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

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

	Ref.	Year 2016	Year 2015
<b>Revenue and Other Income Realized</b>			
Fund Balance Utilized	D-3	\$ 687,941.52	\$ 693,597.50
Rents	D-3	11,974,630.59	11,706,405.46
Miscellaneous	D-3	216,934.01	234,239.40
Other Credits to Income:			
Encumbrances Canceled			3,083.73
Unexpended Balance of Appropriation Reserves	D-11	152,875.19	17,180.31
Total Income		<u>13,032,381.31</u>	<u>12,654,506.40</u>
<b>Expenditures</b>			
Operating	D-4	9,083,056.51	8,478,344.23
Capital Improvements	D-4	400,000.00	487,387.00
Debt Service	D-4	2,211,527.23	2,273,488.33
Deferred Charges			1,206.27
Statutory Expenditures	D-4	175,538.48	176,039.00
Surplus General Budget	D-4	650,000.00	1,155,324.00
Other Expenditures:			
Interfund Loan Advanced		115,582.82	
Total Expenditures		<u>12,635,705.04</u>	<u>12,571,788.83</u>
Excess (Deficit) to Fund Balance		396,676.27	82,717.57
<b>Fund Balance</b>			
Balance January 1	D	1,146,106.92	1,756,986.85
		1,542,783.19	1,839,704.42
Decreased by:			
Utilization as Anticipated Revenue	D-1	687,941.52	693,597.50
Balance December 31	D	<u>\$ 854,841.67</u>	<u>\$ 1,146,106.92</u>

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, 2015	Ref. D	\$ 41,846.32
Balance December 31, 2016	D	<u>\$ 41,846.32</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	\$ 687,941.52	\$ 687,941.52	
Rents	D-3	11,680,250.00	11,974,630.59	\$ 294,380.59
Miscellaneous	D-3	230,000.00	216,934.01	(13,065.99)
		<u>\$ 12,598,191.52</u>	<u>\$ 12,879,506.12</u>	<u>\$ 281,314.60</u>
	Ref. D-4			

## Analysis of Realized Revenue

Rents:	Ref.	
Consumer Accounts Receivable:		
Collected	D-7	\$ 11,938,262.43
Overpayments Applied	D-7	35,045.15
Utility Liens	D-8	1,323.01
	D-3	<u>\$ 11,974,630.59</u>
Miscellaneous:		
Water and Sewer Interest		\$ 110,673.96
National Park Wheeling Fee		15,512.00
Meter Replacement		47,674.27
Fire Hydrant Receipts		2,718.04
Water Permits		6,800.00
Sewer Permits		24,701.00
Miscellaneous		6,385.91
Interest on Investments		2,468.83
	D-3:D-5	<u>\$ 216,934.01</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		Expended			Unexpended Balance Canceled
	Budget	Budget After Modifications	Paid or Charged	Encumbered	Reserved	
Operating:						
Salaries and Wages	\$ 1,361,439.00	\$ 1,311,439.00	\$ 1,294,883.43		\$ 16,555.57	
Other Expenses	7,721,617.51	7,771,617.51	6,791,901.68	\$ 116,671.12	863,044.71	
Capital Improvements:						
Capital Outlay	400,000.00	400,000.00	35,973.00	284,011.22	80,015.78	
Debt Service:						
Payment of Bond Principal	1,085,612.20	1,085,612.20	1,085,612.20			
Payment of Bond Anticipation Notes	25,000.00	25,000.00	11,000.00			\$ 14,000.00
Interest on Bonds	303,005.48	303,005.48	303,005.48			
Interest on Notes	10,000.00	10,000.00	5,941.33			4,058.67
Loan Principal and Interest	865,978.85	865,978.85	805,968.22			60,010.63
Statutory Expenditures:						
Public Employees' Retirement System	76,038.48	76,038.48	76,038.48			
Social Security System (OASI)	99,500.00	99,500.00	93,917.37		5,582.63	
Surplus General Budget	650,000.00	650,000.00	650,000.00			
	<u>\$ 12,598,191.52</u>	<u>\$ 12,598,191.52</u>	<u>\$ 11,154,241.19</u>	<u>\$ 400,682.34</u>	<u>\$ 965,198.69</u>	<u>\$ 78,069.30</u>
Ref.	D-3	D-4		D-12	D	
		Ref.				
Interest on Bonds and Notes		D-13	\$ 452,536.62			
Disbursed		D-5	10,701,704.57			
			<u>\$ 11,154,241.19</u>			

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

## **GENERAL FIXED ASSETS ACCOUNT GROUP**

## EXHIBIT E

## STATEMENT OF GENERAL FIXED ASSETS - REGULATORY BASIS

	Balance Dec 31, 2016	Balance Dec 31, 2015
Buildings & Grounds	\$ 50,217,253.00	\$ 50,217,253.00
Land	28,684,200.00	28,684,200.00
Furniture & Equipment	4,939,303.54	4,874,401.00
Vehicles	7,035,130.66	7,065,256.00
	<u>\$ 90,875,887.20</u>	<u>\$ 90,841,110.00</u>
Investment in General Fixed Assets	<u>\$ 90,875,887.20</u>	<u>\$ 90,841,110.00</u>

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

## **NOTES TO FINANCIAL STATEMENTS**

TOWNSHIP OF WEST DEPTFORD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2016 AND 2015

**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's component units are listed below:

West Deptford Free Public Library

**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, 2016 AND 2015

**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, 2016 AND 2015

**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. Under accounting principles generally accepted in the United States of America, insurance costs chargeable to future periods would be recorded as prepayments on the balance sheet.

**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, 2016 AND 2015

**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.

**Proprietary Fund - Cash Flows Statement** - In accordance with the reporting requirements of the Division of Local Government Services, the utility fund's financial statements do not include a statement of cash flows.

**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.

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



TOWNSHIP OF WEST DEPTFORD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2016 AND 2015

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

**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.

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

The GASB has issued the following Statements which will become effective in future fiscal years as shown below:

Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement No. 68 and Amendments to Certain Provisions of GASB Statements No. 67 and No. 68*. The objective of this Statement is to improve the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability. Components of this Statement are effective for periods beginning after June 15, 2016. Management does not expect this Statement will have an impact on the financial statements.

Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. The Statement is effective for periods beginning after June 15, 2016. Management does not expect this Statement will have an impact on the financial statements.

Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions. It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. The Statement is effective for periods beginning after June 15, 2017. Management has not yet determined the impact of this Statement on the financial statements.

Statement No. 80, *Blending Requirements for Certain Component Units – an Amendment of GASB Statement No. 14*. The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. The Statement is effective for periods beginning after June 15, 2016. Management does not expect this Statement will have an impact on the financial statements.

Statement No. 81, *Irrevocable Split-Interest Agreements*. The objective of this Statement is to improve accounting and financial reporting for certain irrevocable split-interest agreements by providing recognition and measurement guidance or situations in which a government is a beneficiary of the agreement. The Statement is effective for periods beginning after December 15, 2016. Management does not expect this Statement will have an impact on the financial statements.

TOWNSHIP OF WEST DEPTFORD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2016 AND 2015

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

**E. Recent Accounting Pronouncements Not Yet Effective (Continued)**

Statement No. 82, *Pension Issues and Amendments of GASB Statements No. 67, No. 68, and No. 73*. The objective of this Statement is to answer certain issues that have been raised with respect to Statements No. 67, No. 68, and No. 73. The Statement is effective for periods beginning after June 15, 2016. Management does not expect this Statement will have an impact on the financial statements.

In November 2016, the Governmental Accounting Standards Board (GASB) issued Statement No. 83, "Certain Asset Retirement Obligations." This statement, which is effective for fiscal periods beginning after June 15, 2018, will not have any effect on the Township's financial reporting.

In January 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 84, "Fiduciary Activities." This statement, which is effective for fiscal periods beginning after December 31, 2018, will not have any effect on the Township's financial reporting.

In March 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 85, "Omnibus 2017." This statement, which is effective for fiscal periods beginning after June 15, 2017, will not have any effect on the Township's financial reporting.

**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 \$260,419.62 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

TOWNSHIP OF WEST DEPTFORD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2016 AND 2015

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

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

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.

At December 31, 2016 and 2015, the carrying amount of the Township's deposits was \$13,823,806.69 and \$10,392,431.69, respectively. As of December 31, 2016 and 2015, \$0 of the municipality's bank balance of \$14,638,032.40 and \$10,695,909.69, respectively, was exposed to Custodial Credit Risk.

**NOTE 4: INVESTMENTS**

As of December 31, 2016 or 2015, 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 14, 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, 2016 and 2015, amounted to \$1,276,653.77 and \$1,156,258.45, 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, 2016 AND 2015

**NOTE 5: FUND BALANCES APPROPRIATED**

	Year	Balance December 31	Utilized in Budget of Succeeding Year
Current Fund	2016	\$ 2,612,974.18	\$ 734,176.37
	2015	1,244,204.45	375,000.00
	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
Utility Fund	2016	854,841.67	266,102.80
	2015	1,146,106.92	687,941.52
	2014	1,756,986.85	693,597.50
	2013	1,589,997.60	921,811.00
	2012	1,767,258.60	177,261.00

**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	Transfer from/to Current	Balance Dec. 31
2016	\$ 15,733.55	\$ 15,064.66	\$ (3,881.19)	\$ 75,985.19
2015	14,784.70	81,480.20	26,788.15	79,197.49
2014	15,581.11	76,058.81		119,104.84

TOWNSHIP OF WEST DEPTFORD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2016 AND 2015

**NOTE 7: FIXED ASSETS**

The following is a summary of changes in the General Fixed Assets Account Group for the year ending December 31, 2016:

	Balance Dec. 31, 2015	Additions	Deletions	Balance Dec. 31, 2016
Buildings and Grounds	\$ 50,217,253.00			\$ 50,217,253.00
Land	28,684,200.00			28,684,200.00
Furniture and Equipment	4,874,401.00	\$ 64,902.54		4,939,303.54
Vehicles	7,065,256.00	440,932.78	\$ 471,058.12	7,035,130.66
	<u>\$ 90,841,110.00</u>	<u>\$ 505,835.32</u>	<u>\$ 471,058.12</u>	<u>\$ 90,875,887.20</u>

**NOTE 8: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS**

At December 31, 2016, the following deferred charges are shown on the balance sheets of the various funds.

	Balance Dec. 31, 2016	Raised in 2017 Budget
Current Fund		
Overexpenditure of Appropriations	\$ 20,378.76	\$ 20,378.76
Trust Other Fund		
Deficit in Tax Sale Redemption Trust	443.46	443.46

**NOTE 9: 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, 2016 and 2015, was \$531,719.37 and \$479,634.00, respectively.

TOWNSHIP OF WEST DEPTFORD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2016 AND 2015

**NOTE 10: INTERFUND RECEIVABLES AND PAYABLES**

The following schedule reconciles interfund receivables and payables for the year ended December 31, 2016:

	Due From	Due To
Current Fund		
Trust Other	\$ 73,125.91	\$ 42,160.18
General Capital	278,409.84	
Grant Fund		18,476.49
Federal and State Grant Fund		
Current Fund	18,476.49	
General Capital	122,792.91	
Trust Other		
Current Fund	42,160.18	73,125.91
Payroll Agency		33,444.19
Unemployment Trust	33,444.19	
Public Defender	1,879.00	
Mayor's Fund		1,879.00
General Capital Fund		
Utility Operating	11,547.00	
Current Fund		278,409.84
Grant Fund		122,792.91
Utility Capital		3,111.97
Utility Operating Fund		
General Capital		11,547.00
Utility Capital Fund		
General Capital	3,111.97	
	<u>\$ 584,947.49</u>	<u>\$ 584,947.49</u>

The purpose of these interfunds are short-term borrowings.

