

**TOWNSHIP OF WASHINGTON
COUNTY OF GLOUCESTER
STATE OF NEW JERSEY
REPORT OF AUDIT
FOR THE YEAR 2015**

TOWNSHIP OF WASHINGTON
TABLE OF CONTENTS

<u>Exhibit No.</u>		<u>Page No.</u>
<u>PART 1</u>		
	Independent Auditor's Report	2
	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	5
<u>CURRENT FUND</u>		
A	Statements of Assets, Liabilities, Reserves and Fund Balances-- Regulatory Basis	7
A-1	Statements of Operations and Changes in Fund Balance-- Regulatory Basis	9
A-2	Statement of Revenues--Regulatory Basis	11
A-3	Statement of Expenditures--Regulatory Basis	14
<u>TRUST FUND</u>		
B	Statements of Assets, Liabilities, Reserves and Fund Balances-- Regulatory Basis	21
B-1	Open Space Trust Fund -- Statement of Revenues--Regulatory Basis	23
B-2	Open Space Trust Fund -- Statement of Expenditures--Regulatory Basis	23
<u>GENERAL CAPITAL FUND</u>		
C	Statements of Assets, Liabilities, Reserves and Fund Balances-- Regulatory Basis	24
C-1	Statement of Fund Balance – Regulatory Basis	25
<u>GENERAL FIXED ASSET ACCOUNT GROUP</u>		
D	Schedule of General Fixed Assets—Regulatory Basis	26
	Notes to Financial Statements	27
<u>SUPPLEMENTAL EXHIBITS</u>		
<u>CURRENT FUND</u>		
SA-1	Statement of Current Cash--Treasurer	60
SA-2	Statement of Change Funds	61
SA-3	Statement of Taxes Receivable and Analysis of Property Tax Levy	62
SA-4	Statement of Due from State of New Jersey--Veterans' and Senior Citizens' Deductions	63
SA-5	Statement of Tax Title Liens	64
SA-6	Statement of Miscellaneous Liens Receivable	64

TOWNSHIP OF WASHINGTON
TABLE OF CONTENTS (CONT'D)

<u>Exhibit No.</u>		<u>Page No</u>
	<u>SUPPLEMENTAL EXHIBITS (CONT'D)</u>	
	<u>CURRENT FUND (CONT'D)</u>	
SA-7	Statement of Revenue Accounts Receivable	65
SA-8	Statement of Deferred Charges	66
SA-9	Statement of Appropriation Reserves	67
SA-10	Statement of Accrued Interest Receivable on Loan	71
SA-11	Statement of Payroll Deductions Payable	71
SA-12	Statement of Accounts Payable	71
SA-13	Statement of Prepaid Taxes	72
SA-14	Statement of Tax Overpayments	72
SA-15	Statement of County Taxes Payable	73
SA-16	Statement of Amount Due to County for Added and Omitted Taxes	73
SA-17	Statement of Local School District Tax	74
SA-18	Statement of Due to Fire Districts	74
SA-19	Statement of Due to Library	74
SA-20	Statement of Due to State—DCA Fees	75
SA-21	Statement of Due to State—Marriage and Burial Fees	75
SA-22	Statement of Reserve for Prescriptions	76
SA-23	Federal, State and Grant Fund--Statement of Federal, State and Other Grants Receivable	77
SA-24	Federal, State and Other Grant Fund—Statement of Reserve for Federal, State and Other Grants --Unappropriated	79
SA-25	Federal, State and Other Grant Fund—Statement of Reserve for Federal, State and Other Grants – Appropriated	80
SA-26	Federal, State and Other Grant Fund—Statement of Due from Current Fund	82
	<u>TRUST FUND</u>	
SB-1	Statement of Trust Fund Cash—Treasurer	84
SB-2	Statement of Trust Fund Cash— Collector	86
SB-3	Animal Control Fund--Statement of Reserve for Animal Control Expenditures	87
SB-4	Animal Control Fund—Statement of Due to State of New Jersey— Department of Health—Dog License Fees	87
SB-5	Open Space Trust Fund -- Statement of Due From Current Fund	88
SB-6	Open Space Trust Fund—Statement of Reserve for Open Space Trust Fund	88
SB-7	Open Space Trust Fund – Statement of Due From Current Fund	89
SB-8	Trust Other Fund -- Statement of Miscellaneous Trust Reserves	90
SB-9	Trust Other Fund – Statement of Miscellaneous Trust Escrows	91

TOWNSHIP OF WASHINGTON
TABLE OF CONTENTS (CONT'D)

<u>Exhibit No.</u>		<u>Page No</u>
<u>GENERAL CAPITAL FUND</u>		
SC-1	Statement of General Capital Cash--Treasurer	93
SC-2	Analysis of General Capital Cash	94
SC-3	Statement of Deferred Charges to Future Taxation – Funded	95
SC-4	Statement of Deferred Charges to Future Taxation -- Unfunded	96
SC-5	Statement of Due to Current Fund	97
SC-6	Statement of Capital Improvement Fund	97
SC-7	Statement of Reserve for Road Improvements	97
SC-8	Statement of Improvement Authorizations	98
SC-9	Statement of General Serial Bonds	99
SC-10	Statement of Loans Payable – Green Trust	100
SC-11	Statement of Bond Anticipation Notes	101
SC-12	Statement of Bonds and Notes Authorized But Not Issued	102
<u>PART 2</u>		
<u>SINGLE AUDIT</u>		
	Report on Compliance for Each Major Program and Report On Internal Control Over Compliance Required By State of New Jersey Circular 15-08-OMB	104
B	Schedule of Expenditures of State Awards	106
	Notes to Schedules of Expenditures of State Financial Assistance	110
<u>PART 3</u>		
<u>SCHEDULE OF FINDINGS AND QUESTIONED COSTS</u>		
	Section 1--Summary of Auditor's Results	113
	Section 2--Schedule of Financial Statement Findings	115
	Section 3--Schedule of Federal Award Findings and Questioned Costs	116
	Section 4--Schedule of State Financial Assistance Findings and Questioned Costs	117
	Summary Schedule of Prior Year Audit Findings and Questioned Costs as Prepared by Management	118
	<u>OFFICIALS IN OFFICE AND SURETY BONDS</u>	119
	<u>APPRECIATION</u>	120

PART I
REPORT OF AUDIT OF FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Township Council
Township of Washington
Sewell, New Jersey 08080

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Township's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

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

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

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

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

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

Opinion on Regulatory Basis of Accounting

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

Emphasis of Matter

Adoption of New Accounting Principles

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

Other Matters

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 24, 2016 on our consideration of the Township of Washington's, in the County of Gloucester, State of New Jersey, internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township of Washington's internal control over financial reporting and compliance.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Carol A. McAllister
Certified Public Accountant
Registered Municipal Accountant

Voorhees, New Jersey
August 24, 2016

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Township Council
Township of Washington
Sewell, New Jersey 08080

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, of the Township of Washington, in the County of Gloucester, State of New Jersey, as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements, and have issued our report thereon dated August 24, 2016. That report indicated that the Township of Washington's financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America, but were prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. In addition, our report on the financial statements also included an emphasis of matter paragraph describing the adoption of new accounting principles.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Carol A. McAllister
Certified Public Accountant
Registered Municipal Accountant

Voorhees, New Jersey
August 24, 2016

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

<u>ASSETS</u>	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
Regular Fund:			
Cash:			
Treasurer	SA-1	\$ 8,524,316.68	\$ 9,108,934.75
Petty Cash	A	1,000.00	1,000.00
Change Fund	SA-2	1,480.00	1,540.00
Due from State of New Jersey (Ch.73, P.L.1976)	SA-4	110,304.56	62,063.45
		<u>8,637,101.24</u>	<u>9,173,538.20</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	SA-3	293,466.89	284,639.65
Tax Title Liens Receivable	SA-5	654,645.28	466,215.93
Miscellaneous Liens Receivable	SA-6	10,183.59	13,504.16
Property Acquired for Taxes - Assessed Valuation	A	865,625.00	865,625.00
Revenue Accounts Receivable	SA-7	27,544.83	38,190.57
Loan Receivable - County House Village	A	1,920,000.00	1,920,000.00
Accrued Interest Receivable on Loan	SA-9	960,000.00	902,400.00
Due from Animal Control Trust Fund	SB-4	28,701.44	28,701.44
Due from General Capital Fund	SC-5	5,874.19	143.00
		<u>4,766,041.22</u>	<u>4,519,419.75</u>
Deferred Charges:			
Emergency Authorization (40A: 4-46)		487,869.84	
		<u>13,891,012.30</u>	<u>13,692,957.95</u>
Federal, State and Other Grant Fund:			
Federal, State and Other Grants Receivable	SA-23	986,695.42	665,751.32
Due from the Current Fund	SA-26	693,314.66	873,514.25
		<u>1,680,010.08</u>	<u>1,539,265.57</u>
		<u>\$ 15,571,022.38</u>	<u>\$ 15,232,223.52</u>

(Continued)

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

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
Regular Fund:			
Appropriation Reserves	A-3;SA-8	\$ 1,569,950.09	\$ 1,281,349.11
Reserve for Encumbrances	A-3;SA-8	591,268.62	496,242.32
Accounts Payable	SA-8	46,437.95	44,191.70
Payroll Deductions Payable	SA-10	15,093.86	12,524.17
Prepaid Taxes	SA-11	1,231,814.10	1,304,533.03
Tax Overpayments	SA-12		102,865.01
Due County for Added and Omitted Taxes	SA-14	61,843.50	61,025.55
Due to Library	SA-18	36,173.89	33,439.05
Due to State of New Jersey - DCA Fees	SA-19	29,648.00	10,571.00
Due to State of New Jersey - Marriage and Burial Fees	SA-20	1,030.00	1,105.00
Reserve for Prescriptions	SA-21	5,709.22	4,221.85
Due to Federal, State and Other Grant Fund	SA-26	693,314.66	873,514.25
Due to Open Space Trust Fund	SB-6	1,482.78	
Due to Trust Other Fund	SB-8	26,155.65	24,602.84
		<u>4,309,922.32</u>	<u>4,250,184.88</u>
Reserves for Receivables	A	4,766,041.22	4,519,419.75
Fund Balance	A-1	<u>4,815,048.76</u>	<u>4,923,353.32</u>
		<u>13,891,012.30</u>	<u>13,692,957.95</u>
Federal, State and Other Grant Fund:			
Reserve for:			
Federal, State and Other Grants Unappropriated	SA-24	2,802.00	186,363.23
Federal, State and Other Grants Appropriated	SA-25	1,550,301.24	1,233,776.59
Encumbrances	SA-25	126,906.84	119,125.75
		<u>1,680,010.08</u>	<u>1,539,265.57</u>
		<u>\$ 15,571,022.38</u>	<u>\$ 15,232,223.52</u>

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

TOWNSHIP OF WASHINGTON
CURRENT FUND

Statements of Operations and Changes in Fund Balance - Regulatory Basis
For the Years Ended December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
<u>Revenue and Other Income Realized:</u>		
Fund Balance Utilized	\$ 1,524,000.00	\$ 230,000.00
Miscellaneous Revenues Anticipated	7,019,581.64	7,571,608.52
Receipts from Delinquent Taxes	64,887.06	177,346.70
Receipts from Current Taxes	147,696,379.75	142,639,474.33
Nonbudget Revenues	158,705.83	321,868.76
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	841,248.19	1,236,401.57
Statutory Excess - Animal Control Fund		21,420.00
Cancellation of Reserve for Division of Motor Vehicles		18,685.66
Cancellation of Federal, State and Other Grants Appropriated		247,087.75
Reallocation of Prior Year Expenditures to Federal, State and Other Grants Fund	175,782.00	
	157,480,584.47	152,463,893.29
<u>Expenditures:</u>		
Budget and Emergency Appropriations:		
Appropriations Within "CAPS"		
Operations:		
Salaries and Wages	13,206,000.00	12,684,100.00
Other Expenses	16,083,357.84	15,015,182.00
Deferred Charges and Statutory Expenditures	2,771,998.67	2,569,026.36
Appropriations Excluded from "CAPS"		
Operations:		
Salaries and Wages	9,000.00	65,000.00
Other Expenses	2,628,895.95	1,872,337.24
Capital Improvements	10,449.00	320,000.00
Municipal Debt Service	2,791,609.51	2,684,843.49
Deferred Charges		506.00
Fire District Taxes	5,901,099.00	5,539,173.00
County Taxes	29,206,828.48	27,659,105.85
Due County for Added Taxes	61,843.50	61,025.55
Local District School Tax	83,255,074.00	80,922,881.00
Municipal Open Space Tax	477,620.68	494,441.76
Cancellation of Federal, State and Other Grants Receivable		249,077.09
Cancellation of Prior Year Taxes - Creation of Tax Overpayment	132,501.05	179,319.94
Reserves Created:		
Animal Control Fund		21,420.00
General Capital Fund	5,731.19	64.45
Prior Year Senior Citizen and Disabled Disallowed Taxes	10,750.00	16,801.29
	156,552,758.87	150,354,305.02
Excess in Revenue to Fund Balance (Carried Forward)	927,825.60	2,109,588.27

(Continued)

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

	<u>2015</u>	<u>2014</u>
Excess in Revenue to Fund Balance (Brought Forward)	\$ 927,825.60	\$ 2,109,588.27
Adjustments to Income Before Fund Balance - Expenditures Included Above Which Are by Statue Deferred Charges to Budget of Succeeding Year	<u>487,869.84</u>	<u> </u>
Statutory Excess of Fund Balance	1,415,695.44	2,109,588.27
Fund Balance January 1	<u>4,923,353.32</u>	<u>3,043,765.05</u>
	6,339,048.76	5,153,353.32
Decreased by: Utilization as Anticipated Revenue	<u>1,524,000.00</u>	<u>230,000.00</u>
Fund Balance December 31	<u>\$ 4,815,048.76</u>	<u>\$ 4,923,353.32</u>

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

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

	Anticipated Budget	Special N.J.S.A. 40A:4-87	Realized	Excess or (Deficit)
Fund Balance Anticipated	\$ 1,524,000.00	\$	\$ 1,524,000.00	\$
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	48,000.00		49,080.00	1,080.00
Fees and Permits	245,000.00		465,418.63	220,418.63
Fines and Costs:				
Municipal Court	430,000.00		428,406.91	(1,593.09)
Interest and Costs on Taxes	341,000.00		288,800.36	(52,199.64)
Interest on Investments and Deposits	3,500.00		25,028.90	21,528.90
Hotel and Motel Occupancy Fee	60,000.00		71,298.78	11,298.78
Library Pension Reimbursement	36,000.00		36,000.00	
Consolidated Municipal Property Tax Relief Aid	206,073.00		206,073.00	
Energy Receipts Tax P.L. 1997, Chapters 162 & 167)	2,995,356.00		2,995,356.00	
Uniform Construction Code Fees	475,000.00		617,488.00	142,488.00
Public and Private Revenues Offset With Appropriations:				
Community Development Block Grant	233,456.20		233,456.20	
Safe and Secure Communities Grant	60,000.00		60,000.00	
Click It Or Ticket		4,000.00	4,000.00	
Recycling Tonnage Grant	96,858.57		96,858.57	
Bulletproof Vest Grant	2,302.50		2,302.50	
Body Armor Grant	6,826.35	6,814.56	13,640.91	
Drunk Driving Enforcement Fund	22,678.31		22,678.31	
ANJEC WLP Trails	257.00		257.00	
JIF Safety Incentive Program	4,225.00		4,225.00	
NJDOT Reconstruction of Wilson Road Phase II	180,000.00		180,000.00	
NJDOT Reconstruction of Stagecoach Road	170,047.00		170,047.00	
NJ Historical Commission - Old Stone House		1,200.00	1,200.00	
Clean Communities Program	95,859.46		95,859.46	
Municipal Alliance on Alcoholism and Drug Abuse	34,880.00		34,880.00	
Alcohol Education & Rehabilitation Fund		3,064.52	3,064.52	
2015 Distracted Driving	5,000.00		5,000.00	

(Continued)

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

	Anticipated <u>Budget</u>	Special N.J.S.A. <u>40A:4-87</u>	<u>Realized</u>	Excess or <u>(Deficit)</u>
Other Special Items of Revenues (Cont'd):				
Franchise Fees - Cable TV	\$ 290,996.76	\$	\$ 290,996.76	\$
Payment in Lieu of Taxes - NJ Transit	10,680.00		10,680.00	
Payment in Lieu of Taxes - County House	30,912.00		30,912.00	
Payment in Lieu of Taxes - Gloucester County Public Housing	950.00		1,828.75	878.75
Payment in Lieu of Taxes - Vineland Training School/Elwyn New Jersey	7,950.00		7,951.89	1.89
Payment in Lieu of Taxes - Other	122,000.00		140,475.16	18,475.16
Recycling Fees	145,000.00		109,055.17	(35,944.83)
Housing Inspection Fees	194,000.00		211,320.00	17,320.00
Reimbursement - School Resource Officer	62,234.00		17,435.88	(44,798.12)
Business Registration Fees	26,000.00		25,650.00	(350.00)
Administrative Fee - Off Duty Police	75,000.00		56,910.98	(18,089.02)
Anticipated General Capital Fund Balance	5,595.00		5,595.00	
POD Fees	900.00		350.00	(550.00)
	<u>6,724,537.15</u>	<u>15,079.08</u>	<u>7,019,581.64</u>	<u>279,965.41</u>
Total Miscellaneous Revenues				
Receipts from Delinquent Taxes	<u>100,000.00</u>		<u>64,887.06</u>	<u>(35,112.94)</u>
Subtotal General Revenues	<u>8,348,537.15</u>	<u>15,079.08</u>	<u>8,608,468.70</u>	<u>244,852.47</u>
Amount to be Raised by Taxes for				
Support to Municipal Budget -				
Local Tax for Municipal Purposes	27,948,260.99		28,086,859.69	138,598.70
Minimum Library Tax	1,479,725.48		1,479,725.48	
	<u>29,427,986.47</u>		<u>29,566,585.17</u>	<u>138,598.70</u>
Budget Totals	37,776,523.62	15,079.08	38,175,053.87	383,451.17
Nonbudget Revenues			<u>158,705.83</u>	<u>158,705.83</u>
	<u>\$ 37,776,523.62</u>	<u>\$ 15,079.08</u>	<u>\$ 38,333,759.70</u>	<u>\$ 542,157.00</u>

(Continued)

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

Analysis of Realized Revenue:Allocation of Current Tax Collections:

