

**TOWNSHIP OF WEST AMWELL  
COUNTY OF HUNTERDON  
STATE OF NEW JERSEY**

**REPORT OF AUDIT  
DECEMBER 31, 2015**



TOWNSHIP OF WEST AMWELL

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**PART I**

**REPORT ON EXAMINATION OF FINANCIAL STATEMENTS**

**December 31, 2015**

## **AUDITORS' REPORTS**





## **ARDITO & Co., LLP**

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Anthony Ardito, CPA, RMA, CMFO, PSA  
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### **INDEPENDENT AUDITOR'S REPORT**

The Honorable Mayor and  
Members of the Township Committee  
Township of West Amwell  
150 Rocktown Lambertville Road  
Lambertville, NJ 08530

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

We have audited the accompanying financial statements-regulatory basis, which comprise the comparative balance sheets-regulatory basis of the various funds of the Township of West Amwell, County of Hunterdon, State of New Jersey (the "Township"), as of December 31, 2015 and 2014, and the related comparative statements of operations and changes in fund balance-regulatory basis for the year then ended, and the related statement of revenues-regulatory basis, and statement of expenditures-regulatory basis of the various funds, and the related notes to the financial statements for the year ended December 31, 2015, which collectively comprise the Township's basic financial statements 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 accounting principles and practices prescribed by 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; audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Township's preparation and fair presentation of

-Continued-

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.

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

As described in Note 1 to the financial statements, the Township prepares its financial statements in conformity with regulatory basis accounting practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the regulatory basis of accounting and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

### ***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the Township's policy to prepare its financial statements on the basis of accounting discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2015 and 2014, or the results of its operations and changes in its fund balances for the year then ended.

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

In our opinion, the financial statements-regulatory basis referred to above present fairly, in all material respects, the financial position-regulatory basis of the various funds of the Township, as of December 31, 2015 and 2014, and the results of operations and changes in fund balance-regulatory basis of such funds for the year then ended and the statement of revenues-regulatory basis and statement of expenditures-regulatory basis of the various funds for the year then ended, in conformity with accounting principals and practices as described in Note 1 to the financial statements.

### ***Other Matters***

#### ***Report on Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township's basic financial statements-regulatory basis. The supplementary information listed in the table of contents is presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and is not a required part of the basic financial statements-regulatory basis.

The supplementary information exhibits 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-regulatory basis. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements-regulatory basis 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-regulatory basis, or to the basic financial statements-regulatory basis themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

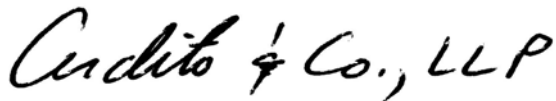
-Continued-

In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements-regulatory basis taken as a whole, on the basis of accounting described in Note 1 to the financial statements.

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


In accordance with *Government Auditing Standards*, we have also issued our report dated April 30, 2016, on our consideration of the Township's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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's internal control over financial reporting and compliance.

ARDITO & CO., LLP

A handwritten signature in black ink that reads "Ardito & Co., LLP". The script is cursive and fluid.

Frenchtown, New Jersey

April 30, 2016

A handwritten signature in black ink that reads "Anthony Ardito". The script is cursive and fluid.

Certified Public Accountant

Registered Municipal Accountant No.524

ARDITO & CO., LLP

Frenchtown, New Jersey

April 30, 2016



## **FINANCIAL STATEMENTS**



CURRENT FUND  
COMPARATIVE BALANCE SHEET

A  
Sheet 1

<b>ASSETS</b>	<u>REF.</u>	<u>BALANCE</u> <u>12/31/15</u>	<u>BALANCE</u> <u>12/31/14</u>
<b>Cash and Cash Equivalents:</b>			
Cash - Treasurer		\$ 539,758	\$ 676,353
Cash - Change Funds		<u>225</u>	<u>225</u>
Subtotal	A-4	<u>539,983</u>	<u>676,578</u>
<b>Receivables And Other Assets With Full Reserves:</b>			
Delinquent Property Taxes Receivable	A-6	167,876	86,240
Tax Title Liens Receivable	A-7	158,727	137,600
Property Acquired For Taxes-Assessed Valuation	A-8	3,150	3,150
Amount Due From Federal and State Grant Fund	A	-	2,002
Amount Due From Other Trust Fund	B	1,055	2
Amount Due From General Capital Fund	C	1,857	1,857
Revenue Accounts Receivable	A-9	<u>10,315</u>	<u>14,132</u>
Subtotal		<u>342,980</u>	<u>244,983</u>
<b>Deferred Charges:</b>			
Special Emergency Authorizations (40A:4-55)	A-23	<u>22,792</u>	<u>45,592</u>
Subtotal		<u>22,792</u>	<u>45,592</u>
		<b><u>\$ 905,755</u></b>	<b><u>\$ 967,153</u></b>
<b>Federal And State Grant Fund:</b>			
Cash	A-4	17,840	20,661
Federal and State Grants Receivable	A-20	<u>494,709</u>	<u>494,709</u>
		<u>512,549</u>	<u>515,370</u>
<b>TOTAL ASSETS</b>		<b><u>\$ 1,418,304</u></b>	<b><u>\$ 1,482,523</u></b>

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

CURRENT FUND  
COMPARATIVE BALANCE SHEET

A  
Sheet 2

	<u>REF.</u>	<u>BALANCE</u> <u>12/31/15</u>	<u>BALANCE</u> <u>12/31/14</u>
<b>LIABILITIES, RESERVES AND FUND BALANCE</b>			
<b>Liabilities:</b>			
Appropriation Reserves	A-3:10	\$ 67,397	\$ 65,105
Due Other Trust	B	-	30,000
Encumbrances	A-11	-	1,598
Accounts Payable	A-12	4,708	5,361
Taxes Collected In Advance	A-13	110,734	100,738
Reserve for Sale of Municipal Assets	A-15	39,168	5,283
Amount Due To State Of New Jersey For Senior Citizens And Veterans Deductions	A-16	1,000	-
Due County for Added Taxes	A-17	14,317	7,479
Reserve for Watershed Moritorium Offset	A-22	21,620	21,620
Subtotal		258,944	237,184
Reserve For Receivables And Other Assets	A	342,980	244,983
Fund Balance	A-1	303,831	484,986
Subtotal		<u>\$ 905,755</u>	<u>\$ 967,153</u>
<b>Federal And State Grant Fund:</b>			
Amount Due To Current Fund	A	-	2,002
Reserve For State Grants	A-21	512,549	513,368
Subtotal		512,549	515,370
<b>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</b>		<u><b>\$ 1,418,304</b></u>	<u><b>\$ 1,482,523</b></u>

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



CURRENT FUND  
COMPARATIVE STATEMENT OF OPERATIONS AND  
CHANGE IN FUND BALANCE

A-1

REVENUE AND OTHER INCOME REALIZED	REF.	YEAR 2015	YEAR 2014
Fund Balance Utilized	A-2	\$ 282,881	\$ 386,880
Miscellaneous Revenue Anticipated	A-2	1,868,313	1,769,157
Receipts From Delinquent Taxes	A-2	81,737	276,239
Receipts from Current Taxes	A-2	11,184,201	9,041,765
Non-Budget Revenues	A-2	13,435	35,221
Other Credits To Income:			
Unexpended Balance Of Appropriation Reserves	A-10	25,085	58,286
Payments In Lieu of Taxes on Real Property		624	622
Interfunds Returned		949	10,644
<b>TOTAL INCOME</b>		<b>13,457,225</b>	<b>11,578,814</b>
 <b>EXPENDITURES</b>			
Budget and Emergency Appropriations:			
Appropriations Within "CAP":			
Operations:			
Salaries and Wages	A-3	1,363,239	1,272,300
Other Expenses	A-3	999,350	969,475
Deferred Charges and Statutory Expenditures	A-3	266,011	207,934
Appropriations Excluded from "CAP":			
Operations:			
Salaries and Wages	A-3	5,541	5,500
Other Expenses	A-3	35,060	54,795
Capital Improvements	A-3	25,000	150,000
Municipal Debt Service	A-3	603,407	628,271
Deferred Charges and Statutory Expenditures	A-3	22,800	22,800
County Taxes	A-17	1,899,035	1,821,316
Amount Due County For Added and Omitted Taxes	A-17	14,317	7,479
Local District School Taxes	A-18	-	298,294
Regional District School Taxes	A-18	7,822,668	5,808,518
Municipal Open Space Levy	A-19	297,615	289,933
Refund of Prior Year Revenues	A-4	1,456	3,987
<b>TOTAL EXPENDITURES</b>		<b>13,355,499</b>	<b>11,540,602</b>
 Excess in Revenues		 101,726	 38,212
 Fund Balance January 1	A	 484,986	 833,654
		586,712	871,866
Decreased by:			
Utilization as Anticipated Revenue	A-2	282,881	386,880
 Fund Balance December 31	A	 <b>\$303,831</b>	 <b>\$484,986</b>

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

CURRENT FUND  
STATEMENT OF REVENUES

A-2  
Sheet 1

	<u>REF.</u>	<u>ANTICIPATED</u> <u>BUDGET</u>	<u>N.J.S. 40A:4-87</u>	<u>REALIZED</u>	<u>EXCESS OR</u> <u>DEFICIT</u>
<b>Anticipated Surplus - Cash Surplus</b>	A-1	\$ 282,881		\$ 282,881	
<b>Miscellaneous Revenues:</b>					
<b>LOCAL REVENUES:</b>					
Liquor Licenses-Clerk	A-9	2,500		2,500	-
Other Fees and Permits	A-9	75,000		96,057	\$ 21,057
Fines and Costs-Municipal Court	A-9	125,000		128,396	3,396
Interest and Costs On Taxes	A-5	55,000		25,155	(29,845)
Interest on Investments	A-9	5,000		4,810	(190)
<b>Total Local Revenues</b>		262,500		256,918	(5,582)
<b>STATE AID REVENUES:</b>					
Consolidated Municipal Property Tax Relief Aid	A-9	305,989		305,989	
Energy Receipts Tax	A-9	601,140		601,140	
Watershed Moritorium Offset	A-22	21,620		21,620	
Garden State Trust Fund	A-9	36,752		36,752	
<b>Total State Aid</b>		965,501		965,501	
<b>Uniform Construction Code Fees</b>	A-9	115,000	-	173,076	58,076

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

CURRENT FUND  
STATEMENT OF REVENUES

A-2  
Sheet 2

	REF.	<u>ANTICIPATED</u> <u>BUDGET</u>	<u>N.J.S. 40A:4-87</u>	<u>REALIZED</u>	<u>EXCESS OR</u> <u>DEFICIT</u>
<b>FEDERAL AND STATE GRANT REVENUES:</b>					
Clean Communities	A-20		12,850	12,850	
Recycling Tonnage Grant	A-20		4,221	4,221	
Body Armor Grant	A-20		1,089	1,089	
Police Click it or Ticket	A-20		3,900	3,900	
<b>Total Federal and State Grant Revenues</b>		-	22,060	22,060	
<b>OTHER SPECIAL ITEMS:</b>					
Uniform Fire Safety Act	A-9	9,500		9,258	(242)
Open Space Trust Fund	B	447,880		431,500	(16,380)
General Capital Fund Balance	C	10,000		10,000	-
<b>Total Special Items Of Revenues</b>		467,380	-	450,758	(16,622)
<b>Total Miscellaneous Revenue</b>	A-1	<u>1,810,381</u>	<u>22,060</u>	<u>1,868,313</u>	<u>35,872</u>
Receipts From Delinquent Taxes	A-1	<u>125,000</u>		<u>81,737</u>	<u>(43,263)</u>
<b>Amount To be Raised by Taxes For Support Of Municipal Budget:</b>					
Local Tax For Municipal Purposes	A-2	<u>1,280,087</u>	<u>-</u>	<u>1,350,566</u>	<u>70,479</u>
<b>Total General Revenues</b>		<u>3,498,349</u>	<u>22,060</u>	<u>3,583,497</u>	<u>63,088</u>
Non-Budget Revenues:					
Other Non-Budget Revenues	A-1			<u>13,435</u>	<u>13,435</u>
		<u>\$ 3,498,349</u>	<u>\$ 22,060</u>	<u>\$ 3,596,932</u>	<u>\$ 76,523</u>

A-3

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

CURRENT FUND  
STATEMENT OF REVENUES

A-2  
Sheet 3

REF.

**ANALYSIS OF REALIZED REVENUES**

**Allocation Of Current Tax Collections:**

Revenue from Collections	A-6	\$11,154,710
State of New Jersey, Senior Citizens and Veterans Deductions	A-6	<u>29,491</u>
		11,184,201

**Allocated To:**

School and County Taxes	A-6	<u>10,033,635</u>
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Deficiency Supported by Municipal Revenues		1,150,566
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Add (Decreased) by Appropriation: "Reserve For Uncollected Taxes"	A-3	<u>200,000</u>
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Amount for Support of Municipal Budget Appropriations	A-2	<u>\$ 1,350,566</u>
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**The accompanying Notes to the Financial Statements are an integral part of this statement.**

CURRENT FUND  
STATEMENT OF REVENUES

A-2  
Sheet 4

**ANALYSIS OF NON-BUDGET REVENUES**

**Miscellaneous Revenue Not Anticipated:**

REF.

**Treasurer:**

Cable TV Franchise Fee	\$ 8,916
Poll Rent	160
MV Fines	615
Reimbursements	3,079
Tax Collector	55
Vets/Sr. Cit. Fee	610

**Miscellaneous Revenue Not Anticipated - Total**

A-4

\$ 13,435

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

CURRENT FUND  
STATEMENT OF EXPENDITURES

A-3  
Sheet 1

<u>OPERATIONS within "CAPS"</u>	<u>BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>EXPENDED PAID OR CHARGED</u>	<u>RESERVED</u>	<u>CANCELLED</u>
<b>GENERAL GOVERNMENT FUNCTIONS:</b>					
General Administration:					
Salaries and Wages	\$ 30,182	\$ 30,182	\$ 30,182		
Other Expenses	41,350	31,350	29,594	\$ 1,756	
Mayor and Council:					
Salaries and Wages	9,470	9,470	9,261	209	
Other Expenses	200	200	-	200	
Municipal Clerk:					
Salaries and Wages	69,599	69,599	69,597	2	
Other Expenses	9,300	7,300	5,128	2,172	
Financial Administration (Treasury):					
Salaries and Wages	51,782	51,782	50,923	859	
Other Expenses	3,000	4,400	4,369	31	
Audit Services:					
Other Expenses	18,100	18,100	18,048	52	
Revenue Administration (Tax Collection):					
Salaries and Wages	16,765	16,765	16,765		
Other Expenses	7,000	7,000	6,316	684	
Tax Assessment Administration:					
Salaries and Wages	34,646	34,646	34,646		
Other Expenses	5,500	5,500	3,608	1,892	
Legal Services (Legal Dept.):					
Other Expenses	15,000	28,000	27,539	461	
Agricultural Adv Committee:					
Other Expenses	500	500	-	500	
Engineering Services:					
Other Expenses:	8,000	3,000	1,073	1,927	
Historical Sites Office:					
Other Expenses	50	50	-	50	
<b>LAND USE ADMINISTRATION:</b>					
Planning Board:					
Salaries and Wages	14,778	15,078	15,030	48	
Other Expenses	10,000	15,500	15,269	231	
Zoning Board of Adjustment:					
Salaries and Wages	6,553	6,553	6,501	52	
Other Expenses	4,000	4,000	1,371	2,629	
Zoning Officer:					
Salaries and Wages	6,600	6,600	4,900	1,700	
Other Expenses	-	-	-		
<b>INSURANCE:</b>					
Liability Insurance	78,300	78,800	78,790	10	
Worker Compensation Insurance	44,200	44,200	44,200		
Employee Group Insurance	284,000	291,500	291,303	197	
<b>PUBLIC SAFETY FUNCTIONS:</b>					
Bureau of Fire Prevention:					
Salaries and Wages	6,400	6,400	5,921	479	
Other Expenses	4,000	2,500	-	2,500	
Aid to Volunteer Fire Companies	26,700	26,700	26,700		
Contribution to First Aid Organizations	9,500	9,500	9,500		
Fire Department:					
Other Expenses:					
Fire Hydrant Services	4,400	4,400	4,025	375	
Police:					
Salaries and Wages	683,600	675,200	674,299	901	
Other Expenses	44,000	36,000	29,774	6,226	
Emergency Management:					
Other Expenses	500	500	66	434	