**NOTE 11: 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.

TOWNSHIP OF WEST DEPTFORD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2016 AND 2015

**NOTE 12: 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, 2016	Balance Dec. 31, 2015
Prepaid Taxes - Cash Liability	\$ 468,109.77	\$ 398,017.61

**NOTE 13: ECONOMIC DEPENDENCY**

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

**NOTE 14: 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 \$65,550.00 and \$72,450.00 for 2016 and 2015, 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 15: 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>.

TOWNSHIP OF WEST DEPTFORD  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 15: PENSION FUNDS (CONTINUED)**

**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 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, 2016, 2015, and 2014, were \$633,654.00, \$675,324.00, and \$653,399.00, respectively, equal to the required contributions for each year. The Township's contributions to PFRS for the years ending December 31, 2016, 2015, and 2014, were \$922,740.00, \$909,939.00, and \$826,306.00, 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 years ending December 31, 2016 and 2015, were \$2,757.45 and \$527.76, respectively, equal to the required contributions for each year.

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

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

- New members of the PERS hired on or after June 28, 2011, (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of  $\frac{1}{4}$  of 1% for each month that the member is under age 65.



TOWNSHIP OF WEST DEPTFORD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2016 AND 2015

**NOTE 15: PENSION FUNDS (CONTINUED)**

**Significant Legislation (Continued)**

- The eligibility age to qualify for a service retirement in the PERS is increased from age 63 to 65 for Tier 5 members.
- The annual benefit under special retirement for new PFRS members enrolled after June 28, 2011, (Tier 3 members), will be 60% instead of 65% of the member's final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law.
- New employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to Chapter 78's effective date with a minimum contribution required to be at least 1.5% of salary.
- In addition, this new legislation changes the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay).

Chapter 1, P.L. 2010, effective May 21, 2010, made a number of changes to the State-administered retirement systems concerning eligibility, the retirement allowance formula, the definition of compensation, the positions eligible for service credit, the non-forfeitable right to a pension, the prosecutor's part of the PERS, special retirement under the PFRS, and employer contributions to the retirement systems.

Also, Chapter 1, P.L. 2010 changed the membership eligibility criteria for new members of PERS from the amount of annual compensation to the number of hours worked weekly. Also, it returned the benefit multiplier for new members of PERS to 1/60th from 1/55th, and it provided that new members of PERS have the retirement allowance calculated using the average annual compensation for the last five years of service instead of the last three years of service. New members of PERS will no longer receive pension service credit from more than one employer.

Pension service credit will be earned for the highest paid position only. For new members of the PFRS, the law capped the maximum compensation that can be used to calculate a pension from these plans at the annual wage contribution base for social security, and requires the pension to be calculated using a three year average annual compensation instead of the last year's salary. This law also closed the Prosecutors Part of the PERS to new members and repealed the law for new members that provided a non-forfeitable right to receive a pension based on the laws of the retirement system in place at the time 5 years of pension service credit is attained. The law also requires the State to make its full pension contribution, defined a 1/7th of the required amount, beginning in fiscal years 2012.

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

TOWNSHIP OF WEST DEPTFORD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2016 AND 2015

**NOTE 15: PENSION FUNDS (CONTINUED)**

**Significant Legislation (Continued)** - Chapter 92, P.L. 2007 implemented certain recommendations contained in the December 1, 2006, report of the Joint Legislative Committee on Public Employee Benefits Reform; established a DCRP for elected and certain appointed officials, effective July 1, 2007; the new pension loan interest rate became 4.69% per year, and an \$8.00 processing fee per loan was charged, effective January 1, 2008. The legislation also removed language from existing law that permits the State Treasurer to reduce employer pension contributions needed to fund the Funds and Systems when excess assets are available.

**NOTE 16: POST-EMPLOYMENT HEALTHCARE PLAN**

**Plan Description** - The Township of West Deptford contributes to the State Health Benefits Program (SHBP), a cost-sharing, multiple-employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. SHBP was established in 1961 under NJSA 52:14-17.25 et seq., to provide health benefits to State employees, retirees, and their dependents. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents.

The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the SHBP. In 2015, the Township of West Deptford authorized participation in the SHBP's post-retirement benefit program through resolution number R-2015-89. All employees who were part of a state administered pension system and have at least 25 years of government service are eligible to participate in the program.

**Plan Description (Continued)** - The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to State of New Jersey - Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295 or by visiting their website at: [www.state.nj.us/treasury/pensions/shbp.htm](http://www.state.nj.us/treasury/pensions/shbp.htm).

**Funding Policy** - Participating employers are contractually required to contribute based on the amount of premiums attributable to their retirees. Post-retirement medical benefits under the plan have been funded on a pay-as-you-go basis since 1994. Prior to 1994, medical benefits were funded on an actuarial basis.

Contributions to pay for the health premiums of participating retirees in the SHBP are billed to the Township of West Deptford on a monthly basis.

The Township of West Deptford's contributions to SHBP for the period July 1 through December 31, 2016, was \$1,475,009.64, which equaled the required contributions for retirees for the year. For the period January 1, 2016 through June 30, 2016, the Township of West Deptford's contributions to Insurance Administrator of America, Inc. was \$2,418,796.09. There were approximately 76 retired participants eligible at December 31, 2016.

TOWNSHIP OF WEST DEPTFORD  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 17: FINANCIAL INFORMATION RELATED TO GASB 68 & GASB 71 FOR PUBLIC RETIREMENT SYSTEMS**

New Jersey municipalities do not follow GAAP accounting principles and, as such, do not follow GASB requirements with respect to recording the net pension liability as a liability on their balance sheets. However, NJAC 5:30-6.1(c)(2) requires municipalities and counties to disclose GASB 68 & GASB 71 information in the Notes to the Financial Statements. The following disclosures meet the requirements of GASB 68 & GASB 71 for the PERS and PFRS retirement systems.

**Public Employee's Retirement System** - At December 31, 2016, the Township's proportionate share of net pension liability was \$20,198,682. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2016, the Township's allocation percentage was 0.0681993180% compared to 0.0697519851% at June 30, 2015.

For the year ended December 31, 2016, the Township's pension expense would have been \$1,485,669 if New Jersey municipalities followed GAAP accounting principles. The Township's deferred outflows of resources and deferred inflows of resources (which are not recorded) related to PERS are from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	\$ 3,754,611	
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	1,055,820	
Changes in Proportion and Differences Between the Township's Contributions and Proportionate Share of Contributions		\$ 1,298,593
Difference Between Expected and Actual Experience	296,494	
	<u>\$ 5,106,925</u>	<u>\$ 1,298,593</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions are not recognized in pension expense since New Jersey municipalities do not follow GAAP accounting principles.

If GAAP accounting principles were followed, the other amounts reported as deferred outflows of resources and deferred inflows of resources would have been recognized in pension expense as follows:

TOWNSHIP OF WEST DEPTFORD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2016 AND 2015

**NOTE 17: FINANCIAL INFORMATION RELATED TO GASB 68 & GASB 71 FOR PUBLIC RETIREMENT SYSTEMS**

**Public Employee's Retirement System (Continued)**

Year Ended December 31,	Amount
2017	\$ 800,124
2018	800,124
2019	1,022,813
2020	852,851
2021	332,420
	\$ 3,808,332

Additional information – Collective balances at June 30, 2015 and 2016, are as follows:

	June 30, 2015	June 30, 2016
Collective Deferred Outflows of Resources	\$ 2,946,265,815	\$ 7,815,204,785
Collective Deferred Inflows of Resources	360,920,604	
Collective Net Pension Liability	22,447,996,119	29,617,131,759
Township's Proportion	0.0697519851%	0.0681993180%

**Contributions** - The contribution policy for PERS is set by NJSA 15A and requires contributions by active members and contributing employers. The Township's contribution amount was based on an actuarially determined rate which includes the normal cost and unfunded accrued liability.

**Actuarial Assumptions**

The total pension liability for the June 30, 2016, measurement date was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate	3.08%
Salary Increases:	
Through 2026	1.65 – 4.15% Based on Age
Thereafter	2.65 – 5.15% Based on Age
Investment Rate of Return	7.65%

Pre-retirement mortality rates were based on the RP-2000 Employee Pre-retirement Mortality Tables for male and female active participants. For local employees, mortality tables are setback 2 years for males and 7 years for females. In addition, the table provides for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's

TOWNSHIP OF WEST DEPTFORD  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 17: FINANCIAL INFORMATION RELATED TO GASB 68 & GASB 71 FOR PUBLIC RETIREMENT SYSTEMS (CONTINUED)**

**Actuarial Assumptions (Continued)**

modified MP-2014 projection scale. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

The actuarial assumptions used in the July 1, 2015, valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014.

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

**Police and Firemen's Retirement System** - At December 31, 2016, the Township's proportionate share of net pension liability for Police was \$20,874,052. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2016, the Township's proportion was 0.1092735978% compared to 0.1070225868% at June 30, 2015.

For the year ended December 31, 2016, the Township's pension expense would have been \$1,701,730 if New Jersey municipalities followed GAAP accounting principles. The Township's deferred outflows of resources and deferred inflows of resources (which are not recorded) related to PFRS are from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	\$ 2,111,831	
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	1,898,356	
Changes in Proportion and Differences Between the Township's Contributions and Proportionate Share of Contributions	146,452	
Difference Between Expected and Actual Experience		\$ 104,256
	<u>\$ 4,156,639</u>	<u>\$ 104,256</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions are not recognized in pension expense since New Jersey municipalities do not follow GAAP accounting principles.

If GAAP accounting principles were followed, the other amounts reported as deferred outflows of resources and deferred inflows of resources would have been recognized in pension expense as follows:

TOWNSHIP OF WEST DEPTFORD  
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**NOTE 17: FINANCIAL INFORMATION RELATED TO GASB 68 & GASB 71 FOR PUBLIC RETIREMENT SYSTEMS (CONTINUED)**

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

Year Ended December 31,	Amount
2017	\$ 966,853
2018	966,853
2019	1,325,044
2020	809,835
2021	(16,203)
	\$ 4,052,382

Additional information – Collective balances at June 30, 2015 and 2016, are as follows:

	June 30, 2015	June 30, 2016
Collective Deferred Outflows of Resources	\$ 3,075,206,294	\$ 3,984,339,036
Collective Deferred Inflows of Resources	433,559,708	125,220,083
Collective Net Pension Liability	18,117,234,618	20,706,699,056
 Township's Proportion	 0.1070225868%	 0.1092735978%

**Contributions**

The contribution policy for PFRS is set by NJSA 43:16A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The Township's contribution amount was based on an actuarially determined rate which includes the normal cost and unfunded accrued liability.

**Actuarial Assumptions**

The total pension liability for the June 30, 2016, measurement date was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. This actuarial valuation used the following actuarial assumptions:

Inflation Rate	3.08%
Salary Increases:	
Through 2026	2.10 – 8.98% Based on Age
Thereafter	3.10 – 9.98% Based on Age
Investment Rate of Return	7.65%

Pre-retirement mortality rates were based on the RP-2000 Pre-retirement mortality tables projected thirteen years using Projection Scale BB and then projected on a generational basis using the plan actuary's modified 2014 projection scales. Post-retirement mortality rates for male service retirements and beneficiaries are based the RP-2000 Combined Healthy Mortality Tables projected one year using Projection Scale AA and two years using the plan actuary's modified 2014 projection scales, which was further projected on a generational basis using the plan actuary's modified 2014 projection scales. Post-retirement mortality rates for female service retirements and beneficiaries were based the RP-2000 Combined Healthy Mortality Tables projected thirteen years using Projection Scale BB and then two years using the plan

TOWNSHIP OF WEST DEPTFORD  
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**NOTE 17: FINANCIAL INFORMATION RELATED TO GASB 68 & GASB 71 FOR PUBLIC RETIREMENT SYSTEMS (CONTINUED)**

**Actuarial Assumptions (Continued)**

actuary's modified 2014 projection scales, which was further projected on a generational basis using the plan actuary's modified 2014 projection scales. Disability mortality rates were based on special mortality tables used for the period after disability retirement.