Revenue from Collections		\$ 147,696,379.75
Allocated to:		
County Taxes	\$ 29,268,671.98	
School Taxes	83,255,074.00	
Municipal Open Space Taxes	477,620.68	
Fire District Taxes	5,901,099.00	
		118,902,465.66
Balance for Support of Municipal Budget Revenues		28,793,914.09
Add:		
Appropriation: "Reserve for Uncollected Taxes"		772,671.08
Amount for Support of Municipal Budget Appropriations		\$ 29,566,585.17

Receipts from Delinquent Taxes:

Delinquent Tax Collections		\$ 62,820.19
Tax Title Liens Collections		2,066.87
		\$ 64,887.06

Analysis of Non-Budget Revenue

Miscellaneous Liens Receivable -- Property Maintenance Charges		\$ 14,885.22
Miscellaneous Revenue Not Anticipated:		
Recycling Buckets	\$ 5,925.00	
White Goods Pick Up	5,440.00	
Clear Channel Bus Shelter	7,210.00	
Room Rental - Lauren Rose Foundation	21,208.33	
Other Room Rental	940.00	
Vehicle/Equipment Sale	1,234.58	
Insurance Reimbursements	4,575.00	
Senior Citizens and Veterans Administrative Fee	7,922.99	
Canceled Checks	826.75	
Canceled Item Municipal Court	1,019.04	
Tax Search Fees	40.00	
Duplicate Bill Fee	150.00	
NSF Checks	160.00	
Assessor Fees	70.00	
Parking Lot Lease	12,000.00	
DMV Inspection Fines	6,154.50	
Reimbursement - FEMA Hurricane Sandy	40,617.64	
Restitution	125.00	
Construction Admin Fee	63.00	
Excess DMV Fees	27,462.54	
Miscellaneous	676.24	
		143,820.61
		\$ 158,705.83

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

TOWNSHIP OF WASHINGTON
CURRENT FUND
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2015

	Appropriations		Paid or Charged			Unexpended Balance Canceled
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Expended</u>	<u>Encumbered</u>	<u>Reserved</u>	
<u>OPERATIONS WITHIN "CAPS"</u>						
<u>General Government</u>						
Office of Township Mayor						
Salaries and Wages	\$ 75,000.00	\$ 75,000.00	\$ 73,709.53	\$	\$ 1,290.47	\$
Other Expenses	2,215.00	2,215.00	1,164.73		1,050.27	
Township Council						
Salaries and Wages	30,000.00	30,000.00	29,999.70		0.30	
Other Expenses	3,000.00	3,000.00	2,753.38		246.62	
Annual Audit	65,000.00	65,000.00	62,000.00		3,000.00	
Office of Township Clerk						
Salaries and Wages	255,000.00	255,000.00	233,127.49		21,872.51	
Other Expenses	85,810.00	93,310.00	85,074.55	2,645.15	5,590.30	
Office of Business Administrator						
Salaries and Wages	205,000.00	207,500.00	205,082.94		2,417.06	
Other Expenses	68,100.00	68,100.00	59,589.06		8,510.94	
Division of Treasury						
Salaries and Wages	270,000.00	270,000.00	268,805.59		1,194.41	
Other Expenses	35,300.00	38,500.00	35,282.25	1,115.00	2,102.75	
Division of Tax Collector						
Salaries and Wages	170,000.00	187,000.00	186,804.90		195.10	
Reserve for Tax Appeals	30,000.00	3,000.00	2,504.98		495.02	
Other Expenses	50,100.00	40,100.00	36,177.67		3,922.33	
Office of Township Attorney						
Salaries and Wages	87,000.00	87,000.00	63,384.44		23,615.56	
Other Expenses	275,000.00	540,000.00	473,919.27	30.84	66,049.89	
Division of Engineering						
Other Expenses	102,000.00	82,000.00	69,436.84	2,467.50	10,095.66	
Advisory Board Economic Development						
Other Expenses	1,500.00	1,500.00			1,500.00	

(Continued)

TOWNSHIP OF WASHINGTON
CURRENT FUND
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2015

	Appropriations		Paid or Charged			Unexpended Balance Canceled
	Budget	Budget After Modification	Expended	Encumbered	Reserved	
<u>OPERATIONS WITHIN "CAPS" (CONT'D)</u>						
<u>General Government (Cont'd)</u>						
Municipal Land Use Law (NJSA 40:55D-1)						
Planning Board/Zoning Board						
Salaries and Wages	\$ 130,000.00	\$ 130,000.00	\$ 126,071.42	\$	\$ 3,928.58	\$
Other Expenses	21,500.00	38,000.00	31,428.37	275.00	6,296.63	
<u>Code Enforcement and Administration</u>						
Code Enforcement						
Salaries and Wages	135,000.00	135,000.00	131,571.37		3,428.63	
Other Expenses	3,500.00	3,500.00	2,377.81		1,122.19	
<u>Insurance</u>						
Liability Insurance	781,000.00	781,000.00	737,264.65		43,735.35	
Workers Compensation	1,175,000.00	1,175,000.00	1,075,746.39		99,253.61	
Group Insurance for Employees	5,359,438.00	5,210,277.00	4,997,907.95		212,369.05	
Health Insurance Opt-out Payment	51,000.00	51,000.00	46,756.40		4,243.60	
<u>Public Safety</u>						
Division of Police						
Salaries and Wages	8,500,000.00	8,500,000.00	8,101,072.79		398,927.21	
Other Expenses	205,600.00	233,561.00	217,914.01	10,315.10	5,331.89	
Division of Municipal Prosecutor						
Salaries and Wages	27,000.00	27,000.00	26,530.20		469.80	
<u>Public Works</u>						
Division of Public Works						
Office of Director						
Salaries and Wages	2,650,000.00	2,650,000.00	2,555,417.05		94,582.95	
Other Expenses (Emergency N.J.S.A. 40A-4:46 \$487,869.84+)	42,000.00	532,869.84	472,816.13	57,322.10	2,731.61	
Division of Trash Collection						
Other Expenses	2,700,000.00	2,650,000.00	2,293,965.00	219,461.00	136,574.00	
Division of Streets						
Other Expenses	494,000.00	494,000.00	375,236.07	22,821.50	95,942.43	
Division of Public Buildings						
Other Expenses	165,000.00	180,000.00	123,781.14	48,611.54	7,607.32	

(Continued)

TOWNSHIP OF WASHINGTON
CURRENT FUND
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2015

	Appropriations		Paid or Charged			Unexpended Balance Canceled
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Expended</u>	<u>Encumbered</u>	<u>Reserved</u>	
<u>OPERATIONS WITHIN "CAPS" (CONT'D)</u>						
<u>Public Works (Cont'd)</u>						
Division of Vehicle Maintenance						
Other Expenses	\$ 243,250.00	\$ 238,250.00	\$ 199,438.97	\$ 23,249.11	\$ 15,561.92	\$
<u>Health and Human Services</u>						
Youth Services						
Other Expenses	2,000.00	2,000.00	1,923.46		76.54	
Environmental Commission						
Other Expenses	1,950.00	1,950.00	1,629.38	258.45	62.17	
<u>Parks and Recreation</u>						
Senior Citizen Advisory Council						
Other Expenses	500.00	500.00			500.00	
<u>Other Common Operating Functions</u>						
Veterans Affairs Advisory Council						
Other Expenses	3,600.00	3,600.00	2,506.88	875.00	218.12	
Celebration of Public Event, Anniversary or Holiday						
Other Expenses	59,500.00	59,500.00	56,053.93	375.00	3,071.07	
<u>Utilities</u>						
Gasoline	375,000.00	300,000.00	205,351.75	35,500.00	59,148.25	
Electricity	475,000.00	500,000.00	491,396.55		8,603.45	
Telephone and Telegraph	127,000.00	142,000.00	138,617.33		3,382.67	
Heating Oil	61,500.00	61,500.00	50,446.90		11,053.10	
Street Lighting	485,000.00	460,000.00	433,486.98		26,513.02	
Water and Sewer	22,000.00	22,000.00	15,856.34		6,143.66	
<u>Landfill and Solid Waste Disposal Costs</u>						
Trash Disposal						
Other Expenses	2,015,000.00	1,965,000.00	1,717,997.02	161,500.00	85,502.98	
<u>Municipal Court Functions</u>						
Municipal Court						
Salaries and Wages	360,000.00	360,000.00	334,655.16		25,344.84	
Other Expenses	27,475.00	27,475.00	20,996.14	688.33	5,790.53	

(Continued)

TOWNSHIP OF WASHINGTON
CURRENT FUND
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2015

	Appropriations		Paid or Charged			Unexpended Balance Canceled
	Budget	Budget After Modification	Expended	Encumbered	Reserved	
<u>OPERATIONS WITHIN "CAPS" (CONT'D)</u>						
<u>Municipal Court Functions (Cont'd)</u>						
Public Defender						
Salaries and Wages	\$ 20,000.00	\$ 20,000.00	\$ 15,918.12	\$	\$ 4,081.88	\$
<u>Department of Licenses and Inspection</u>						
State Uniform Construction Code:						
Construction Code Official						
Salaries and Wages	260,000.00	272,500.00	268,049.38		4,450.62	
Other Expenses	10,150.00	11,150.00	10,892.00	258.00		
Contracted Services - Third Party	2,500.00	2,500.00	550.55		1,949.45	
	<u>28,801,488.00</u>	<u>29,289,357.84</u>	<u>27,170,440.91</u>	<u>587,768.62</u>	<u>1,531,148.31</u>	
Total Operations Within "CAPS"						
<u>TOTAL OPERATIONS - WITHIN "CAPS"</u>						
Detail:						
Salaries and Wages	13,174,000.00	13,206,000.00	12,620,200.08		585,799.92	
Other Expenses	15,627,488.00	16,083,357.84	14,550,240.83	587,768.62	945,348.39	
	<u>13,174,000.00</u>	<u>13,206,000.00</u>	<u>12,620,200.08</u>	<u>587,768.62</u>	<u>585,799.92</u>	
<u>DEFERRED CHARGES AND STATUTORY EXPENDITURES</u>						
Contribution to:						
Pubic Employees' Retirement System	576,386.84	576,386.84	576,386.84			
Social Security System (O.A.S.I.)	575,000.00	575,000.00	543,854.04		31,145.96	
Police and Firemen's Retirement System of NJ	1,619,711.83	1,619,711.83	1,619,711.83			
Defined Contribution Retirement Program	900.00	900.00			900.00	
	<u>2,771,998.67</u>	<u>2,771,998.67</u>	<u>2,739,952.71</u>		<u>32,045.96</u>	
TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"						
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"	<u>31,573,486.67</u>	<u>32,061,356.51</u>	<u>29,910,393.62</u>	<u>587,768.62</u>	<u>1,563,194.27</u>	

(Continued)

TOWNSHIP OF WASHINGTON
CURRENT FUND
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2015

	Appropriations		Paid or Charged			Unexpended Balance Canceled
	Budget	Budget After Modification	Expended	Encumbered	Reserved	
<u>OPERATIONS EXCLUDED FROM "CAPS"</u>						
<u>Insurance (N.J.S.A. 40A:4-45.3(00))</u>						
Employee Group Health	\$ 140,562.00	\$ 140,562.00	\$ 140,562.00	\$	\$	
<u>Education Functions</u>						
Maintenance of Free Public Library (N.J.S.A. 40:54-8)	1,479,725.48	1,479,725.48	1,479,725.00		0.48	
Recycling Tax	65,000.00	65,000.00	54,744.66	3,500.00	6,755.34	
<u>Shared Municipal Service Agreements</u>						
Interlocal Municipal Service Agreements						
SFSP Fire District Payment	16,419.00	16,419.00	16,419.00			
Total Operations Excluded From "CAPS"	1,701,706.48	1,701,706.48	1,691,450.66	3,500.00	6,755.82	
<u>Public and Private Programs Offset by Revenues:</u>						
Clean Communities Program	95,859.46	95,859.46	95,859.46			
Municipal Alliance on Alcoholism and Drug Abuse	34,880.00	34,880.00	34,880.00			
Municipal Alliance on Alcoholism and Drug Abuse - Cash Match	8,720.00	8,720.00	8,720.00			
Recycling Tonnage Grant	96,858.57	96,858.57	96,858.57			
ANJEC WLP Trails	257.00	257.00	257.00			
NJ Historical Commission (N.J.S.A. 40A:4-87 \$1,200.00+)		1,200.00	1,200.00			
Bulletproof Vest Grant	2,302.50	2,302.50	2,302.50			
Body Armor Grant (N.J.S.A. 40A:4-87 \$6,814.56+)	6,826.35	13,640.91	13,640.91			
Drunk Driving Enforcement Fund	22,678.31	22,678.31	22,678.31			
JIF Safety Incentive Program	4,225.00	4,225.00	4,225.00			
Click it or Ticket (N.J.S.A. 40A:4-87 \$4,000.00+)		4,000.00	4,000.00			
Community Development Block Grant	233,456.20	233,456.20	233,456.20			
Alcohol Education/Rehabilitation Program (N.J.S.A. 40A:4-87 \$3,064.52+)		3,064.52	3,064.52			
Safe & Secure Communities Grant	60,000.00	60,000.00	60,000.00			
NJDOT Reconstruction of Wilson Road Phase II	180,000.00	180,000.00	180,000.00			
NJDOT Reconstruction of Stagecoach Road	170,047.00	170,047.00	170,047.00			
2015 Distracted Driving	5,000.00	5,000.00	5,000.00			
Total Public and Private Programs Offset by Revenues	921,110.39	936,189.47	936,189.47			

(Continued)

TOWNSHIP OF WASHINGTON
CURRENT FUND
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2015

	Appropriations		Paid or Charged			Unexpended Balance Canceled
	Budget	Budget After Modification	Expended	Encumbered	Reserved	
TOTAL OPERATIONS - EXCLUDED FROM "CAPS"	\$ 2,622,816.87	\$ 2,637,895.95	\$ 2,627,640.13	\$ 3,500.00	\$ 6,755.82	\$
Detail:						
Salaries and Wages	5,000.00	9,000.00	9,000.00			
Other Expenses	2,617,816.87	2,628,895.95	2,618,640.13	3,500.00	6,755.82	
CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"						
Reserve for Purchase of Computers and Servers	10,449.00	10,449.00	10,449.00			
TOTAL CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"	10,449.00	10,449.00	10,449.00			
MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS":						
Payment of Bond Principal	2,010,400.00	2,010,400.00	2,010,400.00			
Interest on Bonds	540,000.00	540,000.00	539,960.88			39.12
Interest on Notes	14,500.00	14,500.00	14,374.12			125.88
Capital Lease Obligations						
Principal	150,400.00	150,400.00	145,825.19			4,574.81
Interest	5,700.00	5,700.00	5,041.68			658.32
Green Trust Loan Program:						
Loan Repayments for Principal and Interest	76,100.00	76,100.00	76,007.64			92.36
TOTAL MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"	2,797,100.00	2,797,100.00	2,791,609.51			5,490.49
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS"	5,430,365.87	5,445,444.95	5,429,698.64	3,500.00	6,755.82	5,490.49
SUBTOTAL GENERAL APPROPRIATIONS	37,003,852.54	37,506,801.46	35,340,092.26	591,268.62	1,569,950.09	5,490.49
RESERVE FOR UNCOLLECTED TAXES	772,671.08	772,671.08	772,671.08			
TOTAL GENERAL APPROPRIATIONS	\$ 37,776,523.62	\$ 38,279,472.54	\$ 36,112,763.34	\$ 591,268.62	\$ 1,569,950.09	\$ 5,490.49

(Continued)

TOWNSHIP OF WASHINGTON
CURRENT FUND
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2015

	<u>Appropriations</u>		<u>Paid or Charged</u>			<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Expended</u>	<u>Encumbered</u>	<u>Reserved</u>	
Budget		\$ 37,776,523.62				
Appropriation by N.J.S.A. 40A:4-87		15,079.08				
Appropriation by N.J.S.A. 40A:4-46		487,869.84				
Reserve for Federal, State and Other Grants Appropriated			\$ 936,189.47			
Reserve for Uncollected Taxes			772,671.08			
Disbursed			<u>34,403,902.79</u>			
		<u>\$ 38,279,472.54</u>	<u>\$ 36,112,763.34</u>			

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

TOWNSHIP OF WASHINGTON
TRUST FUNDS
 Statements of Assets, Liabilities, Reserves and Fund Balances - Regulatory Basis
 As of December 31, 2015 and 2014

<u>ASSETS</u>	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
Animal Control Fund:			
Cash - Treasurer	SB-1	\$ <u>71,414.06</u>	\$ <u>64,138.84</u>
		<u>71,414.06</u>	<u>64,138.84</u>
Open Space Trust Fund:			
Cash - Treasurer	SB-1	2,083,866.04	1,569,671.46
Due from Current Fund	SB-5	<u>1,482.78</u>	<u> </u>
		<u>2,085,348.82</u>	<u>1,569,671.46</u>
Trust Other Funds:			
Cash - Treasurer	SB-1	2,024,489.57	2,074,938.57
Cash - Collector	SB-2	2,215,538.87	2,682,167.21
Cash - Change Fund	SB-1	300.00	<u> </u>
Due from Current Fund	SB-7	<u>26,155.65</u>	<u>24,602.84</u>
		<u>4,266,484.09</u>	<u>4,781,708.62</u>
		<u>\$ 6,423,246.97</u>	<u>\$ 6,415,518.92</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Animal Control Fund:			
Reserve for Animal Control Expenditures	SB-3	\$ 41,482.82	\$ 35,433.80
Prepaid Dog License Fees	SB-1	1,027.60	<u> </u>
Due to State of New Jersey	SB-4	202.20	3.60
Due to Current Fund	B	<u>28,701.44</u>	<u>28,701.44</u>
		<u>71,414.06</u>	<u>64,138.84</u>
Open Space Trust Fund:			
Reserve for Open Space	SB-6	<u>2,085,348.82</u>	<u>1,569,671.46</u>

(Continued)

TOWNSHIP OF WASHINGTON
TRUST FUNDS
 Statements of Assets, Liabilities, Reserves and Fund Balances - Regulatory Basis
 As of December 31, 2015 and 2014