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

CURRENT FUND  
STATEMENT OF EXPENDITURES

A-3  
Sheet 2

<u>OPERATIONS within "CAPS"</u>	<u>APPROPRIATION</u> <u>BUDGET</u>	<u>BUDGET AFTER</u> <u>MODIFICATION</u>	<u>EXPENDED</u> <u>PAID OR</u> <u>CHARGED</u>	<u>RESERVED</u>	<u>CANCELLED</u>
<b>MUNICIPAL COURT:</b>					
Salaries and Wages	71,085	74,885	74,825	60	
Other Expenses	5,000	5,000	3,175	1,825	
Prosecutor Other Expenses	21,000	21,000	20,181	819	
<b>PUBLIC DEFENDER:</b>					
Other Expenses	3,600	3,600	3,300	300	
<b>PUBLIC WORKS FUNCTIONS:</b>					
Streets and Road Maintenance:					
Salaries and Wages	232,200	232,200	226,441	5,759	
Other Expenses	102,000	102,000	97,510	4,490	
Buildings and Grounds:					
Salaries and Wages	3,400	3,400	2,798	602	
Other Expenses	18,000	18,000	11,921	6,079	
Vehicle Maintenance	56,000	69,000	67,366	1,634	
<b>HEALTH AND HUMAN SERVICES FUNCTIONS:</b>					
Public Health Services (Board of Health):					
Salaries and Wages	3,479	3,479	3,478	1	
Other Expenses	17,000	19,000	18,807	193	
Environmental Health Services (Commission):					
Other Expenses	650	650	440	210	
Social Services Agencies:					
Other Expenses	2,500	2,500	2,500		
<b>PARK AND RECREATION FUNCTIONS:</b>					
Maintenance of Parks:					
Other Expenses	1,000	1,000	641	359	
<b>CONSTRUCTION OFFICIAL:</b>					
Salaries and Wages	116,000	123,000	122,915	85	
Other Expenses	11,400	11,600	11,534	66	
<b>UNCLASSIFIED:</b>					
Celebration of Public Events	500	500	170	330	
<b>UTILITY EXPENSES AND BULK PURCHASES:</b>					
Electricity	17,000	17,000	15,731	1,269	
Street Lighting	5,000	5,000	3,109	1,891	
Telephone (excluding equipment acquisition)	17,000	17,000	13,002	3,998	
Fuel Oil	20,000	13,000	9,119	3,881	
Recycling Surcharge	1,100	1,100	851	249	
Gasoline	48,300	41,300	38,686	2,614	
<b>SOLID WASTE COLLECTION:</b>					
Salaries and Wages	4,000	4,000	3,745	255	
Other Expenses	40,000	32,100	28,361	3,739	
<b>Total Operations within "CAPS"</b>	<b>2,365,189</b>	<b>2,362,589</b>	<b>2,295,304</b>	<b>67,285</b>	

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

CURRENT FUND  
STATEMENT OF EXPENDITURES

A-3  
Sheet 3

	<u>BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>EXPENDED PAID OR CHARGED</u>	<u>RESERVED</u>	<u>CANCELLED</u>
<b>Total Operations Including Contingent</b>	2,365,189	2,362,589	2,295,304	67,285	
Detail:					
Salaries and Wages	1,360,539	1,363,239	1,352,227	11,012	
Other Expenses	1,004,650	999,350	943,077	56,273	
<b>DEFERRED CHARGES AND STATUTORY EXPENDITURES within "CAPS"</b>					
<b>Statutory Expenditures:</b>					
Contribution To:					
Social Security System ( O.A.S.I. )	104,500	107,100	106,988	112	
Statutory Expenditures:					
Contribution to PERS	59,526	59,526	59,526		
Contribution to PFRS	99,385	99,385	99,385		
Defined Contribution Retirement Program	-	-	-		
<b>Total Deferred Charges and Statutory Expenditures within "CAPS"</b>	263,411	266,011	265,899	112	
<b>Total Appropriations within "CAPS"</b>	<b>2,628,600</b>	<b>2,628,600</b>	<b>2,561,203</b>	<b>67,397</b>	
<b>OPERATIONS EXCLUDED FROM "CAPS"</b>					
Affordable Housing (COAH-Fair Share Housing):					
Salaries and Wages	5,541	5,541	5,541		
Other Expenses	3,500	3,500	3,500		
	9,041	9,041	9,041	-	
Length of Service Awards Program (LOSAP):					
Other Expenses	9,000	9,000	9,000		
NJPDES STORMWATER PERMIT (NJSA 40A:45.3)					
Street Division					
Other Expenses	500	500	500		
SHARED SERVICES - INTERLOCAL AGREEMENTS:					
Animal Control:					
Other Expenses-Contractual	-	-	-	-	-
<b>Public and Private Programs Offset by Revenues:</b>					
Clean Communities Program:					
Other Expenses		12,850	12,850		
Recycling Tonnage Grant:					
Other Expenses		4,221	4,221		
Body Armor Grant		1,089	1,089		
Police - Click it or Ticket Grant		3,900	3,900		
<b>Total Public and Private Programs Offset by Revenues-Excluded from "CAPS"</b>	-	22,060	22,060	-	
<b>Deferred Charges Excluded from "CAPS":</b>					
Special Emergency Authorizations (NJS 40A:4-55)	22,800	22,800	22,800		
<b>Total Deferred Charges Excluded from "CAPS"</b>	22,800	22,800	22,800		

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



CURRENT FUND  
STATEMENT OF EXPENDITURES

A-3  
Sheet 4

	<u>BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>EXPENDED PAID OR CHARGED</u>	<u>RESERVED</u>	<u>CANCELLED</u>
<b>Capital Improvements-Excluded from "CAPS":</b>					
Capital Improvement Fund	25,000	25,000	25,000		
<b>Total Capital Improvements-Excluded from "CAPS"</b>	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>		
<b>Municipal Debt Service Excluded from "CAPS":</b>					
Payment of Bonds	360,000	360,000	360,000		
Payment of Notes	127,633	127,633	127,633		
Interest on Bonds	80,183	80,183	80,183		
Payment of Interest on Notes	4,500	4,500	4,500		
Green Trust Loan Program	31,092	31,092	31,091	\$	1
<b>Total Municipal Debt Service</b>	<u>603,408</u>	<u>603,408</u>	<u>603,407</u>	-	1
<b>Total Appropriations Excluded from "CAPS"</b>	<u><b>669,749</b></u>	<u><b>691,809</b></u>	<u><b>691,808</b></u>	-	1
Detail:					
Salaries and Wages	5,541	5,541	5,541	-	-
Other Expenses	664,208	686,268	686,267	-	1
<b>Subtotal General Appropriations</b>	3,298,349	3,320,409	3,253,011	67,397	1
<b>Reserve For Uncollected Taxes</b>	200,000	200,000	200,000		
<b>TOTALS</b>	<u><b>\$ 3,498,349</b></u>	<u><b>\$ 3,520,409</b></u>	<u><b>\$ 3,453,011</b></u>	<u><b>\$ 67,397</b></u>	<u><b>\$ 1</b></u>

A

Budget	A-2	\$ 3,498,349
Appropriation 40A:4-87	A-2	<u>22,060</u>
		<u><u>\$ 3,520,409</u></u>

Reserve for State Grants	A-21	\$ 22,060
Deferred Charges	A-23	22,800
Reserve for Encumbrances	A-11	3,208,151
Reserve for Uncollected Taxes	A-2	<u>200,000</u>
		<u><u>\$ 3,453,011</u></u>

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

TRUST FUND  
COMPARATIVE BALANCE SHEET

B

ASSETS	REF.	BALANCE 12/31/15	BALANCE 12/31/14
<b>Dog License Fund:</b>			
<b>Cash and Cash Equivalents:</b>			
Cash - Treasurer	B-2	\$ 870	\$ 9,386
<b>Total Dog License Fund</b>		<u>870</u>	<u>\$ 9,386</u>
<b>Other Trust Funds:</b>			
<b>Cash and Cash Equivalents:</b>			
Cash - Treasurer	B-2	\$ 531,005	\$ 472,846
Amount Due Current Fund	B-6	-	30,000
<b>Total Other Trust Funds</b>		<u>\$ 531,005</u>	<u>\$ 502,846</u>
<b>Municipal Open Space Funds:</b>			
<b>Cash and Cash Equivalents:</b>			
Cash - Treasurer	B-2	\$ 402,232	\$ 998,299
<b>Total Municipal Open Space Funds</b>		<u>\$ 402,232</u>	<u>\$ 998,299</u>
<b>TOTAL ASSETS</b>		<u><b>\$ 934,107</b></u>	<u><b>\$ 1,510,531</b></u>

**LIABILITIES, RESERVES AND FUND BALANCE**

<b>Dog License Fund:</b>			
Reserve for Dog Fund Expenditures	B-3	\$ 869	\$ 9,386
Due State of New Jersey	B-4	1	-
<b>Total Dog License Fund</b>		<u>\$ 870</u>	<u>\$ 9,386</u>
<b>Other Trust Fund:</b>			
Amount Due Current Fund	B-6	\$ 1,055	\$ 2
Reserve for Developer's Escrow	B-7	147,139	43,142
Reserve for POAA Trust	B-8	30	26
Reserve for Historical Preservation Trust	B-9	2,576	2,473
Reserve for Housing Trust	B-10	30,808	37,814
Reserve for COAH Escrow Trust	B-11	93,639	84,303
Reserve for CDBG Rehabilitation Trust	B-12	32,652	103,099
Reserve for Off Duty Police Trust	B-13	3,483	-
Reserve for Celebration of Public Events Trust	B-14	3,735	3,735
Reserve for Fire Penalties Trust	B-15	2,000	2,000
Reserve for Public Defender Trust	B-16	1,776	930
Reserve for Tax Sale Premiums	B-17	157,700	184,700
Reserve for SUI Trust	B-18	22,745	22,666
Reserve for Municipal Alliance Trust	B-19	22,181	17,956
Reserve for DARE Contributions	B-20	8,423	-
Reserve for Local Assistance	B-21	1,063	-
<b>Total Other Trust Fund</b>		<u>\$ 531,005</u>	<u>\$ 502,846</u>
<b>Municipal Open Space Trust Fund:</b>			
Reserve for Municipal Open Space Trust Deposits	B-22	\$ 402,232	\$ 989,299
Amount Due from General Capital Fund	B-23	-	9,000
<b>Total Municipal Open Space Trust Fund</b>		<u>\$ 402,232</u>	<u>\$ 998,299</u>
<b>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</b>		<u><b>\$ 934,107</b></u>	<u><b>\$ 1,510,531</b></u>

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

GENERAL CAPITAL FUND  
COMPARATIVE BALANCE SHEET

C

<b>ASSETS</b>	<u>REF.</u>	<u>BALANCE</u> <u>12/31/15</u>	<u>BALANCE</u> <u>12/31/14</u>
<b>Cash and Cash Equivalents:</b>			
Cash - Treasurer	C-2	\$ 578,250	\$ 204,785
Due Open Space Trust Fund	C-13	-	9,000
Mortgage Receivable	C-11	-	65,607
<b>Deferred Charges to Future Taxation:</b>			
Funded	C-3	3,281,173	3,668,628
Unfunded	C-4	<u>1,494,161</u>	<u>1,639,521</u>
<b>TOTAL ASSETS</b>		<b><u>\$ 5,353,584</u></b>	<b><u>\$ 5,587,541</u></b>

**LIABILITIES, RESERVES AND FUND BALANCE**

Due Current Fund	C-5	\$ 1,857	\$ 1,857
Capital Improvement Fund	C-6	890	29,890
Improvement Authorizations:			
Unfunded	C-7	775,482	1,019,674
Funded	C-7	483,589	491,153
Accounts Payable	C-7	14,999	-
Bond Anticipation Note Payable	C-8	1,100,000	600,000
New Jersey Green Trust Loan	C-9	161,173	188,628
Serial Bonds Payable	C-10	2,780,000	3,140,000
Reserve for Mortgage Receivable	C-12	-	65,607
Reserve for Preliminary Expenses - Open Space Acquisition	C-14	18,297	24,887
Fund Balance	C-1	<u>17,297</u>	<u>25,845</u>
<b>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</b>		<b><u>\$ 5,353,584</u></b>	<b><u>\$ 5,587,541</u></b>

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

GENERAL CAPITAL FUND  
SCHEDULE OF FUND BALANCE

C-1

	<u>REF.</u>	
Balance December 31, 2014	C	\$ 25,845
<b>Increased by:</b>		
Refund Prior Year Expenditures-Close Accounts	C-2	<u>3,952</u>
		29,797
<b>Decreased by:</b>		
To Finance Improvement Authorizations	C-7	\$ 2,500
Capital Fund Balance Anticipated as Current Fund Revenue	C-2	<u>10,000</u> <u>12,500</u>
Balance December 31, 2015	C	<u>\$ 17,297</u>

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

PUBLIC ASSISTANCE FUND  
COMPARATIVE BALANCE SHEET

E

<b><u>ASSETS</u></b>	<b><u>REF.</u></b>	<b><u>BALANCE</u></b> <b><u>12/31/15</u></b>	<b><u>BALANCE</u></b> <b><u>12/31/14</u></b>
<b>Cash and Cash Equivalents:</b>			
Cash - Treasurer	E-1	\$ -	\$ 1,059
<b>TOTAL ASSETS</b>		<b><u>\$ -</u></b>	<b><u>\$ 1,059</u></b>

<b><u>LIABILITIES AND RESERVES</u></b>			
Reserve for Public Assistance		\$ -	\$ 1,059
<b>TOTAL LIABILITIES AND RESERVES</b>		<b><u>\$ -</u></b>	<b><u>\$ 1,059</u></b>

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

STATEMENT OF GENERAL FIXED ASSETS  
DECEMBER 31, 2015

F

	<u>BALANCE</u> <u>12/31/15</u>	<u>BALANCE</u> <u>12/31/14</u>
General Fixed Assets:		
Land	\$ 2,222,406	\$ 2,222,406
Buildings	1,696,957	1,696,957
Machinery and Equipment	<u>2,736,386</u>	<u>2,499,170</u>
Total General Fixed Assets	<b><u>\$ 6,655,749</u></b>	<b><u>\$ 6,418,533</u></b>
Investment In General Fixed Assets		
	<b><u>\$ 6,655,749</u></b>	<b><u>\$ 6,418,533</u></b>

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

PAYROLL AGENCY FUND  
COMPARATIVE BALANCE SHEET

G

	BALANCE <u>12/31/15</u>	BALANCE <u>12/31/14</u>
<b>ASSETS</b>		
<b>Assets:</b>		
Cash	\$ 8,553	\$ 6,231
<b>TOTAL ASSETS</b>	<b><u>\$ 8,553</u></b>	<b><u>\$ 6,231</u></b>
<b>LIABILITIES AND RESERVES</b>		
Payroll Deductions	\$ 8,553	\$ 6,231
Due Current Fund	<u>-</u>	<u>-</u>
<b>TOTAL LIABILITIES AND RESERVES</b>	<b><u>\$ 8,553</u></b>	<b><u>\$ 6,231</u></b>

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





## **NOTES TO FINANCIAL STATEMENTS**



NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015

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

**A. Reporting Entity**

GASB Statement No.14 established criteria to be used to determine which component units should be included in the financial statements of the oversight entity. The Division requires the financial statements of the Township to be reported separately.

The financial statements of the Township of West Amwell include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Township, as The financial statements of the Township do not include the operations of the Board of Education.

**B. Description of Funds**

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The GASB Codification establishes seven fund types and two account groups to be used by governmental units when reporting financial position and results of operations in accordance with accounting principles generally accepted in the United States of America(GAAP).

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

**Current Fund**

Resources and expenditures for governmental operations of a general nature, including State grants for operations.