The actuarial assumptions used in the July 1, 2015, valuation were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2013.

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

A special funding situation exists for the Local employers of the Police and Fire Retirement System of New Jersey. The State of New Jersey, as a non-employer, is required to pay the additional costs incurred by Local employers under Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993, and Chapter 201, P.L. 2001. The June 30, 2016 and June 30, 2015, special funding situation net pension liability amounts of \$1,752,903 and \$1,563,301 for Police are the accumulated differences between the annual actuarially determined State obligation under the special funding situation and the actual State contribution through the valuation date.

**NOTE 18: LABOR CONTRACTS**

As of December 31, 2016, 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 19: 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 \$16,220,334.50 would be the maximum amount permitted to be deferred as of December 31, 2016, 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:

TOWNSHIP OF WEST DEPTFORD  
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**NOTE 19: SCHOOL TAXES (CONTINUED)**

	Balance Dec. 31, 2016	Balance Dec. 31, 2015
Local School Taxes:		
Balance of Tax	\$ 14,730,219.58	\$ 14,099,381.12
Deferred	13,540,017.68	13,540,017.68
Tax Payable	<u>\$ 1,190,201.90</u>	<u>\$ 559,363.44</u>

**NOTE 20: LONG-TERM DEBT**

**Summary of Municipal Debt Service**

Long-term debt as of December 31, 2016, consisted of the following:

	Year 2016	Year 2015	Year 2014
Bonds, Notes, and Loans Issued	\$ 112,764,533.69	\$ 120,324,335.79	\$ 128,146,159.07
Bonds and Notes Authorized But Not Issued	<u>3,588,016.00</u>	<u>2,235,000.00</u>	<u>2,235,000.00</u>
Net Bonds, Notes, and Loans Issued and Authorized But Not Issued	<u>\$ 116,352,549.69</u>	<u>\$ 122,559,335.79</u>	<u>\$ 130,381,159.07</u>

	Balance 12/31/2015	Increased	Retired/ Reduction	Balance 12/31/2016	Balance Due in One Year
Issued:					
General:					
Serial Bonds Payable	\$ 99,479,007.13		\$ 5,674,387.81	\$ 93,804,619.32	\$ 5,838,664.97
Bond Anticipation Note	2,826,072.00		110,000.00	2,716,072.00	
Utility:					
Serial Bonds Payable	9,717,992.86		1,085,612.20	8,632,380.66	1,121,335.03
Bond Anticipation Note	595,788.00	350,000.00	11,000.00	934,788.00	
Loans	7,705,475.80		1,028,802.09	6,676,673.71	701,401.19
Authorized But Not Issued:					
General:					
Bonds and Notes	2,235,000.00	1,374,290.43	29,984.00	3,579,306.43	
Utility:					
Bonds and Notes		358,709.57	350,000.00	8,709.57	
	<u>\$ 122,559,335.79</u>	<u>\$ 2,083,000.00</u>	<u>\$ 8,289,786.10</u>	<u>\$ 116,352,549.69</u>	<u>\$ 7,661,401.19</u>



TOWNSHIP OF WEST DEPTFORD  
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**NOTE 20: LONG-TERM DEBT (CONTINUED)**

**Summary of Municipal Debt Service (Continued)**

Permanently Funded Debt as of December 31, 2016, consisted of the following:

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, 2016, was \$2,439,862.32.

\$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, 2016, was \$227,137.66.

\$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, 2016, was \$2,301,780.00.

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, 2016, was \$1,103,220.00.

\$9,945,000.00 General Obligation Bonds dated October 2001, 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, 2016, was \$6,020,000.00.

\$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, 2016, was \$3,345,000.00.

\$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, 2016, was \$24,705,000.00.

\$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, 2016, was \$6,242,000.00.

\$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, 2016, was \$1,420,000.00.

\$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, 2016, was \$4,498,000.00.

\$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, 2016, was \$47,330,977.00.

TOWNSHIP OF WEST DEPTFORD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2016 AND 2015

**NOTE 20: LONG-TERM DEBT (CONTINUED)**

**Summary of Municipal Debt Service (Continued)**

\$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, 2016, was \$2,804,023.00.

\$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, 2016, was \$365,000.00.

\$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, 2016, was \$293,140.36.

\$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, 2016, was \$1,000,000.00.

\$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, 2016, was \$743,420.07.

\$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, 2016, was \$275,000.00.

\$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, 2016, was \$224,960.96.

\$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, 2016, was \$2,065,000.00.

\$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, 2016, was \$1,710,152.32.

TOWNSHIP OF WEST DEPTFORD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2016 AND 2015

**NOTE 20: LONG-TERM DEBT (CONTINUED)**

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

<u>Year Ended</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 7,661,401.19	\$ 3,946,028.22	\$ 11,607,429.41
2018	7,866,510.06	3,730,586.22	11,597,096.28
2019	7,572,844.27	3,456,862.46	11,029,706.73
2020	7,192,954.77	3,209,571.26	10,402,526.03
2021	7,412,515.06	2,975,771.26	10,388,286.32
2022-2026	37,758,413.63	10,383,538.78	48,141,952.41
2027-2031	31,314,034.71	3,151,662.50	34,465,697.21
2032	2,335,000.00	81,725.00	2,416,725.00
	<u>\$ 109,113,673.69</u>	<u>\$ 30,935,745.70</u>	<u>\$ 140,049,419.39</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 3.075%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$ 13,808,000.00	\$ 13,808,000.00	
Water & Sewer Debt	16,252,551.94	16,252,551.94	
General Debt	100,099,997.75	30,097,021.00	\$ 70,002,976.75
	<u>\$ 130,160,549.69</u>	<u>\$ 60,157,572.94</u>	<u>\$ 70,002,976.75</u>

Net Debt \$70,002,976.75/Equalized Valuation Basis per NJSA 40A:2-2 as amended  
\$2,276,623,794.33 = 3.075%.

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 79,681,832.80
Net Debt	<u>70,002,976.75</u>
Remaining Borrowing Power	<u>\$ 9,678,856.05</u>

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

Cash Receipts from Fees, Rents, or Other Charges		\$ 12,879,506.12
Deductions:		
Operating and Maintenance Costs	\$ 9,258,594.99	
Debt Service per Water and Sewer Account	<u>2,211,527.03</u>	
		11,470,122.02
Excess in Revenue		<u>\$ 1,409,384.10</u>

TOWNSHIP OF WEST DEPTFORD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2016 AND 2015

**NOTE 21: BOND ANTICIPATION NOTES**

The Township has outstanding at December 31, 2016, a bond anticipation note in the amount of \$584,788.00. This note will mature on April 14, 2017, at an interest rate per annum of .99%.

The Township has outstanding at December 31, 2016, a bond anticipation note in the amount of \$2,716,072.00. This note will mature on April 14, 2017, at an interest rate per annum of .99%.

The Township has outstanding at December 31, 2016, a bond anticipation note in the amount of \$350,000.00. This note will mature on April 14, 2017, at an interest rate per annum of .99%.

**NOTE 22: 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
2017	4,440.00
2018	4,440.00
2019	2,960.00
	<u>\$ 11,840.00</u>

**NOTE 23: TAX ABATEMENT PROGRAMS**

The Township entered into long-term tax abatement agreements (in excess of 5 year term) under the provisions of the New Jersey statutes as described below to promote and stimulate redevelopment and rehabilitation.

NJSA 40A:12A-1 et seq. "The Local Redevelopment and Housing Law" (LRHL), which designates "areas in need of redevelopment" as defined in the statute.

NJSA 40A:20-1 et seq. "Long Term Tax Exemption Law," which provides for long-term tax exemption for the LRHL designated areas.

The statutes were utilized by the Township to attract redevelopers. Additionally, in many, but not all of the agreements, the Township retained ownership of the land and charged a ground lease that mitigated the impact of the tax abatement.

For the fiscal year ended December 31, 2016, the Township abated property taxes totaling \$574,781.06, offset by ground leases in the amount of \$130,310.58, for a net effective tax abatement of \$444,470.48. The following agreements were in effect as of December 31, 2016, under the provisions of the aforementioned statutes:

TOWNSHIP OF WEST DEPTFORD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2016 AND 2015

**NOTE 23: TAX ABATEMENT PROGRAMS (CONTINUED)**

- A 5.33% net effective abatement to a developer for construction and operation of an approximately 14,000 square foot restaurant and bar. The net effective abatement amounted to \$4,596.74.
- A 69.77% net effective abatement to a developer for construction and operation of an 18-hole golf course with tennis facility and other improvements. The net effective abatement amounted to \$112,374.79.
- A 1.64% abatement (no ground lease) to a developer for construction and operation of approximately 200 age-restricted apartment units and related amenities. The abatement amounted to \$7,947.31.
- A 61.85% abatement (no ground lease) to a developer for construction and operation of an affordable housing project. The abatement amounted to \$58,006.64.
- An 85.75% abatement (no ground lease) to a developer for construction and operation of a low to moderate income 76-unit apartment complex for elderly residents and one resident manager. The abatement amounted to \$261,545.00.

**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.

It is the Township of West Deptford Counsel's opinion that there exists no litigation or contingent liability that may be pending against the Township of West Deptford that would have an adverse effect on the financial position in the future.

**NOTE 25: JOINT VENTURES/SHARED SERVICES**

On September 17, 2015, The Township of West Deptford entered into a joint venture agreement with the Borough of National Park to provide police services effective January 1, 2016.

On December 16, 2015, The Township of West Deptford entered into a joint venture agreement with the City of Woodbury to provide construction code enforcement services.

On December 30, 2015, The Township of West Deptford entered into a joint venture agreement with the Township of Mantua to provide payroll processing services effective January 1, 2016.

**NOTE 26: SUBSEQUENT EVENTS**

Management has reviewed and evaluated all events and transactions that occurred between December 31, 2016 and June 9, 2017, the date that the financial statements were issued, and no additional items have come to their attention that would require disclosure.

**SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR PENSIONS  
(GASB 68 & GASB 71)**

SCHEDULE OF THE TOWNSHIP'S PROPORTIONATE SHARE OF THE  
NET PENSION LIABILITY - PERS  
Last Three Fiscal Years

	Year Ended		
	12/31/16	12/31/15	12/31/14
Township's Proportion of the Net Pension Liability (Asset)	0.0681993180%	0.0697519851%	0.0798331531%
Township's Proportionate Share of the Net Pension Liability (Asset)	\$ 20,198,682	\$ 15,657,923	\$ 14,946,950
Township's Covered-Employee Payroll	4,580,430	4,732,651	4,773,466
Township's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	440.98%	330.85%	313.13%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	40.14%	47.92%	52.08%
Measurement Date	6/30/2016	6/30/2015	6/30/2014

SCHEDULE OF TOWNSHIP CONTRIBUTIONS - PERS  
Last Three Fiscal Years

	Year Ended		
	12/31/16	12/31/15	12/31/14
Contractually Required Contribution	\$ 599,680	\$ 658,133	\$ 620,394
Contributions in Relation to the Contractually Required Contribution	599,680	658,133	620,394
Contribution Deficiency (Excess)	None	None	None
Township's Covered-Employee Payroll	\$ 4,580,430	\$ 4,732,651	\$ 4,773,466
Contributions as a Percentage of Covered-Employee Payroll	13.09%	13.91%	13.00%
Measurement Date	6/30/2016	6/30/2015	6/30/2014



SCHEDULE OF THE TOWNSHIP'S PROPORTIONATE SHARE OF THE  
NET PENSION LIABILITY - PFRS  
Last Three Fiscal Years

	Year Ended		
	12/31/16	12/31/15	12/31/14
Township's Proportion of the Net Pension Liability (Asset)	0.1092735978%	0.1070225868%	0.1116161341%
Township's Proportionate Share of the Net Pension Liability (Asset)	\$ 20,874,052	\$ 17,826,232	\$ 14,040,274
Township's Covered-Employee Payroll	3,714,130	3,407,833	3,384,014
Township's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	562.02%	523.10%	414.90%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	52.01%	56.30%	62.41%
Measurement Date	6/30/2016	6/30/2015	6/30/2014

SCHEDULE OF TOWNSHIP CONTRIBUTIONS - PFRS  
Last Three Fiscal Years

	Year Ended		
	12/31/16	12/31/15	12/31/14
Contractually Required Contribution	\$ 869,934	\$ 857,289	\$ 774,685
Contributions in Relation to the Contractually Required Contribution	869,934	857,289	774,685
Contribution Deficiency (Excess)	None	None	None
Township's Covered-Employee Payroll	\$ 3,714,130	\$ 3,407,833	\$ 3,384,014
Contributions as a Percentage of Covered-Employee Payroll	23.42%	25.16%	22.89%
Measurement Date	6/30/2016	6/30/2015	6/30/2014

SCHEDULE OF THE TOWNSHIP'S PROPORTIONATE SHARE OF THE  
NET PENSION LIABILITY - PFRS  
Last Three Fiscal Years  
Special Funding Situation

	Year Ended		
	12/31/16	12/31/15	12/31/14
Township's Proportion of the Net Pension Liability (Asset)	0.1092735978%	0.1070225868%	0.1116161341%
Township's Proportionate Share of the Net Pension Liability (Asset)	\$ 1,752,903	\$ 1,563,301	\$ 1,511,902
Township's Covered-Employee Payroll	3,714,130	3,407,833	3,384,014
Township's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	47.20%	45.87%	44.68%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	52.01%	56.30%	62.41%
Measurement Date	6/30/2016	6/30/2015	6/30/2014

The data in the above schedule represents the allocation of the State of New Jersey's obligation on behalf of the Township.

The Police & Firemen's Retirement System is a Cost-Sharing, Multi-Employer Defined Benefit Plan with a Special Funding Situation - 100% of the additional costs incurred by local employers under Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993, and Chapter 201, P.L. 2001.

SCHEDULE OF TOWNSHIP CONTRIBUTIONS - PFRS  
Last Three Fiscal Years  
Special Funding Situation

	Year Ended		
	12/31/16	12/31/15	12/31/14
Contractually Required Contribution	\$ 67,166	\$ 81,378	\$ 62,778
Contributions in Relation to the Contractually Required Contribution	67,166	81,378	62,778
Contribution Deficiency (Excess)	None	None	None
Township's Covered-Employee Payroll	\$ 3,714,130	\$ 3,407,833	\$ 3,384,014
Contributions as a Percentage of Covered-Employee Payroll	1.81%	2.39%	1.86%
Measurement Date	6/30/2016	6/30/2015	6/30/2014

## **SUPPLEMENTARY INFORMATION**

# PETRONI & ASSOCIATES LLC

Certified Public Accountants • Registered Municipal Accountants  
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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, 2016, 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 June 9, 2017, 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.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying *Schedule of Findings and Recommendations* that we consider to be a significant deficiency as item 2016-001.

#### ***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 2016-002, 2016-003, and 2016-004.

#### ***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

June 9, 2017

## CURRENT FUND



## SCHEDULE OF CURRENT FUND CASH - TREASURER

	Ref.	Current	Grants
Balance December 31, 2015	A	<u>\$ 4,244,743.29</u>	<u>\$ 888,043.32</u>
Increased by Receipts:			
Taxes Receivable	A-6	67,810,508.17	
Tax Title Liens	A-7	26,981.72	
Prepaid Taxes	A	468,109.77	
Tax Overpayments		209,810.14	
Grants Receivable	A-17		250,076.95
Grants Unappropriated	A-19		411.89
Revenue Accounts Receivable	A-10	10,343,672.12	
Due State of New Jersey - Senior Citizen and Veterans Deductions	A-9	243,942.39	
Due State of New Jersey Registrar Fees		2,975.00	
Construction DCA Fees		53,817.00	
Petty Cash		350.00	
Due from Utility Operating		368,007.45	
Pilot Payments due County		236,391.99	
Due from Current Fund	A-4		131,126.58
Due General Capital			104,175.00
Due Trust Other		44,825.91	
		<u>79,809,391.66</u>	<u>485,790.42</u>
		<u>84,054,134.95</u>	<u>1,373,833.74</u>
Decreased by Disbursements:			
Current Year Budget Appropriations	A-3	28,215,820.36	
Appropriation Reserves	A-11	279,463.58	
Encumbrances Payable	A-12	480,823.30	10,920.20
Reserve for Grants - Appropriated	A-18		336,224.53
Tax Overpayments		14,190.23	
County Taxes		15,034,325.62	
Due County Added & Omitted Taxes		22,127.71	
Local District School Tax	A-14	31,809,830.54	
Due County - PILOT		326,455.18	
Due State of New Jersey Registrar Fees		2,750.00	
Construction DCA Fees		60,068.00	
Petty Cash		350.00	
Due Utility Operating		368,007.45	
Due Grant Fund	A-4	131,126.58	
Due General Capital			239,175.00
Due Trust Other		71,000.00	
Prior Year Refunds	A-1	29,394.81	
		<u>76,845,733.36</u>	<u>586,319.73</u>
Balance December 31, 2016	A	<u>\$ 7,208,401.59</u>	<u>\$ 787,514.01</u>

## SCHEDULE OF CHANGE FUND

Balance December 31, 2015	Ref. A	<u>\$ 1,500.00</u>
Balance December 31, 2016	A	<u><u>\$ 1,500.00</u></u>

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

Year	Balance	Levy	Added Taxes	Collected		Overpayments Applied	Overpayments	Canceled	Transferred to Tax Title Liens	Balance
	Dec. 31, 2015			2015	2016					Dec. 31, 2016
2007	\$ 1,543.13				\$ 1,543.13					
2008	2,728.82				805.64					\$ 1,923.18
2010	72.86									72.86
2012	1,302.61				536.02					766.59
2013	1,891.23						\$ 15,682.69	\$ 15,682.69		1,891.23
2014	1,736.20				958.89		115,134.97	115,134.97		777.31
2015	966,728.13		\$ 9,188.57		964,446.69		64,715.20	57,322.21	\$ 10,596.99	8,266.01
	976,002.98		9,188.57		968,290.37		195,532.86	188,139.87	10,596.99	13,697.18
2016		\$ 68,938,439.14		\$ 398,017.61	67,086,853.47	\$ 400,331.84		149,654.61	125,468.16	778,113.45
	\$ 976,002.98	\$ 68,938,439.14	\$ 9,188.57	\$ 398,017.61	\$ 68,055,143.84	\$ 400,331.84	\$ 195,532.86	\$ 337,794.48	\$ 136,065.15	\$ 791,810.63
Ref.	A								A-7	A
		Cash - Treasurer		Ref.						
		Due State of New Jersey		A-4	\$ 67,810,508.17					
				A-9	244,635.67					
					<u>\$ 68,055,143.84</u>					

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

**Analysis of Property Tax Levy**

**Tax Yield**

General Purpose Tax:

Business Personalty Tax	\$ 151,861.33
General Property Tax	68,713,997.42

\$ 68,865,858.75
72,580.39

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

\$ 68,938,439.14

Ref.

**Tax Levied**

Local District School Tax (Abstract)

A-14	\$ 32,440,669.00
------	------------------

County Taxes:

County Tax (Abstract)	\$ 14,119,925.15
Due County for Open Space	914,400.47
Due County for Added Taxes (54:4-63.1 et seq.)	16,463.67

Total County Taxes

15,050,789.29

Local Tax for Municipal Purposes

A-2	20,622,563.43
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Minimum Library Tax

A-2	758,326.43
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Add: Additional Taxes Levied

66,090.99
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21,446,980.85

\$ 68,938,439.14

## EXHIBIT A-7

## SCHEDULE OF TAX TITLE LIENS RECEIVABLE

Balance December 31, 2015	Ref. A		\$ 1,525,214.60
Increased by:			
Transfers from Taxes Receivable	A-6	\$ 136,065.15	
Interest and Costs		<u>1,814.41</u>	
			<u>137,879.56</u>
			1,663,094.16
Decreased by:			
Cash Receipts	A-4	<u>26,981.72</u>	
			<u>26,981.72</u>
Balance December 31, 2016	A		<u><u>\$ 1,636,112.44</u></u>

## EXHIBIT A-8

SCHEDULE OF PROPERTY ACQUIRED FOR TAXES  
(AT ASSESSED VALUATION)

Balance December 31, 2015	Ref. A	<u>\$ 764,800.00</u>
Balance December 31, 2016	A	<u><u>\$ 764,800.00</u></u>

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

Balance December 31, 2015	Ref. A		\$ 30,994.18
Increased By:			
Current Year Deductions Per Tax Duplicate		\$ 247,750.00	
Current Year Deductions Allowed by Collector		2,750.00	
Current Year Deductions Disallowed by Collector		(5,864.33)	
		<hr/>	
	A-6	244,635.67	
Prior Year Deductions Disallowed by Collector	A-1	(6,563.82)	
		<hr/>	
			238,071.85
			<hr/>
			269,066.03
Decreased by:			
Cash Receipts	A-4		243,942.39
			<hr/>
Balance December 31, 2016	A		<u><u>\$ 25,123.64</u></u>

## SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	Balance Dec. 31, 2015	Accrued in 2016	Collected	Balance Dec. 31, 2016
<b>Miscellaneous Revenue Anticipated</b>				
Licenses:				
Alcoholic Beverages		\$ 20,750.00	\$ 20,750.00	
Fees and Permits		108,274.74	108,274.74	
Fines and Costs:				
Municipal Court	\$ 18,737.98	255,239.24	257,623.50	\$ 16,353.72
Interest and Costs on Taxes		231,951.88	231,951.88	
Interest on Investments and Deposits		9,692.13	9,692.13	
Utility Operating Surplus		650,000.00	650,000.00	
Consolidated Municipal Property Tax Relief		123,147.00	123,147.00	
Energy Receipts Tax		1,886,094.00	1,886,094.00	
Borough of National Park Police		535,000.00	535,000.00	
City of Woodbury Construction Code Official		110,000.00	110,000.00	
Township of Mantua Municipal Clerk		3,325.00	3,325.00	
Uniform Construction Code Fees		703,187.50	703,187.50	
Riverwinds Fees		1,918,993.14	1,918,993.14	
Uniform Fire Safety Act		130,808.35	130,808.35	
Franchise Fees - Cable Television		336,565.39	336,565.39	
Host Community Benefit Agreement		446,505.16	446,505.16	
Reserve for Tax Defeasance		526,219.00	526,219.00	
Payment in Lieu of Taxes		59,973.98	59,973.98	
Rental of Buildings & Grounds		324,872.87	324,872.87	
FHG Restaurant Ground Lease		81,620.58	81,620.58	
LS Power Pilot		1,434,941.39	1,434,941.39	
School Resource Officer		32,303.51	32,303.51	
NJMV Resource Officer		98,280.00	98,280.00	
<b>Miscellaneous Revenue Not Anticipated</b>				
Refunds		13.48	13.48	
Insurance Refunds		40,317.69	40,317.69	
Donations		17,300.00	17,300.00	
Fuel Purchases		4,416.99	4,416.99	
Off Duty Administrative Fees		30,339.75	30,339.75	
Other Fees		5,097.82	17,027.29	
Sale of Municipal Assets		10,441.50	10,441.50	
Recreation Fees		55,609.00	55,609.00	
Recycling Fees		23,749.73	23,749.73	
Dumpster Fees		16,500.00	16,500.00	
Miscellaneous		75,797.78	75,797.78	
Property Maintenance Liens		22,029.79	22,029.79	
	<u>\$ 18,737.98</u>	<u>\$ 10,329,358.39</u>	<u>\$ 10,343,672.12</u>	<u>\$ 16,353.72</u>
Ref.	A		A-4	A