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
Trust Other Funds:			
Miscellaneous Trust Reserves:			
Youth Services	SB-8	\$ 56,230.46	\$ 56,230.46
Escrow	SB-8	484,673.05	412,285.97
Unemployment	SB-8	51,811.27	90,166.61
Parks and Recreation Trust	SB-8	1,040,315.18	1,025,849.51
Off-Duty Police	SB-8	56,869.38	70,711.63
Affordable Housing	SB-8	172,596.58	242,331.36
Forfeited Funds	SB-8	54,879.47	75,919.29
Self Insurance Claims	SB-8	266.00	138.00
Clean Up Day Donations	SB-8	2,724.48	2,361.48
POAA Fees	SB-8	733.00	683.00
Technology and Communications	SB-8	128.00	400.00
Sidewalk Fund	SB-8	26,246.88	26,246.88
Speedhumps	SB-8	593.53	593.53
Historical Properties	SB-8	41,505.37	29,025.71
Octoberfest	SB-8		2,863.80
Police Donations	SB-8	1,790.57	18,575.74
K-9 Unit Donations	SB-8	31,475.38	
Earth Day Donations	SB-8	1,891.78	2,404.12
Veterans Wall	SB-8	2,927.80	3,354.42
4th of July Festival	SB-8	2,997.19	33.39
Public Defender	SB-8	12,269.32	6,264.32
Super Saturday	SB-8	8,020.53	5,546.29
Miscellaneous Trust Escrows Reserves:			
Tax Sale Premiums	SB-9	2,056,600.00	2,520,400.00
Redemption of Tax Title Liens	SB-9	158,938.87	189,323.11
		<u>4,266,484.09</u>	<u>4,781,708.62</u>
		<u>\$ 6,423,246.97</u>	<u>\$ 6,415,518.92</u>

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

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

	<u>Budget</u> <u>Revenues</u>	<u>Realized</u>
Amount to be Raised by Taxation	\$ 476,600.00	\$ 476,600.00
Miscellaneous Revenues Not Anticipated:		
Added & Omitted Taxes		1,020.68
Interest		10,422.58
State of New Jersey - Green Trust Fund		487,500.00
Rental		17,480.00
		516,423.26
	\$ 476,600.00	\$ 993,023.26

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

Exhibit B-2

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

	<u>Budget</u> <u>Appropriations</u>	<u>Expended</u>
Debt Service:		
Payment of Bond Principal	\$ 369,600.00	\$ 369,600.00
Payment of Bond Interest	107,000.00	106,537.90
Miscellaneous		1,208.00
		1,208.00
	\$ 476,600.00	\$ 477,345.90

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

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

<u>ASSETS</u>	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
Cash	SC-1	\$ 4,898,280.78	\$ 3,152,980.61
Grant Receivable	C	1,243.93	1,243.93
Deferred Charges to Future Taxation:			
Funded	SC-3	17,150,846.41	19,597,929.57
Unfunded	SC-4	<u>7,520,200.00</u>	<u>2,485,200.00</u>
		<u>\$ 29,570,571.12</u>	<u>\$ 25,237,354.11</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
General Serial Bonds Payable	SC-9	\$ 16,755,000.00	\$ 19,135,000.00
Loan Payable - Green Trust	SC-10	395,846.41	462,929.57
Bond Anticipation Notes Payable	SC-11	7,520,200.00	2,485,200.00
Improvement Authorizations:			
Funded	SC-8	330,285.06	1,118,071.93
Unfunded	SC-8	1,733,439.93	518,425.99
Reserve for Encumbrances	SC-8	2,615,880.44	1,106,193.53
Due to Current Fund	SC-5	5,874.19	143.00
Capital Improvement Fund	SC-6	83,468.15	348,468.15
Reserve for:			
Road Improvements	SC-7	1,427.54	13,007.54
Purchase of Server	C	703.60	703.60
Repairs to Grenloch Dam	C	5,844.65	5,844.65
Accrued Interest	C	22,010.37	22,010.37
Debt Service	C	15,760.50	15,760.50
Fund Balance	C-1	<u>84,830.28</u>	<u>5,595.28</u>
		<u>\$ 29,570,571.12</u>	<u>\$ 25,237,354.11</u>

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

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

Balance Dec. 31, 2014	\$	5,595.28
Increased by:		
Premium on Bond Anticipation Notes Issued		84,830.00
		90,425.28
Decreased by:		
Realized as Current Fund Revenue		5,595.00
Balance Dec. 31, 2015	\$	84,830.28

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

TOWNSHIP OF WASHINGTON
GENERAL FIXED ASSET ACCOUNT GROUP
Statement of General Fixed Assets -- Regulatory Basis
For the Year Ended December 31, 2015

	<u>Balance</u> <u>Dec. 31, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>Dec. 31, 2015</u>
General Fixed Assets:				
Land, Buildings and Improvements	\$ 10,532,267.97	\$ 408,600.00		\$ 10,940,867.97
Machinery and Equipment	323,277.24	61,390.16		384,667.40
Vehicles	<u>7,381,449.00</u>	<u>418,316.38</u>		<u>7,799,765.38</u>
Total General Fixed Assets	<u>\$ 18,236,994.21</u>	<u>\$ 888,306.54</u>	<u>\$ -</u>	<u>\$ 19,125,300.75</u>
Total Investments in General Fixed Assets	<u>\$ 18,236,994.21</u>	<u>\$ 888,306.54</u>	<u>\$ -</u>	<u>\$ 19,125,300.75</u>

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

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Financial Reporting Entity - The Township of Washington (hereafter referred to as the "Township") was incorporated on February 17, 1836 and is located in southwest New Jersey approximately twenty miles southeast of the City of Philadelphia. The population according to the 2010 census is 48,559. The Township is 21.5 square miles.

The Township has a Mayor-Council form of government known as the Mayor-Council Plan A under the Optional Municipal Charter Law of 1960, popularly known as the Faulkner Act. The Mayor is separately elected. Executive and administrative responsibility rests with the Mayor, who is assisted by the Business Administrator. Department Heads are appointed by the Mayor, with the consent of the Council. The five (5) member Township Council exercises legislative responsibilities.

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

Washington Township Municipal Utilities Authority
152 Whitman Drive
Turnersville, New Jersey 08012

Margaret E. Heggan Free Public Library
606 Delsea Drive
Sewell, New Jersey 08012

Annual financial reports may be inspected directly at the offices of these component units during regular business hours.

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Measurement Focus, Basis of Accounting and Financial Statement Presentation (Cont'd)**

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

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

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

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

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

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

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

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

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

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Cash, Cash Equivalents and Investments (Cont'd)**

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

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

Interfunds - Interfund receivables and payables that arise from transactions between funds are recorded by all funds affected by such transactions in the period in which the transaction is executed. Interfund receivables in the current fund are recorded with offsetting reserves which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves.

Inventories of Supplies - The costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various statements of assets, liabilities, reserves and fund balance.

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

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

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

Foreclosed Property - Foreclosed property is recorded in the current fund at the assessed valuation when such property was acquired and is fully reserved. Ordinarily it is the intention of the municipality to resell foreclosed property in order to recover all or a portion of the delinquent taxes or assessments and to return the property to a taxpaying basis. For this reason the value of foreclosed property has not been included in the general fixed assets account group. If such property is converted to a municipal use, it will be recorded in the general fixed assets account group.

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

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

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

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

Property Tax Revenues - Property tax revenues are collected in quarterly installments due February 1, May 1, August 1, and November 1. The amount of tax levied includes not only the amount required in support of the Township's annual budget, but also the amounts required in support of the budgets of the County of Gloucester, the Township of Washington School District, and the Township of Washington Fire District. Unpaid property taxes are subject to tax sale in accordance with the statutes.

School Taxes - The Township is responsible for levying, collecting, and remitting school taxes for the Township of Washington School District. Operations is charged for the full amount required to be raised from taxation to operate the local school district for the period from January 1 to December 31.

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

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

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

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

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

Appropriations for principal payments on outstanding general capital bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis.

Appropriation Reserves - Appropriation reserves covering unexpended appropriation balances are automatically created at year-end and recorded as liabilities, except for amounts which may be canceled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments, or contracts incurred during the preceding year. Lapsed appropriation reserves are recorded as income.

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

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

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

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

Note 2: CASH AND CASH EQUIVALENTS

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

As of December 31, 2015, the Township's bank balances of \$21,021,947.13 were exposed to custodial credit risk as follows:

Insured by FDIC and GUDPA	\$ 18,345,295.99
Uninsured and Uncollateralized	<u>2,676,651.14</u>
Total	<u>\$ 21,021,947.13</u>

New Jersey Asset and Rebate Management Program (NJ/ARM) - During the year, the Township participated in the New Jersey Asset & Rebate Management Program. The program was created in 1989 as a joint investment trust under the Interlocal Service Act. NJ/ARM provides local governments in New Jersey with investment management services for capital, reserve, general operating funds and for arbitrage rebate compliance for bond and note issue. The program advisory board is made up of New Jersey local government officials and is managed by PFM Asset Management LLC. The Program is designed to be in compliance with New Jersey statues and regulations for allowable investments. The fund deposits can be liquidated on a daily basis and have an AAA rating by Standard & Poor's. NJ/ARM funds are not subject to custodial risk as defined above. Township deposits with the fund are considered cash equivalents and at December 31, 2015 the balance was \$383,563.66.

Note 3: PROPERTY TAXES

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

Comparative Schedule of Tax Rates

	<u>Year Ended</u>				
	<u>2015</u>	<u>2014</u>	<u>2013 (1)</u>	<u>2012</u>	<u>2011</u>
Tax Rate	<u>\$ 3.488</u>	<u>\$ 3.378</u>	<u>\$ 3.303</u>	<u>\$ 5.300</u>	<u>\$ 5.312</u>
Apportionment of Tax Rate:					
Municipal	\$.657	\$.634	\$.626	\$.997	\$.985
Municipal Open Space	.011	.012	.012	.020	
Municipal Library	.034	.035	.035	.063	.067
County	.644	.611	.600	.965	1.011
County Open Space					
Preservation Trust Fund	.044	.043	.044	.076	.081
Local School	1.959	1.912	1.857	2.972	2.976
Special District Rates - Fire	.139	.131	.129	.207	.192

(1) Revaluation

Note 3: PROPERTY TAXES (CONT'D)

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

Assessed Valuation

<u>Year</u>	<u>Amount</u>
2015	\$ 4,251,976,804.00
2014	4,234,341,348.00
2013 (1)	4,253,197,354.00
2012	2,562,495,207.00
2011	2,561,083,683.00

(1) Revaluation

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2015	\$ 148,623,553.28	\$ 147,696,379.75	99.38%
2014	143,375,706.55	142,639,474.33	99.49%
2013	140,569,274.01	140,033,464.41	99.62%
2012	136,083,748.88	135,021,265.89	99.22%
2011	136,327,289.37	135,755,756.40	99.58%

Delinquent Taxes and Tax Title Liens

<u>Year</u>	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2015	\$ 654,645.28	\$ 293,466.89	\$ 948,112.17	0.64%
2014	466,215.93	284,639.65	750,855.58	0.52%
2013	510,239.51	168,881.44	679,120.95	0.48%
2012	493,087.65	70,223.63	563,311.28	0.41%
2011	423,825.90	87,759.19	511,585.09	0.38%

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

<u>Year</u>	<u>Number</u>
2015	55
2014	58
2013	67
2012	31
2011	83

Note 4: 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, for the current and previous four years was as follows:

<u>Year</u>	<u>Amount</u>
2015	\$ 865,625.00
2014	865,625.00
2013	865,625.00
2012	865,625.00
2011	865,625.00

Note 5: FUND BALANCES APPROPRIATED

The following schedules detail the amount of fund balances of the current fund available at the end of the current year and four previous years and the amounts utilized in the subsequent year's budgets:

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
2015	\$ 4,815,048.76	\$ 2,300,000.00	47.77%
2014	4,923,353.32	1,524,000.00	30.95%
2013	3,043,765.05	230,000.00	7.56%
2012	894,433.50	500,000.00	55.90%
2011	1,484,401.05	1,200,000.00	80.84%

Note 6: INTERFUND RECEIVABLES AND PAYABLES

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

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
Current	\$ 34,575.63	\$ 720,953.09
Federal, State and Other Grant	693,314.66	
Trust - Animal Control		28,701.44
Trust - Open Space	1,482.78	
Trust - Other	26,155.65	
General Capital		5,874.19
	<u>\$ 755,528.72</u>	<u>\$ 755,528.72</u>

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

Note 7: PENSION PLANS

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

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

General Information about the Pension Plans**Plan Descriptions**

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

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

Defined Contribution Retirement Program - The Defined Contribution Retirement Program is a multiple-employer defined contribution pension fund established on July 1, 2007 under the provisions of Chapter 92, P.L. 2007, and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et. seq.). The DCRP is a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) § 401(a) et seq., and is a "governmental plan" within the meaning of IRC § 414(d). The DCRP provides retirement benefits for eligible employees and their beneficiaries. Individuals covered under DCRP are employees enrolled in PERS on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits; employees enrolled in PFRS after May 21, 2010, who earn salary in excess of established "maximum compensation" limits; employees otherwise eligible to enroll in PERS on or after November 2, 2008, who do not earn the minimum annual salary for tier 3 enrollment but who earn salary of at least \$5,000.00 annually; and employees otherwise eligible to enroll in PERS after May 21, 2010 who do not work the minimum number of hours per week required for tiers 4 or 5 enrollment, but who earn salary of at least \$5,000.00 annually.

Note 7: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Vesting and Benefit Provisions**

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

The following represents the membership tiers for PERS:

Tier Definition

- 1 Members who were enrolled prior to July 1, 2007
- 2 Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
- 3 Members who were eligible to enroll on or after November 2, 2008 and prior to May 21, 2010
- 4 Members who were eligible to enroll after May 21, 2010 and prior to June 28, 2011
- 5 Members who were eligible to enroll on or after June 28, 2011

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

Police and Firemen's Retirement System - The vesting and benefit provisions are set by N.J.S.A. 43:16A. The PFRS provides retirement, death and disability benefits. All benefits vest after ten years of service, except disability benefits, which vest after four years of service.

The following represents the membership tiers for PFRS:

Tier Definition

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

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

Note 7: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Vesting and Benefit Provisions (Cont'd)**

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

Contributions

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

The Township's contractually required contribution rate for the year ended December 31, 2015 was 12.76% of the Township's covered-employee payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PERS measurement date of June 30, 2015, the Township's contractually required contribution to the pension plan for the year ended December 31, 2015 is \$489,163.00, and is payable by April 1, 2016. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. Based on the PERS measurement date of June 30, 2014, the Township's contractually required contribution to the pension plan for the year ended December 31, 2014 was \$442,910.00, which was paid on April 1, 2015. Employee contributions to the plan during the year ended December 31, 2015 were \$274,334.11.

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

Note 7: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Contributions (Cont'd)**

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

The Township's contractually required contribution rate for the year ended December 31, 2015 was 25.07% of the Township's covered-employee payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Based on the most recent PFRS measurement date of June 30, 2015, the Township's contractually required contribution to the pension plan for the year ended December 31, 2015 is \$1,694,357.00, and is payable by April 1, 2016. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. Based on the PFRS measurement date of June 30, 2014, the Township's contractually required contribution to the pension plan for the year ended December 31, 2014 was \$1,537,439.00, which was paid on April 1, 2015. Employee contributions to the plan during the year ended December 31, 2015 were \$681,110.10.

The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the Township, for the year ended December 31, 2015 was 2.34% of the Township's covered-employee payroll.

Based on the most recent PFRS measurement date of June 30, 2015, the State's contractually required contribution, on-behalf of the Township, to the pension plan for the year ended December 31, 2015 is \$158,498.00, and is payable by April 1, 2016. Based on the PFRS measurement date of June 30, 2014, the State's contractually required contribution, on-behalf of the Township, to the pension plan for the year ended December 31, 2014 was \$112,585.00, which was paid on April 1, 2015.

Defined Contribution Retirement Program - The contribution policy is set by N.J.S.A. 43:15C-3 and requires contributions by active members and contributing employers. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the Township contributes 3% of the employees' base salary, for each pay period, to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period.

For the year ended December 31, 2015, the Township did not have any employees participate in the Defined Contribution Retirement Program.

Note 7: PENSION PLANS (CONT'D)**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

Public Employees' Retirement System - At December 31, 2015, the Township's proportionate share of the PERS net pension liability was \$12,772,274.00. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2015. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2015 measurement date, the Township's proportion was 0.0568971690%, which was an increase of 0.0031711518% from its proportion measured as of June 30, 2014.

At December 31, 2015, the Township's proportionate share of the PERS pension expense, calculated by the plan as of the June 30, 2015 measurement date is \$1,022,703.00. This expense is not recognized by the Township because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2015, the Township's contributions to PERS were \$442,910.00, and were paid on April 1, 2015.

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

Township's Proportionate Share of Net Pension Liability	\$ 34,719,877.00
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Township	<u>3,044,817.00</u>
	<u>\$ 37,764,694.00</u>

The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2015. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State of New Jersey, actuarially determined. For the June 30, 2015 measurement date, the Township's proportion was 0.2084462374%, which was an increase of 0.0082768690% from its proportion measured as of June 30, 2014. Likewise, at June 30, 2015, the State of New Jersey's proportion, on-behalf of the Township, was 0.2084462374%, which was an increase of 0.0082768690% from its proportion, on-behalf of the Township, measured as of June 30, 2014.

At December 31, 2015, the Township's proportionate share of the PFRS pension expense, calculated by the plan as of the June 30, 2015 measurement date is \$3,031,629.00. This expense is not recognized by the Township because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2015, the Township's contributions to PFRS were \$1,537,439.00, and were paid on April 1, 2015.

At December 31, 2015, the State's proportionate share of the PFRS pension expense, associated with the Township, calculated by the plan as of the June 30, 2015 measurement date is \$379,797.00. This on-behalf expense is not recognized by the Township because of the regulatory basis of accounting as described in note 1.

Note 7: PENSION PLANS (CONT'D)**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

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

	<u>Deferred Outflows of Resources</u>			<u>Deferred Inflows of Resources</u>		
	<u>PERS</u>	<u>PFRS</u>	<u>Total</u>	<u>PERS</u>	<u>PFRS</u>	<u>Total</u>
Differences between Expected and Actual Experience	\$ 304,702.00	\$ -	\$ 304,702.00	\$ -	\$ 299,470.00	\$ 299,470.00
Changes of Assumptions	1,371,640.00	6,410,152.00	7,781,792.00	-	-	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	-	-	205,353.00	604,269.00	809,622.00
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions	727,947.00	907,893.00	1,635,840.00	-	1,029,848.00	1,029,848.00
Township Contributions Subsequent to the Measurement Date	244,582.00	847,179.00	1,091,761.00	-	-	-
	<u>\$ 2,648,871.00</u>	<u>\$ 8,165,224.00</u>	<u>\$10,814,095.00</u>	<u>\$ 205,353.00</u>	<u>\$ 1,933,587.00</u>	<u>\$ 2,138,940.00</u>

\$244,852.00 and \$847,179.00 for PERS and PFRS, respectively, included in deferred outflows of resources, will be included as a reduction of the net pension liability in the year ending December 31, 2016. These amounts were based on an estimated April 1, 2017 contractually required contribution, prorated from the pension plans measurement date of June 30, 2015 to the Township's year end of December 31, 2015.