**Trust Funds**

Records the receipts, disbursement and custodianship of monies in accordance with the purpose for which each account was established.

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Description of Funds (Continued)**

**General Capital Fund**

The receipts and disbursement of funds for the acquisition of general infrastructure and other capital facilities, other than those acquired in the Current Fund. General bonds and notes payable are recorded in this fund offset by deferred charges to future taxation.

**Public Assistance Fund**

Receipt and disbursements of funds that provide assistance to certain residents of the Township pursuant to the provisions of Title 44 of New Jersey statutes.

**General Fixed Assets Account Group**

To account for all fixed assets of the Township. The Township's infrastructure is not reported in the group.

**C. Basis of Accounting**

The accounting principles and practices prescribed for municipalities by the State of New Jersey differ in certain respects from generally accepted accounting principles applicable to local government units. The more significant policies in New Jersey follow.

A modified accrual basis of accounting is followed with minor exceptions.

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

**Expenditures**--are recorded on the "budgetary" basis of accounting. Generally expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with the Encumbrance Accounting System. Outstanding encumbrances at December 31, are reported as a cash liability in the financial statements and constitute part of the Township's statutory Appropriation Reserve balance. Appropriation reserves covering unexpended appropriation balances are automatically created at December 31st of each year and recorded as liabilities, except for amounts which may be cancelled by the governing body.

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income. Appropriations for principal payments on outstanding general capital and utility bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis, whereas interest on utility indebtedness is on the accrual basis.

**Property Tax Revenue**--Real property taxes are assessed locally, based upon the assessed value of the property. The tax bill includes a levy for Municipal, County, Open Space and School purposes. The bills are mailed annually in June for that calendar year's levy. Taxes are payable in four quarterly installments on February 1, May 1, August 1 and November 1.

The amounts of the first and second installments are determined as one quarter of the total tax levied against the property for the preceding year. The installment due the third and fourth quarters is determined by taking the current year levy less the amount previously charged for the first and second installments, with the remainder being divided equally.

If unpaid on these dates, the amount due becomes delinquent and subject to interest at 8% per annum, or 18% on any delinquency amount in excess of \$1,500. The school levy is turned over to the Board of Education as expenditures are incurred, and the balance, if any, must be transferred as of June 30, of each fiscal year. County taxes are paid to the County by the Township quarterly on February 15, May 15, August 15 and November 15. The Open Space Levy is paid quarterly to the Township's other trust funds on February 15, May 15, August 15 and November 15.

When unpaid taxes or any municipal lien, or part thereof, on real property remains in arrears after the eleventh day of the eleventh month in the year in which they are due, the collector in the municipality shall, subject to provisions of the New Jersey Statutes, enforce the lien by placing the property on a tax sale. Annual in rem tax foreclosure proceedings are instituted to enforce the tax collection or acquisition of title to the property by the Township.

In accordance with the accounting Principles prescribed by the State of New Jersey, current and delinquent taxes are realized as revenue when collected. Since delinquent taxes and liens are fully reserved, no provision has been made to estimate that portion of the taxes receivable and tax title liens that are uncollectible. GAAP required tax revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

**Deferred School Taxes**--A portion of the school taxes collected at December 31 relating to the period January 1 to June 30 of the subsequent year have been included in fund balance. GAAP requires such revenue to be deferred and recognized in the accounting period when it becomes susceptible to accrual.

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

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

**Inventories of Supplies**--The cost of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The cost of inventories are not included on the various balance sheets.

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

Fixed assets used in governmental operations (general fixed assets) are accounted for in the General Fixed Assets Account Group. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available except for land which is valued at estimated market value.

No depreciation is to be provided for in the financial statements. Expenditures for construction in progress are recorded in the Capital Funds until such time as the construction is completed and put into operation.

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

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

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

**Budget and Budgetary Procedures**--The foundation of the New Jersey local finance system is the annual cash basis budget required under the Local Budget Law (N.J.S.A.40A:4-1, et seq.). Every local unit must adopt a budget in the form required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"). Certain items of revenue and appropriation are regulated by law and the proposed budget must be certified by the Director of the Division ("Director") prior to final adoption. The normal budget calendar begins early in the fiscal year with introduction, public advertisement and after state approval, budget adoption. The cash basis for revenues and budgetary basis for expenditures is the budget basis of accounting.

The Township is not required to adopt budgets for the following funds:

**General Capital Fund  
Public Assistance Fund  
Trust Fund**

The governing body shall introduce and approve the annual budget not later than February 10, of the fiscal year. The budget shall be adopted not later than March 20, and prior to adoption, must be certified by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The Director of the Division of Local Government Services, with the approval of the Local Finance Board, may extend the introduction and approval and adoption dates of the municipal budget. The budget is prepared by fund, function, activity and line item (salary or other expense) and includes information on the previous year. The legal level of control for appropriations is exercised at the individual line item level for all operating budgets adopted. Emergency appropriations, those made after the adoption of the budget and determination of the tax rate, may be authorized by the governing body of the municipality.

During the last two months of the fiscal year, the governing body may, by a 2/3 vote, amend the budget through line item transfers. Management has no authority to amend the budget without the approval of the Government Body. Expenditures may not legally exceed budgeted appropriations at the line item level.

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

**Expenditures**--Are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with an encumbrance accounting system. Outstanding encumbrances at December 31, are reported as a cash liability in the financial statements. Unexpended or uncommitted appropriations at December 31, are reported as expenditures through the establishment of appropriations reserves unless cancelled by the governing body. GAAP requires expenditures to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, which should be recognized when due.

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

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

**Comparative Data** - Comparative data for the prior year has been presented in the accompanying balance sheets and statements of operations in order to provide an understanding of changes in the municipality's financial position and operations. However, comparative data have not been presented in all statements because their inclusion would make certain statements unduly complex and difficult to understand.

**Use of Estimates**--The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions. This will affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. Actual results could differ from these estimates.



NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

**Departures from Generally Accepted Accounting Principles**--The accounting principles and practices followed by the Township differ generally accepted accounting principles applicable to local government units. The more significant differences are as follows:

- Taxes and other receivables are fully reserved.
- Interfund receivables in the Current Fund are fully reserved.
- Unexpended and uncommitted appropriations are reflected as expenditures.
- Overexpended appropriations and emergency appropriations are deferred to the succeeding years' operations.
- Undetermined contributions to state-administered pension plans applicable to the six months ended December 31 are not accrued.
- Estimated losses arising from tax appeals and other contingencies are not recorded when it is probable that a loss has been incurred and the amount of such loss can be reasonably estimated.

It was not practicable to determine the effect of such difference.

**Statutory-Basis Financial Statements**--The GASB Codification also defines the financial statements of a governmental unit to be presented to be in accordance with GAAP. The Township presents the financial statements listed in the table of contents which are required by the Division and which differ from the financial statements required by GAAP. In addition, the Division requires the financial statements listed in the table of contents to be referenced to the supplementary schedules. This practice differs from GAAP.

**Note 2: CASH AND CASH EQUIVALENTS**

**Deposits:**

New Jersey statutes require that municipalities deposit public funds in public depositories located in New Jersey, which are insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories. Municipalities are also permitted to deposit public funds in the State of New Jersey Cash Management Fund.

New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed depository insurance limits as follows:

The market value of the collateral must equal at least 5% of the average daily balance of collected public funds on deposit.

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015

**Note 2: CASH AND CASH EQUIVALENTS (Continued)**

In addition to the above collateral requirement, if the public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value at least equal to 100% of the amount exceeding 75%.

All collateral must be deposited with the Federal Reserve Bank of New York, the Federal Reserve Bank of Philadelphia, the Federal Home Loan Bank of New York, or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

Pursuant to GASB Statement No. 40, "Deposit and Investment Risk Disclosures" ("GASB 40"), the municipality's accounts are profiled in order to determine exposure, if any, to Custodial Credit Risk (risk that in the event of failure of the counterparty the municipality would not be able to recover the value of its deposits or investment). Deposits are considered to be exposed to Custodial Credit Risk if they are: uncollateralized or collateralized with securities held by the financial institution's trust department or agent but not in the government's name. At December 31, 2015, all of the municipality's deposits were collateralized by securities held in its name and, accordingly, not exposed to custodial credit risk. The municipality does not have a policy for custodial credit risk.

As of December 31, 2015, cash and cash equivalents of the municipality consisted of the following:

	Cash and Cash <u>Equivalents</u>	<u>Total</u>
Checking	\$ 2,076,355	\$ 2,076,355
	<u>\$ 2,076,355</u>	<u>\$ 2,076,355</u>

The carrying amount of the municipality's cash and cash equivalents at December 31, 2015, was \$2,076,355 and the bank balance was \$2,132,427. All bank balances were covered by federal depository insurance and/or covered by a collateral pool maintained by the banks as required by New Jersey statutes. Of these bank balances, \$280,808 was covered by federal depository insurances and \$1,851,619 was covered by collateral pool.

**Investments**

Pursuant to the Enabling Act, the funds of the municipality may be invested in any direct obligations of, or obligations as to which the principal and interest thereof is guaranteed by, the United States of America or other obligations as the municipality may approve.

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015

**Note 2: CASH AND CASH EQUIVALENTS (Continued)**

In order to maximize liquidity, the municipality utilizes the New Jersey Cash Management Fund ("NJCMF") and investments in direct obligations of the United States of America as its sole investments. The NJCMF is administered by the New Jersey Department of Treasury. It invests pooled monies from various State and non-State agencies in primarily short-term investments. These investments include: U.S. Treasuries, short-term Commercial Paper, U.S. Agency Bonds, Corporate Bonds, and Certificates of Deposit. Agencies that participate in the NJCMF typically earn returns that mirror short-term investment rates. Monies can be freely added or withdrawn from the NJCMF on a daily basis without penalty. At December 31, 2015, the municipality's investment balance was as follows:

New Jersey Cash Management Fund

\$ 2,378

**Custodial Credit Risk:** Pursuant to GASB 40, the NJCMF, which is a pooled investment, is exempt from custodial credit risk disclosure. The municipality does not have a policy for custodial credit risk.

**Credit Risk:** The municipality does not have an investment policy regarding the management of credit risk. GASB 40 requires that disclosure be made as to the credit rating of all debt security investments except for obligations of the U.S. government or investments guaranteed by the U.S. government. The NJCMF is not rated by a rating agency.

**Interest Rate Risk:** The municipality does not have a policy to limit interest rate risk. The average maturity of the municipality's investments is less than one year.

**Note 3: LONG-TERM DEBT**

	<b>Beginning Balance</b>	<b>Issued</b>	<b>Paid</b>	<b>Ending Balance</b>
Long Term Debt:				
Bond Anticipation Notes	\$ 600,000	\$ 632,794	\$ 132,794	\$ 1,100,000
Bonds Payable	3,140,000		360,000	2,780,000
Loans Payable	188,628		27,455	161,173
Compensated absences payable	75,708			75,708
Total Long-Term Debt	<u>\$4,004,336</u>	<u>632,794</u>	<u>\$ 520,249</u>	<u>\$ 4,116,881</u>

The Local Bond Law governs the issuance of bonds and notes to finance general municipal expenditures. All bonds issued by the Township are general obligation bonds, backed by the full faith and credit of the Township. Bond anticipation notes, which are issued by temporarily finance capital projects, must be paid off within ten years or retired by issuance of bonds.

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015

**Note 3: LONG-TERM DEBT (Continued)**

The Township debt is summarized as follows:

**Summary of Municipal Debt**

	YEAR <u>2015</u>	YEAR <u>2014</u>	YEAR <u>2013</u>
Issued:			
Bonds and Notes	\$ 3,880,000	\$ 3,740,000	\$ 3,843,800
Green Trust Loan Payable	<u>161,173</u>	<u>188,628</u>	<u>215,543</u>
Total Issued	4,041,173	3,928,628	4,059,343
<b><u>Authorized But Not Issued</u></b>			
Bonds and Notes	797,870	1,383,164	817,045
Deductions	<u>(63,709)</u>	<u>(3,643)</u>	<u>(45,394)</u>
<b>Net Bonds and Notes Issued and Authorized But Not Issued</b>	<b><u>\$ 4,775,334</u></b>	<b><u>\$ 5,308,149</u></b>	<b><u>\$ 4,830,994</u></b>

**Summary of Statutory Debt Condition - Annual Debt Statement**

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 0.946%

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Regional School Debt	5,646,972	5,646,972	
General Debt	<u>4,839,043</u>	<u>63,709</u>	<u>\$ 4,775,334</u>
	<u>\$ 10,486,015</u>	<u>\$ 5,710,681</u>	<u>\$ 4,775,334</u>

Net Debt \$4,775,334 Divided by Equalized Valuation Basis per N.J.S.A. 40A:2-2  
as amended, \$ 504,836,520 equals 0.946%

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 17,669,278
Net Debt	<u>4,775,334</u>
Remaining Borrowing Power	<u>\$ 12,893,944</u>

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015

**Note 3: LONG-TERM DEBT (Continued)**

**Bond Anticipation Notes**

The Township has outstanding at December 31, 2015, a bond anticipation note in the amount of \$1,100,000 payable to Hopewell Valley Community Bank. This note matures on June 24, 2016. The interest rate on the note was 0.70%. Principal and interest on this note is paid from the current fund budget of the Township.

**General Obligation Bonds**

Refunding Bonds-dated February 28, 2014, issued in the original amount of \$850,000 with an interest rate of 1.335% to advance refund series 2003 bonds in the amount of \$2,309,000 with interest rates of 3.7% to 4.25%. The net proceeds, along with a \$1,500,000 township contribution from open space reserves, were used to call the outstanding series 2003 bonds on April 1, 2013. This refunding bond is payable in annual installments ranging from \$215,000 to \$210,000 through February 15, 2017. Interest is calculated at 1.335% and is included in the semi-annual installments. This method of calculating interest is in conformity with New Jersey Statutes. The remaining balance as of December 31, 2015, was \$425,000. Outstanding bond principal and interest is paid from the Current Fund of the Township.

General Improvement Bonds-Multi-Purposes-dated May 1, 2006, issued in the original amount of \$3,118,000. These bonds were called for redemption on November 6, 2014 for all bonds maturing on or after May 1, 2017. The remaining bonds are payable in annual principal installments of \$150,000 through May 1, 2016. Interest is calculated at 4.375% and is included in the semi-annual installments. This method of calculating interest is in conformity with New Jersey Statutes. The remaining balance as of December 31, 2015, was \$150,000. Outstanding bond principal and interest is paid from the Current Fund of the Township.

Refunding Bonds-dated November 6, 2014 issued in the original amount of \$1,555,000 with an interest rate of 2.6% to partially advance refund series 2006 bonds in the amount of \$1,818,000. The net proceeds, along with a \$400,000 township contribution from open space reserves, was used to partially call the outstanding series 2006 bonds on May 1, 2016. This refunding bond is payable in annual installments ranging from \$150,000 to \$170,000 through May 1, 2026. Interest is calculated at 2.6% and is included in the semi-annual installments. This method of calculating interest is in conformity with New Jersey Statutes. The remaining balance as of December 31, 2015, was \$1,555,000. Outstanding bond principal and interest is paid from the Current Fund of the Township.

Refunding Bonds-dated November 6, 2014, issued in the original amount of \$650,000 with an interest rate of 3.65%. The net proceeds were used to refund the West Amwell Township local school district deferred tax levy and pay costs related to the issuance of the bonds. This refunding bond was sold as a private placement bond to TD Bank, N.A., and is payable in annual installments ranging from \$65,000 to \$85,000 through November 1, 2024. Interest is calculated at 3.65% and is paid in semi-annual installments. This method of calculating interest is in conformity with New Jersey Statutes. The remaining balance as of December 31, 2015, was \$650,000. Outstanding bond principal and interest is paid from the Current Fund of the Township.

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015

**Note 3: LONG-TERM DEBT (Continued)**

**Green Trust Loan**

Sourlands-dated June 22, 2001 issued in the original amount of \$500,000. This loan is payable over twenty years in semi-annual installments of \$15,586 through March 25, 2021. Interest is calculated at 2.0%. This method of calculating interest is in conformance with New Jersey Statutes. The remaining balance as of December 31, 2015, was \$161,173. Outstanding loan principal and interest is paid from the Current Fund budget of the Township.