## SCHEDULE OF APPROPRIATION RESERVES

	Balance Dec. 31, 2015	Balance After Transfers	Paid or Charged	Balance Lapsed
Other Expenses				
General Administration	\$ 1,283.88	\$ 1,283.88	\$ 198.35	\$ 1,085.53
Mayor & Township Council	1,989.35	1,989.35	450.00	1,539.35
Municipal Clerk	4,276.16	4,276.16	1,181.35	3,094.81
Finance	227.00	10,227.00	5,505.79	4,721.21
Engineering Services	16,964.31	16,964.31	3,273.50	13,690.81
Planning Board	9,173.47	9,173.47	3,086.00	6,087.47
Zoning Board	10,864.42	10,864.42	140.00	10,724.42
Rental Control Commission	3,967.50	3,967.50	555.28	3,412.22
Group Plan for Employees	91,464.50	91,464.50	11,147.65	80,316.85
Police	31,116.98	31,116.98	5,282.11	25,834.87
Road Repairs	31,562.21	19,562.21	17,487.23	2,074.98
Buildings & Grounds	445.27	445.27	427.71	17.56
Vehicle Maintenance	910.13	2,910.13		2,910.13
Solid Waste Collection	24,736.68	24,736.68	24,029.57	707.11
Park & Recreation	55,004.89	55,004.89	14,504.28	40,500.61
Electricity	17,969.60	17,969.60	16,113.32	1,856.28
Street Lighting	19,762.76	19,762.76	18,996.25	766.51
Fuel Oil	6,940.49	6,940.49	435.57	6,504.92
Gasoline	38,245.35	38,245.35	3,147.20	35,098.15
Landfill	76,867.94	76,867.94	76,867.20	0.74
Municipal Court	3,839.17	3,839.17	560.35	3,278.82
LOSAP	73,850.00	73,850.00	65,550.00	8,300.00
Public Library	32,998.18	32,998.18	17,874.87	15,123.31
Other Accounts - No Change	450,772.84	450,772.84		450,772.84
	<u>\$ 1,005,233.08</u>	<u>\$ 1,005,233.08</u>	<u>\$ 286,813.58</u>	<u>\$ 718,419.50</u>
Ref. A		Ref.		A-1
Disbursed		A-4	\$ 279,463.58	
Encumbered		A-12	7,350.00	
			<u>\$ 286,813.58</u>	



## SCHEDULE OF ENCUMBRANCES PAYABLE

	Ref.	Current	Grants
Balance December 31, 2015	A	\$ 545,651.79	\$ 10,920.20
Increased by:			
Charges to Current Year Appropriations	A-3:A-18	723,441.64	212,659.14
Charges to Prior Year Appropriations	A-11	7,350.00	
		<u>1,276,443.43</u>	<u>223,579.34</u>
Decreased by:			
Payments	A-4	480,823.30	10,920.20
Canceled	A-1	64,828.49	
		<u>545,651.79</u>	<u>10,920.20</u>
Balance December 31, 2016	A	<u>\$ 730,791.64</u>	<u>\$ 212,659.14</u>

## SCHEDULE OF ACCOUNTS PAYABLE

	Ref.	
Balance December 31, 2015		\$ 11,416.80
Balance December 31, 2016	A	<u>\$ 11,416.80</u>

## SCHEDULE OF LOCAL DISTRICT SCHOOL TAXES PAYABLE

Balance December 31, 2015	Ref.		
School Tax Payable	A	\$ 559,363.44	
School Tax Deferred		<u>13,540,017.68</u>	
			\$ 14,099,381.12
Increased by:			
2016 Calendar Year School Levy	A-6		32,440,669.00
Decreased by:			
Payments	A-4		<u>31,809,830.54</u>
Balance December 31, 2016	Ref.		
School Tax Payable	A	1,190,201.90	
School Tax Deferred		<u>13,540,017.68</u>	
			<u>\$ 14,730,219.58</u>
2016 Tax Liability for Local District School Tax:			
School Tax Payable December 31, 2015	A		\$ (559,363.44)
Tax Paid/Encumbered	A-14		31,809,830.54
School Tax Payable December 31, 2016	A		<u>1,190,201.90</u>
Amount Charged to 2016 Operations	A-1		<u>\$ 32,440,669.00</u>

## SCHEDULE OF RESERVE FOR REVALUATION

Balance December 31, 2015	Ref. A	<u>\$ 6,805.45</u>
Balance December 31, 2016	A	<u><u>\$ 6,805.45</u></u>

## SCHEDULE OF GRANT EXPENDITURES WITHOUT APPROPRIATIONS

	Balance Dec. 31, 2015	Transferred from Budget Appropriation
Municipal Alliance Youth Service	\$ 17,262.10	\$ 17,262.10
Ref.	A	A-3

## SCHEDULE OF GRANTS RECEIVABLE

	Balance Dec. 31, 2015	Budget Revenue Realized	Received	From Grants Unappropriated	Balance Dec. 31, 2016
<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	6,600.96				6,600.96
Buckle Up	4,000.00				4,000.00
Click It or Ticket		\$ 3,000.00	\$ 3,000.00		
CDBG	12,594.00	50,000.00			62,594.00
	<u>205,887.77</u>	<u>53,000.00</u>	<u>3,000.00</u>		<u>255,887.77</u>
<b>State Grants:</b>					
Clean Communities	4,111.80	52,754.87	52,754.87		4,111.80
Municipal Alliance Youth Service		24,898.64	14,921.36	\$ 4,998.64	4,978.64
Recycling Tonnage Grant		76,349.96		76,349.96	
Body Armor		3,867.77	3,536.65	331.12	
Drunk Driving Enforcement	10,479.50				10,479.50
Body Camera Initiative		12,000.00	11,024.32		975.68
Safe and Secure	30,000.00	60,000.00	60,000.00		30,000.00
Municipal Court Alcohol Education	0.36	664.75	664.75		0.36
NJ Transportation Trust	37,500.00	362,000.00	104,175.00		295,325.00
Individuals with Handicapped Recreation Grant	6,604.00				6,604.00
Road Repair State Aid	127,142.00				127,142.00
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
	<u>279,268.66</u>	<u>592,535.99</u>	<u>247,076.95</u>	<u>81,679.72</u>	<u>543,047.98</u>
	<u>\$ 485,156.43</u>	<u>\$ 645,535.99</u>	<u>\$ 250,076.95</u>	<u>\$ 81,679.72</u>	<u>\$ 798,935.75</u>
Ref.	A	A-2	A-4	A-19	A

## SCHEDULE OF RESERVE FOR GRANTS - APPROPRIATED

	Balance Dec. 31, 2015	Transferred from Budget Appropriation	Paid	Encumbered	Balance Dec. 31, 2016
<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	\$ 3,000.00	\$ 3,000.00		4,750.00
Bulletproof Vest Program	12,826.96				12,826.96
Cops Grant Award	11,230.00				11,230.00
Cops in Shops	4,015.00				4,015.00
Buckle Up	2,000.00				2,000.00
CDBG	95,739.00	50,000.00	50,000.00		95,739.00
Emergency Management	5,000.00				5,000.00
	<u>519,275.96</u>	<u>53,000.00</u>	<u>53,000.00</u>		<u>519,275.96</u>
<b>State Grants:</b>					
Clean Communities	173,235.08	52,754.87	26,450.54		199,539.41
Municipal Alliance Youth Service		31,123.30	23,667.34		7,455.96
Recycling Tonnage Grant	201,885.65	76,349.96	47,930.73	\$ 63,397.26	166,907.62
Body Camera Initiative		12,000.00	11,024.32		975.68
Body Armor	31,584.30	3,867.77	3,867.77		31,584.30
Drunk Driving Enforcement	30,640.20		4,926.59	341.88	25,371.73
Safe and Secure	135,357.24	60,000.00	165,357.24		30,000.00
Municipal Court Alcohol Education	4,564.00	664.75			5,228.75
NJ Transportation Trust	62,119.00	362,000.00		148,920.00	275,199.00
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>892,495.19</u>	<u>598,760.65</u>	<u>283,224.53</u>	<u>212,659.14</u>	<u>995,372.17</u>
	<u>\$ 1,411,771.15</u>	<u>\$ 651,760.65</u>	<u>\$ 336,224.53</u>	<u>\$ 212,659.14</u>	<u>\$ 1,514,648.13</u>
Ref.	A	A-3	A-4	A-12	A

## SCHEDULE OF RESERVE FOR GRANTS - UNAPPROPRIATED

	Balance Dec. 31, 2015	Receipts	To Grants Receivable	Balance Dec. 31, 2016
<b>State Grants:</b>				
Municipal Alliance	\$ 4,998.64		\$ 4,998.64	
Recycling Tonnage Grant	76,349.96		76,349.96	
Body Armor	331.12	\$ 411.89	331.12	\$ 411.89
	<u>\$ 81,679.72</u>	<u>\$ 411.89</u>	<u>\$ 81,679.72</u>	<u>\$ 411.89</u>
Ref.	A	A-4	A-17	A

## SCHEDULE OF DEFERRED CHARGES

	Balance Dec. 31, 2015	Added in 2016	Raised in 2016 Budget	Balance Dec. 31, 2016
Overexpenditure of Appropriation Reserves	\$ 32,378.40		\$ 32,378.40	
Overexpenditure of Appropriations		\$ 20,378.76		\$ 20,378.76
	<u>\$ 32,378.40</u>	<u>\$ 20,378.76</u>	<u>\$ 32,378.40</u>	<u>\$ 20,378.76</u>
Ref.	A	A-3	A-3	A