Note 7: PENSION PLANS (CONT'D)**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

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

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

Note 7: PENSION PLANS (CONT'D)**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

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

Year Ending Dec 31,	<u>PERS</u>	<u>PFRS</u>	<u>Total</u>
2016	\$ 427,556.00	\$ 998,299.00	\$ 1,425,855.00
2017	427,556.00	998,299.00	1,425,855.00
2018	427,555.00	998,301.00	1,425,856.00
2019	577,420.00	1,640,672.00	2,218,092.00
2020	338,849.00	748,887.00	1,087,736.00
	<u>\$ 2,198,936.00</u>	<u>\$ 5,384,458.00</u>	<u>\$ 7,583,394.00</u>

Actuarial Assumptions

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

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

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

Note 7: PENSION PLANS (CONT'D)**Actuarial Assumptions (Cont'd)**

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

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

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

Note 7: PENSION PLANS (CONT'D)

Actuarial Assumptions (Cont'd)

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

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

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

	1% Decrease (3.90%)	Current Discount Rate (4.90%)	1% Increase (5.90%)
Township's Proportionate Share of the Net Pension Liability	<u>\$ 15,874,374.00</u>	<u>\$ 12,772,274.00</u>	<u>\$ 10,171,496.00</u>

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

	1% Decrease (4.79%)	Current Discount Rate (5.79%)	1% Increase (6.79%)
Township's Proportionate Share of the Net Pension Liability	\$ 45,771,821.00	\$ 34,719,877.00	\$ 25,708,004.00
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Township	<u>4,014,035.00</u>	<u>3,044,817.00</u>	<u>2,254,506.00</u>
	<u>\$ 49,785,856.00</u>	<u>\$ 37,764,694.00</u>	<u>\$ 27,962,510.00</u>

Note 7: PENSION PLANS (CONT'D)**Pension Plan Fiduciary Net Position**

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

Supplementary Pension Information

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

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

	<u>Measurement Date Ended June 30,</u>		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
Township's Proportion of the Net Pension Liability	0.0568971690%	0.0537260172%	0.0495811159%
Township's Proportionate Share of the Net Pension Liability	\$ 12,772,274.00	\$ 10,058,980.00	\$ 9,475,944.00
Township's Covered-Employee Payroll	\$ 3,829,156.00	\$ 3,733,472.00	\$ 3,328,700.00
Township's Proportionate Share of the Net Pension Liability as a Percentage of it's Covered-Employee Payroll	333.55%	269.43%	284.67%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	47.93%	52.08%	48.72%

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

	<u>Year Ended December 31,</u>		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
Township's Contractually Required Contribution	\$ 489,163.00	\$ 442,910.00	\$ 373,584.00
Township's Contribution in Relation to the Contractually Required Contribution	(489,163.00)	(442,910.00)	(373,584.00)
Township's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Township's Covered-Employee Payroll	\$ 3,833,703.00	\$ 3,840,817.00	\$ 3,723,473.00
Township's Contributions as a Percentage of it's Covered-Employee Payroll	12.76%	11.53%	10.03%

Note 7: **PENSION PLANS (CONT'D)****Supplementary Pension Information (Cont'd)*****Schedule of the Township's Proportionate Share of the Net Pension Liability - Police and Firemen's Retirement System (PFRS) (Last Three Years)***

	<u>Measurement Date Ended June 30,</u>		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
Township's Proportion of the Net Pension Liability	0.2084462374%	0.2001693684%	0.2116314551%
Township's Proportionate Share of the Net Pension Liability	\$ 34,719,877.00	\$ 25,179,450.00	\$ 28,134,492.00
State's Proportionate Share of the Net Pension Liability associated with the Township	<u>3,044,817.00</u>	<u>2,711,404.00</u>	<u>2,622,476.00</u>
Total	<u>\$ 37,764,694.00</u>	<u>\$ 27,890,854.00</u>	<u>\$ 30,756,968.00</u>
Township's Covered-Employee Payroll	\$ 6,569,064.00	\$ 6,322,316.00	\$ 6,423,448.00
Township's Proportionate Share of the Net Pension Liability as a Percentage of it's Covered-Employee Payroll	528.54%	398.26%	438.00%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	56.31%	62.41%	58.70%

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

	<u>Year Ended December 31,</u>		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
Township's Contractually Required Contribution	\$ 1,694,357.00	\$ 1,537,439.00	\$ 1,544,016.00
Township's Contribution in Relation to the Contractually Required Contribution	<u>(1,694,357.00)</u>	<u>(1,537,439.00)</u>	<u>(1,544,016.00)</u>
Township's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Township's Covered-Employee Payroll	\$ 6,759,230.00	\$ 6,515,802.00	\$ 6,420,441.00
Township's Contributions as a Percentage of it's Covered-Employee Payroll	25.07%	23.60%	24.05%

Note 7: PENSION PLANS (CONT'D)**Other Notes to Supplementary Pension Information*****Public Employees' Retirement System (PERS)***

Changes in Benefit Terms - None

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

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

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

Police and Firemen's Retirement System (PFRS)

Changes in Benefit Terms - None

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

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

Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

Plan Description - The Township 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 N.J.S.A. 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 2012, the Township authorized participation in the SHBP's post-retirement benefit program through resolution number R-30-2012. The Township provides for a 100% funded postemployment health care, and prescription drug benefits to certain retired employees where such benefits are established and amended by various union contracts, separate employee agreements and Township Policies.

Generally, Police Officers become eligible for retirement benefits based on retiring after at age 55 or older with at least twenty (20) years of service or having retired under disability pension from a New Jersey administered pension plan. A non-uniformed employee becomes eligible based on retiring at age 62 or older with at least twenty (20) years of service. Eligible retirees receive health, dental and prescription drug benefits subject to variety of co-pays based on years of service and respective labor contracts and retirement system.

Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)

Plan Description (Cont'd) - 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/.

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 on a monthly basis. The Township funds these benefits on a pay-as-you-go basis and, therefore, does not record accrued expenses related to these benefits. The Township's contributions to SHBP for the years ended December 31, 2015, 2014, and 2013, were \$2,403,131.80, \$2,322,762.47, and \$2,225,794.47, respectively, which equaled the required contributions each year. There were approximately 117 retired participants eligible at December 31, 2015.

DENTAL BENEFITS PLAN:

Plan Description - The Township provides a sole-employer post-retirement dental benefit to certain retired employees. Generally, Police Officers become eligible for retirement benefits based on retiring after at age 55 or older with at least twenty (20) years of service or having retired under disability pension from a New Jersey administered pension plan. A non-uniformed employee becomes eligible based on retiring at age 62 or older with at least twenty (20) years of service. Eligible retirees receive dental benefits subject to variety of co-pays based on years of service and respective labor contracts and retirement system. The plan is administered by the Township; therefore, premium payments are made directly to the insurance carriers. The plan does not issue a separate financial report.

Funding Policy - The contribution requirements of the Township are established and may be amended by the various union contracts, separate employee agreements and Township policies. Plan members receiving benefits are not required to make any contributions.

Retirees - The Township presently funds its current retiree postemployment dental benefit costs on a "pay-as-you-go" basis, based on accounting procedures regulated by the State of New Jersey, and therefore does not accrue any expenses related to these benefits. The Township's contributions to the plan for the years ended December 31, 2015, 2014, and 2013 were \$110,000.00, \$120,000.00, and \$110,000.00, respectively, rounded to the nearest \$10,000.00.

Future Retirees - In accordance with Statement No. 45 of the Governmental Accounting Standards Board, the Township is required to disclose the *annual required contribution of the employer (ARC)*, an amount actuarially determined in accordance with the parameters of Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty (30) years. The ARC includes the costs of both current and future retirees. The current ARC was determined to be \$360,000.00 at an unfunded discount rate of 4.5%. As stated above, the Township has funded the cost of existing retirees in the amount of \$110,000.00, and has incurred the benefit costs for future eligible employees, but has not yet begun funding this outstanding liability.

Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)

Annual OPEB Cost - For year ended December 31, 2015, the Township's annual OPEB cost (expense) of \$348,300.00 for the plan was equal to the ARC plus certain adjustments because the Township's actual contributions in prior years differed from the ARC. The Township's annual required contribution (ARC), the interest on the net OPEB obligation, the adjustment to the ARC, the increase or decrease in the net OPEB obligation, the net OPEB obligation, and the percentage of annual OPEB cost contributed to the plan for years 2015, 2014, and 2013 are as follows:

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Annual Required Contribution (ARC)	\$ 360,000.00	\$ 390,000.00	\$ 390,000.00
Interest on the Net OPEB Obligation*	18,300.00	12,600.00	
Adjustment to the ARC	(30,000.00)	(16,600.00)	
Annual OPEB Cost	348,300.00	386,000.00	390,000.00
Pay-as-You Go Cost (Existing Retirees)	(110,000.00)	(124,300.00)	(110,000.00)
Increase (Decrease) in the Net OPEB Obligation	238,300.00	261,700.00	280,000.00
Net OPEB Obligation, January 1	541,700.00	280,000.00	-
Net OPEB Obligation, December 31	<u>\$ 780,000.00</u>	<u>\$ 541,700.00</u>	<u>\$ 280,000.00</u>
Percentage of Annual OPEB Cost Contributed	31.6%	32.2%	28.2%

* Includes an adjustment of (\$1,700.00) to round net OPEB obligation at January 1, 2015 to \$540,000.00 to be consistent with actuary report presentation.

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

	<u>2015</u>	<u>2013</u>
Actuarial Accrued Liability (AAL)	\$ 4,510,000.00	\$ 4,740,000.00
Actuarial Value of Plan Assets	-	-
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$ 4,510,000.00</u>	<u>\$ 4,740,000.00</u>
Funded Ratio (Actuarial Value of Plan Assets / AAL)	0.0%	0.0%
Covered Payroll (Active Plan Members)	Not Applicable	Not Applicable
UAAL as a Percentage of Covered Payroll	Not Applicable	Not Applicable

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

Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)

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

In the January 1, 2015 actuarial valuation, the projected unit credit actuarial cost method was used. Under this method, an actuarial accrued liability is determined as the actuarial present value of the portion of projected benefits which is allocated to service before the current plan year. In addition, a normal cost is determined as the actuarial present value of the portion of projected benefits which is allocated to service in the current plan year for each active participant under the assumed retirement age. The UAAL is being amortized (level dollar basis) for thirty (30) years on an open basis. The actuarial assumptions included the following:

- *Mortality.* RP-2014 mortality table with MP-2014 projection.
- *Annual Discount Rate.* Future costs have been discounted at the rate of 4.5% compounded annually for GASB 45 purposes.
- *Inflation Rate.* 3% per annum.
- *Assumed Retirement Age.* At first eligibility after completing 20 years of service.
- *Marital - Active.* Wife is assumed to be same age as husband. 70% of males and 50% of females are assumed married.
- *Withdrawal.* Sarasson T-5 Table.
- *Medical Trend.* 8% in first year, reducing by .5% per annum through year 7 to 5% thereafter.
- *Participation Rate.* 100% of eligible retirees expected to participate.

Note 9: COMPENSATED ABSENCES

The Township of Washington provides to its employees compensated absences benefits for holidays, sick days, vacation, personal, jury duty, military leave, bereavement for immediate family members and for occupational injuries in accordance with labor contracts and Township policies.

Police Sergeants and Superior Officers are entitled to 28 to 46 leave days per year based on years of service. Such days can be carried forward until retirement or termination. At retirement or termination the officer is entitled to be paid for days leave carried forward and all unused leave for current year and all unused vacation days and at the rate of pay upon termination or retirement. Such days are capped at a maximum of 100 days for existing Sergeants and 80 days for those promoted to Sergeant after January 1, 2010.

Patrol Officers under their union contract can carry forward up to 165 sick days. At retirement or termination the officer is entitled to be paid for a maximum of 165 days leave carried forward and all unused leave, and for current year at the rate of pay upon termination or retirement. The officer also has the option of selling the current year unused sick leave back to the Township.

Full time Clerical union workers are entitled to up to 114 sick hours per year. Unused sick hours can be carried forward. At termination or retirement they would be paid for 100% of their accumulated sick pay up to a maximum of \$15,000. The clerical worker also has the option of selling the current year unused sick leave back to the Township.

Full time Public Works union employees are entitled to be paid for a maximum of 90 days of unused sick leave upon termination or retirement if hired prior to July 1, 2006. If hired after that date they are only paid up to a \$15,000 maximum.

Note 9: COMPENSATED ABSENCES (CONT'D)

Other full-time nonunion employees earn sick hours of 8 to 10 hours each month worked. Unused sick leave may be accumulated and carried forward to the subsequent year or it may be sold back to the Township. Upon termination or retirement the employee is entitled to be paid for all unused sick days. Other compensated absences such as vacation and personal days cannot be carried forward however any unused days for current year and are compensated for at retirement or termination.

The Township does not record accrued expenses related to compensated absences. However, it is estimated that, at December 31, 2015, accrued benefits for compensated absences are valued at \$1,874,574.42.

Note 10: DEFERRED COMPENSATION SALARY ACCOUNT

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

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

Note 11: LEASE OBLIGATIONS

At December 31, 2015, the Township had lease agreements in effect for the following:

Capital:

Police Car Data Terminals and Related Equipment
Consolidated Police Vehicles and Equipment Lease

Operating:

Thirteen (13) Konica Minolta Copy Machines
Pitney Bowes Mailing Machine

The following is an analysis of the Township's capital and operating leases:

Capital Leases

<u>Description</u>	<u>Balance at December 31,</u>	
	<u>2015</u>	<u>2014</u>
Vehicles	\$ 195,600.76	
Equipment	34,021.09	\$ 52,271.11

Future minimum lease payments under capital lease agreements are as follows:

<u>Year</u>	<u>Amount</u>
2016	\$ 83,242.10
2017	80,109.61
2018	66,270.14

Note 11: LEASE OBLIGATIONS (CONT'D)

Future minimum lease payments under operating lease agreements are as follows:

<u>Year</u>	<u>Amount</u>
2016	\$ 16,961.40
2017	15,281.40
2018	6,800.70

Rental payments under operating leases for the year 2015 were \$16,961.40.

Note 12: CAPITAL DEBT**General Obligation Bonds**

General Obligation Bonds, Series 2004 - On July 15, 2004, the Township issued \$4,243,000.00 of general obligation bonds, with interest rates ranging from 3.4% to 3.9%. The purpose of the bonds is to various fund capital ordinance 10-2004. The final maturity of the bonds is July 15, 2017.

General Obligation Refunding Bonds, Series 2006 - On January 5, 2006, the Township issued \$8,190,000.00 in general obligation refunding bonds, with interest rates ranging from 3.0% to 5.0%, to advance refund \$8,010,000.00 outstanding 2001 general obligation bonds with an interest rate of 4.7%. The final maturity of the bonds is August 1, 2021.

General Obligation Bonds, Series 2012 - On December 13, 2012, the Township issued \$8,530,000.00 of general obligation bonds, with interest rates ranging from 2.0% to 3.0%. The purpose of the bonds is to various fund capital ordinances 33-2006 and 09-2012. The final maturity of the bonds is November 15, 2031.

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 2,080,000.00	\$ 563,037.52	\$ 2,643,037.52
2017	2,165,000.00	472,987.52	2,637,987.52
2018	1,840,000.00	392,787.52	2,232,787.52
2019	1,830,000.00	328,787.52	2,158,787.52
2020	1,830,000.00	265,187.52	2,095,187.52
2021-2025	3,860,000.00	690,162.56	4,550,162.56
2026-2030	2,625,000.00	269,718.80	2,894,718.80
2031	525,000.00	13,125.00	538,125.00
	<u>\$ 16,755,000.00</u>	<u>\$ 2,995,793.96</u>	<u>\$ 19,750,793.96</u>

Note 12: CAPITAL DEBT (CONT'D)**General Debt - New Jersey Green Acres Loans**

On December 2, 1998, the Township entered into a loan agreement with the New Jersey Department of Environmental Protection to provide \$672,300.00, at an interest rate of 2.0%. The proceeds were used to fund the Washington Township Lake Park Addition Project. Semiannual debt payments are due March 2nd and September 2nd through 2018.

On July 12, 2002, the Township entered into a loan agreement with the New Jersey Department of Environmental Protection to provide \$400,000.00, at an interest rate of 2.0%. The proceeds were used to fund the Washington Township Lake Park Phase II Project. Semiannual debt payments are due April 19th and October 19th through 2022.

On August 9, 2011, the Township entered into a loan agreement with the New Jersey Department of Environmental Protection to provide \$150,018.00, at an interest rate of 2.0%. The proceeds were used to fund the Washington Township Lake Park Enhancement Project. Semiannual debt payments are due May 12th and November 12th through 2031.

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 68,431.16	\$ 7,576.47	\$ 76,007.63
2017	69,806.64	6,200.99	76,007.63
2018	71,209.75	4,797.89	76,007.64
2019	30,626.29	3,575.63	34,201.92
2020	31,241.86	2,960.01	34,201.87
2021-2025	76,172.92	7,780.06	83,952.98
2026-2030	43,739.67	2,903.41	46,643.08
2031	4,618.12	46.18	4,664.30
	<u>\$ 395,846.41</u>	<u>\$ 35,840.64</u>	<u>\$ 431,687.05</u>

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

	<u>2015</u>	<u>2014</u>	<u>2013</u>
<u>Issued</u>			
General:			
Bonds, Loans and Notes	\$ 24,671,046.41	\$ 22,083,129.57	\$ 22,002,414.10
<u>Authorized but not Issued</u>			
General:			
Bonds, Loans and Notes			2,485,706.00
Net Debt	<u>\$ 24,671,046.41</u>	<u>\$ 22,083,129.57</u>	<u>\$ 24,488,120.10</u>

Note 12: CAPITAL DEBT (CONT'D)**Summary of Statutory Debt Condition - Annual Debt Statement**

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the annual debt statement and indicated a statutory net debt of .553%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
School Purposes	\$ 17,320,000.00	\$ 17,320,000.00	
General	24,671,046.41		\$ 24,671,046.41
	<u>\$ 41,991,046.41</u>	<u>\$ 17,320,000.00</u>	<u>\$ 24,671,046.41</u>

Net debt \$24,671,046.41 divided by the equalized valuation basis per N.J.S.A.40A:2-2, as amended, \$4,463,011,497.33, equals .553%.