	<u>Outstanding</u>
Total General Capital Long-Term Debt Above	<u>\$ 4,041,173</u>

**Note 4: GENERAL FIXED ASSETS**

The following is a summary of changes in the general fixed assets:

	Balance <u>1/1/15</u>	<u>Additions</u>	Adjustments/ <u>Deletions</u>	Balance <u>12/31/15</u>
Land	\$ 2,222,406	-	-	\$ 2,222,406
Buildings	1,696,957	-	-	1,696,957
Equipment	<u>2,499,170</u>	<u>\$ 237,216</u>	-	<u>2,736,386</u>
	<u>\$ 6,418,533</u>	<u>\$ 237,216</u>	<u>-</u>	<u>\$ 6,655,749</u>

**Note 5: FUND BALANCES APPROPRIATED**

Fund Balances at December 31, 2015, which were appropriated and included as anticipated revenue in their own respective funds for the year ending December 31, 2015, were as follows:

Current Fund (Introduced) - \$100,000

**Note 6: 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 Township had \$22,792 in special emergency deferred charges, which are required to be included in subsequent budgets over a five year period.

The appropriations in the 2016 Budget are not less than that required by statute.

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015

**Note 7: SCHOOL TAXES**

**Regional School District Tax** has been raised on a calendar year basis and is paid in full to the district by December 31. The Local School District was merged with the Regional School District effective for the 2014-2015 school year. All previously deferred school taxes were paid to the Local School District during 2014 and was partially funded by refunding bonds and 2014 operations.

**Note 8: PENSION PLANS**

Description of Plans - All required employees of the municipality are covered by either the Public Employees' Retirement System (PERS), the Police and Fireman's Retirement System (PFRS), or the Defined Contribution Retirement Plan (DCRP) which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System. These reports may be obtained by writing to the Division of Pension and Benefits, PO Box 295, Trenton, New Jersey, 08625 or on the internet at <http://www.state.nj.us/treasury/pensions/annrpts.shtml>.

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

Vesting and Benefit Provisions - The vesting and benefit provisions are set by N.J.S.A. 43:15A. 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 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 22, 2010
- 4 Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
- 5 Members who were eligible to enroll on or after June 28, 2011

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015

**Note 8: PENSION PLANS - (Continued)**

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 10 years of service credit and have not reached the service retirement age for the respective tier.

The PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

*Contribution Requirements* - The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 (PERS) requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. PERS provides for employee contributions of 6.5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in the PERS. The current PERS rate is 6.5% of covered payroll.

*Summary of Significant Accounting Policies* - New Jersey's municipalities and counties do not follow GAAP accounting principles and, as such, do not follow GASB requirements with respect to recording the net pension liability or related deferred outflows or inflows of resources on their balance sheets, or related plan pension expense. However, N.J.A.C. 5:30-6.1(c)(2) requires municipalities and counties to disclose GASB 68 information in the Notes to the Financial Statements. Accordingly, the municipality's portion of the net pension liability, related outflows and inflows of resources, and pension expense are for disclosure purposes only and do not effect the municipality's regulatory basis fund balance, statement of revenues and expenditures, or operations. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense as required by GASB No. 68, information about the fiduciary net position of the PERS and additions to/deductions from PERS fiduciary net position have been determined on the same basis as they are reported by PERS.



NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015

**Note 8: PENSION PLANS - (Continued)**

*Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions*

At June 30, 2015, the municipality disclosed a liability of \$1,276,184 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2013, which was rolled forward to June 30, 2014. The total pension liability for the June 30, 2013 measurement date was determined by an actuarial valuation as of July 1, 2013. The municipality's proportion of the net pension liability is based on the ratio of the contributions as an individual employer to total contributions to the PERS during the years ended June 30, 2014 and 2013. At June 30, 2014, the municipality's proportion was 0.0068% which was an increase of 0.00152% from its proportion measured as of June 30, 2013.

*For the State fiscal year ended June 30, 2015, the municipality's portion of the plan's pension expense was \$110,835. At June 30, 2015, deferred outflows of resources and deferred inflows of resources for PERS relating to the municipality's proportionate share are from the following sources:*

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	-	-
Changes of assumptions	\$ 40,130	
Net difference between projected and actual earnings on pension plan investments		\$ 76,054
Changes in proportion and differences between municipality contributions and proportionate share of contributions	246,014	-
municipality contributions subsequent to the measurement date	59,526	
Total	<u>\$ 345,670</u>	<u>\$ 76,054</u>

\$59,526 disclosed as deferred outflows of resources related to pensions resulting from municipality contributions subsequent to the measurement date (i.e. Contributions for calendar year 2015 were made after the the plan measurement date of June 30, 2014) will be shown as a reduction of the net pension liability measured as of June 30, 2015. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense of the plan as follows:

	<u>Year Ended June 30:</u>
2015	\$68,054
2016	\$68,054
2017	\$68,054
2018	\$68,054
2019	(\$43,142)
Thereafter	(\$18,982)
Total	<u>\$210,090</u>

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015

**Note 8: PENSION PLANS - (Continued)**

	<u>6/30/2013</u>	<u>6/30/2014</u>
Collective deferred outflows of resources	-	\$952,194,675
Collective deferred inflows of resources	-	1,479,224,662
Collective net pension liability (Non State - Local Group)	\$19,111,986,911	\$18,722,735,003
municipality's proportionate share of net pension liability	\$1,011,479	\$1,276,184
municipality's proportion %	0.00529238%	0.00681623%

*Actuarial assumptions.* The total pension liability in the July 1, 2013 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation:	3.01%
<u>Salary Increases:</u>	
2012-2021	2.15%-4.40% based on age
Therafter	3.15%-5.40% based on age
Investment Rate of Return:	7.90%

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

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.80%
Core Bonds	1.00%	2.49%
Intermediate-Term Bonds	11.20%	2.26%
Mortgages	2.50%	2.17%
High Yield Bonds	5.50%	4.82%
Inflation-Indexed Bonds	2.50%	3.51%
Broad US Equities	25.90%	8.22%
Developed Foreign Equities	12.70%	8.12%
Emerging Market Equities	6.50%	9.91%
Private Equity	8.25%	13.02%
Return	12.25%	4.92%
Real Estate (Property)	3.20%	5.80%
Commodities	2.50%	5.35%

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015

**Note 8: PENSION PLANS (Continued)**

*Discount rate.* The discount rate used to measure the total pension liability was 5.39% and 5.55% as of June 30, 2014 and 2013, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 4.29% and 4.63% as of June 30, 2014 and 2013, respectively, 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 rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of recommended contributions.

Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

*Sensitivity of the municipality's proportionate share of the net pension liability to changes in the discount rate.* The following presents the municipality's proportionate share of the net pension liability measured as of June 30, 2014, calculated using the discount rate of 5.39%, as well as what the municipality's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.39%) or 1-percentage-point higher (6.39%) than the current rate:

	<u>1% Decrease</u> <u>(4.39%)</u>	<u>Current</u> <u>Discount Rate</u> <u>(5.39%)</u>	<u>1% Increase</u> <u>(6.39%)</u>
municipality's proportionate share of the net pension liability	\$ 1,605,483	\$1,276,184	\$ 999,657

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

***Police and Fireman's Retirement System (PFRS)*** - The Police and Fireman's Retirement System (PFRS) was established as of January 1, 1944, under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Police and Fireman's Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district, or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state or local jurisdiction.

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015

**Note 8: PENSION PLANS (Continued)**

Vesting and Benefit Provisions - The vesting and benefit provisions are set by N.J.S.A. 43:16A. PFRS provides retirement as well as 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.

Contribution Requirements - The contribution policy for PFRS is set by N.J.S.A 43:16A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's contribution amount is based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. For fiscal year 2014 and 2013, the State contributed an amount less than the actuarially determined amount.

The Local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PFRS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015

**Note 8: PENSION PLANS (Continued)**

Summary of Significant Accounting Policies - New Jersey's municipalities and counties do not follow GAAP accounting principles and, as such, do not follow GASB requirements with respect to recording the net pension liability or related deferred outflows or inflows of resources on their balance sheets, or related plan pension expense. However, N.J.A.C. 5:30-6.1(c)(2) requires municipalities and counties to disclose GASB 68 information in the Notes to the Financial Statements. Accordingly, the municipality's portion of the net pension liability, related outflows and inflows of resources, and pension expense are for disclosure purposes only and do not effect the municipality's regulatory basis fund balance, statement of revenues and expenditures, or operations. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense as required by GASB No. 68, information about the fiduciary net position of the PERS and additions to/deductions from PERS fiduciary net position have been determined on the same basis as they are reported by PERS.

*Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions*

At June 30, 2015, the municipality disclosed a liability of \$1,574,224 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2013, which was rolled forward to June 30, 2014. The total pension liability for the June 30, 2013 measurement date was determined by an actuarial valuation as of July 1, 2013. The municipality's proportion of the net pension liability is based on the ratio of the contributions as an individual employer to total of non-special funding contributions to the PFRS during the years ended June 30, 2014 and 2013. At June 30, 2014, the municipality's proportion was 0.01251% which was an increase of 0.00403% from its proportion measured as of June 30, 2013.

*For the State fiscal year ended June 30, 2015, the municipality's portion of the plan's pension expense was \$195,052. At June 30, 2015, deferred outflows of resources and deferred inflows of resources for PFRS relating to the municipality's proportionate share are from the following sources:*

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	-	-
Changes of assumptions	\$ 59,102	
Net difference between projected and actual earnings on pension plan investments		\$ 160,644
Changes in proportion and differences between municipality contributions and proportionate share of contributions	448,859	-
municipality contributions subsequent to the measurement date	99,385	
Total	<u>\$ 607,346</u>	<u>\$ 160,644</u>

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015

**Note 8: PENSION PLANS (Continued)**

\$99,385 disclosed as deferred outflows of resources related to pensions resulting from municipality contributions subsequent to the measurement date (i.e. Contributions for calendar year 2015 were made after the the plan measurement date of June 30, 2014) will be shown as a reduction of the net pension liability measured as of June 30, 2015. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense of the plan as follows:

	<u>Year Ended June 30:</u>	
	2015	\$98,266
	2016	\$98,266
	2017	\$98,266
	2018	\$98,266
	2019	(\$39,101)
	Thereafter	<u>(\$6,647)</u>
	Total	<u>\$347,317</u>

	<u>6/30/2013</u>	<u>6/30/2014</u>
Collective deferred outflows of resources (Non-Special Funding Situations)	-	\$750,532,959
Collective deferred inflows of resources (Non-Special Funding Situations)	-	1,561,923,934
Collective net pension liability (Non-Special Funding Situations)	\$13,294,097,604	\$12,579,072,492
Municipality's proportionate share of net pension liability (Non-Special Funding Situations)	\$1,128,028	\$1,574,224
Municipality's proportion %	0.00848518%	0.01251463%

*Actuarial assumptions* . The total pension liability in the July 1, 2013 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation:	3.01%
<u>Salary Increases:</u>	
2012-2021	3.95%-8.62% based on age
Therafter	4.95%-9.62% based on age
Investment Rate of Return:	7.90%

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for females) with adjustments for mortality improvements from the base year of 2011 Based on Projection Scale AA.

The actuarial assumptions used in the July 1, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2007 to June 30, 2010.

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015

**Note 8: PENSION PLANS (Continued)**

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.80%
Core Bonds	1.00%	2.49%
Intermediate-Term Bonds	11.20%	2.26%
Mortgages	2.50%	2.17%
High Yield Bonds	5.50%	4.82%
Inflation-Indexed Bonds	2.50%	3.51%
Broad US Equities	25.90%	8.22%
Developed Foreign	12.70%	8.12%
Emerging Market Equities	6.50%	9.91%
Private Equity	8.25%	13.02%
Hedge Funds / Absolute Return	12.25%	4.92%
Real Estate (Property)	3.20%	5.80%
Commodities	2.50%	5.35%

*Discount rate.* The discount rate used to measure the total pension liability was 6.32% and 6.45% as of June 30, 2014 and 2013, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 4.29% and 4.63% as of June 30, 2014 and 2013, respectively, 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 rate assumed that contributions from plan members will be made based on the average of the last five years of contributions made in relation to the last five years of actuarially determined 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 2045. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2045, and the municipal bond rate was applied to projected benefit payments after that date in determining the t

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015

**Note 8: PENSION PLANS (Continued)**

*Sensitivity of the municipality's proportionate share of the net pension liability to changes in the discount rate.* The following presents the collective net pension liability of the municipality as of June 30, 2014, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1- percentage-point higher than the current rate:

	<u>1% Decrease</u> <u>(5.32%)</u>	<u>Current</u> <u>Discount Rate</u> <u>(6.32%)</u>	<u>1% Increase</u> <u>(7.32%)</u>
Municipality's proportionate share of the net pension liability	\$ 2,121,469	\$1,574,224	\$ 1,121,939

*PFRS Special Funding Situation* - Under N.J.S.A. 43:16A-15, the municipality is 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 municipality to the PFRS 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. The portion of the nonemployer contributing entities' total proportionate share of the collective net pension liability and collective pension expense that is associated with the municipality is as follows:

	<u>6/30/2013</u>	<u>6/30/2014</u>
Collective net pension liability of the Nonemployer (State of New Jersey) - Special Funding Situation	\$1,239,171,400	\$1,354,554,686
State's portion of the net pension liability that was associated with the municipality - Special Funding Situation	\$105,146	\$169,518
State's portion of the net pension liability that was associated with the municipality as a percentage of the collective net pension liability - Special Funding Situation	0.008485%	0.012515%
Collective pension expense of the Nonemployer-(State of New Jersey) - Special Funding Situation	-	\$171,628,286
State's portion of the pension expense that was associated with the municipality - Special Funding Situation	-	\$21,479

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



NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015

**Note 8: PENSION PLANS (Continued)**

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

The contribution requirements of plan members are determined by state statute. 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. The State Treasurer has the right under current law to make temporary reductions in member rates based on the existence of surplus plan assets in the retirement system; however statute also requires the return to the normal rate when such surplus pension assets no longer exist.

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

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

□ New members of the PERS hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of  $\frac{1}{4}$  of 1% for each month that the member is under age 65. □ The eligibility age to qualify for a service retirement in the PERS is increased from age 63 to 65 for Tier 5 members. □ The annual benefit under special retirement for new PFRS members enrolled after June 28, 2011 (Tier 3 members), will be 60% instead of 65% of the member's final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years. □ Increases in active member contribution rates. PERS active member rates increase from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years; PFRS active member rate increase from 8.5% to 10%. For fiscal year 2012, the member contribution rates increased in October 2011. The phase-in of the additional incremental member contribution rates for PES members will take place in July of each subsequent fiscal year.

□ The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law. □ New employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to Chapter 78's effective date with a minimum contribution required to be at least 1.5% of salary. □ In addition, this new legislation changes the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay).

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015

**Note 8: PENSIONS - (Continued)**

<b><u>Three-Year Trend Information for PERS</u></b>			
<u>Year</u> <u>Funding</u>	<u>Annual</u> <u>Pension</u> <u>Cost (APC)</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>	<u>Net</u> <u>Pension</u> <u>Obligation</u>
2015	\$59,526	100%	-0-
2014	\$43,136	100%	-0-
2013	\$60,020	100%	-0-

<b><u>Three-Year Trend Information for PERS</u></b>			
<u>Year</u> <u>Funding</u>	<u>Annual</u> <u>Pension</u> <u>Cost (APC)</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>	<u>Net</u> <u>Pension</u> <u>Obligation</u>
2015	\$99,385	100%	-0-
2014	\$65,106	100%	-0-
2013	\$52,308	100%	-0-

**Note 9: POST-RETIREMENT BENEFITS**

P.L. 1987, c. 384 and P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those state employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired state employees and retired educational employees. As of June 30, 2014, there were 100,134 retirees receiving post-retirement medical benefits, and the State contributed \$1.07 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c.126, which provides employer paid health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$173.8 million toward Chapter 126 benefits for 17,356 eligible retired members in Fiscal Year 2014.