## **TRUST FUND**

## SCHEDULE OF TRUST FUND CASH - TREASURER

Balance December 31, 2015	Ref. B		\$ 2,203,300.32
Increased by Receipts:			
Payroll Taxes Payable		\$ 11,069,045.70	
Interfund Receivable		70,426.42	
Escrow Receivables		35,914.25	
Dog License Fees:			
Municipal Share	B-2	3,881.00	
State Share		597.00	
Forfeited Funds	B-3	25,837.04	
Off-Duty Police Fees	B-3	133,730.01	
Tax Sale Premiums	B-3	596,900.00	
Tax Sale Redemptions	B-3	315,628.43	
K-9 Donations	B-3	28,706.43	
POAA Fees	B-3	68.00	
Public Defender Fees	B-3	4,800.00	
Street Openings	B-3	6,970.00	
Riverwinds Tax Defeasance	B-3	526,405.97	
Uniform Fire Safety	B-3	2,750.00	
Environmental Resources	B-3	1,500.00	
Municipal Open Space	B-3	18,181.20	
Affordable Housing	B-3	11,398.17	
Unemployment Trust	B-3	15,797.59	
Beautification Committee	B-3	10,000.00	
Recreation	B-3	65,128.05	
Escrow Fees	B-3	246,199.50	
			<u>13,189,864.76</u>
			<u>15,393,165.08</u>
Decreased by Disbursements:			
Payroll Taxes Payable		11,107,866.80	
Due to State of New Jersey		592.80	
Expenditures Under RS 4:19-15.11	B-2	925.00	
Escrow Fees	B-3	223,715.72	
Forfeited Funds	B-3	16,616.00	
Off-Duty Police Fees	B-3	115,051.25	
Tax Sale Premiums	B-3	308,500.00	
Tax Sale Redemptions	B-3	289,068.55	
K-9 Donations	B-3	28,233.43	
Street Openings	B-3	1,740.00	
Municipal Open Space	B-3	202,026.93	
Uniform Fire Safety	B-3	250.00	
Unemployment Compensation	B-3	19,009.89	
Recreation	B-3	44,172.82	
Riverwinds Tax Defeasance	B-3	526,219.00	
Encumbrances Payable	B-4	18,456.97	
Interfund Payable		59,638.76	
			<u>12,962,083.92</u>
Balance December 31, 2016	B		<u>\$ 2,431,081.16</u>

## SCHEDULE OF RESERVE FOR DOG FUND EXPENDITURES

Balance December 31, 2015	Ref. B		\$ 7,657.80
Increased by:			
Municipal Share of Dog License Fees	B-1		3,881.00
			<u>11,538.80</u>
Decreased by:			
Expenditures Under RS 4:19-15.11	B-1	\$ 925.00	
Encumbered	B-4	189.20	
Excess Fees due Current Fund		<u>2,143.20</u>	
			3,257.40
Balance December 31, 2016	B		<u><u>\$ 8,281.40</u></u>

## License Fees Collected

Year	Amount
2014	\$ 3,634.80
2015	4,646.60
	<u>\$ 8,281.40</u>

## EXHIBIT B-3

## SCHEDULE OF MISCELLANEOUS TRUST RESERVES

	Balance Dec. 31, 2015	Receipts	Disbursements	Due Current	Encumbered	Balance Dec. 31, 2016
Tax Sale Redemption	\$ 31,775.63	\$ 315,628.43	\$ 289,068.55		\$ 58,778.97	\$ (443.46)
Tax Sale Premium	592,300.00	596,900.00	308,500.00		53,900.00	826,800.00
Open Space	666,864.85	18,181.20	202,026.93			483,019.12
Forfeited Funds	45,543.47	25,837.04	16,616.00	\$ 1,335.78		56,100.29
Storm Recovery	1,683.13					1,683.13
POAA Fees	1,660.17	68.00				1,728.17
K-9 Donations		28,706.43	28,233.43			473.00
Street Opening	107,684.16	6,970.00	1,740.00			112,914.16
Affordable Housing	159,351.86	11,398.17				170,750.03
Drainage Basin	77,329.02					77,329.02
Riverwinds Tax Defeasance	144.57	526,405.97	526,219.00			331.54
Police Off-Duty	38,123.91	133,730.01	115,051.25			56,802.67
Public Defender	3,484.00	4,800.00				8,284.00
Unemployment Compensation	79,197.49	15,797.59	19,009.89			75,985.19
Mayor's Food & Holiday Drive	1,879.00					1,879.00
Developer's Escrow Fund	287,670.18	246,199.50	223,715.72		8,101.58	302,052.38
Uniform Fire Safety	250.00	2,750.00	250.00			2,750.00
Environmental Resources		1,500.00				1,500.00
Beautification Committee		10,000.00				10,000.00
Recreation	56,521.14	65,128.05	44,172.82			77,476.37
	<u>\$ 2,361,106.64</u>	<u>\$ 2,010,000.39</u>	<u>\$ 1,774,603.59</u>	<u>\$ 1,335.78</u>	<u>\$ 120,780.55</u>	<u>\$ 2,267,414.61</u>
Ref.	B	B-1	B-1		B-4	B

## SCHEDULE OF ENCUMBRANCES PAYABLE

Balance December 31, 2015	Ref. B		\$ 18,456.97
Increased by Charges for:			
Animal Control Trust Fund	B-2	\$ 189.20	
Tax Sale Redemption	B-3	58,778.97	
Developers Escrow	B-3	8,101.58	
Tax Sale Premium	B-3	53,900.00	
			<u>120,969.75</u>
			139,426.72
Decreased by:			
Disbursements	B-1		<u>18,456.97</u>
Balance December 31, 2016	B		<u><u>\$ 120,969.75</u></u>

## **GENERAL CAPITAL FUND**

## EXHIBIT C-2

## SCHEDULE OF GENERAL CAPITAL CASH - TREASURER

Balance December 31, 2015	Ref. C		\$ 603,192.60
Increased by:			
Budget Appropriation			
Capital Improvement Fund	C-6	\$ 100,000.00	
Deferred Charges	C-9	29,984.00	
Grant Receivable	C-12	135,000.00	
Due Grant Fund	C-3	104,175.00	
Reimbursements	C-3:C-7	8,205.00	
			<u>377,364.00</u>
			980,556.60
Decreased by:			
Due Grant Fund	C-3	104,175.00	
Encumbrances Payable	C-11	344,488.62	
			<u>448,663.62</u>
Balance December 31, 2016	C		<u><u>\$ 531,892.98</u></u>

## ANALYSIS OF GENERAL CAPITAL FUND CASH

		Balance	Receipts	Disbursements	Transfers	Balance
		Dec. 31, 2015	Miscellaneous	Miscellaneous	To/(From)	Dec. 31, 2016
Grants Receivable		\$ (216,000.00)			\$ 135,000.00	\$ (81,000.00)
Due from Utility Operating Fund		(11,547.00)				(11,547.00)
Due Current Fund		278,409.84				278,409.84
Due Grant Fund		122,792.91	\$ 239,175.00	\$ 104,175.00	(135,000.00)	122,792.91
Due Utility Capital Fund		3,111.97				3,111.97
Capital Improvement Fund		238,820.00	100,000.00			338,820.00
Reserve for Down Payment on Improvements		36,302.00				36,302.00
Reserve for Payment of Debt Service		16,621.00				16,621.00
Encumbrances Payable		384,967.46		344,488.62	1,508.95	41,987.79
Fund Balance		20,127.29				20,127.29
Improvement Authorizations:						
Ordinance						
Number						
2009-13	Acquisition, Construction, Repair, and Installation of Various Capital Improvements	294,579.48				294,579.48
2010-08	Bond Ordinance - Costs of Issuance	(89,953.00)	29,984.00			(59,969.00)
2010-11	Purchase of Equipment	335.00				335.00
2011-06	Various Capital Improvements	19,223.42				19,223.42
2011-10	Acquisition of a Bus	1,010.00				1,010.00
2012-07	Tax Appeal Refunding Issue	(599,645.50)				(599,645.50)
2012-11	Purchase of Equipment	54,862.36				54,862.36
2014-11	Purchase of Workstations and Computers	6,871.23				6,871.23
2014-14	Various Capital Improvements	41,563.50			(1,508.95)	40,054.55
2014-19	Various Capital Improvements	740.64	8,205.00			8,945.64
		<u>\$ 603,192.60</u>	<u>\$ 377,364.00</u>	<u>\$ 448,663.62</u>		<u>\$ 531,892.98</u>
Ref.		C-2	C-2	C-2		C-2



## EXHIBIT C-4

## SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

Balance December 31, 2015	Ref. C	\$ 99,479,007.13
Decreased by:		
Payments on General Serial Bonds	C-8	<u>5,674,387.81</u>
Balance December 31, 2016	C	<u><u>\$ 93,804,619.32</u></u>

## SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

Ordinance Number	Improvement Description	Balance Dec. 31, 2015	2016 Authorizations	Funded By Budget Appropriation	Balance Dec. 31, 2016	Analysis of Balances Dec. 31, 2016		
						Financed by Bond Anticipation Notes	Expenditures	Unexpended Improvement Authorizations
2008-09	Acquisition, Construction, Repair, and Installation of Various Capital Improvements	\$ 715,259.06		\$ 95,000.00	\$ 620,259.06	\$ 620,259.06		
2009-13	Acquisition, Construction, Repair, and Installation of Various Capital Improvements	117,812.94		15,000.00	102,812.94	102,812.94		
2010-08	Refunding Bond Issuance Costs	165,000.00		29,984.00	135,016.00		\$ 59,969.00	\$ 75,047.00
2012-07	Tax Appeal Refunding	2,070,000.00			2,070,000.00		599,645.50	1,470,354.50
2014-14	Various Capital Improvements	1,993,000.00			1,993,000.00	1,993,000.00		
2016-20	Bond Ordinance - Costs of Issuance		\$ 1,374,290.43		1,374,290.43			1,374,290.43
		<u>\$ 5,061,072.00</u>	<u>\$ 1,374,290.43</u>	<u>\$ 139,984.00</u>	<u>\$ 6,295,378.43</u>	<u>\$ 2,716,072.00</u>	<u>\$ 659,614.50</u>	<u>\$ 2,919,691.93</u>
	Ref.	C	C-7	C-9:C-10	C	C-10	C-3	C-7

EXHIBIT C-6

SCHEDULE OF CAPITAL IMPROVEMENT FUND

	Ref.	
Balance December 31, 2015	C	\$ 238,820.00
Increased by:		
Budget Appropriation	C-2	<u>100,000.00</u>
Balance December 31, 2016	C	<u><u>\$ 338,820.00</u></u>

## SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ordinance Number	Improvement Description	Ordinance		Balance Dec. 31, 2015		2016 Authorizations	Reimbursements	Encumbrance	Balance Dec. 31, 2016	
		Date	Amount	Funded	Unfunded				Funded	Unfunded
2009-13	Acquisition, Construction, Repair, and Installation of Various Capital Improvements	12/10/2009	\$ 355,000.00	\$ 294,579.48					\$ 294,579.48	
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	269,133.00	335.00					335.00	
2011-06	Various Capital Improvements	9/1/2011	409,317.00	19,223.42					19,223.42	
2011-10	Acquisition of a Bus	12/29/2011	92,000.00	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	438,000.00	54,862.36					54,862.36	
2014-11	Purchase of Workstations and Computers	5/1/2014	70,000.00	6,871.23					6,871.23	
2014-14	Various Capital Improvements	6/19/2014	1,993,000.00	41,563.50				\$ 1,508.95	40,054.55	
2014-19	Various Capital Improvements	9/4/2014	1,008,000.00	740.64			\$ 8,205.00		8,945.64	
2016-20	Bond Ordinance - Costs of Issuance	11/2/2016	1,374,290.43			\$ 1,374,290.43				1,374,290.43
				<u>\$ 419,185.63</u>	<u>\$ 1,545,401.50</u>	<u>\$ 1,374,290.43</u>	<u>\$ 8,205.00</u>	<u>\$ 1,508.95</u>	<u>\$ 425,881.68</u>	<u>\$ 2,919,691.93</u>
Ref.				C	C	C-9	C-2	C-11	C	C