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 156,205,402.41
Less: Net Debt	<u>24,671,046.41</u>
Remaining Borrowing Power	<u>\$ 131,534,356.00</u>

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

Note 13: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2015, the following deferred charges are shown on the statement of assets, liabilities, reserves and fund balance of the current fund:

<u>Description</u>	<u>Balance December 31, 2015</u>	<u>2016 Budget Appropriation</u>
Emergency Authorization	<u>\$ 487,869.84</u>	<u>\$ 487,869.84</u>

The appropriations in the 2016 Budget as adopted are not less than that required by the statutes.

Note 14: RISK MANAGEMENT

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

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

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

Note 14: RISK MANAGEMENT (CONT'D)

New Jersey Unemployment Compensation Insurance (Cont'd) - The following is a summary of Township contributions, reimbursements to the State for benefits paid and the ending balance of the Township's trust fund for the current and previous two years::

<u>Year</u>	<u>Township Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2015	-	\$ 18,300.69	\$ 56,656.03	\$ 51,811.27
2014	\$ 20,000.00	25,550.96	19,353.94	90,166.61
2013	70,000.00	20,531.64	26,562.05	63,969.59

It is estimated that unreimbursed payments on behalf of the Township at December 31, 2015 are \$3,119.15.

Joint Insurance Pool - The Township is a member of the Gloucester, Salem and Cumberland County Municipal Joint Insurance Fund. The Fund provides its members with the following coverage:

Workers' Compensation and Employer's Liability
Liability other than Motor Vehicles
Property Damage other than Motor Vehicles
Motor Vehicles

Contributions to the Fund, including a reserve for contingencies, are payable in two installments and are based on actuarial assumptions determined by the Fund's actuary. The Commissioner of Insurance may order additional assessments to supplement the Fund's claim, loss retention, or administrative accounts to assure the payment of the Fund's obligations.

The Fund provides the Township with the following coverage:

Property - Blanket Building and Grounds
General and Automobile Liability
Workers' Compensation and Employer's Liability
Public Employee and Official Bonds

Contributions to the Fund, are payable in an annual premium and is based on actuarial assumptions determined by the Fund's actuary. The Township's agreement with the Pool provides that the Pool will be self-sustaining through member premiums and will reinsure through the Municipal Excess Liability Joint Insurance Fund for claims in excess of \$50,000.00 to \$200,000.00 based on the line of coverage for each insured event.

The Fund publishes its own financial report for the year ended December 31, 2015, which can be obtained from:

Gloucester, Salem and Cumberland Counties Municipal Joint Insurance Fund
Five Greentree Centre
525 Lincoln Drive West
P.O. Box 490
Marlton, New Jersey 08053

Note 15: OPEN SPACE TRUST

On November 7, 2000, pursuant to P.L. 1997, c. 24 (N.J.S.A. 40:12-15.1 et seq.), the voters of the Township of Washington authorized the establishment of the Township of Washington Open Space Trust Fund effective January 1, 2001, for the purpose of raising revenue for the acquisition of land, easements and/or development rights to preserve underdeveloped areas in the Township. As approved by the referendum, the Township levies a tax not to exceed two cents per one hundred dollars of assessed valuation. Amounts raised by taxation are assessed, levied and collected in the same manner and at the same time as other taxes. Future increases in the tax rate or to extend the authorization must be authorized by referendum. On April 26, 2011, the Township adopted Ord. 8-2011 to temporarily suspend funding of the Open Space Trust Fund for the Calendar Year 2011. On May 22, 2013, the Township adopted Ord. 15-2013 to amend the funding for the Open Space Trust Fund. Effectively January 1, 2013, and every year thereafter, the Open Space Trust Fund shall be funded through the dedication to the fund an amount of \$0.01165 per one hundred dollars of assessed tax levy or the amount of debt service for the year, whichever is less. All revenue received is accounted for in a Trust Fund dedicated by rider (N.J.S.A. 40A:4-39) for the purposed stated. Interest earned on the investment of these funds is credited to the Township of Washington Open Space Trust Fund. A budget indicating the anticipated revenues and expenditures of the Trust Fund for each year is adopted as part of the Township operating and capital budget.

Note 16: MORTGAGE LOAN RECEIVABLE

The Township entered into a grant/loan agreement in the principal amount of \$1,920,000.00, dated December 19, 1997, with County House Village Associates, L.P. for the construction of a low income housing project called "County House Village". The loan is recorded as the third mortgage for the partnership as recorded in the Gloucester County Clerk's Office. The note bears interest at a rate of 3% per annum. Principal and accumulated accrued interest is payable upon maturity on December 31, 2029. At December 31, 2015 and 2014, the principal balance is \$1,920,000.00. Accrued interest at December 31, 2015 and 2014 is \$960,000.00 and \$902,400.00, respectively. The principal and interest receivable are offset with reserves which will be realized upon payment being received.

Note 17: CONTINGENCIES

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

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

Note 18: CONCENTRATIONS

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

Note 19: SUBSEQUENT EVENTS

Authorization of Debt - Subsequent to December 31, the Township authorized additional bonds and notes as follows:

<u>Purpose</u>	<u>Adoption</u>	<u>Authorization</u>
General Improvements		
Various Capital Improvements and Related Expenses	06/22/16	\$ 5,890,000.00

General Obligation Refunding Bonds – On July 7, 2016, the Township issued General Obligation Refunding Bonds, Series 2016 in the amount of \$6,305,000.00, with interest rates ranging from 2.0% to 5.0%. The purpose of the bonds is to currently refund \$6,720,000.00 principal amount of the General Obligation Refunding Bonds, Series 2006. The final maturity of the bonds is August 1, 2021.

SUPPLEMENTAL EXHIBITS

SUPPLEMENTAL EXHIBITS

CURRENT FUND

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

		Current Fund
Balance Dec. 31, 2014		\$ 9,108,934.75
Increased by Receipts:		
Taxes Receivable	\$ 145,999,526.50	
Tax Title Liens Receivable	2,066.87	
Miscellaneous Liens Receivable - MUA	225,291.40	
Miscellaneous Liens Receivable - Other	14,885.22	
Miscellaneous Revenue Not Anticipated	143,820.61	
Due from State of New Jersey - Senior Citizen and Veterans Deduction	396,149.30	
2014 Appropriation Reserves Refunds	919.98	
Decrease in Change Funds	110.00	
Revenue Accounts Receivable	6,084,724.32	
Payroll Funds	15,175,652.47	
Prepaid Taxes	1,099,313.05	
Tax Overpayments	213,882.36	
Reserve for Prescriptions	60,000.00	
Due to Municipal Library	756,350.25	
Due to State - DCA Fees	61,703.00	
Due to State - Marriage License Fees	5,400.00	
Due from Federal, State and Other Grant Fund - Receivable	422,964.14	
Due from Trust Other Fund	206,021.96	
		170,868,781.43
		179,977,716.18
Decreased by Disbursements:		
2015 Appropriations	34,403,902.79	
2014 Appropriation Reserves	935,016.97	
County Tax	29,206,828.48	
Due County for Added and Omitted Tax	61,025.55	
Local School District Tax	83,255,074.00	
Fire District Tax	5,901,099.00	
Due to Municipal Library	753,615.41	
Payroll Funds	15,173,082.78	
Refund Tax Overpayment	316,747.37	
Disbursed to MUA for Tax Sale	225,291.40	
Reserve for Prescriptions	58,512.63	
Increase in Change Funds	50.00	
Due to State - DCA Fees	42,626.00	
Due to State - Marriage License Fees	5,475.00	
Due to Federal, State and Other Grant Fund -		
- Appropriated Grant Reserves	436,101.73	
Due to Trust Other Fund	202,812.49	
Due from Trust Municipal Open Space Fund	476,137.90	
		171,453,399.50
Balance Dec. 31, 2015		\$ 8,524,316.68

TOWNSHIP OF WASHINGTON
CURRENT FUND
 Statement of Change Funds
 For the Year Ended December 31, 2015

Balance Dec. 31, 2014		\$ 1,540.00
Increased by:		
Cash received from Current Fund		50.00
		1,590.00
Decreased by:		
Cash turned over to Current Fund		110.00
		1,480.00
Balance Dec. 31, 2015		\$ 1,480.00
<u>Analysis of Balance as of Dec. 31, 2015</u>		
<u>Office</u>		<u>Balance</u> <u>Dec. 31, 2015</u>
Municipal Clerk	\$	300.00
Municipal Court Administrator		150.00
Tax Collector		350.00
Recreation and Public Works		70.00
Construction Code Official		100.00
Housing		100.00
Police		150.00
Golf Course		260.00
	\$	1,480.00

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

Year	Balance	2015 Levy	Added Taxes	Collections		Canceled	Transferred to Tax Title Liens	Transferred To Arrears	Balance
	Dec. 31, 2014			2014	2015				Dec. 31, 2015
Arrears	\$ 9,329.19	\$	\$ 78.24	\$	\$ 529.90	\$	\$	\$ 12,448.26	\$ 21,325.79
2010	5.30						5.30		
2011	239.04						239.04		
2012	24,265.55		1,532.76		1,532.76		3.98		24,261.57
2013	99,936.39				1,274.34	4,026.37	161.63	1,323.62	95,797.67
2014	150,864.18		12,092.35		59,483.19	146.06		(5,232.52)	98,094.76
	284,639.65		13,703.35		62,820.19	4,172.43	409.95	8,539.36	239,479.79
2015		148,623,553.28	577.18	1,304,533.03	146,391,846.72	685,052.69	180,171.56	(8,539.36)	53,987.10
	<u>\$ 284,639.65</u>	<u>\$ 148,623,553.28</u>	<u>\$ 14,280.53</u>	<u>\$ 1,304,533.03</u>	<u>\$ 146,454,666.91</u>	<u>\$ 689,225.12</u>	<u>\$ 180,581.51</u>	<u>\$ -</u>	<u>\$ 293,466.89</u>
	Taxes Receivable			\$ 143,615,502.21					
	Homestead Rebate			<u>2,384,024.29</u>					
	Senior Citizens and Veterans				\$ 145,999,526.50				
					<u>455,140.41</u>				
					<u>\$ 146,454,666.91</u>				
	<u>Analysis of 2015 Property Tax Levy</u>								
	<u>Tax Yield:</u>								
	General Property Tax					\$ 148,308,965.53			
	Added & Omitted Taxes (54:4-63.1 et. seq.)					<u>314,587.75</u>			
							\$ <u>148,623,553.28</u>		
	<u>Tax Levy:</u>								
	Local School District Tax					\$ 83,255,074.00			
	County Taxes:								
	County Tax				\$ 27,363,117.74				
	County Open Space Tax				1,843,710.74				
	Due County for Added & Omitted Taxes				<u>61,843.50</u>				
	Total County Taxes					29,268,671.98			
	Fire District Taxes					5,901,099.00			
	Local Tax for Municipal Purposes				27,948,260.99				
	Municipal Open Space Tax				476,600.00				
	Due Municipal Open Space for Added & Omitted Taxes				1,020.68				
	Minimum Library Tax				1,479,725.48				
	Add: Additional Tax Levied				<u>293,101.15</u>				
						<u>30,198,708.30</u>			
							\$ <u>148,623,553.28</u>		

TOWNSHIP OF WASHINGTON
CURRENT FUND
Statement of Due From State of New Jersey
Veterans' And Senior Citizens' Deductions
For the Year Ended December 31, 2015

Balance Dec. 31, 2014		\$ 62,063.45
Increased by:		
Deductions per Tax Billing:		
Senior Citizens	\$ 72,250.00	
Veterans	<u>386,750.00</u>	
	459,000.00	
Deductions Allowed by Collector - 2015 Taxes	<u>12,000.00</u>	
	471,000.00	
Deductions Disallowed by Collector - 2015 Taxes	<u>(15,859.59)</u>	
	\$ 455,140.41	
Deductions Disallowed by Collector - 2014 Taxes	<u>(10,750.00)</u>	
		<u>444,390.41</u>
		506,453.86
Decreased by:		
Collection		<u>396,149.30</u>
Balance Dec. 31, 2015		<u>\$ 110,304.56</u>
<u>Analysis of Amount Realized:</u>		
Senior Citizens' and Veterans' Deductions Per Tax Billings	\$ 459,000.00	
Senior Citizens' and Veterans' Deductions Allowed by Collector - 2015 Taxes	<u>12,000.00</u>	
		\$ 471,000.00
Less:		
Senior Citizens' and Veterans' Deductions Disallowed by Collector - 2015 Taxes		<u>15,859.59</u>
		<u>\$ 455,140.41</u>

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

Balance Dec. 31, 2014		\$	466,215.93
Increased by:			
Transfers from Taxes Receivable	\$ 180,581.51		
Transfers from Miscellaneous Liens Receivable	1,671.14		
Interest and Costs on Tax Sale	<u>11,191.81</u>		
			<u>193,444.46</u>
			659,660.39
Decreased by:			
Canceled	2,948.24		
Collections	<u>2,066.87</u>		
			<u>5,015.11</u>
Balance Dec. 31, 2015		\$	<u><u>654,645.28</u></u>

Exhibit SA-6

TOWNSHIP OF WASHINGTON
CURRENT FUND
Statement of Miscellaneous Liens Receivable
For the Year Ended December 31, 2015

Balance Dec. 31, 2014		\$	13,504.16
Increased by:			
Cash Disbursed to MUA for Tax Sale	\$ 225,291.40		
Refund Overpayment	147.79		
Property Maintenance Fees and Charges	<u>13,623.81</u>		
			<u>239,063.00</u>
			252,567.16
Decreased by:			
Collections - MUA	225,291.40		
Collections - Other	14,885.22		
Canceled by Resolution	535.81		
Transfer to Tax Title Lien	<u>1,671.14</u>		
			<u>242,383.57</u>
Balance Dec. 31, 2015		\$	<u><u>10,183.59</u></u>

TOWNSHIP OF WASHINGTON
CURRENT FUND
Statement of Revenue Accounts Receivable
For the Year Ended December 31, 2015

	<u>Balance</u> <u>Dec. 31, 2014</u>	<u>Accrued</u> <u>In 2015</u>	<u>Receipts</u>	<u>Balance</u> <u>Dec. 31, 2015</u>
Miscellaneous Revenue Anticipated				
Licenses:				
Alcoholic Beverages	\$	\$ 49,080.00	\$ 49,080.00	\$
Fees and Permits		465,418.63	465,418.63	
Fines and Costs:				
Municipal Court	38,190.57	417,761.17	428,406.91	27,544.83
Interest and Costs on Taxes		288,800.36	288,800.36	
Interest on Investments and Deposits		25,028.90	25,028.90	
Hotel and Motel Occupancy Fee		71,298.78	71,298.78	
Library Pension		36,000.00	36,000.00	
Consolidated Municipal Property Tax Relief Aid		206,073.00	206,073.00	
Energy Receipts Tax P.L. 1997, Chapters 162 & 167)		2,995,356.00	2,995,356.00	
Uniform Construction Code Fees		617,488.00	617,488.00	
Other Special Items of Revenues:				
Franchise Fees - Cable TV		290,996.76	290,996.76	
Payment in Lieu of Taxes - NJ Transit		10,680.00	10,680.00	
Payment in Lieu of Taxes - County House		30,912.00	30,912.00	
Payment in Lieu of Taxes - Gloucester City Public Housing		1,828.75	1,828.75	
Payment in Lieu of Taxes - Vineland Training School		7,951.89	7,951.89	
Payment in Lieu of Taxes - Other		140,475.16	140,475.16	
Recycling Fees		109,055.17	109,055.17	
Housing Inspection Fees		211,320.00	211,320.00	
Reimbursement - School Resource Officer		17,435.88	17,435.88	
Business Registration Fees		25,650.00	25,650.00	
Administrative Fee - Off Duty Police		56,910.98	56,910.98	
Anticipated General Capital Fund Balance		5,595.00	5,595.00	
POD Fees		350.00	350.00	
	<u>\$ 38,190.57</u>	<u>\$ 6,081,466.43</u>	<u>\$ 6,092,112.17</u>	<u>\$ 27,544.83</u>
Current Fund - Treasurer			\$ 6,084,724.32	
Revenue Collected in Trust Other Fund:				
General Capital Fund Surplus			5,595.00	
Interest Earned - Due to Current Fund:				
Trust Other Fund - Tax Collector			1,055.23	
Trust Other Fund - Treasurer			601.43	
General Capital Fund			136.19	
			<u>\$ 6,092,112.17</u>	

TOWNSHIP OF WASHINGTON
CURRENT FUND
Statement of Deferred Charges
For the Year Ended December 31, 2015

	Accrued <u>In 2015</u>	Balance <u>Dec. 31, 2015</u>
Emergency Authorizations (N.J.S.A. 40A:4-46)	\$ <u>487,869.84</u>	\$ <u>487,869.84</u>

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

	<u>Balance Dec. 31, 2014</u>		<u>Balance After Transfers</u>	<u>Disbursed</u>	<u>Refund</u>	<u>Balance Lapsed</u>
	<u>Reserved</u>	<u>Encumbered</u>				
<u>OPERATIONS WITHIN "CAPS"</u>						
<u>General Government</u>						
Office of Township Mayor						
Salaries and Wages	\$ 45.55	\$	\$ 45.55	\$	\$	45.55
Other Expenses	106.95	40.00	146.95	68.00		78.95
Township Council						
Salaries and Wages						
Other Expenses	2,233.95	31.05	2,265.00			2,265.00
Annual Audit	6,100.00		6,100.00	41.05		6,058.95
Office of Township Clerk						
Salaries and Wages	7,664.27		7,664.27	4,455.20		3,209.07
Other Expenses	409.38	608.60	1,017.98	441.88		576.10
Office of Business Administrator						
Salaries and Wages	21,638.78		21,638.78	45.00		21,593.78
Other Expenses	7,232.59	736.60	7,969.19	621.60		7,347.59
Division of Treasury						
Salaries and Wages	24,538.92		24,538.92	6,986.88		17,552.04
Other Expenses	649.62	36.31	5,685.93	2,943.15		2,742.78
Division of Tax Collector						
Salaries and Wages	9,717.20		9,717.20	3,991.20		5,726.00
Other Expenses	22,898.49	175.11	23,073.60	5,325.77		17,747.83
Office of Township Attorney						
Salaries and Wages	62.02		62.02			62.02
Other Expenses	33,879.59	3,262.55	77,142.14	71,193.41		5,948.73

(Continued)