GASB Statement #45 requires certain disclosures relating to governmental entities obligations for other post-employment benefits (OPEB), which are post-employment benefits other than pensions. The Municipality does not provide post-employment benefits other than pension. Healthcare provided to eligible PERS retirees through the NJ State Health Benefits Program are paid by the the State of New Jersey and as such, no municipal OPEB liability exists.

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015

**Note 10: LEASES**

The Township has not entered into any long-term lease agreements except for equipment which can be capitalized as installment purchases of fixed assets in accordance with Technical Accounting Directive No. 85-2.

**Note 11: ACCRUED SICK AND VACATION BENEFITS**

As discussed in Note 1 and in accordance with accounting principles prescribed by the State of New Jersey, the cash basis of accounting is followed for recording the liability related to unused sick pay.

The Township permits full-time employees to annually accrue unused vacation and sick pay, which can be taken as time off at a later date. Contractual agreements for police are also included.

In accordance with New Jersey principles, the amount is not reported as an expenditure or liability in the financial statements.

**Note 12: CONTINGENT LIABILITIES**

**GRANT PROGRAMS**

The Township participated in a number of state assisted grant programs administered at the state level. These programs, exclusive of the single audit concept, can be subject to program compliance audits by the grantors or their representatives. Accordingly, the Township's compliance with certain applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the Township expects such amounts, if any, to be immaterial.

**LITIGATION**

The township estimates that any potential settlements arising from potential litigation would not materially affect the financial statements of the township.

**Note 13: OTHER REQUIRED DISCLOSURES**

Individual fund interfund receivable and payable balances. All interfund receivable and payable balances outstanding at the beginning of the fiscal period were fully liquidated during the fiscal period, with the following exceptions outstanding at December 31, 2015:

<u>FUND</u>	<u>DUE FROM OTHER FUNDS</u>	<u>DUE TO OTHER FUNDS</u>
Current Fund	\$ 2,912	-
Federal/State Grants Fund	-	-
Other Trust Funds	-	\$ 1,055
General Capital Fund	-	1,857
	<u>\$ 2,912</u>	<u>\$ 2,912</u>

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015

**Note 14: RISK FINANCING**

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage. There were no significant reductions in insurance coverage from coverage in the prior year.

**Note 15: OTHER POST-RETIREMENT BENEFITS**

**Plan Description.** The West Amwell 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. West Amwell Township authorized participation in the SHBP's post-retirement benefit program through resolution.

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/gasb-43-sept2014.pdf](http://www.state.nj.us/treasury/pensions/gasb-43-sept2014.pdf)

**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 West Amwell Township on a monthly basis.

**PART I I**  
**SUPPLEMENTARY INFORMATION**

## **CURRENT FUND SCHEDULES**

CURRENT FUND  
SCHEDULE OF CASH -TREASURER

A-4

	<u>REF.</u>	<u>Current Fund</u>		<u>Federal and State</u> <u>Grant Fund</u>
Balance December 31, 2014	A	\$ 676,578	\$	20,661
<b>Increased by Receipts:</b>				
Collector	A-5	\$ 11,296,179		
Miscellaneous Revenue Not Anticipated	A-2	13,435		
Revenue Accounts Receivable	A-9	1,799,478		
Accounts Payable	A-12	14,791		
Amount Due State of New Jersey for Senior Citizens/Veterans Deductions	A-16	30,491		
Sale of Municipal Assets	A-15	33,885		
Interfunds Returned	C	-		
Watershed Offset Aid	A-22	21,620		
State Grant Funds	A-20	<u>-</u>	<u>\$ 22,060</u>	<u>22,060</u>
		13,209,879		
		13,886,457		42,721
<b>Decreased by Disbursements:</b>				
Interfunds Returned	A	(2,002)	\$ 2,002	
Interfunds Returned	B	31,053		
2014 Appropriation Reserves	A-10	41,618		
Reserve for Encumbrances	A-11	3,208,982		
Accounts Payable	A-12	15,444		
Tax Overpayments	A-14	24,582		
County Taxes	A-17	1,906,514		
Regional District School Tax	A-18	7,822,668		
Open Space Trust	A-19	297,615		
State Grant Funds	A-21	<u>-</u>	<u>22,879</u>	<u>24,881</u>
		13,346,474		
Balance December 31, 2015	A	<u>\$ 539,983</u>	<u>\$</u>	<u>17,840</u>

CURRENT FUND  
SCHEDULE OF CASH - COLLECTOR

A-5

REF.

**Received:**

Interest and Costs on Taxes	A-2	\$	25,155	
Taxes Receivable	A-6		11,135,057	
Tax Title Liens	A-7		651	
2015 Prepaid Taxes	A-13		110,734	
Third Party Liens	A-14		<u>24,582</u>	\$ <u>11,296,179</u>

**Decreased by Disbursements:**

Payments to Treasurer	A-4			\$ <u>11,296,179</u>
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CURRENT FUND  
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF TAX LEVY

<u>YEAR</u>	<u>BALANCE</u>	<u>2015</u>	<u>CASH COLLECTIONS</u>		<u>TRANSFERRED</u>		<u>BALANCE</u>
	<u>12/31/14</u>	<u>LEVY</u>	<u>2014</u>	<u>2015</u>	<u>TO TAX</u>	<u>CANCELLED</u>	<u>12/31/15</u>
					<u>TITLE LIENS</u>		
2014	\$ 86,240			\$ 81,085	\$ 4,601	\$ 554	-
	86,240			81,085	4,601	554	-
2015		\$ 11,379,848	\$ 100,738	11,083,463	17,177	10,594	\$ 167,876
TOTALS	<b>\$ 86,240</b>	<b>\$ 11,379,848</b>	<b>\$ 100,738</b>	<b>\$ 11,164,548</b>	<b>\$ 21,778</b>	<b>\$ 11,148</b>	<b>\$ 167,876</b>

REF.	A		A-13		A-7	A
		<u>REF.</u>				
State of New Jersey --Senior Citizens and Veterans Deductions		A-2		\$ 29,491		
Received by Collector		A-5		<u>11,135,057</u>		
				<b><u>\$ 11,164,548</u></b>		

**ANALYSIS OF PROPERTY TAX LEVY:**

**Tax Yield:**

General Purpose Tax	\$ 11,001,791	
Levy Special District Taxes	295,405	
Added/Omitted Taxes (54:4-63.1 et.seq.)	<u>82,652</u>	<b><u>\$ 11,379,848</u></b>

**Tax Levy:**

Regional School Tax	A-18	7,822,668	
Municipal Open Space	A-19	297,615	
County Taxes:			
County Tax (Abstract)		\$ 1,585,864	
County Library Tax (Abstract)		158,762	
County Open Space Tax		154,409	
Due County for Added and Omitted Taxes (54.4-63.1,et.seq.)	A-17	<u>14,317</u>	1,913,352
Local Tax for Municipal	A-2		1,280,087
Add: Additional Tax Levied		<u>66,126</u>	<b><u>\$ 11,379,848</u></b>

CURRENT FUND  
SCHEDULE OF TAX TITLE LIENS

A-7

REF.

Balance December 31, 2014	A	\$ 137,600
<b>Increased by:</b>		
Interest and Costs		
Transfers from Taxes Receivable	A-6	<u>21,778</u>
		159,378
<b>Decreased by:</b>		
Paid	A-5	<u>651</u>
Balance December 31, 2015	A	<u>\$ 158,727</u>

CURRENT FUND  
SCHEDULE OF PROPERTY ACQUIRED FOR TAXES  
(AT ASSESSED VALUATION)

A-8

	<u>REF.</u>	
Balance December 31, 2014	A	<u>\$ 3,150</u>
Balance December 31, 2015	A	<u>\$ 3,150</u>

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CURRENT FUND  
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

A-9

	<u>REF.</u>	<u>BALANCE</u> <u>12/31/14</u>	<u>ACCRUED</u> <u>IN 2015</u>	<u>COLLECTED</u> <u>BY</u> <u>TREASURER</u>	<u>BALANCE</u> <u>12/31/15</u>
Clerk:					
Licenses:					
Alcoholic Beverages	A-2	\$	2,500	\$	2,500
Fees and Permits	A-2		96,057		96,057
Fines and Costs-Municipal Court	A-2	\$ 14,132	124,579	128,396	\$ 10,315
Interest on Investments and Deposits	A-2		4,810		4,810
Consolidated Municipal Property Tax Relief Aid	A-2		305,989		305,989
Energy Receipts Tax	A-2		601,140		601,140
Garden State Trust	A-2		36,752		36,752
Uniform Construction Code Fees	A-2		173,076		173,076
Fire Safety Fees	A-2		9,258		9,258
Open Space Trust Fund	A-2		431,500		431,500
General Capital Fund Balance	A-2		10,000		10,000
Totals		<b>\$ 14,132</b>	<b>\$ 1,795,661</b>	<b>\$ 1,799,478</b>	<b>\$ 10,315</b>
		A		A-4	A

CURRENT FUND  
SCHEDULE OF APPROPRIATION RESERVES - 2014

A-10

	<u>BALANCE</u> <u>12/31/14</u>	<u>BALANCE</u> <u>AFTER</u> <u>TRANSFERS</u>	<u>PAID</u> <u>OR</u> <u>CHARGED</u>	<u>BALANCE</u> <u>LAPSED</u>
General Administration:				
Other Expenses	\$ 1,765	\$ 1,765	\$ 1,765	-
Mayor/Committee:				
Other Expenses	200	200	200	-
Municipal Clerk:				
Other Expenses	2,287	2,287	887	\$ 1,400
Tax Collector (Revenue Admin.):				
Other Expenses	692	692	692	-
Finance:				
Other Expenses	2,875	2,875	1,655	1,220
Tax Assessment:				
Other Expenses	2,955	2,955	399	2,556
Legal Services (Legal Dept.):				
Other Expenses	1,513	1,513	1,513	-
Engineering Services:				
Other Expenses	1,487	1,487	237	1,250
Planning Board:				
Other Expenses	631	631	631	-
General Liability Insurance	248	248	248	-
Police Department:				
Other Expenses	3,084	3,084	3,044	40
Fire Bureau:				
Other Expenses	2,092	2,617	525	2,092
Fire Hydrant Services:				
Other Expenses	86	86	86	-
Municipal Court:				
Other Expenses	2,507	2,507	527	1,980
Streets and Road Maintenance:				
Other Expenses	5,932	5,932	5,932	-
Solid Waste:				
Other Expenses	3,881	4,954	4,279	675
Buildings and Grounds:				
Other Expenses	2,674	2,674	2,674	-
Vehicle Maintenance:				
Other Expenses	3,451	3,451	3,451	-
Public Health:				
Other Expenses	1,030	1,030	1,030	-
Recreation:				
Other Expenses	912	912	912	-
Electricity	1,655	1,655	1,655	-
Street Lighting	1,408	1,408	1,094	314
Telephone	471	471	471	-
Fuel Oil	3,645	3,645	3,645	-
Gasoline	3,818	3,818	3,818	-
Recycling Surcharge	313	313	57	256
Construction Department:				
Other Expenses	804	804	191	613
Other Accounts - No Change	12,689	12,689		12,689
<b>TOTALS</b>	<b>\$ 65,105</b>	<b>\$ 66,703</b>	<b>\$ 41,618</b>	<b>\$ 25,085</b>

REF.	A	A-4	A-1
Appropriation Reserve	A	\$ 65,105	
Encumbrances	A-11	1,598	
		<u>\$ 66,703</u>	

CURRENT FUND  
SCHEDULE OF RESERVE FOR ENCUMBRANCES

A-11

	<u>REF.</u>		
Balance December 31, 2014	A	\$	1,598
<b>Increased by:</b>			
Transfer from Current Year Appropriations	A-3	\$ 3,208,151	
Additional/Canceled Encumbrance Appropriations		<u>831</u>	<u>3,208,982</u>
			3,210,580
<b>Decreased by:</b>			
Transfer to Appropriation Reserve	A-10	1,598	
Encumbrances Paid	A-4	<u>3,208,982</u>	<u>\$ 3,210,580</u>

CURRENT FUND  
SCHEDULE OF ACCOUNTS PAYABLE

A-12

	<u>REF.</u>	
Balance December 31, 2014	A	\$ 5,361
<b>Increased by:</b>		
Receipts	A-4	<div style="text-align: right;">14,791</div> <hr style="width: 100px; margin: 0 auto;"/> 20,152
<b>Decreased by:</b>		
Payment	A-4	<div style="text-align: right;">15,444</div> <hr style="width: 100px; margin: 0 auto;"/>
Balance December 31, 2015	A	<div style="text-align: right;">\$ 4,708</div> <hr style="width: 100px; margin: 0 auto;"/>
State of New Jersey Marriage Licenses		\$ 150
State of New Jersey UCC Fees		4,483
County Health Inspections		<div style="text-align: right;">75</div> <hr style="width: 100px; margin: 0 auto;"/>
		<div style="text-align: right;">\$ 4,708</div> <hr style="width: 100px; margin: 0 auto;"/>

CURRENT FUND  
SCHEDULE OF TAXES COLLECTED IN ADVANCE

A-13

	<u>REF.</u>	
Balance December 31, 2014	A	\$ 100,738
<b>Increased by:</b>		
2016 Taxes Collected in Advance	A-5	<u>110,734</u> 211,472
<b>Decreased by:</b>		
Applied to 2015 Taxes Receivable	A-6	<u>100,738</u>
Balance December 31, 2015	A	<u>\$ 110,734</u>



CURRENT FUND  
SCHEDULE OF TAX OVERPAYMENTS

A-14

REF.

**Increased by:**

Third Party Outside Liens Received by Collector

A-5

\$ 24,582  
24,582

**Decreased by:**

Refunds

A-4

\$ 24,582

CURRENT FUND  
SCHEDULE OF SALE OF MUNICIPAL ASSETS

A-15

	<u>REF.</u>	
Balance December 31, 2014	A	\$ 5,283
<b>Increased by:</b>		
Receipts	A-4	<u>33,885</u>
		39,168
Balance December 31, 2015	A	<u>\$ 39,168</u>

CURRENT FUND  
SCHEDULE OF AMOUNT DUE TO STATE OF NEW JERSEY FOR  
SENIOR CITIZENS AND VETERANS DEDUCTIONS

A-16

REF.

**Increased by:**

Senior Citizens Deductions per Tax Billings	\$	3,750	
Veterans Deductions per Tax Billings		26,750	
Collector Deductions Allowed		<u>250</u>	<u>\$ 30,750</u>
			30,750

**Decreased by:**

Disallowed by Collector		1,259	
Received In Cash From State	A-4	<u>30,491</u>	<u>31,750</u>

Balance December 31, 2015	A		<u>\$ (1,000)</u>
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CURRENT FUND  
SCHEDULE OF COUNTY TAXES PAYABLE

A-17

	<u>REF.</u>	
Balance December 31, 2014	A	\$ 7,479
<b>Increased by:</b>		
2015 Levy:		
County Taxes	A-1:6	\$ 1,585,864
County Library Taxes	A-1:6	158,762
County Open Space Tax	A-1:6	154,409
Prior Year Added and Omitted Taxes	A-1:6	<u>14,317</u>
		<u>1,913,352</u>
		1,920,831
<b>Decreased by:</b>		
Payments	A-4	<u>1,906,514</u>
Balance December 31, 2015	A	<u>\$ 14,317</u>

CURRENT FUND  
SCHEDULE OF REGIONAL HIGH SCHOOL TAX PAYABLE

A-18

REF.

Balance December 31, 2014:

School Tax Payable

School Tax Deferred

A      None

**Increased by:**

Levy - Calendar Year 2015

A-6    \$ 7,822,668

**Decreased by:**

Payments

A-4    \$ 7,822,668

Balance December 31, 2015:

School Tax Payable

School Tax Deferred

A      None

**2015 Liability for Local District School Tax:**

Tax Paid

\$ 7,822,668

Tax Payable 12/31/15

None  
7,822,668

Less -- Tax Payable 12/31/14

None

**Amount Charged to 2015 Operations**

A-1    \$ 7,822,668

CURRENT FUND  
SCHEDULE OF MUNICIPAL OPEN SPACE TAX PAYABLE

A-19

REF.