## SCHEDULE OF GENERAL SERIAL BONDS

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding December 31, 2016		Interest Rate	Balance Dec. 31, 2015	Decreased	Balance Dec. 31, 2016
			Date	Amount				
Golf Course	10/01/01	\$ 9,945,000.00	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%	\$ 6,410,000.00	\$ 390,000.00	\$ 6,020,000.00
General Obligation Bonds, Series 2007	11/26/07	5,083,732.79	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	411,675.31	4.250%			
			11/1/2022	408,930.81	4.250%	2,837,815.13	397,952.81	2,439,862.32
General Obligation Refunding Bonds, Series 2008	09/01/08	5,918,380.00	9/1/2017	1,125,540.00	3.82%			
			9/1/2018	1,176,240.00	3.82%	3,383,380.00	1,081,600.00	2,301,780.00
General Obligation Refunding Bonds, Series 2010	09/15/10	8,385,000.00	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%	4,400,000.00	1,055,000.00	3,345,000.00
General Obligation Refunding Bonds, Series 2012	08/21/12	30,930,000.00	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	1,555,000.00	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	1,850,000.00	5.00%			
			7/1/2027	1,905,000.00	5.00%			
			7/1/2028	1,995,000.00	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%	24,865,000.00	160,000.00	24,705,000.00

SCHEDULE OF GENERAL SERIAL BONDS

Purpose	Date of Issue	Original Issue	Maturities of Bonds		Interest Rate	Balance Dec. 31, 2015	Decreased	Balance Dec. 31, 2016
			Outstanding Date	December 31, 2016 Amount				
General Obligation Refunding Bonds, Series 2012B	11/20/12	8,298,673.00	9/1/2017	624,000.00	2.00%			
			9/1/2018	261,000.00	2.00%			
			9/1/2018	374,000.00	3.00%			
			9/1/2019	650,000.00	2.00%			
			9/1/2020	386,000.00	2.00%			
			9/1/2020	116,000.00	4.00%			
			9/1/2021	456,000.00	2.00%			
			9/1/2021	58,000.00	4.00%			
			9/1/2022	334,000.00	2.25%			
			9/1/2022	174,000.00	4.00%			
			9/1/2023	499,000.00	2.30%			
			9/1/2024	485,000.00	2.50%			
			9/1/2025	475,000.00	2.50%			
			9/1/2026	465,000.00	2.50%			
			9/1/2027	450,000.00	2.75%			
			9/1/2028	435,000.00	2.75%	6,848,000.00	606,000.00	6,242,000.00
General Obligation Refunding Bonds, Series 2012C	11/20/12	3,180,000.00	9/1/2017	260,000.00	3.00%			
			9/1/2017	200,000.00	2.307%			
			9/1/2018	475,000.00	2.667%			
			9/1/2019	485,000.00	2.917%	1,865,000.00	445,000.00	1,420,000.00
General Obligation Refunding Bonds, Series 2014	11/13/14	50,776,834.00	9/1/2017	1,576,598.00	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	3,771,562.00	5.00%			
			9/1/2026	3,965,096.00	3.00%			
			9/1/2027	4,092,546.00	3.00%			
			9/1/2028	4,219,995.00	4.00%			
			9/1/2029	4,399,369.00	3.125%			
			9/1/2030	4,545,700.00	3.250%	48,869,812.00	1,538,835.00	47,330,977.00
						<u>\$ 99,479,007.13</u>	<u>\$ 5,674,387.81</u>	<u>\$ 93,804,619.32</u>
					Ref.	C	C-4	C

## SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Ordinance Number	Improvement Description	Balance Dec. 31, 2015	2016 Authorization	Funded by Budget Appropriation	Balance Dec. 31, 2016
2010-08	Refunding Bond Issuance Costs	\$ 165,000.00		\$ 29,984.00	\$ 135,016.00
2012-07	Tax Appeal Refunding	2,070,000.00			2,070,000.00
2016-20	Refunding Bond Issuance Costs		\$ 1,374,290.43		1,374,290.43
		<u>\$ 2,235,000.00</u>	<u>\$ 1,374,290.43</u>	<u>\$ 29,984.00</u>	<u>\$ 3,579,306.43</u>
	Ref.		C-7	C-2	

## 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, 2015	Decreased	Balance Dec. 31, 2016
2008-09	Acquisition, Construction, Repair, and Installation of Various Capital Improvements	\$ 940,946.00	4/28/2010	4/14/2016	4/14/2017	0.99%	\$ 715,259.06	\$ 95,000.00	\$ 620,259.06
2009-13	Acquisition, Construction, Repair, and Installation of Various Capital Improvements	147,250.00	4/28/2010	4/14/2016	4/14/2017	0.99%	117,812.94	15,000.00	102,812.94
2014-14	Various Capital Improvements	1,993,000.00	12/4/2014	4/16/2016	4/14/2017	0.99%	1,993,000.00		1,993,000.00
							<u>\$ 2,826,072.00</u>	<u>\$ 110,000.00</u>	<u>\$ 2,716,072.00</u>
						Ref.	C	C-5	C



## SCHEDULE OF ENCUMBRANCES PAYABLE

	Ref.	
Balance December 31, 2015	C	\$ 384,967.46
Increased by:		
Charges to Improvement Authorizations	C-7	<u>1,508.95</u>
		386,476.41
Decreased by:		
Payments	C-2	<u>344,488.62</u>
Balance December 31, 2016	C	<u><u>\$ 41,987.79</u></u>

## SCHEDULE OF GRANTS RECEIVABLE

	Balance Dec. 31, 2015	Receipts	Balance Dec. 31, 2016
2008 Road Program - Columbia Avenue	\$ 36,000.00		\$ 36,000.00
2009 Road Program - Maple & Roosevelt	180,000.00	\$ 135,000.00	45,000.00
	<u>\$ 216,000.00</u>	<u>\$ 135,000.00</u>	<u>\$ 81,000.00</u>
Ref.	C	C-2	C

EXHIBIT C-13

SCHEDULE OF RESERVE FOR DOWN PAYMENTS ON IMPROVEMENTS

	Ref.	
Balance December 31, 2015	C	\$ 36,302.00
		<u><u>          </u></u>
Balance December 31, 2016	C	\$ 36,302.00
		<u><u>          </u></u>

EXHIBIT C-14

SCHEDULE OF RESERVE TO PAY DEBT SERVICES - BANS

	Ref.	
Balance December 31, 2015	C	\$ 16,621.00
		<u><u>          </u></u>
Balance December 31, 2016	C	\$ 16,621.00
		<u><u>          </u></u>

## **WATER AND SEWER UTILITY FUND**

## EXHIBIT D-5

## SCHEDULE OF WATER AND SEWER UTILITY FUND CASH

	Ref.	Operating	Capital
Balance December 31, 2015	D	<u>\$ 2,024,051.97</u>	<u>\$ 427,600.19</u>
Increased by:			
Consumer Accounts Receivable	D-7	11,938,262.43	
Utility Liens	D-8	1,323.01	
Miscellaneous Revenues	D-3	216,934.01	
Bond Anticipation Note	D-6:D-18		350,000.00
Utility Rent Overpayments	D	27,465.89	
		<u>12,183,985.34</u>	<u>350,000.00</u>
		<u>14,208,037.31</u>	<u>777,600.19</u>
Decreased by:			
Budget Appropriations	D-4	10,701,704.57	
Appropriation Reserves	D-11	107,052.53	
Encumbrances Payable	D-12	504,379.02	186,928.09
Accrued Interest Paid	D-13	468,168.29	
Improvement Authorizations	D-16		153,988.05
		<u>11,781,304.41</u>	<u>340,916.14</u>
Balance December 31, 2016	D	<u><u>\$ 2,426,732.90</u></u>	<u><u>\$ 436,684.05</u></u>

## ANALYSIS OF WATER AND SEWER UTILITY CAPITAL FUND CASH

		Receipts		Disbursements			
		Balance Dec. 31, 2015	Bond Anticipation Notes	Improvement Authorizations	Miscellaneous	Transfers (From)/To	Balance Dec. 31, 2016
Fund Balance		\$ 41,846.32					\$ 41,846.32
Capital Improvement Fund		723.00					723.00
Encumbrances Payable		205,934.49			\$ 186,928.09	\$ 168,871.30	187,877.70
Due Water & Sewer Utility							
Due General Capital Fund		(3,111.97)					(3,111.97)
Down Payment on Improvements		96,250.00					96,250.00
Reserve for Debt Payment		3,111.97					3,111.97
Improvement Authorizations:							
Ordinance							
Number							
2004-19	Various Capital Improvements	82,846.38					82,846.38
2005-14	Various Capital Improvements					14,006.40	14,006.40
2016-11	Extension of Water System		\$ 350,000.00	\$ 153,988.05		(182,877.70)	13,134.25
		<u>\$ 427,600.19</u>	<u>\$ 350,000.00</u>	<u>\$ 153,988.05</u>	<u>\$ 186,928.09</u>		<u>\$ 436,684.05</u>
Ref.		D	D-18	D-16	D-5		D

## EXHIBIT D-7

## SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE

Balance December 31, 2015	Ref. D		\$ 1,280,762.28
Increased by:			
Utility Rents Levied			12,194,790.98
			<u>13,475,553.26</u>
Decreased by:			
Collections	D-5	\$ 11,938,262.43	
Overpayments Applied	D-3	35,045.15	
Transfer to Liens	D-8	6,005.02	
Canceled		<u>123,604.60</u>	
			12,102,917.20
Balance December 31, 2016	D		<u><u>\$ 1,372,636.06</u></u>

## EXHIBIT D-8

## SCHEDULE OF UTILITY LIENS RECEIVABLE

Balance December 31, 2015	Ref. D		\$ 7,867.84
Increased by:			
Transfer from Consumer Accounts Receivable	D-7		6,005.02
			<u>13,872.86</u>
Decreased by:			
Collections	D-5		<u>1,323.01</u>
Balance December 31, 2016	D		<u><u>\$ 12,549.85</u></u>

## SCHEDULE OF FIXED CAPITAL

	Balance Dec. 31, 2015	Additions	Balance Dec. 31, 2016
Wells	\$ 17,355.70	\$ 3,970.00	\$ 21,325.70
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
Trucks	31,075.86		31,075.86
Miscellaneous	496,569.07	32,003.00	528,572.07
	<u>\$ 58,294,202.20</u>	<u>\$ 35,973.00</u>	<u>\$ 58,330,175.20</u>
Ref.	D	D-15	D



## SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

Ordinance Number	Purpose	Ordinance		Balance	Authorization	Balance
		Date	Amount	Dec. 31, 2015		Dec. 31, 2016
2014-9	Various Capital Improvements	09/04/14	\$ 500,000.00	\$ 500,000.00		\$ 500,000.00
2015-14	Various Capital Improvements	07/27/15	323,635.40	323,635.40		323,635.40
2016-11	Extension of Township Water System	05/18/16	350,000.00		\$ 350,000.00	350,000.00
2016-20	Refunding Bond Costs	11/02/16	8,709.57		8,709.57	8,709.57
				<u>\$ 823,635.40</u>	<u>\$ 358,709.57</u>	<u>\$ 1,182,344.97</u>
				Ref. D	D-16	D

## SCHEDULE OF APPROPRIATION RESERVES

	Balance Dec. 31, 2015	Balance After Transfers	Paid or Charged	Balance Lapsed
<b>Operating:</b>				
Salaries and Wages	\$ 24,313.70	\$ 24,313.70		\$ 24,313.70
Other Expenses	222,962.94	222,962.94	\$ 107,052.53	115,910.41
<b>Capital Improvements</b>				
Capital Outlay	6,698.75	6,698.75		6,698.75
<b>Statutory Expenditures</b>				
Social Security	5,952.33	5,952.33		5,952.33
	<u>\$ 259,927.72</u>	<u>\$ 259,927.72</u>	<u>\$ 107,052.53</u>	<u>\$ 152,875.19</u>
Ref.	D		D-5	D-1