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

	<u>Balance Dec. 31, 2014</u>		<u>Balance After Transfers</u>	<u>Disbursed</u>	<u>Refund</u>	<u>Balance Lapsed</u>
	<u>Reserved</u>	<u>Encumbered</u>				
<u>OPERATIONS WITHIN "CAPS" (CONT'D)</u>						
<u>Land Use Administration</u>						
Division of Engineering						
Other Expenses	\$ 6,958.80		\$ 11,958.80	\$ 8,676.54		\$ 3,282.26
Advisory Board Economic Development						
Other Expenses	1,500.00		1,500.00			1,500.00
Planning Board/Zoning Board						
Salaries and Wages	4,319.40		4,319.40	2,104.39		2,215.01
Other Expenses	14,477.28		14,477.28	1,140.00		13,337.28
<u>Code Enforcement and Administration</u>						
Code Enforcement						
Salaries and Wages	15,418.68		15,418.68	1,919.20		13,499.48
Other Expenses	97.03		97.03			97.03
<u>Insurance</u>						
Liability Insurance	12,927.12		12,927.12	2.52		12,924.60
Workers Compensation	6,200.21		6,200.21			6,200.21
Group Insurance for Employees	283,873.00		153,873.00			153,873.00
Health Insurance Opt-out Payment	1,903.67		1,903.67			1,903.67
<u>Public Safety</u>						
Division of Police						
Salaries and Wages	215,742.49		215,742.49	29,217.25		186,525.24
Other Expenses	17,879.47	78,711.30	96,590.77	80,141.21		16,449.56
Division of Municipal Prosecutor						
Salaries and Wages	90.06		90.06			90.06
<u>Public Works Functions</u>						
Division of Public Works						
Office of Director						
Salaries and Wages	187,344.75		187,344.75	166,438.16		20,906.59
Other Expenses	2,328.03	4,331.25	11,659.28	8,432.20		3,227.08
Division of Trash Collection						
Other Expenses	35,498.98	208,903.00	244,401.98	214,116.50		30,285.48

(Continued)

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

	<u>Balance Dec. 31, 2014</u>		<u>Balance After Transfers</u>	<u>Disbursed</u>	<u>Refund</u>	<u>Balance Lapsed</u>
	<u>Reserved</u>	<u>Encumbered</u>				
<u>OPERATIONS WITHIN "CAPS" (CONT'D)</u>						
<u>Public Works Functions (Cont'd)</u>						
Division of Streets						
Other Expenses	\$ 64,497.82	\$ 4,685.83	\$ 69,183.65	\$ 4,358.23	\$	\$ 64,825.42
Division of Public Buildings						
Other Expenses	23,518.16	23,444.51	46,962.67	27,900.16		19,062.51
Division of Vehicle Maintenance						
Other Expenses	1,434.43	28,921.62	50,356.05	28,413.76		21,942.29
<u>Health and Human Services</u>						
Youth Services						
Other Expenses	615.70		615.70	352.35		263.35
Environmental Commission						
Other Expenses	8.02	205.66	213.68	205.66		8.02
<u>Parks and Recreation</u>						
Senior Citizen Advisory Council						
Other Expenses	500.00		500.00			500.00
<u>Other Common Operating Functions</u>						
Veterans Affairs Advisory Council						
Other Expenses	1,991.64		1,991.64			1,991.64
Celebration of Public Event, Anniversary or Holiday						
Other Expenses	2,238.43	2,274.00	4,512.43	2,729.83		1,782.60
<u>Landfill and Solid Waste Disposal Costs</u>						
Trash Disposal						
Other Expenses	83,032.60	50,600.00	183,632.60	164,528.91		19,103.69
<u>Utilities</u>						
Gasoline	73,436.62	35,000.00	108,436.62	33,876.61		74,560.01
Electricity	8,180.33		8,180.33	2,768.56		5,411.77
Telephone and Telegraph	80.57	1,657.85	1,738.42	1,142.06		596.36
Heating Oil	376.62		376.62		919.98	1,296.60
Street Lighting		7,349.04	7,349.04	7,349.04		
Water and Sewer	1,788.76		1,788.76			1,788.76

(Continued)

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

	<u>Balance Dec. 31, 2014</u>		<u>Balance After Transfers</u>	<u>Disbursed</u>	<u>Refund</u>	<u>Balance Lapsed</u>
	<u>Reserved</u>	<u>Encumbered</u>				
<u>OPERATIONS WITHIN "CAPS" (CONT'D)</u>						
<u>Municipal Court Functions</u>						
Municipal Court						
Salaries and Wages	\$ 29,498.07	\$	\$ 29,498.07	\$ 5,578.33	\$	\$ 23,919.74
Other Expenses	10,568.61	277.60	10,846.21	322.84		10,523.37
Public Defender						
Salaries and Wages	1,747.85		1,747.85			1,747.85
<u>Department of Licenses and Inspection</u>						
State Uniform Construction Code						
Construction Code Official						
Salaries and Wages	2,190.74		2,190.74	1,417.72		773.02
Other Expenses	206.55	1,162.00	1,368.55	1,162.00		206.55
Contracted Services - Third Party	3,495.40		3,495.40			3,495.40
<u>DEFERRED CHARGES AND STATUTORY EXPENDITURES</u>						
Contribution to:						
Social Security System (O.A.S.I.)	22,636.87		22,636.87	1,439.96		21,196.91
Defined Contribution Retirement Program	1,650.00		1,650.00			1,650.00
<u>OPERATIONS EXCLUDED FROM "CAPS"</u>						
Recycling Tax	629.12	3,930.34	9,559.46	5,517.99		4,041.47
<u>CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"</u>						
Reserve for Purchase of Computers and Servers	3,289.92	39,898.10	43,188.02	39,898.10		3,289.92
Total	\$ 1,281,349.11	\$ 496,242.32	\$ 1,777,591.43	\$ 937,263.22	\$ 919.98	\$ 841,248.19
Transferred to Accounts Payable				\$ 2,246.25		
Cash Disbursed				935,016.97		
Cash Disbursed				\$ 937,263.22		

TOWNSHIP OF WASHINGTON
CURRENT FUND
Statement of Accrued Interest Receivable on Loan
For the Year Ended December 31, 2015

Balance Dec. 31, 2014		\$ 902,400.00
Increased by:		
Accrued Interest		<u>57,600.00</u>
Balance Dec. 31, 2015		<u>\$ 960,000.00</u>

Exhibit SA-11

TOWNSHIP OF WASHINGTON
CURRENT FUND
Statement of Payroll Deductions Payable
For the Year Ended December 31, 2015

Balance Dec. 31, 2014		\$ 12,524.17
Increased by:		
Net Payroll	\$ 8,784,015.54	
Payroll Deductions and Employer Contribution	<u>6,391,636.93</u>	
		<u>15,175,652.47</u>
		15,188,176.64
Decreased by:		
Net Payroll	8,784,015.54	
Payroll Deductions and Employer Contribution	<u>6,389,067.24</u>	
		<u>15,173,082.78</u>
Balance Dec. 31, 2015		<u>\$ 15,093.86</u>

Exhibit SA-12

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

Balance Dec. 31, 2014		\$ 44,191.70
Increased by:		
Transferred from 2014 Appropriation Reserve		<u>2,246.25</u>
Balance Dec. 31, 2015		<u>\$ 46,437.95</u>

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

Balance Dec. 31, 2014 (2015 Taxes)		\$ 1,304,533.03
Increased by:		
Transfer from Overpayments	\$ 132,501.05	
Collection (2016 Taxes)	<u>1,099,313.05</u>	
		<u>1,231,814.10</u>
		2,536,347.13
Decreased by:		
Applied to 2015 Taxes		<u>1,304,533.03</u>
Balance Dec. 31, 2015 (2016 Taxes)		<u><u>\$ 1,231,814.10</u></u>

Exhibit SA-14

TOWNSHIP OF WASHINGTON
CURRENT FUND
Statement of Tax Overpayments
For the Year Ended December 31, 2015

Balance Dec. 31, 2014		\$ 102,865.01
Increased by:		
Overpayments in 2015:		
Cash Receipts	\$ 213,882.36	
Cancellation of Prior Year Taxes Created from County & State Appeals	<u>133,938.82</u>	
		<u>347,821.18</u>
		450,686.19
Decreased by:		
Refunds	316,747.37	
Canceled	1,437.77	
Applied to Prepaid Taxes	<u>132,501.05</u>	
		<u><u>\$ 450,686.19</u></u>

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

Accrued in 2015:		
2015 Levy:		
County General	\$ 27,363,117.74	
County Open Space	<u>1,843,710.74</u>	
		\$ 29,206,828.48
Disbursements		\$ <u>29,206,828.48</u>

TOWNSHIP OF WASHINGTON
CURRENT FUND
 Statement of Amount Due to County For Added and Omitted Taxes
 For the Year Ended December 31, 2015

Balance Dec. 31, 2014	\$ 61,025.55
Increased by:	
County Share of Added and Omitted Taxes	<u>61,843.50</u>
	122,869.05
Decreased by:	
Disbursements	<u>61,025.55</u>
Balance Dec. 31, 2015	\$ <u>61,843.50</u>

TOWNSHIP OF WASHINGTON
CURRENT FUND
Statement of Local School District Tax
For the Year Ended December 31, 2015

Accrued in 2015:	
Levy - Calendar Year	\$ 83,255,074.00
Decreased by:	
Disbursements	<u>\$ 83,255,074.00</u>

Exhibit SA-18

TOWNSHIP OF WASHINGTON
CURRENT FUND
Statement of Due to Fire Districts
For the Year Ended December 31, 2015

Accrued in 2015:	
Levy - Calendar Year	\$ 5,901,099.00
Decreased by:	
Payments	<u>\$ 5,901,099.00</u>

Exhibit SA-19

TOWNSHIP OF WASHINGTON
CURRENT FUND
Statement of Due to Library
For the Year Ended December 31, 2015

Balance Dec. 31, 2014	\$ 33,439.05
Increased by:	
Receipts	<u>756,350.25</u>
	789,789.30
Decreased by:	
Disbursements	<u>753,615.41</u>
Balance Dec. 31, 2015	<u>\$ 36,173.89</u>

TOWNSHIP OF WASHINGTON
CURRENT FUND
 Statement of Due to State - DCA Fees
 For the Year Ended December 31, 2015

Balance Dec. 31, 2014	\$	10,571.00
Increased by:		
Receipts		61,703.00
		72,274.00
Decreased by:		
Payments		42,626.00
Balance Dec. 31, 2015	\$	29,648.00

TOWNSHIP OF WASHINGTON
CURRENT FUND
 Statement of Due to State - Marriage and Burial Fees
 For the Year Ended December 31, 2015

Balance Dec. 31, 2014	\$	1,105.00
Increased by:		
Receipts		5,400.00
		6,505.00
Decreased by:		
Payments		5,475.00
Balance Dec. 31, 2015	\$	1,030.00

TOWNSHIP OF WASHINGTON
CURRENT FUND
Statement of Reserve for Prescriptions
For the Year Ended December 31, 2015

Balance Dec. 31, 2014	\$ 4,221.85
Increased by:	
Receipts:	
Transfer from Budget Appropriations	<u>60,000.00</u>
	64,221.85
Decreased by:	
Payment of Reimbursements to Retirees	<u>58,512.63</u>
Balance Dec. 31, 2015	<u><u>\$ 5,709.22</u></u>

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

<u>Program</u>	<u>Balance</u> <u>Dec. 31, 2014</u>	<u>Accrued</u>	<u>Transferred</u>	<u>Received in</u> <u>Current Fund</u>	<u>Balance</u> <u>Dec. 31, 2015</u>
Federal Grants:					
Community Development Block Grant	\$ 176,207.48	\$ 233,456.20		\$ 37,557.83	\$ 372,105.85
Federal Emergency Management Assistance	5,000.00				5,000.00
Click it or Ticket		4,000.00		4,000.00	
2014 Stable Driving	5,000.00				5,000.00
2015 Distracted Driving		5,000.00		5,000.00	
Bullet Proof Vest	15,025.21	5,104.50		5,104.50	15,025.21
Justice Assistance Grant	4,675.00				4,675.00
NJ DEP Recreation Trails	7,485.50				7,485.50
NJ DOT - Bike Pathway - Bethel Mill	52,316.00				52,316.00
NJ DOT - Goodwin Parkway Phase I	43,750.00		(43,750.00)		
NJ DOT Local Aid Pedestrian Safety Program	39,946.00				39,946.00
NJ DOT - Reconstruction of Wilson Road Phase I	53,852.41		(53,852.41)		
FEMA Hazard Mitigation Program					
Stable Drive/Windy Acres Drive	210,000.00				210,000.00
Total Federal Grants	<u>613,257.60</u>	<u>247,560.70</u>	<u>(97,602.41)</u>	<u>51,662.33</u>	<u>711,553.56</u>

(Continued)

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

<u>Program</u>	<u>Balance</u> <u>Dec. 31, 2014</u>	<u>Accrued</u>	<u>Transferred</u>	<u>Received in</u> <u>Current Fund</u>	<u>Balance</u> <u>Dec. 31, 2015</u>
State Grants:					
NJ DOT - Goodwin Parkway Phase I	\$	\$	\$ 43,750.00	\$ 43,750.00	\$
NJ DOT - Reconstruction of Wilson Road Phase I			53,852.41	47,026.27	6,826.14
NJ DOT - Reconstruction of Wilson Road Phase II		180,000.00		135,000.00	45,000.00
NJ DOT - Reconstruction of Stagecoach Road		170,047.00			170,047.00
Municipal Court Alcohol Education		3,064.52		3,064.52	
Municipal Alliance on Alcoholism and Drug Abuse	47,260.00	34,880.00		34,880.00	47,260.00
NJ Environmental Protection - Goodwin Tract Deer Fence	3,450.00			3,450.00	
NJ Historical Commission		1,200.00		1,200.00	
ANJEC WLP Trails	265.00	257.00		257.00	265.00
Environmental Services	91.00				91.00
Body Armor		6,814.56		6,814.56	(0.00)
Clean Communities	1,427.72	95,859.46		95,859.46	1,427.72
	<u>52,493.72</u>	<u>492,122.54</u>	<u>97,602.41</u>	<u>371,301.81</u>	<u>270,916.86</u>
Total State Grants					
Local Grants:					
JIF Safety Incentive Program		4,225.00			4,225.00
		<u>4,225.00</u>			<u>4,225.00</u>
Total Local Grants					
Grand Total	<u>\$ 665,751.32</u>	<u>\$ 743,908.24</u>	<u>\$</u>	<u>\$ 422,964.14</u>	<u>\$ 986,695.42</u>

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

<u>Program</u>	<u>Balance Dec. 31, 2014</u>	<u>Grants Receivable</u>	<u>Realized as Miscellaneous Revenue</u>	<u>Balance Dec. 31, 2015</u>
Federal Grants:				
Community Development Block Grant	\$	\$ 233,456.20	\$ 233,456.20	\$
Bullet Proof Vest		5,104.50	2,302.50	2,802.00
Click it or Ticket		4,000.00	4,000.00	
2015 Stable Driving		5,000.00	5,000.00	
Total Federal Grants		<u>247,560.70</u>	<u>244,758.70</u>	<u>2,802.00</u>
State Grants:				
NJ DOT - Reconstruction of Wilson Road Phase II		180,000.00	180,000.00	
NJ DOT - Reconstruction of Stagecoach Road		170,047.00	170,047.00	
Municipal Court Alcohol Education		34,880.00	34,880.00	
Municipal Alliance on Alcoholism and Drug Abuse		3,064.52	3,064.52	
NJ Historical Commission		1,200.00	1,200.00	
ANJEC WLP Trail		257.00	257.00	
Body Armor	6,826.35	6,814.56	13,640.91	
Drunk Driving Enforcement	22,678.31		22,678.31	
Recycling Tonnage	96,858.57		96,858.57	
Safe and Secure Communities Grant	60,000.00		60,000.00	
Clean Communities		95,859.46	95,859.46	
Total State Grants	<u>186,363.23</u>	<u>492,122.54</u>	<u>678,485.77</u>	
Local Grants				
JIF Safety Incentive Program		4,225.00	4,225.00	
Total Local Grants		<u>4,225.00</u>	<u>4,225.00</u>	
Grand Total	\$ <u>186,363.23</u>	\$ <u>743,908.24</u>	\$ <u>927,469.47</u>	\$ <u>2,802.00</u>

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

Program	Balance Dec. 31, 2014		Transferred from 2015 Budget	Transferred	Due from Current	Encumbered	Balance Dec. 31, 2015
	Reserved	Encumbered	Appropriation		Fund		
Federal Grants:							
Federal Emergency Management Assistance	\$ 22,986.48	\$	\$	\$	3,219.97	\$	19,766.51
FEMA Hazard Mitigation - Stable Drive/Windy Acre Drive	210,000.00				684.00		209,316.00
Click It or Ticket			4,000.00		4,000.00		
Community Development Block Grant	127,263.50	110,610.71	233,456.20		117,444.85	12,577.29	341,308.27
Bullet Proof Vest	4,530.94		2,302.50		6,500.00		333.44
2014 Distracted Driving	5,000.00						5,000.00
2015 Distracted Driving			5,000.00		5,000.00		
Justice Assistance Grant	625.00						625.00
NJ DEP Recreation Trails	796.00						796.00
NJ Transportation Trust - Salina Road	5,095.08						5,095.08
Washington Lake Park - Trail Restoration	8,713.75						8,713.75
NJ DOT Local Aid Pedestrian Safety Program	13,206.00						13,206.00
NJ Department of Transportation - Wilson Road Phase I	15,755.85			(15,755.85)			0.00
Total Federal Grants	413,972.60	110,610.71	244,758.70	(15,755.85)	136,848.82	12,577.29	604,160.05
State Grants:							
NJ Department of Transportation - Wilson Road Phase I				15,755.85			15,755.85
NJDOT Reconstruction of Wilson Road Phase II			180,000.00		160,100.64	19,899.36	
NJDOT Reconstruction of Stagecoach Road			170,047.00				170,047.00
Drunk Driving Enforcement Fund	12,685.52		22,678.31		8,054.00		27,309.83
ANJEC WLP Trails			257.00				257.00
Municipal Court Alcohol Education	4,218.31		3,064.52		3,890.00		3,392.83
Body Armor	3,325.08		13,640.91		9,378.00		7,587.99
Clean Communities	117,251.59	2,570.00	95,859.46		33,526.29	1,459.92	180,694.84
Municipal Alliance	116,842.38	2,745.04	34,880.00		24,034.93	5,150.27	125,282.22
Municipal Alliance - Cash Match	10,180.09		8,720.00		3,500.00		15,400.09
Environmental Services Grant	6,960.00						6,960.00
NJ Department of Environmental Protection							
Goodwin Tract Deer Fence	3,450.00				1,050.00		2,400.00
NJ Historical Commission			1,200.00		1,199.51		0.49

(Continued)