**Increased by:**

Levy 2015	A-6	\$ 295,405	
Added Levy 2015	A-6	<u>2,210</u>	<u>\$ 297,615</u>
			297,615

**Decreased by:**

Transfer to Trust Fund	A-4		<u>\$ 297,615</u>
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CURRENT FUND  
SCHEDULE OF STATE GRANTS RECEIVABLE

A-20

<u>PURPOSE</u>	<u>BALANCE</u> <u>12/31/14</u>	<u>RECEIVABLE</u>	<u>RECEIVED</u>	<u>BALANCE</u> <u>12/31/15</u>
Clean Communities Grant CY 2015		\$ 12,850	\$ 12,850	
Recycling Tonnage Grant		4,221	4,221	
NJ Body Armor Grant		1,089	1,089	
Police Click it or Ticket		3,900	3,900	
NJDEP - Alexauken Creek Watershed Plan	\$ 487,361			\$ 487,361
US Bulletproof Vests	3,336			- 3,336
NJDEP - Alexauken Creek Plan I	<u>4,012</u>	<u>-</u>	<u>-</u>	<u>4,012</u>
	<u>\$ 494,709</u>	<u>\$ 22,060</u>	<u>\$ 22,060</u>	<u>\$ 494,709</u>
	A	A-2	A-4	A

CURRENT FUND  
SCHEDULE OF RESERVE FOR STATE GRANTS

A-21

	BALANCE	TRANSFER FROM 2015 BUDGET		BALANCE
	<u>12/31/14</u>	<u>APPROPRIATIONS</u>	<u>EXPENDED</u>	<u>12/31/15</u>
Clean Communities Grant	\$ 5,150	\$ 12,850	\$ 18,000	-
Alcohol Rehabilitation	528			\$ 528
Recycling Tonnage Grant	-	4,221		4,221
NJ Body Armor Grant	1,777	1,089		2,866
Police Click it or Ticket		3,900	3,900	-
NJDEP - Alexauken Creek Watershed Plan	491,310			491,310
NJDEP - Alexauken Creek Plan I	8,522			8,522
Drunk Driving Enforcement Grant	3,675		240	3,435
Hazards Emergency Program	2,406		739	1,667
Totals	<u>\$ 513,368</u>	<u>\$ 22,060</u>	<u>\$ 22,879</u>	<u>\$ 512,549</u>

REF.

A

A-3

A-4

A



CURRENT FUND  
SCHEDULE OF RESERVE FOR WATERSHED MORITORIUM OFFSET

A-22

	<u>REF.</u>	
Balance December 31, 2014	A	\$ 21,620
<b>Increased by:</b>		
State Aid Receipt	A-4	<u>21,620</u>
		43,240
<b>Decreased by:</b>		
Realized as Revenue in 2015 Budget	A-2	<u>21,620</u>
Balance December 31, 2015	A	<u>\$ 21,620</u>

CURRENT FUND  
SCHEDULE OF DEFERRED CHARGES  
SPECIAL EMERGENCY AUTHORIZATIONS

A-23

<u>PURPOSE</u>	<u>DESCRIPTION</u>	<u>DATE</u> <u>AUTHORIZED</u>	<u>NET</u> <u>AMOUNT</u> <u>AUTHORIZED</u>	<u>BALANCE</u> <u>12/31/14</u>	<u>APPROPRIATED</u> <u>2015</u> <u>BUDGET</u>	<u>BALANCE</u> <u>12/31/15</u>
Special Emergency (40A:4-55)	Reassessment	6/22/11	24,000	\$ 9,600	\$ 4,800	\$ 4,800
Special Emergency (40A:4-55)	Severence Liabilites-Contractual	10/26/11	29,992	11,992	6,000	5,992
Special Emergency (40A:4-55)	Hurricane Irene - 2011	10/26/11	60,000	24,000	12,000	12,000
Totals				<u>\$ 45,592</u>	<u>\$ 22,800</u>	<u>\$ 22,792</u>
REF.				A	A-3	A

## **TRUST FUND SCHEDULES**



TRUST FUND  
SCHEDULE OF CASH - TREASURER

B-2

	<u>REF.</u>	<u>DOG LICENSES</u>	<u>OTHER TRUST</u>	<u>OPEN SPACE</u>
Balance December 31, 2014	B	\$ 9,386	\$ 472,846	\$ 998,299
<b>Increased by Receipts:</b>				
Dog License Fees	B-3	12,006		
State Dog License Fees	B-4	959		
Amount Due Current Fund	B-5:6	51	31,053	
Escrow Trust Deposits	B-7		188,938	
POAA Deposits	B-8		4	
Historical Preservation Deposits	B-9		103	
COAH Escrow Deposits	B-11		10,796	
Off Duty Police Deposits	B-13		15,113	
Public Defender Deposits	B-16		846	
Tax Sale Premiums	B-17		5,200	
SUI Deposits	B-18		79	
Municipal Alliance Deposits	B-19		21,752	
DARE Contributions	B-20		9,555	
Local Assistance	B-21		1,063	
Municipal Open Space Trust Deposits	B-22	-	-	330,117
<b>Total Receipts</b>		<u>13,016</u>	<u>284,502</u>	<u>330,117</u>
		<b><u>22,402</u></b>	<b><u>757,348</u></b>	<b><u>1,328,416</u></b>
<b>Decreased by Disbursements:</b>				
Expenditures Under R. S. 4:19-15.11	B-3	20,523		
State Dog License Fees	B-4	958		
Due Current Fund	B-5:6	51		
Escrow Trust Deposits Refunded	B-7		84,941	
Housing Trust	B-10		7,006	
COAH Escrow	B-11		1,460	
CDBG Rehabilitation	B-12		70,447	
Off Duty Police	B-13		11,630	
Tax Sale Premiums	B-17		32,200	
Municipal Alliance	B-19		17,527	
DARE Disbursements	B-20		1,132	
Municipal Open Space Trust Disbursements	B-22			917,184
General Capital Fund Disbursements	B-23	-	-	9,000
<b>Total Disbursements</b>		<u>21,532</u>	<u>226,343</u>	<u>926,184</u>
Balance December 31, 2015	B	<u><b>870</b></u>	<u><b>\$ 531,005</b></u>	<u><b>\$ 402,232</b></u>

TRUST FUND  
SCHEDULE OF RESERVE FOR DOG FUND EXPENDITURES

B-3

	<u>REF.</u>	
Balance December 31, 2014	B	\$ 9,386
<b>Increased by:</b>		
Dog License Fees Collected	B-2	<u>12,006</u>
		21,392
<b>Decreased by:</b>		
Expenditures Under R.S. 4:29-15.11	B-2	<u>20,523</u>
Balance December 31, 2015	B	<u>\$ 869</u>

TRUST FUND  
SCHEDULE OF AMOUNT DUE TO STATE OF  
NEW JERSEY DEPARTMENT OF HEALTH

B-4

REF.

**Increased by:**

Collected in 2015:

State Board of Health Fees

B-2

\$ 959

959

**Decreased By:**

Payments

B-2

958

Balance December 31, 2015

B

\$ 1

DOG LICENSE FUND  
SCHEDULE OF DUE TO CURRENT FUND

B-5

REF.

**Increased by:**

Interest Earned

B-2    \$ 51  
          51

**Decreased by:**

Interfund Returned

B-2    \$ 51



TRUST FUND  
SCHEDULE OF AMOUNT DUE CURRENT FUND

B-6

	<u>REF.</u>		
Balance December 31, 2014	B		\$ (29,998)
<b>Increased by:</b>			
Prior Year Interfund Balance Received-Tax Sale Premiums	B-2	\$ 30,000	
Interest Earned - Escrow Accounts	B-2	<u>1,053</u>	<u>31,053</u>
			1,055
Balance December 31, 2015	B		<u>\$ 1,055</u>
		Interest due to Current Fund	<u>\$ 1,055</u>
			<u>\$ 1,055</u>

TRUST FUND  
SCHEDULE OF RESERVE FOR ESCROW TRUST FUND DEPOSITS

B-7

	<u>REF.</u>	
Balance December 31, 2014	B	\$ 43,142
<b>Increased by:</b>		
Escrow Deposits	B-2	<u>188,938</u>
		232,080
<b>Decreased by:</b>		
Escrow Deposits Refunded	B-2	<u>84,941</u>
Balance December 31, 2015	B	<u>\$ 147,139</u>

TRUST FUND  
SCHEDULE OF RESERVE FOR POAA DEPOSITS  
TRUST DEPOSITS

B-8

REF.

Balance December 31, 2014

B     \$       26

**Increased by:**

Escrow Deposits

B-2              4

Balance December 31, 2015

B     \$          30

TRUST FUND  
SCHEDULE OF RESERVE FOR HISTORICAL PRESERVATION  
TRUST DEPOSITS

B-9

	<u>REF.</u>	
Balance December 31, 2014	B	\$ 2,473
<b>Increased by:</b>		
Deposits	B-2	<div style="display: inline-block; text-align: right;"> <u>103</u>  2,576 </div>
Balance December 31, 2015	B	<div style="display: inline-block; text-align: right;"> <u>\$ 2,576</u> </div>

TRUST FUND  
SCHEDULE OF RESERVE FOR HOUSING TRUST  
TRUST DEPOSITS

B-10

	<u>REF.</u>	
Balance December 31, 2014	B	\$ 37,814
<b>Decreased by:</b>		
Disbursements	B-2	<u>7,006</u>
Balance December 31, 2015	B	<u>\$ 30,808</u>

TRUST FUND  
SCHEDULE OF RESERVE FOR COAH ESCROW  
TRUST DEPOSITS

B-11

	<u>REF.</u>	
Balance December 31, 2014	B	<u>\$ 84,303</u>
<b>Increased by:</b>		
Deposits	B-2	<u>10,796</u> 95,099
<b>Decreased by:</b>		
Disbursements	B-2	<u>1,460</u>
Balance December 31, 2015	B	<u>\$ 93,639</u>

TRUST FUND  
SCHEDULE OF RESERVE FOR CDBG REHABILITATION

B-12

	<u>REF.</u>	
Balance December 31, 2014	B	\$ 103,099
<b>Decreased by:</b>		
Disbursements	B-2	<u>70,447</u>
Balance December 31, 2015	B	<u>\$ 32,652</u>

TRUST FUND  
SCHEDULE OF RESERVE FOR OFF DUTY POLICE

B-13

REF.

**Increased by:**

Deposits

B-2     \$ 15,113  
             15,113

**Decreased by:**

Disbursements

B-2     11,630

Balance December 31, 2015

B     \$ 3,483



TRUST FUND  
SCHEDULE OF RESERVE FOR CELEBRATION OF PUBLIC EVENTS

B-14

	<u>REF.</u>	
Balance December 31, 2014	B	<u>\$ 3,735</u>
Balance December 31, 2015	B	<u>\$ 3,735</u>

TRUST FUND  
SCHEDULE OF RESERVE FOR FIRE PENALTIES  
TRUST DEPOSITS

B-15

	<u>REF.</u>	
Balance December 31, 2014	B	<u>\$ 2,000</u>
Balance December 31, 2015	B	<u>\$ 2,000</u>

TRUST FUND  
SCHEDULE OF RESERVE FOR PUBLIC DEFENDER

B-16

	<u>REF.</u>	
Balance December 31, 2014	B	\$ 930
<b>Increased by:</b>		
Deposits	B-2	<u>846</u>
		1,776
Balance December 31, 2015	B	<u>\$ 1,776</u>

TRUST FUND  
SCHEDULE OF RESERVE FOR TAX SALE PREMIUMS

B-17

	<u>REF.</u>	
Balance December 31, 2014	B	\$ 184,700
<b>Increased by:</b>		
Deposits	B-2	<u>5,200</u>
		189,900
<b>Decreased by:</b>		
Disbursements	B-2	<u>32,200</u>
Balance December 31, 2015	B	<u>\$ 157,700</u>

TRUST FUND  
SCHEDULE OF RESERVE FOR SUI

B-18

REF.

Balance December 31, 2014	B	\$ 22,666
<b>Increased by:</b>		
Deposits	B-2	<u>79</u>
		22,745
Balance December 31, 2015	B	<u>\$ 22,745</u>

TRUST FUND  
SCHEDULE OF RESERVE FOR MUNICIPAL ALLIANCE

B-19

	<u>REF.</u>	
Balance December 31, 2014	B	\$ 17,956
<b>Increased by:</b>		
Deposits	B-2	<u>21,752</u>
		39,708
<b>Decreased by:</b>		
Disbursements	B-2	<u>17,527</u>
Balance December 31, 2015	B	<u>\$ 22,181</u>

TRUST FUND  
SCHEDULE OF RESERVE FOR DARE CONTRIBUTIONS

B-20

REF.

**Increased by:**

Deposits	B-2	\$ 9,555
		<u>9,555</u>

**Decreased by:**

Disbursements	B-2	<u>1,132</u>
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Balance December 31, 2015	B	<u>\$ 8,423</u>
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TRUST FUND  
SCHEDULE OF RESERVE FOR LOCAL ASSISTANCE

B-21

REF.

**Increased by:**

Deposits

B-2

\$ 1,063  
1,063

Balance December 31, 2015

B

\$ 1,063



TRUST FUND  
SCHEDULE OF RESERVE FOR MUNICIPAL OPEN SPACE TRUST

B-22

	<u>REF.</u>		
Balance December 31, 2014	B	\$	989,299
<b>Increased by:</b>			
Municipal Open Space Tax Levy	B-2	\$	297,615
State/County Reimbursements	B-2		30,166
Interest Earned	B-2		<u>2,336</u>
			<u>330,117</u>
			1,319,416
<b>Decreased by:</b>			
Open Space Trust Reserve Anticipated as Current Fund Budgeted Revenue	B-2		431,500
Open Space Contribution to General Capital Improvement Authorizations	B-2:C-7		470,000
Municipal Open Space Disbursements	B-2		<u>15,684</u>
			<u>917,184</u>
Balance December 31, 2015	B	\$	<u><u>402,232</u></u>

OPEN SPACE TRUST FUND  
SCHEDULE OF AMOUNT DUE GENERAL CAPITAL FUND

B-23

Balance December 31, 2014	<u>REF.</u> B	\$ 9,000
<b>Decreased by:</b>		
Paid to General Capital	B-2	<u>\$ 9,000</u>

## **GENERAL CAPITAL FUND SCHEDULES**



GENERAL CAPITAL FUND  
SCHEDULE OF CASH - TREASURER

C-2

	<u>REF.</u>		
Balance December 31, 2014	C	\$	204,785
<b>Increased by:</b>			
Refunds of Prior Year Expenditures	C-1	\$	3,952
Mortgage Payments Received - Principal	C-11		65,227
Mortgage Payments Received - Interest	C-5		1,857
New BAN Proceeds	C-8		632,794
Capital Improvement Fund Budget Appropriation	C-6		25,000
Open Space Trust Fund	C-13		479,000
Interest Due Current Fund	C-5		1,080
			<u>1,208,910</u>
			1,413,695
<b>Decreased by:</b>			
Capital Fund Balance Anticipated as Current Fund Revenue	C-1		10,000
Use of Prior Year Excess Proceeds for Note Payment	C-4:8		5,161
Interfund Returned	C-5		2,937
Improvement Authorizations Paid	C-7		810,757
Preliminary Expenses	C-14		6,590
			<u>835,445</u>
Balance December 31, 2015	C	\$	<u>578,250</u>

GENERAL CAPITAL FUND  
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

C-3

	<u>REF.</u>	
Balance December 31, 2014	C	\$ 3,668,628
<b>Decreased by:</b>		
General Serial Bonds Paid by Current Fund Budget Appropriation	C-10	360,000
NJ Economic Dev. Loan Paid by Current Fund Budget Appropriation	C-9	<u>27,455</u>
		<u>387,455</u>
Balance December 31, 2015	C	<u>\$ 3,281,173</u>

Bonds Payable	\$ 2,780,000
New Jersey Green Trust Loan	161,173
Bonds Authorized, Not Issued (Ordinance # 16-14)	<u>340,000</u>
	<u>\$ 3,281,173</u>