## SCHEDULE OF ENCUMBRANCES PAYABLE

	Ref.	Operating Fund	Capital Fund
Balance December 31, 2015	D	<u>\$ 504,379.02</u>	<u>\$ 205,934.49</u>
Increased by:			
Charges to:			
Current Appropriations	D-4	400,682.34	
Improvement Authorizations	D-16		182,877.70
		<u>905,061.36</u>	<u>388,812.19</u>
Decreased by:			
Canceled	D-16		14,006.40
Payments	D-5	<u>504,379.02</u>	<u>186,928.09</u>
Balance December 31, 2016	D	<u><u>\$ 400,682.34</u></u>	<u><u>\$ 187,877.70</u></u>

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

	Ref.	NJEIT Loans	Notes	Bonds
Balance December 31, 2015	D	\$ 78,320.31	\$ 3,971.92	\$ 99,161.74
Increased by:				
Budget Appropriation for:				
Interest on Bonds and Notes	D-4	143,589.81	5,941.33	303,005.48
		221,910.12	9,913.25	402,167.22
Decreased by:				
Interest Paid	D-5	149,756.47	4,596.24	313,815.58
Balance December 31, 2016	D	\$ 72,153.65	\$ 5,317.01	\$ 88,351.64

Analysis of Accrued Interest December 31, 2016

	Serial Bonds	Payment			Period	Amount
		Due	From	To		
2007 Bonds		\$ 4,756.15	11/01/2016	12/31/2016	2 Months	\$ 1,585.37
2008 Bonds		21,071.50	9/01/2016	12/31/2016	4 Months	14,047.66
2012 Bonds		54,324.00	9/01/2016	12/31/2016	4 Months	36,216.00
2014 Bonds		54,753.90	9/01/2016	12/31/2016	4 Months	36,502.60
						\$ 88,351.64
<b>NJEIT</b>						
2004A Clean Water		8,765.63	8/1/2016	12/31/2016	5 Months	\$ 7,304.69
2004A Drinking Water		24,831.25	8/1/2016	12/31/2016	5 Months	20,692.71
2007A Clean Water		46,756.25	8/1/2016	12/31/2016	5 Months	38,963.54
2007A Drinking Water		6,231.25	8/1/2016	12/31/2016	5 Months	5,192.71
						\$ 72,153.65
<b>Notes</b>						
2016 Note		5,710.09	4/14/2016	12/31/2016	8 Months	\$ 3,806.73
2016 Note		3,624.66	7/15/2016	12/31/2016	5 Months	1,510.28
						\$ 5,317.01

## SCHEDULE OF CAPITAL IMPROVEMENT FUND

Balance December 31, 2015	Ref. D	\$ 723.00
Balance December 31, 2016	D	<u>\$ 723.00</u>

## SCHEDULE OF RESERVE FOR AMORTIZATION

Balance December 31, 2015	Ref. D		\$ 41,098,580.94
Increased by:			
Serial Bonds Paid by Operating Budget	D-17	\$ 1,085,612.20	
Bond Anticipation Note Paid by Operating Budget	D-18	11,000.00	
NJ Wastewater Loans Paid by Operating Budget	D-19	678,010.09	
NJ Wastewater Loans Canceled	D-19	350,792.00	
Payments in capital outlay	D-9	35,973.00	
			<u>2,161,387.29</u>
Balance December 31, 2016	D		<u>\$ 43,259,968.23</u>

## SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ordinance Number	Purpose	Date	Amount	Balance Dec. 31, 2015	Authorization Deferred Charges	Paid or Charged	Encumbered	Encumbrance Canceled	Balance Dec. 31, 2016	
				Funded					Funded	Unfunded
2014-19	Various Capital Improvements	09/04/14	\$ 500,000.00	\$ 82,846.38					\$ 82,846.38	
2015-14	Various Capital Improvements	07/27/15	323,635.40					\$ 14,006.40	14,006.40	
2016-11	Extension of Water System	05/18/16	350,000.00		\$ 350,000.00	\$ 153,988.05	\$ 182,877.70		13,134.25	
2016-20	Refunding Bond Costs	11/02/16	8,709.57		8,709.57					\$ 8,709.57
				<u>\$ 82,846.38</u>	<u>\$ 358,709.57</u>	<u>\$ 153,988.05</u>	<u>\$ 182,877.70</u>	<u>\$ 14,006.40</u>	<u>\$ 109,987.03</u>	<u>\$ 8,709.57</u>
Ref.				D	D-10	D-5	D-12	D-12	D	D

## SCHEDULE OF WATER AND SEWER CAPITAL SERIAL BONDS PAYABLE

Date of Issue	Purpose	Original Issue	Maturities of Bonds Outstanding December 31, 2016		Interest Rate	Balance Dec. 31, 2015	Decreased	Balance Dec. 31, 2016
			Date	Amount				
11/26/07	Water & Sewer Bonds of 2007	\$ 473,267.21	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%	\$ 264,184.86	\$ 37,047.20	\$ 227,137.66
09/01/08	Refunding Bonds of 2008	2,836,620.00	9/1/17	539,460.00	3.82%			
			9/1/18	563,760.00	3.82%	1,621,620.00	518,400.00	1,103,220.00
11/20/12	Refunding Bonds of 2012	5,986,327.00	9/1/17	451,000.00	2% & 3%			
			9/1/18	460,000.00	2.00%			
			9/1/19	470,000.00	2% & 3%			
			9/1/20	363,000.00	2.00%			
			9/1/21	371,000.00	2% & 4%			
			9/1/22	367,000.00	2% & 4%			
			9/1/23	361,000.00	2.30%			
			9/1/24	350,000.00	2.50%			
			9/1/25	340,000.00	2.50%			
			9/1/26	330,000.00	2.50%			
			9/1/27	320,000.00	2.75%			
			9/1/28	315,000.00	2.75%	4,937,000.00	439,000.00	4,498,000.00
11/13/14	Refunding Bonds of 2014	3,008,166.00	9/1/17	93,402.00	2.00%			
			9/1/18	95,360.00	4.00%			
			9/1/19	169,187.00	4.00%			
			9/1/20	176,178.00	4.00%			
			9/1/21	183,728.00	4.00%			
			9/1/22	191,558.00	5.00%			
			9/1/23	201,626.00	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%	2,895,188.00	91,165.00	2,804,023.00
						\$ 9,717,992.86	\$ 1,085,612.20	\$ 8,632,380.66
					Ref.	D	D-15	D



## SCHEDULE OF BOND ANTICIPATION NOTES

Ordinance Number	Purpose	Date of Issue of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2015	Authorized	Decreased	Balance Dec. 31, 2016
2006-18	Various Improvements to Sanitary Sewer Utility	06/22/11	04/14/16	04/14/17	0.99%	\$ 595,788.00		\$ 11,000.00	\$ 584,788.00
2016-11	Extension of Township Water System	07/15/16	07/15/16	04/14/17	1.05%		\$ 350,000.00		350,000.00
						<u>\$ 595,788.00</u>	<u>\$ 350,000.00</u>	<u>\$ 11,000.00</u>	<u>\$ 934,788.00</u>
					Ref.	D	D-6	D-15	D

## SCHEDULE OF NEW JERSEY WASTEWATER LOANS PAYABLE

Balance December 31, 2015	Ref. D		\$ 7,705,475.80
Decreased by:			
NJ Wastewater Loans Paid by Operating Budget	D-15	\$ 678,010.09	
Canceled	D-15	<u>350,792.00</u>	
			<u>1,028,802.09</u>
Balance December 31, 2016	D		<u><u>\$ 6,676,673.71</u></u>

## SCHEDULE OF RESERVE FOR DEBT SERVICE

Balance December 31, 2015	Ref. D	\$ 3,111.97
		<hr/>
Balance December 31, 2016	D	\$ 3,111.97
		<hr/> <hr/>

## SCHEDULE OF RESERVE FOR DOWN PAYMENTS ON IMPROVEMENTS

Balance December 31, 2015	Ref. D	\$ 96,250.00
		<hr/>
Balance December 31, 2016	D	\$ 96,250.00
		<hr/> <hr/>

**PART II**

**LETTER OF COMMENTS AND RECOMMENDATIONS**

**YEAR ENDED DECEMBER 31, 2016**

## **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:

#### **Roadway Improvements**

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 January 6, 2016, adopted the following resolution authorizing interest to be charged on delinquent taxes:

WHEREAS, RS 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.

**Collection of Interest on Delinquent Taxes and Assessments (Continued)**

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 October 6, 2016, 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>
2016	112
2015	103
2014	101

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**

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Tax Rate	3.063	2.918	2.773
Apportionment of Tax Rate:			
Municipal	0.95	0.894	0.86
County	0.67	0.653	0.623
Local School	1.443	1.371	1.29
Assessed Valuation	2,248,313,928	2,273,392,575	2,329,949,446

**COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY**

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Tax Levy	\$ 68,938,439.14	\$ 66,433,435.94	\$ 64,740,805.67
Cash Collections	67,885,202.92	65,183,407.16	63,311,426.21
Percentage of Collections	98.47%	98.12%	97.79%

## 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.

	2016	2015	2014
Amount of Tax Title Liens	\$ 1,636,112.44	\$ 1,525,214.60	\$ 1,626,059.68
Delinquent Taxes	791,810.63	976,002.98	1,020,753.16
Total Delinquent	<u>\$ 2,427,923.07</u>	<u>\$ 2,501,217.58</u>	<u>\$ 2,646,812.84</u>
Percentage of Tax Levy	3.52%	3.76%	4.09%

## 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:

	2016	2015	2014
Property Acquired for Taxes (Assessed Valuation)	<u>\$ 764,800.00</u>	<u>\$ 764,800.00</u>	<u>\$ 764,800.00</u>

## 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	2016	2015	2014
Balance January 1	\$ 1,288,630.12	\$ 1,773,281.14	\$ 1,417,237.17
Levy	12,194,790.98	11,324,470.62	12,207,265.23
Cash Collections	11,974,630.59	11,706,352.22	11,680,285.10
Percentage of Collections	88.81%	89.38%	85.73%

## 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 2015 audit.

## STATUS OF PRIOR RECOMMENDATIONS

**Finding 2015-001:** There was an overexpenditure of an appropriation reserve in the Current Fund and an expenditure without an appropriation in the Grant Fund.

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

**Finding 2015-002:** 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.

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

## STATUS OF PRIOR RECOMMENDATIONS (CONTINUED)

**Finding 2015-003:** There are numerous interfunds existing at year-end.

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

**Finding 2015-004:** The subsidiary ledger for deposits from vendors for Police Off-Duty services does not agree with the amount on deposit with the bank.

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

**Finding 2015-005:** The grant revenue report does not reflect the proper amount for grant receivables. There are old grant reserve balances.

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

**Finding 2015-006:** The subsidiary ledger for deposits for developers' escrow does not agree with the amount on deposit with the bank.

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

## FINDINGS AND RECOMMENDATIONS

**Finding 2016-001:** There were overexpenditure of an appropriations in the Current Fund.

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

**Finding 2016-002:** An analysis of balances of payroll deductions is being prepared, however there are variances when reconciling 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 2016-003:** There are numerous interfunds existing at year-end.

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

**Finding 2016-004:** The grant revenue report does not reflect the proper amount for grant receivables. There are old grant reserve balances.

**Recommendation:** The grant revenue report corrected to record all grant revenue and receivables. The grant reserves should be reviewed.

\*\*\*\*\*

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,

A handwritten signature in black ink, appearing to read "Nick L. Petroni", with a stylized flourish at the end.

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