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

Program	Balance Dec. 31, 2014		Transferred from 2015 Budget Appropriation	Transferred	Due from Current Fund	Encumbered	Balance Dec. 31, 2015
	Reserved	Encumbered					
State Grants (Cont'd):							
Park & Recreation Grant	\$ 106,971.00	\$	\$	\$	\$	\$	\$ 106,971.00
Recycling Tonnage Grant	167,629.02	3,200.00	96,858.57		54,519.54	87,820.00	125,348.05
Safe and Secure Community Program	115,782.00		60,000.00		175,782.00		
Special Legislative Grant - Playground Equipment	42,000.00						42,000.00
Special Legislative Grant - Amphitheater	110,959.00						110,959.00
Total State Grants	818,253.99	8,515.04	687,205.77	15,755.85	475,034.91	114,329.55	940,366.19
Local Grant							
Target Police Grant	550.00						550.00
Wal-Mart Grant	500.00						500.00
Donations - Concerts	500.00						500.00
JIF Safety Incentive Program			4,225.00				4,225.00
Total Local Grant	1,550.00		4,225.00				5,775.00
Grand Total	\$ 1,233,776.59	\$ 119,125.75	\$ 936,189.47	\$	\$ 611,883.73	\$ 126,906.84	\$ 1,550,301.24
Matching funds for Grants			\$ 8,720.00				
Realized as Revenue			927,469.47				
			\$ 936,189.47				
Disbursed in Current Fund					\$ 436,101.73		
Reimbursed to Current Fund for Prior Year Expenditures					175,782.00		
					\$ 611,883.73		

TOWNSHIP OF WASHINGTON
FEDERAL, STATE AND OTHER GRANT FUND
 Statement of Due from Current Fund
 For the Year Ended December 31, 2015

Balance Dec. 31, 2014		\$ 873,514.25
Increased by:		
Matching Funds for Municipal Alliance Grant	\$ 8,720.00	
Grants Receivable Received in the Current Fund	<u>422,964.14</u>	
		<u>431,684.14</u>
		1,305,198.39
Decrease by:		
Disbursements:		
Grants Appropriated expended in the Current Fund	436,101.73	
Reimbursed to Current Fund for Prior Year Expenditures	<u>175,782.00</u>	
		<u>611,883.73</u>
Balance Dec. 31, 2015		\$ <u><u>693,314.66</u></u>

SUPPLEMENTAL EXHIBITS

TRUST FUND

TOWNSHIP OF WASHINGTON
TRUST FUNDS
Statement of Trust Fund Cash--Treasurer
For the Year Ended December 31, 2015

	<u>Animal Control</u>	<u>Open Space</u>	<u>Trust Other</u>
Balance Dec. 31, 2014	\$ 64,138.84	\$ 1,569,671.46	\$ 2,074,938.57
Increased by Receipts:			
Due to Current Fund	\$	\$	\$ 1,515.01
Due from Current Fund			60,112.50
Reserve for Animal Control	18,937.80		
Prepaid 2016 Dog License Fees	1,027.60		
Due to State of N.J.-- Dog License Fees	3,868.20		
Reserve for Open Space		515,402.58	
Reserve for Miscellaneous Trust Reserves:			
Budget Appropriations:			
Self Insurance			26,000.00
Fees, Refunds, Interest and Donations:			
Escrow			483,413.75
Unemployment Claims			18,300.69
Parks and Recreation Trust			991,929.58
Off-Duty Police			570,240.53
Affordable Housing			8,088.76
Forfeited Funds			67,799.88
Clean Up Day Donations			1,475.00
POAA Fees			50.00
Historical Properties			14,832.57
Police Donations			300.00
K-9 Unit Donations			32,602.97
Earth Day Donations			110.00
Veterans Wall			1,897.38
4th of July Festival			100.00
Public Defender			6,005.00
Super Saturday			9,490.00
	23,833.60	515,402.58	2,294,263.62
Subtotal Carried Forward	87,972.44	2,085,074.04	4,369,202.19

(Continued)

TOWNSHIP OF WASHINGTON
TRUST FUNDS
 Statement of Trust Fund Cash--Treasurer
 For the Year Ended December 31, 2015

	<u>Animal Control</u>	<u>Open Space</u>	<u>Trust Other</u>
Subtotal Brought Forward	\$ 87,972.44	\$ 2,085,074.04	\$ 4,369,202.19
Decreased by Disbursements:			
Change Fund	\$	\$	\$ 300.00
Due to Current Fund			205,880.31
Reserve for Animal Control	12,888.78		
Due to State of N.J.-- Dog License Fees	3,669.60		
Reserve for Open Space		1,208.00	
Reserve for Miscellaneous Trust Reserves:			
Escrow			411,026.67
Unemployment Claims			56,656.03
Parks and Recreation Trust			862,319.82
Off-Duty Police			584,082.78
Affordable Housing			77,823.54
Forfeited Funds			88,839.70
Self Insurance Claims			25,872.00
Clean Up Day Donations			1,112.00
Technology and Communications			272.00
Historical Properties			2,352.91
Police Donations			1,819.41
K-9 Unit Donations			16,393.35
Earth Day Donations			622.34
Veterans Wall			2,324.00
Super Saturday			7,015.76
	16,558.38	1,208.00	2,344,712.62
Balance Dec. 31, 2015	\$ 71,414.06	\$ 2,083,866.04	\$ 2,024,489.57

TOWNSHIP OF WASHINGTON
TRUST FUNDS
Statement of Trust Fund Cash--Collector
For the Year Ended December 31, 2015

		<u>Trust Other</u>
Balance Dec. 31, 2014		\$ 2,682,167.21
Increased by Receipts:		
Reserve for Miscellaneous Trust Escrows:		
Tax Sale Premiums	\$ 1,599,700.00	
Redemption of Tax Title Liens	2,501,545.27	
Due From Current Fund	27,555.90	
Due to Current Fund -- Interest Earned	<u>141.65</u>	
		<u>4,128,942.82</u>
		6,811,110.03
Decreased by Disbursements:		
Due to Current Fund	141.65	
Reserve for Miscellaneous Trust Escrows:		
Tax Sale Premiums	2,063,500.00	
Redemption of Tax Title Liens	<u>2,531,929.51</u>	
		<u>4,595,571.16</u>
Balance Dec. 31, 2015		\$ <u><u>2,215,538.87</u></u>

TOWNSHIP OF WASHINGTON
ANIMAL CONTROL FUND
 Statement of Reserve for Animal Control Expenditures
 For the Year Ended December 31, 2015

Balance Dec. 31, 2014	\$	35,433.80
Increased by:		
Receipts		
Dog License Fees Collected		18,937.80
		54,371.60
Decreased by:		
Disbursements		12,888.78
Balance Dec. 31, 2015	\$	41,482.82

Dog License Fees Collected

Year	Amount
2013	\$ 17,054.00
2014	25,082.80
	\$ 42,136.80

TOWNSHIP OF WASHINGTON
ANIMAL CONTROL FUND
 Statement of Due To State of New Jersey - Department of Health
 Dog License Fees
 For the Year Ended December 31, 2015

Balance Dec. 31, 2014	\$	3.60
Increased by:		
Receipts		3,868.20
		3,871.80
Decreased by:		
Disbursements		3,669.60
Balance Dec. 31, 2015	\$	202.20

TOWNSHIP OF WASHINGTON
OPEN SPACE TRUST FUND
Statement of Due From Current Fund
For the Year Ended December 31, 2015

Accrued in 2015		
Tax Levy	\$	476,600.00
Added and Omitted Taxes		<u>1,020.68</u>
		\$ 477,620.68
Decreased by:		
Disbursements in Current Fund for Open Space Trust Fund:		
Payment of Bond Principal		369,600.00
Payment of Bond Interest		<u>106,537.90</u>
		<u>476,137.90</u>
Balance Dec. 31, 2015		\$ <u><u>1,482.78</u></u>

TOWNSHIP OF WASHINGTON
OPEN SPACE TRUST FUND
Statement of Reserve for Open Space Trust Fund
For the Year Ended December 31, 2015

Balance Dec. 31, 2014		
		\$ 1,569,671.46
Increased by:		
Receipts:		
Interest Earned	\$	10,422.58
State of New Jersey - Green Trust Fund		487,500.00
Rental		<u>17,480.00</u>
		\$ 515,402.58
Due from Current Fund - Tax Levy	476,600.00	
Due from Current Fund - Added and Omitted Taxes	<u>1,020.68</u>	
		<u>477,620.68</u>
		<u>993,023.26</u>
		2,562,694.72
Decreased by:		
Disbursed		1,208.00
Disbursements in Current Fund for Open Space Trust Fund		<u>476,137.90</u>
		<u>477,345.90</u>
Balance Dec. 31, 2015		\$ <u><u>2,085,348.82</u></u>

TOWNSHIP OF WASHINGTON
TRUST OTHER FUND
Statement of Due From Current Fund
For the Year Ended December 31, 2015

Balance Dec. 31, 2014		\$	24,602.84
Increased by:			
Disbursed to Current Fund by Treasurer	\$	205,880.31	
Disbursed to Current Fund by Tax Collector		<u>141.65</u>	
			<u>206,021.96</u>
			230,624.80
Decreased by:			
Interest Earned -- Tax Collector	\$	141.65	
Interest Earned -- Treasurer		<u>1,515.01</u>	
			1,656.66
Receipts from Current Fund Received by Tax Collector	\$	27,555.90	
Receipts from Current Fund Received by Treasurer		<u>60,112.50</u>	
			87,668.40
Miscellaneous Trust Reserves Disbursed in Current Fund		<u>115,144.09</u>	
			<u>202,812.49</u>
			<u>204,469.15</u>
Balance Dec. 31, 2015		\$	<u><u>26,155.65</u></u>
<u>Analysis of Balance as of Dec. 31, 2015</u>			
Self Insurance		\$	(4.28)
Escrow			(601.43)
Parks & Recreation			(257.82)
Off Duty Police			53,397.38
Trust Other			<u>(26,378.20)</u>
		\$	<u><u>26,155.65</u></u>

TOWNSHIP OF WASHINGTON
TRUST OTHER FUND
Statement of Miscellaneous Trust Reserves
For the Year Ended December 31, 2015

	Receipts				Disbursements		
	Balance Dec. 31, 2014	Treasurer		Transfer	Treasurer	Disbursed in Current Fund	Balance Dec. 31, 2015
		Fees, Interest and Donations	Budget Appropriations				
Reserve for:							
Youth Services	\$ 56,230.46	\$	\$	\$	\$	\$	\$ 56,230.46
Escrow	412,285.97	483,413.75			411,026.67		484,673.05
Unemployment Claims	90,166.61	18,300.69			56,656.03		51,811.27
Parks and Recreation Trust	1,025,849.51	991,929.58			862,319.82	115,144.09	1,040,315.18
Off-Duty Police	70,711.63	570,240.53			584,082.78		56,869.38
Affordable Housing	242,331.36	8,088.76			77,823.54		172,596.58
Forfeited Funds	75,919.29	67,799.88			88,839.70		54,879.47
Self Insurance Claims	138.00		26,000.00		25,872.00		266.00
Clean Up Day Donations	2,361.48	1,475.00			1,112.00		2,724.48
POAA Fees	683.00	50.00					733.00
Technology and Communications	400.00				272.00		128.00
Sidewalk Fund	26,246.88						26,246.88
Speedhumps	593.53						593.53
Historical Properties	29,025.71	14,832.57			2,352.91		41,505.37
Octoberfest	2,863.80			(2,863.80)			
Police Donations	18,575.74	300.00		(15,265.76)	1,819.41		1,790.57
K-9 Unit Donation		32,602.97		15,265.76	16,393.35		31,475.38
Earth Day Donations	2,404.12	110.00			622.34		1,891.78
Veterans Wall	3,354.42	1,897.38			2,324.00		2,927.80
4th of July Festival	33.39	100.00		2,863.80			2,997.19
Public Defender	6,264.32	6,005.00					12,269.32
Super Saturday	5,546.29	9,490.00			7,015.76		8,020.53
	<u>\$ 2,071,985.51</u>	<u>\$ 2,206,636.11</u>	<u>\$ 26,000.00</u>	<u>\$ -</u>	<u>\$ 2,138,532.31</u>	<u>\$ 115,144.09</u>	<u>\$ 2,050,945.22</u>

TOWNSHIP OF WASHINGTON
TRUST OTHER FUND
Statement of Miscellaneous Trust Escrows
For the Year Ended December 31, 2015

	Balance <u>Dec. 31, 2014</u>	Tax Collector <u>Receipts</u>	<u>Disbursements</u>	Balance <u>Dec. 31, 2015</u>
Reserve for:				
Tax Sale Premiums	\$ 2,520,400.00	\$ 1,599,700.00	\$ 2,063,500.00	\$ 2,056,600.00
Tax Title Liens	<u>189,323.11</u>	<u>2,501,545.27</u>	<u>2,531,929.51</u>	<u>158,938.87</u>
	<u>\$ 2,709,723.11</u>	<u>\$ 4,101,245.27</u>	<u>\$ 4,595,429.51</u>	<u>\$ 2,215,538.87</u>

SUPPLEMENTAL EXHIBITS
GENERAL CAPITAL FUND

TOWNSHIP OF WASHINGTON
GENERAL CAPITAL FUND
Statement of General Capital Cash--Treasurer
For the Year Ended December 31, 2015

Balance Dec. 31, 2014		\$ 3,152,980.61
Increased by Receipts:		
Due to Current Fund	\$ 136.19	
Proceeds from Note Sale	5,035,000.00	
Premium on Bond Anticipation Notes Issued	<u>84,830.00</u>	
		<u>5,119,966.19</u>
		8,272,946.80
Decreased by Disbursements:		
Improvement Authorizations	3,363,086.02	
Reserve for Road Improvements	<u>11,580.00</u>	
		<u>3,374,666.02</u>
Balance Dec. 31, 2015		<u>\$ 4,898,280.78</u>

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

	Balance Dec. 31, 2014	Receipts		Disbursements		Transfers		Balance Dec. 31, 2015
		Misc.	Improvement Authorizations	Misc.	From	To		
Fund Balance	\$ 5,595.28	\$ 84,830.00	\$	\$	\$ 5,595.00	\$	\$ 84,830.28	
Capital Improvement Fund	348,468.15				265,000.00		83,468.15	
Grant Receivable	(1,243.93)						(1,243.93)	
Due to Current Fund	143.00	136.19				5,595.00	5,874.19	
Reserve for:								
Purchase of Server	703.60						703.60	
Repairs to Grenloch Dam	5,844.65						5,844.65	
Road Improvements	13,007.54			11,580.00			1,427.54	
Debt Service	15,760.50						15,760.50	
Accrued Interest	22,010.37						22,010.37	
Reserve for Encumbrances	1,106,193.53				1,106,193.53	2,615,880.44	2,615,880.44	
<u>Improvement Authorizations:</u>								
<u>Ordinance</u>								
<u>Number</u>								
10-2004 Various Capital Improvements	43,016.03		6,500.48				36,515.55	
15-2006 Improvements to Park & Recreation Facilities	1,647.13						1,647.13	
33-2006 Various Capital Improvements	3,957.50						3,957.50	
37-2007 Tennis Courts and In-Line Hockey Park	3,989.94						3,989.94	
09-2012 Various Capital Improvements	1,065,461.33		521,336.56		573,994.08	314,044.25	284,174.94	
36-2013 Various Capital Improvements	518,425.99		690,783.54		192,364.07	792,149.28	427,427.66	
3-2015 Various Capital Improvements		5,035,000.00	2,144,465.44		1,849,522.29	265,000.00	1,306,012.27	
	<u>\$ 3,152,980.61</u>	<u>\$ 5,119,966.19</u>	<u>\$ 3,363,086.02</u>	<u>\$ 11,580.00</u>	<u>\$ 3,992,668.97</u>	<u>\$ 3,992,668.97</u>	<u>\$ 4,898,280.78</u>	

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

Balance Dec. 31, 2014		\$ 19,597,929.57
Decreased by:		
2015 Open Space Trust Fund Budget Appropriation to Pay:		
Serial Bonds	\$ 369,600.00	
2015 Current Fund Budget Appropriation to Pay:		
Serial Bonds	2,010,400.00	
Green Trust Loans	<u>67,083.16</u>	
		<u>2,447,083.16</u>
Balance Dec. 31, 2015		<u><u>\$ 17,150,846.41</u></u>

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

Ordinance Number	Improvement Description	Balance Dec. 31, 2014	2015 Authorizations	Balance Dec. 31, 2015	Analysis of Balance Dec 31, 2015 Financed by Bond Anticipation Notes
General Improvements:					
36-2013	Various Capital Improvements	\$ 2,485,200.00	\$	\$ 2,485,200.00	\$ 2,485,200.00
03-2015	Various Capital Improvements	<u> </u>	5,035,000.00	5,035,000.00	5,035,000.00
		\$ <u>2,485,200.00</u>	\$ <u>5,035,000.00</u>	\$ <u>7,520,200.00</u>	\$ <u>7,520,200.00</u>
	Improvement Authorizations-- Unfunded				\$ 1,733,439.93
	Less: Unexpended Proceeds of Bond Anticipation Notes Issued:				
36-2013	Various Capital Improvements			\$ 427,427.66	
03-2015	Various Capital Improvements			<u>1,306,012.27</u>	
					\$ <u>1,733,439.93</u>

TOWNSHIP OF WASHINGTON
GENERAL CAPITAL FUND
Statement of Due to Current Fund
For the Year Ended December 31, 2015

Balance Dec. 31, 2014		\$ 143.00
Increased by:		
Realized as Current Fund Revenue	\$ 5,595.00	
Receipts - Interest Earned	<u>136.19</u>	
		<u>5,731.19</u>
Balance Dec. 31, 2015		<u><u>\$ 5,874.19</u></u>

Exhibit SC-6

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

Balance Dec. 31, 2014		\$ 348,468.15
Decreased by:		
Appropriation to Finance Improvement Authorizations		<u>265,000.00</u>
Balance Dec. 31, 2015		<u><u>\$ 83,468.15</u></u>

Exhibit SC-7

TOWNSHIP OF WASHINGTON
GENERAL CAPITAL FUND
Statement of Reserve for Road Improvements
For the Year Ended December 31, 2015

Balance Dec. 31, 2014		\$ 13,007.54
Decreased by:		
Disbursed		<u>11,580.00</u>
Balance Dec. 31, 2015		<u><u>\$ 1,427.54</u></u>

TOWNSHIP OF WASHINGTON
 GENERAL CAPITAL FUND
 Statement of Improvement Authorizations
 For the Year Ended December 31, 2015