GENERAL CAPITAL FUND  
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

C-4

ORD NO	IMPROVEMENT DESCRIPTION	BALANCE 12/31/14	2015 AUTHORIZATIONS	DECREASED PAID BY MORTGAGE	DECREASED PAID BY BUDGET	BALANCE 12/31/15	ANALYSIS OF BALANCE		
							BONDS/NOTES AUTHORIZED NOT ISSUED	BOND ANTICIPATION NOTES	EXCESS PROCEEDS
06-06	Acquisition of Fire Vehicles	\$ 168,923			\$ 84,462	\$ 84,461	-	\$ 84,461	-
14-09	Acquisition of Property	97,478		\$ 65,227	24,375	7,876	-	71,585	\$ 63,709
20-09	Acquisition of Real Property to Meet the Township's COAH Obligation	300,000			-	300,000	\$ 300,000		
04-10	Reconstruction of Rocktown Road	31,350			5,225	26,125	-	26,125	
10-11	Various Capital Improvements	775,770			13,571	762,199	-	762,199	-
9-14	Acquisition of Equipment	266,000			-	266,000	110,370	155,630	-
7-15	Acquisition of Garbage Truck	-	\$ 47,500	-	-	47,500	47,500	-	-
		<u>\$ 1,639,521</u>	<u>\$ 47,500</u>	<u>\$ 65,227</u>	<u>\$ 127,633</u>	<u>\$ 1,494,161</u>	<u>\$ 457,870</u>	<u>\$ 1,100,000</u>	<u>\$ 63,709</u>
REF.		C	C-7	C-12	C-8	C	C	C-8	

GENERAL CAPITAL FUND  
SCHEDULE OF AMOUNT DUE CURRENT FUND

C-5

	<u>REF.</u>		
Balance December 31, 2014	C	\$	1,857
<b>Increased by:</b>			
Mortgage Payments Received - Interest	C-2	\$ 1,857	
Interest Credits	C-2	<u>1,080</u>	<u>2,937</u>
			4,794
<b>Increased by:</b>			
Payment to Current Fund for Interest Credits	C-2		<u>2,937</u>
Balance December 31, 2015	C	<u>\$</u>	<u>1,857</u>



GENERAL CAPITAL FUND  
SCHEDULE OF CAPITAL IMPROVEMENT FUND

C-6

	<u>REF.</u>	
Balance December 31, 2014	C	\$ 29,890
<b>Increased by:</b>		
Budgeted Appropriation	C-2	<u>25,000</u>
		54,890
<b>Decreased by:</b>		
Appropriated to Finance Improvement Authorizations	C-7	<u>54,000</u>
Balance December 31, 2015	C	<u>\$ 890</u>

GENERAL CAPITAL FUND  
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

C-7

<u>IMPROVEMENT DESCRIPTION</u>	<u>NUMBER</u>	<u>ORDINANCE</u>		<u>BALANCE</u> <u>12/31/14</u>		<u>2015</u> <u>DEFERRED CHARGE</u> <u>AUTHORIZATIONS</u>	<u>CAPITAL</u> <u>IMP FUND</u>	<u>OPEN SPACE</u> <u>TRUST</u>	<u>CAPITAL</u> <u>FUND BALANCE</u>	<u>PAID OR</u> <u>CHARGED</u>	<u>BALANCE</u> <u>12/31/15</u>	
		<u>DATE</u>	<u>AMOUNT</u>	<u>FUNDED</u>	<u>UNFUNDED</u>						<u>FUNDED</u>	<u>UNFUNDED</u>
Funding Accessory Loan Program - Rehabilitate Existing Rental Dwellings	96-12	12/4/96	\$ 140,000	\$ 20,000							\$ 20,000	
Acquisition of Real Property to Meet the Township's COAH Obligation	20-09	8/12/09	\$ 315,000		\$ 313,925							\$ 313,925
Reconstruction of a Portion of Rocktown Hill Road	04-10	4/7/10	\$ 305,000		26,158							26,158
Various Capital Improvements	10-11	6/22/11	\$ 816,600		505,398					\$ 105,595		399,803
Various Improvements	10-12	5/23/12	\$ 100,000	7,823						5,197	2,626	
Various Police, OEM, Fire, Buildings and Grounds Equipment and George Washington Road Mill and Grade	7-13	7/24/13	\$ 123,200	46,407						1,106	45,301	
Bond Refunding and NJSA 40A:2-51(b) Costs (Soft Costs)	22-12	12/27/12	Up to \$2,500,000	19,604							19,604	
Various Capital Improvements	4-14	5/28/14	\$ 131,500	56,981						41,243	15,738	
Purchase of DPW Truck	7-14	6/25/14	\$ 35,000	230						230	-	
Acquisition of Equipment	9-14	6/25/14	\$ 280,000		174,193					144,597		29,596
Acquisition of Easement	14-14	8/27/14	\$ 32,000	108							108	
Bond Refunding - Deferred School Tax	16-14	9/24/14	\$ 990,000	340,000							340,000	
Police SUV, Fire Turnout Gear, Sign	5-15	6/3/15	\$ 54,000				\$ 54,000			48,389	5,611	
Acquisition of Garbage Truck	7-15	7/15/15	\$ 50,000			\$ 47,500			\$ 2,500	44,000		6,000
Acquisition of Easement (B/L 3/16) Lambert Farm	8-15	8/19/15	\$ 135,000					\$ 135,000		119,462	15,538	
Acquisition of Easement (B/L 5/24 & 24.01) Amwell Chase Farm	9-15	8/19/15	\$ 335,000					335,000		315,937	19,063	
				<b>\$ 491,153</b>	<b>\$ 1,019,674</b>	<b>\$ 47,500</b>	<b>\$ 54,000</b>	<b>\$ 470,000</b>	<b>\$ 2,500</b>	<b>\$ 825,756</b>	<b>\$ 483,589</b>	<b>\$ 775,482</b>

REF.

C

C

C-4

C-6

C-12

C-1

C

C

C-2  
Accounts Payable   \$ 810,757  
                                  14,999  
\$ 825,756

GENERAL CAPITAL FUND  
SCHEDULE OF BOND ANTICIPATION NOTES

C-8

<u>PURPOSE</u>	<u>ORIGINAL ISSUE</u>	<u>DATE OF ISSUE</u>	<u>DATE OF MATURITY</u>	<u>INTEREST RATE</u>	<u>BALANCE 12/31/14</u>	<u>INCREASED</u>	<u>DECREASED</u>	<u>BALANCE 12/31/15</u>
Acquisition of Fire Vehicles - 06-06	7/19/07	6/24/15	6/24/16	0.700%	\$ 168,923		\$ 84,462	\$ 84,461
Acquisition of Property - 09-14	7/2/09	6/24/15	6/24/16	0.700%	101,121		29,536	71,585
Reconstruction of Rocktown Road - 10-04	6/30/11	6/24/15	6/24/16	0.700%	31,350		5,225	26,125
Various Improvements - 11-10	6/28/12	6/24/15	6/24/16	0.700%	298,606	\$ 477,164	13,571	762,199
Various Improvements - 14-09	6/24/15	6/24/15	6/24/16	0.700%		155,630	-	155,630
					<b>\$ 600,000</b>	<b>\$ 632,794</b>	<b>\$ 132,794</b>	<b>\$ 1,100,000</b>
REF.					C	C-2	C-4	C

GENERAL CAPITAL FUND  
SCHEDULE OF NEW JERSEY GREEN TRUST LOAN PROGRAM

C-9

<u>IMPROVEMENT DESCRIPTION</u>	<u>DATE OF ISSUE</u>	<u>ORIGINAL ISSUE</u>	<u>MATURITIES</u>		<u>INTEREST RATE</u>	<u>BALANCE</u>	<u>DECREASED</u>	<u>BALANCE</u>
			<u>DATE</u>	<u>AMOUNT</u>		<u>12/31/14</u>		<u>12/31/15</u>
Sourland/Open Space Acquisition Project	6/25/01	\$500,000	3/25/16	\$ 13,934.07	2%	\$ 188,628	\$ 27,455	\$ 161,173
			9/25/16	14,073.40				
			3/25/17	14,214.15				
			9/25/17	14,356.28				
			3/25/18	14,499.85				
			9/25/18	14,644.84				
			3/25/19	14,791.29				
			9/25/19	14,939.21				
			3/25/20	15,088.60				
			9/25/20	15,239.48				
			3/25/21	15,391.88				
REF.					C	C-3	C	

GENERAL CAPITAL FUND  
SCHEDULE OF SERIAL BONDS PAYABLE

C-10

<u>PURPOSE</u>	<u>DATE ORIGINAL ISSUE</u>	<u>ORIGINAL ISSUE</u>	<u>MATURITY OF OUTSTANDING BONDS DATE</u>	<u>AMOUNT</u>	<u>INTEREST RATE</u>	<u>BALANCE 12/31/14</u>	<u>BUDGET DECREASED</u>	<u>BALANCE 12/31/15</u>
General Improvement Bonds Series 2006	5/1/06	\$ 3,118,000	5/1/16	\$ 150,000	4.375%	\$ 300,000	\$ 150,000	\$ 150,000
Refunding Bonds Series 2014	11/6/14	\$ 1,555,000	5/1/17	150,000	2.600%	1,555,000		1,555,000
			5/1/18	145,000	2.600%			
			5/1/19	155,000	2.600%			
			5/1/20	150,000	2.600%			
			5/1/21	155,000	2.600%			
			5/1/22	150,000	2.600%			
			5/1/23	160,000	2.600%			
			5/1/24	155,000	2.600%			
			5/1/25	170,000	2.600%			
			5/1/26	165,000	2.600%			
Refunding Bonds Series 2014 - Deferred School Tax	11/6/14	\$ 650,000	11/1/16	65,000	3.650%	650,000		650,000
			11/1/17	65,000	3.650%			
			11/1/18	65,000	3.650%			
			11/1/19	70,000	3.650%			
			11/1/20	70,000	3.650%			
			11/1/21	75,000	3.650%			
			11/1/22	75,000	3.650%			
			11/1/23	80,000	3.650%			
			11/1/24	85,000	3.650%			
General Obligation Bonds Series 2013	2/28/13	\$ 850,000	2/15/16	215,000	1.335%	635,000	210,000	425,000
			2/15/17	210,000	1.335%			

<u>\$</u>	<u>3,140,000</u>	<u>\$</u>	<u>360,000</u>	<u>\$</u>	<u>2,780,000</u>
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C

C-3

C

GENERAL CAPITAL FUND  
SCHEDULE OF MORTGAGE ACCOUNTS RECEIVABLE

C-11

Balance December 31, 2014	<u>REF.</u> C		\$ 65,607
<b>Decreased by:</b>			
Adjustment to Reserve	C-12	\$ 380	
Mortgage Receipt	C-2	<u>65,227</u>	<u>\$ 65,607</u>

GENERAL CAPITAL FUND  
SCHEDULE OF RESERVE FOR MORTGAGE ACCOUNTS RECEIVABLE

C-12

Balance December 31, 2014	<u>REF.</u> C		\$ 65,607
<b>Decreased by:</b>			
Adjustment to Receivable	C-11	\$ 380	
Mortgage Receipt	C-4	<u>65,227</u>	<u>\$ 65,607</u>

GENERAL CAPITAL FUND  
SCHEDULE OF AMOUNT DUE OPEN SPACE TRUST

C-13

Balance December 31, 2014	<u>REF.</u> C	\$ 9,000
<b>Increased by:</b>		
Funding for Improvement Authorizations	C-7	<u>470,000</u>
		479,000
<b>Decreased by:</b>		
Receipts from Open Space Trust Fund	C-2	<u>\$ 479,000</u>



GENERAL CAPITAL FUND  
SCHEDULE OF RESERVE FOR PRELIMINARY EXPENSES - OPEN SPACE PRESERVATION

C-14

Balance December 31, 2014	<u>REF.</u> C	\$ 24,887
<b>Decreased by:</b>		
Preliminary Expense Disbursements	C-2	<u>6,590</u>
Balance December 31, 2015	C	<u>\$ 18,297</u>



## **PUBLIC ASSISTANCE FUND SCHEDULES**



PUBLIC ASSISTANCE FUND  
SCHEDULE OF CASH - TREASURER

E-1

	<u>REF.</u>	<u>P.A.T.F.</u> <u>#1</u>	<u>FUND</u> <u>TOTAL</u>
Balance December 31, 2014	E	<u>\$ 1,059</u>	<u>\$ 1,059</u>
<b>Increased by Receipts:</b>			
Interest		-	-
Total Receipts		-	-
		<u>1,059</u>	<u>1,059</u>
<b>Decreased by Disbursements:</b>			
Interfund - Close Account		<u>1,059</u>	<u>1,059</u>
		<u>1,059</u>	<u>1,059</u>
Balance December 31, 2015	E	<u>-</u>	<u>-</u>



## **SCHEDULE OF GENERAL FIXED ASSETS**





GENERAL FIXED ASSETS  
DECEMBER 31, 2015  
SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS

F-1

	BALANCE <u>12/31/14</u>	ADDITIONS	DELETIONS	BALANCE <u>12/31/15</u>
General Fixed Assets:				
Land	\$ 2,222,406			\$ 2,222,406
Buildings	1,696,957			1,696,957
Machinery and Equipment	<u>2,499,170</u>	\$ 237,216	<u>-</u>	<u>2,736,386</u>
 Total General Fixed Assets	 <u>\$ 6,418,533</u>	 <u>\$ 237,216</u>	 <u>-</u>	 <u>\$ 6,655,749</u>
 Investment In General Fixed Assets	 <u>\$ 6,418,533</u>	 <u>\$ 237,216</u>	 <u>-</u>	 <u>\$ 6,655,749</u>



**PART III**  
**SUPPLEMENTARY INFORMATION**

**General Comments**

**Report on Internal Control over Financial Reporting  
and Compliance and Other Matters based on an  
Audit of Financial Statements Performed in  
Accordance with *Government Auditing Standards***

**Schedule of Federal/State Awards**

**Status of Prior Audit Findings**

**Schedule of Findings and Responses**



## **GENERAL COMMENTS**

### **Scope of Audit**

The audit of the financial statements of the Township of West Amwell, County of Hunterdon, New Jersey, as required by the Division of Local Government Services, covered the financial transactions of the Treasurer, Tax Collector, the activities of the Township and various outside departments.

### **Contracts and Agreements Requiring Advertisement for Bids**

Effective April 17, 2000, N.J.S.A.40A:11-1 et.seq (Local Public Contracts Law) was revised by P.L.1999,c.440 (originally known as Assembly Bill No. 3519). Rules and regulations pertaining to the amended law are to be promulgated by the Division of Local Government Services.

N.J.S.A. 40A:11-3 is amended to read as follows:

- a. When the cost or price of any contract awarded by the purchasing agent in the aggregate, does not exceed in the contract year the total sum of \$17,500, the contract may be awarded by a purchasing agent when so authorized by resolution of the governing body without public advertising for bids and bidding therefore, except that the governing body may adopt a resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations. If the purchasing agent is qualified pursuant to subsection b. (pending before the Legislature as section 15 of this bill) of section 9 of P.L.1971,c.198(C.40A:11-9) the governing body may establish that the bid threshold may be up to \$25,000. Such authorization may be granted for each contract or by a general delegation of the power to negotiate and award such contracts pursuant to this section.
- b. Any contract made pursuant to this section may be awarded for a period of 24 consecutive months, except that contracts for professional services pursuant to paragraph (i) of paragraph (a) of subsection (1) of Section 5 of P.L.1971, C.198(C.40A:11-5) may be awarded for a period not exceeding 12 consecutive months. The Division of Local Government Services shall adopt and promulgate rules and regulations concerning the methods of accounting for all contracts that do not coincide with the contracting unit's fiscal year.
- c. Commencing in the fifth year after the year in which P.L.1999,c.440 takes effect, and every five years thereafter, the Governor, in consultation with the Department of Treasury, shall adjust the threshold amount and the higher threshold amount which the governing body is permitted to establish as set forth in subsection a. of this section or the threshold amount resulting from any adjustment under this subsection, in direct proportion to the rise or fall of the index rate as that term is defined in N.J.S.40A:11-3(c), and shall round the adjustment to the nearest \$1,000. The Governor shall notify all municipal units of the adjustment no later than June 1 of every fifth year. The adjustment shall become effective on July 1 of the year in which it is made.

N.J.S.A.40A:11-4 (as amended) states, "Every contract or agreement for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body to the lowest responsible bidder after public advertising for bids and bidding therefore, except as is provided otherwise in this chapter or specifically by any other law."

Effective July 1, 2015, the bid threshold in accordance with N.J.S.A.40A:11-3(c) (as amended) is increased to \$40,000 for Qualified Purchasing Agents (QPA), and \$17,500 for units without QPA's.

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

The Minutes indicate that resolutions were adopted and advertised authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S.40A:11-5.

The system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not determine whether any clear-cut violations existed.

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

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

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

The governing body, on January 5, 2015, adopted the following resolution authorizing interest to be charged on delinquent taxes:

Resolved, that commencing with the installment payments due on February 1, 2015, for real and/or personal property taxes and thereafter during each and every succeeding quarterly period, interest shall be charged at the rate of eight (8) per cent per annum on the first \$1,500 and eighteen (18) per cent per annum any amount in excess of \$1,500 upon all unpaid installments when the same became delinquent, provided, however, that no interest shall be charged if payment of any installment is made within ten (10) days after the date upon which the same became payable.

Under provisions of C.75, P.L. 1991 (amending N.J.S. 54:4-67), enacted March 28, 1991, the definition of tax delinquency was defined as the sum of all taxes and municipal charges due on a given parcel or property covering any number of quarters or years. In addition, the governing body may also fix a penalty to be charged to a taxpayer with a delinquency in excess of \$10,000 who fails to pay that delinquency prior to the end of the calendar year. The penalty so fixed shall not exceed six (6%) per cent of the amount of the delinquency.

The governing body, on January 5, 2015, adopted a resolution enabling the \$10,000 delinquency penalty provisions.

The audit of the Collector's records on a test basis indicated no differences between the amount of interest payable on delinquent tax payments, based on our calculations, and the amount of interest charged.

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

The delinquent taxes at December 31, 2015, include only real property items on the 2015 tax levy.

The last tax sale was held October 20, 2015 and was complete.

Inspection of tax sale certificates on file revealed that all tax sale certificates from tax sales were available for audit.

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

<u>Year</u>	<u>Number of Liens</u>
2015	20
2014	19
2013	16

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

Verification notices were mailed to confirm balances as of December 31, 2015. The items that were returned were compared to and are in agreement with the Township's records. For items not returned, alternative procedures were performed.

A test verification of delinquent charges and current payments was made in accordance with verification procedures approved by the Division of Local Government Services. A summary of such verification is as follows:

Type of Receivable - Real Property Tax Date of Circulars - December 31, 2015				
<u>Verification Type</u>	<u>Request Form</u>	<u>Total No. of Items</u>	<u>Total No. of Circular</u>	<u>Total No. Returned</u>
2015 Property Tax	Positive	3,150	25	10
2016 Property Tax	Positive	3,150	25	10
2015 Delinquent Tax	Negative	348	25	10

### **Technical Accounting Directives**

During the calendar year 1984, the Division of Local Government Services initiated as part of the Single Audit Law, a planned revision of the Requirements of Audit to provide new accounting requirements mandated for most local government units. The revision to the Requirements of Audit and Accounting would be in order to improve fiscal accountability for all local governments, satisfy federal-state audit requirements and enhance the credibility for New Jersey municipal accounting practices with federal-state funding sources and bond rating agencies. The new requirements for most local units started January 1, 1986, unless exemption, based upon amount of federal aid received and population size, was formally secured. The Division in 1988 notified those exempted municipal units of a transition requirement for fully implementation of all accounting directives beginning in the 1989 fiscal periods. The identity and compliance status of the Township of West Amwell to these directives are as follows:

<u>Requirement</u>	FY 2015 Required	
	<u>Implementation</u>	
	<u>Yes</u>	<u>No</u>
A. General Ledger Accounting System	X	
B. Encumbrance Accounting	X	
C. Purchase Order System	X	
D. Fixed Asset Accounting and Reporting System	X	



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

**REVENUE AND OTHER INCOME REALIZED**

	<b><u>YEAR 2015</u></b>	<b><u>%</u></b>	<b><u>YEAR 2014</u></b>	<b><u>%</u></b>
Fund Balance Utilized	\$ 282,881	2.10%	\$ 386,880	3.34%
Miscellaneous - From Other Than				
Local Property Tax Levies	1,908,406	14.18%	1,873,930	16.18%
Collection of Delinquent Taxes and				
Tax Title Liens	81,737	0.61%	276,239	2.39%
Collection of Current Tax Levy	<u>11,184,201</u>	<u>83.11%</u>	<u>9,041,765</u>	<u>78.09%</u>
<b>Total Income</b>	<u>13,457,225</u>	<u>100.00%</u>	<u>11,578,814</u>	<u>100.00%</u>

**EXPENDITURES**

Budget Expenditures:				
Municipal Purposes	3,320,408	24.86%	3,311,075	28.69%
County Taxes	1,913,352	14.33%	1,828,795	15.85%
Local and Regional Taxes	7,822,668	58.57%	6,106,812	52.92%
Municipal Open Space Tax	297,615	2.23%	289,933	2.51%
Other Expenditures	<u>1,456</u>	<u>0.01%</u>	<u>3,987</u>	<u>0.03%</u>
<b>Total Expenditures</b>	<u>\$ 13,355,499</u>	<u>100.00%</u>	<u>\$ 11,540,602</u>	<u>100.00%</u>
Excess in Revenue	101,726		38,212	
Fund Balance January 1	484,986		833,654	
Less:				
Utilization as Anticipated Revenue	<u>282,881</u>		<u>386,880</u>	
Fund Balance December 31	<u>\$ 303,831</u>		<u>\$ 484,986</u>	

**Comparative Schedule of Tax Rate Information**

	<u>2015</u>	<u>2014</u>	<u>2013</u>
<u>Tax Rate</u>	<u>\$2.296</u>	<u>\$1.896</u>	<u>\$2.360</u>
<u>Apportionment of Tax Rate:</u>			
Municipal	\$0.260	\$0.249	\$0.257
County	\$0.386	\$0.380	\$0.395
Local School	N/A	N/A	\$0.828
Regional School	\$1.590	\$1.207	\$0.821
Municipal Open Space Tax	\$0.060	\$0.060	\$0.059

**Assessed Valuation:**

<u>Year</u>	<u>Amount</u>
2015	\$492,043,416
2014	\$481,253,118
2013	\$467,007,527

**Comparison of Tax Levies and Collection Currently**

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

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2015	\$11,379,848	\$11,184,201	98.28%
2014	\$9,161,874	\$9,041,765	98.68%
2013	\$11,124,471	\$10,807,150	97.14%

**Delinquent Taxes and Tax Title Liens**

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

<u>Dec.31 Year</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2015	\$158,727	\$167,876	\$326,603	2.87%
2014	\$137,600	\$86,240	\$223,840	2.44%
2013	\$129,705	\$312,100	\$441,805	3.97%

**Property Acquired by Tax Title Lien Liquidation**

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

<u>Year</u>	<u>Amount</u>
2015	\$3,150
2014	\$3,150
2013	\$3,150

**Comparative Schedule of Fund Balances**

<u>Year</u>	<u>Balance December 31</u>	<u>Utilized In Budget of Succeeding Year</u>	
		<u>Regular</u>	<u>Defer School Tax</u>
2015	\$ 303,831	\$ 100,000	NONE
2014	\$ 484,986	\$ 282,881	NONE
2013	\$ 833,654	\$ 386,880	NONE
2012	\$ 875,911	\$ 361,000	NONE
2011	\$ 603,106	\$ 96,000	NONE
2010	\$ 306,013	\$ 85,000	NONE

**Officials in Office and Surety Bonds**

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

<u>Name</u>	<u>Title</u>	<u>Amount of Bond</u>	<u>Name Of Corporate Surety</u>
George A. Fisher	Mayor		
Zachary T. Rich	Committeeperson		
John Dale	Committeeperson		
Lora L. Olsen	Clerk; Registrar of Vital Statistics; Assessment Search Officer; Board of Health Secretary; Clean Comm. Coordinator; Affirmative Action Officer; Certifying Officer for Health Benefits		
Sandy Haberle	Deputy Clerk; Deputy Registrar of Vital Statistics; Assessment Purchasing Agent; Deputy Board of Health Secretary; Assistant Treasurer; Payroll Clerk; Dog Registrar		

<u>Name</u>	<u>Title</u>	<u>Amount of Bond</u>	<u>Name Of Corporate Surety</u>
Mary Hyland	Tax Collector; Tax Search Officer	\$1,000,000	Statewide Insurance Fund; Carrier: Zurich Ins. Co.
Thomas J. Carro	Certified Municipal Finance Officer; Treasurer	\$1,000,000	Statewide Insurance Fund; Carrier: Zurich Ins. Co.
David Gill	Assessor		
Phillip Faherty III	Attorney		
Raymond Barson	Magistrate	\$1,000,000	Statewide Insurance Fund; Carrier: Zurich Ins. Co.
Christopher Rose	Construction Code Official; Zoning Official; Plumbing Sub-Code Official		
Phillip Langon	Fire Sub-Code Official and Inspector		
Michael Janoski	Electric Sub-Code Official and Inspector		
Phil Langon	Fire Official		
Mary Loretta Hoagland	Court Administrator	\$1,000,000	Statewide Insurance Fund; Carrier: Zurich Ins. Co.
Nate Barson	Animal Control Officer		

The minimum bond coverage for the Tax Collector based on prior year tax levies is as follows:

<u>Year</u>	<u>Amount</u>
2015	\$102,405

Blanket bond coverage was provided for other officials handling monies in the amount of \$50,000 by the Statewide Insurance Fund.

All the bonds were examined and were properly executed.



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

Independent Auditor's Report

The Honorable Mayor and  
Members of the Township Committee  
Township of West Amwell  
150 Rocktown Lambertville Road  
County of Hunterdon, New Jersey  
Lambertville, NJ 08530

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division of Local Governments Services, Department of Community Affairs, State of New Jersey, the regulatory-basis financial statements of the Township of West Amwell in the County of Hunterdon, State of New Jersey, as of and for the years ended December 31, 2015 and 2014, and the related notes to the financial statements, which collectively comprise the Township of West Amwell's basic financial statements, and have issued our report thereon dated April 30, 2016, which indicated that the financial statements have been prepared in conformity with accounting practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

**Internal Control Over Financial Reporting**

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

-Continued-

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.

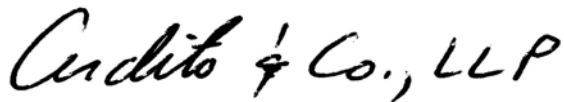
### **Compliance and Other Matters**

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

### **Purpose of this Report**

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

ARDITO & CO., LLP



Frenchtown, New Jersey  
April 30, 2016



Certified Public Accountant  
Registered Municipal Accountant No.524  
ARDITO & CO., LLP  
Frenchtown, New Jersey  
April 30, 2016

## **SCHEDULE OF FEDERAL/STATE AWARDS**





**SCHEDULE OF STATE AWARDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

**K-4**

<u>STATE GRANTOR/PROGRAM TITLE</u>	<u>STATE ACCOUNT NUMBER</u>	<u>PROGRAM OR AWARD AMOUNT</u>	<u>GRANT PERIOD</u>	<u>FUND REF.</u>	<u>CASH ACCRUED OR DEFERRED REVENUE BALANCE AT 1/1/15</u>	<u>RECEIPTS PROGRAM</u>	<u>OTHER</u>	<u>DISBURSEMENTS</u>	<u>CASH ACCRUED OR DEFERRED REVENUE BALANCE AT 12/31/15</u>
<b><u>DEPT. OF ENVIR. PROTECTION</u></b>									
Solid Waste Admin.-Clean Communities Program	042490076500410	\$ 12,850	2015	A		\$ 12,850		\$ 12,850	-
		10,579	2014		\$ 5,150			5,150	-
<b><u>DEPT. OF PUBLIC SAFETY</u></b>									
Drunk Driving Enforcement Fund	4250-760-050000-63	Various	Various	A	\$ 3,675			240	\$ 3,435
<b><u>DEPT. OF TRANSPORTATION</u></b>									
NJ Transportation Fund Authority Act									
Alexauken Creek Watershed Plan I		239,300	2005	A	4,510				4,510
Alexauken Creek Watershed Plan II		541,300	2013	A	3,949				3,949
<b><u>OTHER STATE AIDS</u></b>									
Body Armor Grant	N/A	1,299	2013	A	687				687
Body Armor Grant	N/A	1,090	2014	A	1,090				1,090
Body Armor Grant	N/A	1,089	2015	A	-	1,089			1,089
Click it or Ticket	N/A	3,900	2015	A	-	3,900		3,900	-
US Bulletproof Vests	N/A	2,200	2012	A	(3,336)				(3,336)
Sustainable New Jersey	N/A	5,000	2014	A	5,000				5,000
Sustainable New Jersey	N/A	10,000	2012	A	(5,000)				(5,000)
Hazards Emergency Program	N/A		2004	A	2,406			739	1,667
Recycling Tonnage Grant	N/A	4,221	2015	A	-	4,221			4,221
Municipal Alliance	Local Grant	528	2013	A	528				528
<b>TOTAL STATE ASSISTANCE</b>					<u>\$ 18,659</u>	<u>\$ 22,060</u>	<u>\$ -</u>	<u>\$ 22,879</u>	<u>\$ 17,840</u>

The accompanying Notes to Schedules of Expenditures of Awards and Financial Assistance are an integral part of this schedule.

**Note: This Schedule was not subject to an audit in accordance with NJOMB Circular 04-04 or 15-08.**

TOWNSHIP OF WEST AMWELL

NOTES TO THE SCHEDULES OF FEDERAL AND STATE AWARDS  
DECEMBER 31, 2015

**NOTE 1. GENERAL**

The accompanying Schedules of Expenditures of State Awards present the activity of all state award programs of the Township of West Amwell. The Township of West Amwell is defined in Note 1 to the Township's financial statements. All federal and state awards received directly from federal and state agencies, as well as federal and state awards passed through other government agencies, are included on the schedules of expenditures of federal and state awards.

**NOTE 2. BASIS OF ACCOUNTING**

The accompanying Schedules of Expenditures of State Awards are presented using the modified accrual basis of accounting. The information in these schedules is presented in accordance with the requirements of federal OMB Uniform Guidance, Audits of States, Local Governments and Nonprofit Organizations. However, the Township was not subject to the single audit provisions of Federal OMB Uniform Guidance or New Jersey OMB Circular NJOMB 04-04/15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid for 2015 as grant expenditures were less than the single audit thresholds of \$750,000, identified in the Circulars.

**NOTE 3. RELATIONSHIP TO THE FINANCIAL STATEMENTS**

The accompanying Schedules of Expenditures of State Awards are presented using the modified accrual basis of accounting. Therefore, some amounts presented in these schedules may differ from amounts presented in, or used in the preparation of, the financial statements.

## **STATUS OF PRIOR AUDIT FINDINGS**

**STATUS OF PRIOR AUDIT FINDINGS**

Finding

None

**SCHEDULE OF FINDINGS AND RESPONSES**  
**GENERAL FINDINGS**

## **SCHEDULE OF FINDINGS AND RESPONSES**

### **GENERAL FINDINGS**

YEAR ENDED DECEMBER 31, 2015

#### **Summary of Auditor's Results**

The Township prepares its financial statements in conformity with accounting practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a comprehensive basis of accounting other than generally accepted accounting principles.

The audit did not disclose any material weaknesses in the internal controls of the Township.

The audit did not disclose any noncompliance that is material to the financial statements of the Township.

The Township was not subject to the single audit provisions of Federal OMB Uniform Guidance and New Jersey OMB Circular NJOMB 04-04/15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid for 2015 as grant expenditures were less than the single audit thresholds of \$750,000, identified in the Circulars.

#### **Findings Relating to the Financial Statements which are required to be Reported in Accordance with Generally Accepted Government Auditing Standards:**

##### **Finding**

None