Ordinance Number	Improvement Description	Ordinance Date	Ordinance Amount	Dec. 31, 2014			2015 Authorizations		Paid or Charged	Dec. 31, 2015	
				Funded	Unfunded	Encumbrances	Capital Improvement Fund	Deferred Charges to Future Taxation Unfunded		Funded	Unfunded
<u>General Improvements:</u>											
10-2004	Various Capital Improvements	05/26/04	\$ 4,467,155.00	\$ 43,016.03	\$	\$	\$	\$	\$ 6,500.48	\$ 36,515.55	\$
15-2006	Improvements to Park & Recreation Facilities	03/23/06	75,000.00	1,647.13						1,647.13	
33-2006	Various Capital Improvements	09/14/06	3,000,000.00	3,957.50						3,957.50	
37-2007	Tennis Courts and In-Line Hockey Park	10/09/07	205,000.00	3,989.94						3,989.94	
09-2012	Various Capital Improvements	05/23/12	7,000,000.00	1,065,461.33		314,044.25			1,095,330.64	284,174.94	
36-2013	Various Capital Improvements	12/11/13	2,616,000.00		518,425.99	792,149.28			883,147.61		427,427.66
03-2015	Various Capital Improvements	02/25/15	5,300,000.00				265,000.00	5,035,000.00	3,993,987.73		1,306,012.27
				<u>\$ 1,118,071.93</u>	<u>\$ 518,425.99</u>	<u>\$ 1,106,193.53</u>	<u>\$ 265,000.00</u>	<u>\$ 5,035,000.00</u>	<u>\$ 5,978,966.46</u>	<u>\$ 330,285.06</u>	<u>\$ 1,733,439.93</u>
	Disbursed								\$ 3,363,086.02		
	Reserve for Encumbrances								<u>2,615,880.44</u>		
									<u>\$ 5,978,966.46</u>		

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

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance Dec. 31, 2014	Paid by Budget Appropriation	Balance Dec. 31, 2015
			Date	Amount				
Refunding Bonds, Series 2004	08/01/04	\$ 8,085,000.00				\$ 395,000.00	\$ 395,000.00	\$
General Bonds, Series 2004	07/15/04	4,243,000.00	07/15/16	\$ 500,000.00	3.800%			
			07/15/17	500,000.00	3.900%	1,400,000.00	400,000.00	1,000,000.00
Refunding Bonds, Series 2005	12/07/05	9,585,000.00				1,305,000.00	1,305,000.00	
Refunding Bonds, Series 2006	01/05/06	8,190,000.00	08/01/16	1,315,000.00	5.000%			
			08/01/17	1,370,000.00	4.000%			
			08/01/18	1,360,000.00	4.000%			
			08/01/19	1,350,000.00	4.000%			
			08/01/20	1,345,000.00	4.000%			
			08/01/21	1,295,000.00	3.875%	8,050,000.00	15,000.00	8,035,000.00
General Bonds, Series 2012	12/13/12	8,530,000.00	11/15/16	265,000.00	2.000%			
			11/15/17	295,000.00	2.000%			
			11/15/18 - 19	480,000.00	2.000%			
			11/15/20	485,000.00	2.000%			
			11/15/21	500,000.00	2.000%			
			11/15/22	510,000.00	2.000%			
			11/15/23	525,000.00	3.000%			
			11/15/24 - 25	515,000.00	3.000%			
			11/15/26 - 28	525,000.00	3.000%			
			11/15/29	525,000.00	2.250%			
			11/15/30	525,000.00	2.375%			
			11/15/31	525,000.00	2.500%	7,985,000.00	265,000.00	7,720,000.00
						\$ 19,135,000.00	\$ 2,380,000.00	\$ 16,755,000.00
Paid in Current Fund							\$ 2,010,400.00	
Paid in Open Space Trust Fund							369,600.00	
							\$ 2,380,000.00	

TOWNSHIP OF WASHINGTON
GENERAL CAPITAL FUND
Statement of Loan Payable - Green Trust
For the Year Ended December 31, 2015

Balance Dec. 31, 2014	\$ 462,929.57
Decreased by:	
Payments	<u>67,083.16</u>
Balance Dec. 31, 2015	<u><u>\$ 395,846.41</u></u>

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

Ordinance Number	Improvement Description	Date of Original Issue	Date of Issue	Maturity Date	Interest Rate	Balance Dec. 31, 2014	Increased	Decreased	Balance Dec. 31, 2015
36-2013	Various Capital Improvements	04/30/14	04/30/14	04/29/15	0.58%	\$ 2,485,200.00		\$ 2,485,200.00	
		04/30/14	04/28/15	04/27/16	1.50%		2,485,200.00		2,485,200.00
03-2015	Various Capital Improvements	04/28/15	04/28/15	04/27/16	1.50%		5,035,000.00		5,035,000.00
						\$ 2,485,200.00	\$ 7,520,200.00	\$ 2,485,200.00	\$ 7,520,200.00
							Issued for Cash \$ 5,035,000.00	\$	
							Renewals 2,485,200.00	2,485,200.00	
							\$ 7,520,200.00	\$ 2,485,200.00	

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

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Ordinance Date</u>	<u>2015 Authorizations</u>	<u>Notes Issued</u>
General Improvements: 3-2015	Various Capital Improvements	02/25/15	\$ <u>5,035,000.00</u>	\$ <u>5,035,000.00</u>

PART II
SINGLE AUDIT
FOR THE YEAR ENDED DECEMBER 31, 2015

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

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Township Council
Township of Washington
Sewell, New Jersey 08080

Report on Compliance for the Major State Program

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

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on the Major State Program

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

Report on Internal Control Over Compliance

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

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

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

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

Respectfully submitted,

Bowman & Company LLP
 BOWMAN & COMPANY LLP
 Certified Public Accountants
 & Consultants

Carol A. McAllister

Carol A. McAllister
 Certified Public Accountant
 Registered Municipal Accountant

Voorhees, New Jersey
 August 24, 2016

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

<u>State Grantor/ Program Title</u>	<u>State GMIS Number</u>	<u>Program or Award Amount</u>	<u>Matching Contribution</u>	<u>Grant Period</u>	
				<u>From</u>	<u>To</u>
<u>State Department of Transportation</u>					
Transportation Trust Fund - Wilson Road Phase I	078-6320-480-ALH	\$ 175,000.00	N/A	7-1-13	Project Completion
Transportation Trust Fund - Wilson Road Phase II	078-6320-480-ALQ	180,000.00	N/A	7-21-14	Project Completion
Transportation Trust Fund - Stagecoach Road	078-6320-480-xxx	170,047.00	N/A	4-10-15	Project Completion
Total State Department of Community Affairs					
<u>State Department of Law and Public Safety</u>					
Body Armor Replacement Fund	066-1020-718-001	8,263.23	N/A	1-1-13	12-31-13
Body Armor Replacement Fund	066-1020-718-001	6,826.35	N/A	1-1-14	12-31-14
Body Armor Replacement Fund	066-1020-718-001	6,814.56	N/A	1-1-15	12-31-15
Alcohol Education and Rehabilitation	098-9735-760-001	3,588.68	N/A	1-1-13	12-31-13
Alcohol Education and Rehabilitation	098-9735-760-001	2,954.01	N/A	1-1-14	12-31-14
Alcohol Education and Rehabilitation	098-9735-760-001	3,064.52	N/A	1-1-15	12-31-15
Drunk Driving Enforcement Grant	1110-448-031020-220040	20,559.77	N/A	1-1-13	12-31-13
Drunk Driving Enforcement Grant	1110-448-031020-220040	22,678.31	N/A	1-1-14	12-31-14
Safe and Secure Communities	066-1020-100-232	60,000.00	N/A	1-1-10	12-31-10
Safe and Secure Communities	066-1020-100-232	55,782.00	N/A	1-1-11	12-31-11
Safe and Secure Communities	066-1020-100-232	60,000.00	N/A	1-1-12	12-31-12
Total State Department of Law and Public Safety					
<u>State Department of State</u>					
Special Legislative Grant - Playground Equipment	074-2505-100-xxx	45,000.00	N/A	1-1-06	12-31-06
Special Legislative Grant - Amphitheater	074-2505-100-xxx	200,000.00	N/A	1-1-05	12-31-05
New Jersey Historic Commission	Not Available	1,200.00	N/A	1-1-15	12-31-15
Total State Department of State					
<u>State Department of Environmental Protection</u>					
Recycling Tonnage Grant	042-4910-100-224	89,900.19	N/A	1-1-12	12-31-12
Recycling Tonnage Grant	042-4910-100-224	80,794.55	N/A	1-1-13	12-31-13
Recycling Tonnage Grant	042-4910-100-224	96,858.57	N/A	1-1-14	12-31-14
Park and Recreational Grant	Not Available	110,000.00	N/A	1-1-05	12-31-05
Environmental Services Grant	Not Available	5,000.00	N/A	1-1-00	12-31-00
Environmental Services Grant	Not Available	2,500.00	N/A	1-1-05	12-31-05
Environmental Services Grant	Not Available	2,500.00	N/A	1-1-07	12-31-07
Goodwin Tract Deer Fence	042-4815-533-274	8,500.00	N/A	1-1-13	12-31-13
Green Acres Assistance Grant	042-4800-582-002	487,500.00	N/A	8-26-14	12-31-15
Clean Communities Program	042-4900-765-004	83,387.90	N/A	1-1-13	12-31-13
Clean Communities Program	042-4900-765-004	78,176.23	N/A	1-1-14	12-31-14
Clean Communities Program	042-4900-765-004	95,859.46	N/A	1-1-15	12-31-15
Total State Department of Environmental Protection					
<u>Association of New Jersey Environmental Commissions</u>	Not Available	257.00	N/A	1-1-15	12-31-15

Balance Dec. 31, 2014	Receipts or Revenue Recognized	Adjustments	Code	Encumbrances/ Contract Awards	Disbursed/ Expended	Balance Dec. 31, 2015	Memo Only	
							Cash Collected	Accumulated Expenditures
\$	\$	\$ 15,755.85	1	\$	\$	\$ 15,755.85	\$ 47,026.27	\$ 159,244.15
	180,000.00			19,899.36	160,100.64		135,000.00	160,100.64
	170,047.00					170,047.00		
-	350,047.00	15,755.85		19,899.36	160,100.64	185,802.85	182,026.27	319,344.79
3,325.08					3,325.08			8,263.23
6,826.35					6,052.92	773.43		6,052.92
	6,814.56					6,814.56	6,814.56	
1,264.30					1,264.30			3,588.68
2,954.01					2,625.70	328.31		2,625.70
	3,064.52					3,064.52	3,064.52	
12,685.52					8,054.00	4,631.52		15,928.25
22,678.31						22,678.31		
60,000.00		(60,000.00)	3					60,000.00
55,782.00		(55,782.00)	3					55,782.00
60,000.00		(60,000.00)	3					60,000.00
225,515.57	9,879.08	(175,782.00)		-	21,322.00	38,290.65	9,879.08	212,240.78
42,000.00						42,000.00		3,000.00
110,959.00						110,959.00		89,041.00
	1,200.00				1,199.51	0.49	1,200.00	1,199.51
152,959.00	1,200.00	-		-	1,199.51	152,959.49	1,200.00	93,240.51
86,834.47		3,200.00		35,514.93	54,519.54	28,489.48		54,385.26
80,794.55				52,305.07		96,858.57	95,859.46	
96,858.57						106,971.00		3,029.00
106,971.00						4,404.00		596.00
4,404.00						2,373.00		127.00
2,373.00						183.00		2,317.00
183.00						2,400.00	3,450.00	6,100.00
3,450.00	487,500.00				1,050.00	487,500.00	487,500.00	487,500.00
39,075.36		2,570.00		1,459.92	33,526.29	6,659.15		75,268.83
78,176.23						78,176.23		
	95,859.46					95,859.46		
499,120.18	583,359.46	5,770.00		89,279.92	576,595.83	422,373.89	586,809.46	629,323.09
-	257.00	-		-	-	257.00	257.00	

Continued

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

<u>State Grantor/ Program Title</u>	<u>State GMIS Number</u>	<u>Program or Award Amount</u>	<u>Matching Contribution</u>	<u>Grant Period From</u>	<u>To</u>
<u>State Department of Treasury</u>					
Passed through County of Gloucester					
Municipal Alliance Program (Cash Match)	2000-475-995-120-60	N/A	\$ 12,705.00	1-1-14	12-31-14
Municipal Alliance Program (Cash Match)	2000-475-995-120-60	N/A	8,720.00	1-1-15	12-31-15
Municipal Alliance Program	2000-475-995-120-60	\$ 31,880.00	N/A	1-1-11	12-31-11
Municipal Alliance Program	2000-475-995-120-60	31,880.00	N/A	1-1-12	12-31-12
Municipal Alliance Program	2000-475-995-120-60	31,880.00	N/A	1-1-13	12-31-13
Municipal Alliance Program	2000-475-995-120-60	50,820.00	N/A	1-1-14	12-31-14
Municipal Alliance Program	2000-475-995-120-60	34,880.00	N/A	1-1-15	12-31-15
Total State Department of Treasury					
Total State Financial Assistance					

Federal, State and Other Grant Fund: Reserve for Federal, State and Other Grants--Appropriated (Exhibit SA-25)

Adjustment Codes:

- (1) Transferred from Federal Grants
- (2) Prior Year Encumbrance
- (3) Refunded Prior Year Expenditure Charged to Current Fund

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

Balance Dec. 31, 2014	Receipts or Revenue Recognized	Adjustments	Code	Encumbrances/ Contract Awards	Disbursed/ Expended	Balance Dec. 31, 2015	Memo Only	
							Cash Collected	Accumulated Expenditures
\$ 10,180.09	\$ 8,720.00	\$		\$	\$ 3,500.00	\$ 10,180.09	\$	\$ 2,524.91
2,262.38		2,745.04			5,007.42	5,220.00		3,500.00
31,880.00				5,150.27	19,027.51	7,702.22		31,880.00
31,880.00						31,880.00		19,027.51
50,820.00						50,820.00		
	34,880.00					34,880.00	34,880.00	
127,022.47	43,600.00	2,745.04		5,150.27	27,534.93	140,682.31	34,880.00	56,932.42
<u>\$1,004,617.22</u>	<u>\$988,342.54</u>	<u>(\$151,511.11)</u>		<u>\$114,329.55</u>	<u>\$786,752.91</u>	<u>\$940,366.19</u>	<u>\$815,051.81</u>	<u>\$1,311,081.59</u>

\$940,366.19

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

Note 1: BASIS OF PRESENTATION

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

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are reported on the modified accrual basis of accounting as promulgated by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. This basis of accounting is described in note 1 to the financial statements. Such expenditures are recognized following State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, wherein certain types of expenditures are not allowed or are limited as to reimbursement. The Township has elected not to use the 10-percent de minimis indirect cost rate allowed under Uniform Guidance.

Note 3: RELATIONSHIP TO FINANCIAL STATEMENTS

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

<u>Fund</u>	<u>State</u>
Current Fund	\$ 299,252.91
Open Space Trust Fund	487,500.00
	\$ 786,752.91

Note 4: RELATIONSHIP TO STATE FINANCIAL REPORTS

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

Note 5: ADJUSTMENTS

Amounts reported in the column entitled "adjustments" represent the following:

Transferred from Federal Grants	\$ 15,755.85
Prior Year Encumbrance	8,515.04
Refunded Prior Year Expenditure Charged to Current Fund	<u>(175,782.73)</u>
	<u>\$ (151,511.84)</u>

Note 6: MAJOR PROGRAM

The major program is identified in the *Summary of Auditor's Results* section of the *Schedule of Findings and Questioned Costs*.

PART III
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2015

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

Section 1- Summary of Auditor's Results

Financial Statements

Type of auditor's report issued Unmodified

Internal control over financial reporting:

Material weakness(es) identified? ___ yes x no

Significant deficiency(ies) identified? ___ yes x none reported

Noncompliance material to financial statements noted? ___ yes x no

Federal Awards

Not applicable -- Federal Single Audit not required

Internal control over major programs:

Material weakness(es) identified? ___ yes ___ no

Significant deficiency(ies) identified? ___ yes ___ none reported

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

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

Identification of major programs:

CFDA Number(s)

Name of Federal Program or Cluster

Dollar threshold used to determine Type A programs \$ _____

Auditee qualified as low-risk auditee? ___ yes ___ no

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

Section 2 - Schedule of Financial Statement Findings

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

None.

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

Section 3 - Schedule of Federal Award Findings and Questioned Costs

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

Not Applicable.

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

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

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

None.

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

This section identifies the status of prior year findings related to the financial statements and Federal Awards and State Financial Assistance that are required to be reported in accordance with *Government Auditing Standards*, OMB A-133 and State of New Jersey Circular 15-08-OMB.

FINANCIAL STATEMENT FINDINGS

Finding No. 2014-001

Condition

The following errors were noted in the test of bids and contracts:

- The Municipality did not consistently authorize through a resolution purchases from state contract vendors that exceeded the entity's bid threshold.
- The Municipality is not consistently certifying the availability of funds when entering into contracts with vendors.
- The Municipality is not properly advertising the award of professional services when contracts are awarded.
- The Municipality is not consistently obtaining C.271 Political Contribution Disclosure Forms from vendors when the aggregate purchase exceeded \$17,500 and the purchasing process was non-fair and open.

Current Status

This finding has been resolved.

FEDERAL AWARDS

Not Applicable.

STATE FINANCIAL ASSISTANCE PROGRAMS

None.

TOWNSHIP OF WASHINGTON
 Officials in Office and Surety Bonds

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

<u>Name</u>	<u>Title</u>	<u>Amount of Surety Bond</u>
Barbara Wallace	Mayor	
Robert Smith	Business Administrator	
Michelle Martin	Council President	
Angela Donato	Council Vice President	
Sean Longfellow	Council Member	
Nick Fazio	Council Member	
Scott Newman	Council Member	
James L. D'Auria	Chief Financial Officer / Treasurer	(A)
Anne Deeck	Tax Collector (To May 2015)	(A)
Robin Sarlo	Tax Collector/Qualified Purchasing Agent (From May 2015)	(A)
Jill McCrea	Township Clerk	(A)
Christine Ciallella	Deputy Clerk	(A)
Robyn Glocker-Hammond	Tax Assessor – County of Gloucester	
Martin Whitcraft	Municipal Court Judge	(A)
Donna Tomasetti	Court Administrator	(A)
Debbie Slotnick	Deputy Court Administrator	(A)
Remington & Vernick	Engineer	
Joseph Alacqua	Township Attorney (From September 2015)	
Wade, Long, Wood & Long, LLC	Conflict Solicitor	

(A) Surety Bond Coverage by Gloucester, Salem and Cumberland County Municipal Joint Insurance Fund \$1,000,000.00.

A copy of the policy was examined and found to be properly executed.

APPRECIATION

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

Respectfully submitted,

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Carol A. McAllister
Certified Public Accountant
Registered Municipal Accountant

