

TOWNSHIP OF EGG HARBOR

ATLANTIC COUNTY

NEW JERSEY

AUDIT REPORT

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

**TOWNSHIP OF EGG HARBOR
TABLE OF CONTENTS**

| | Exhibit | Page |
|---|----------------|-------------|
| PART 1 | | |
| Independent Auditor's Report | | 1-3 |
| CURRENT FUND | | |
| Comparative Balance Sheet-Regulatory Basis | A | 4-5 |
| Comparative Statement of Operations and Change in Fund Balance-Regulatory Basis | A-1 | 6-7 |
| Statement of Revenues-Regulatory Basis | A-2 | 8-12 |
| Statement of Expenditures-Regulatory Basis | A-3 | 13-18 |
| TRUST FUND | | |
| Comparative Balance Sheet-Regulatory Basis | B | 19-20 |
| CAPITAL FUND | | |
| Comparative Balance Sheet-Regulatory Basis | C | 21 |
| Schedule of Fund Balance-Regulatory Basis | C-1 | 22 |
| GENERAL FIXED ASSETS ACCOUNT GROUP | | |
| Statement of General Fixed Assets-Regulatory Basis | G | 23 |
| NOTES TO FINANCIAL STATEMENTS | | 24-48 |
| SUPPLEMENTARY DATA | | |
| Independent Auditor's Report - Government Auditing Standards | | 49-50 |
| Schedule of Expenditures of Federal Awards | | 51 |
| Schedule of Expenditures of State Financial Assistance | | 52-53 |
| Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance | | 54 |
| Audit Findings and Responses | | 55 |
| Status of Prior Recommendations | | 55 |

**TOWNSHIP OF EGG HARBOR
TABLE OF CONTENTS**

| | Exhibit | Page |
|--|----------------|-------------|
| CURRENT FUND | | |
| Schedule of Cash - Treasurer | A-4 | 56-57 |
| Schedule of Cash - Collector | A-5 | 58 |
| Schedule of Taxes Receivable and Analysis of Property Tax Levy | A-6 | 59 |
| Schedule of Tax Title Liens | A-7 | 60 |
| Schedule of Revenue Accounts Receivable | A-8 | 61 |
| Schedule of Appropriation Reserves | A-9 | 62-65 |
| Schedule of Local District School Tax | A-10 | 66 |
| Schedule of State Grants Receivable | A-11 | 67-68 |
| Schedule of Appropriated Reserves for State Grants | A-12 | 69 |
| TRUST FUNDS | | |
| Schedule of Cash - Treasurer | B-1 | 70-71 |
| Schedule of Cash - Collector | B-2 | 72 |
| Schedule of Assessments Receivable | B-3 | 73 |
| Schedule of Reserve for Animal Control Fund Expenditures | B-4 | 74 |
| Schedule of Amount Due From State of New Jersey Animal Control Fund | B-5 | 75 |
| Schedule of Deposits for Redemption of Tax Sale Certificates | B-6 | 76 |
| Schedule of Miscellaneous Reserves | B-7 | 77 |
| CAPITAL FUNDS | | |
| Schedule of Amount Due from Current Fund | C-2 | 78 |
| Analysis of Cash | C-3 | 79 |
| Schedule of Capital Improvement Fund | C-4 | 80 |
| Schedule of Deferred Charges to Future Taxation - Funded | C-5 | 81 |
| Schedule of Deferred Charges to Future Taxation - Unfunded | C-6 | 82 |
| Schedule of Improvement Authorizations | C-7 | 83 |
| Schedule of General Serial Bonds | C-8a | 84 |
| Schedule of Green Trust Program Loans Payable | C-8b | 85-86 |
| Schedule of Bond Anticipation Notes | C-9 | 87 |
| Schedule of Bonds and Notes Authorized But Not Issued | C-10 | 88 |
| PART II | | |
| General Comments | | 89-92 |
| Recommendations | | 93 |

TOWNSHIP OF EGG HARBOR

PART 1

REPORT ON AUDIT OF FINANCIAL STATEMENTS

AND SUPPLEMENTARY DATA

YEAR ENDED DECEMBER 31, 2015

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FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

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Independent Auditor's Report

The Honorable Mayor and
Members of Township Committee
Township of Egg Harbor, New Jersey

Report on the Financial Statements

We have audited the accompanying balance sheets - regulatory basis of the various funds and account group of the Township of Egg Harbor, as of December 31, 2015 and 2014, the related statement of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various funds for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

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

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

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

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S Generally Accepted Accounting Principles” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the Township of Egg Harbor as of December 31, 2015 and 2014, or changes in financial position for the years then ended.

Basis for Qualified Opinion on Regulatory Basis of Accounting

As described in Note 24 of the financial statements, the Township participates in a Length of Service Award Program (LOSAP) for its volunteer fire and rescue personnel. The amount reflected in the trust fund statements of \$1,643,835 and \$1,540,710 for 2015 and 2014 respectively were not audited and, therefore, we express no opinion on the LOSAP program.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the effects of the matter described in the “Basis for Qualified Opinion on Regulatory Basis of Accounting” paragraph, the financial statements referred to above present fairly, in all material respects, the regulatory basis balance sheets and account group as of December 31, 2015 and 2014, the regulatory basis statements of operations for the years then ended and the regulatory basis statements of revenues and expenditures for the year ended December 31, 2015 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Egg Harbor’s basic financial statements. The supplementary information listed in the table of contents and the letter of comments and recommendations section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplemental information listed in the table of contents and the schedule of expenditures of federal awards, as required by Office of Management and Budget Uniform Guidance, *Audits of States, Local Governments, and Non-Profit Organizations*, the schedule of expenditures of state financial assistance as required by NJ OMB 15-08 are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information listed in the table of contents, schedule of expenditures of federal awards, as required by Office of Management and Budget Uniform Guidance, *Audits of States, Local Governments, and Non-Profit Organizations*, and the schedule of expenditures of state financial assistance as required by NJ OMB 15-08 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 2, 2016 on our consideration of the Township of Egg Harbor's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township of Egg Harbor's internal control over financial reporting and compliance.

Very truly yours,

FORD, SCOTT & ASSOCIATES, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

Harvey C. Cocozza, Jr.

Harvey C. Cocozza, Jr.
Certified Public Accountant
Registered Municipal Accountant
No. 551

June 2, 2016

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EXHIBIT A - CURRENT FUND

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**CURRENT FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
AS OF DECEMBER 31,**

| | 2015 | 2014 |
|--|---------------|------------|
| <u>ASSETS</u> | | |
| Regular Fund: | | |
| Cash: | | |
| Treasurer | \$ 6,131,441 | 8,061,860 |
| Payroll | 267 | 267 |
| Change | 300 | 600 |
| Petty Cash Funds | 2,700 | 2,700 |
| Total Cash | 6,134,708 | 8,065,427 |
| Other Receivables: | | |
| Due from State - Veterans and Senior Citizens | 19,929 | 17,429 |
| Total Other Receivables | 19,929 | 17,429 |
| Receivables and Other Assets with Full Reserves: | | |
| Delinquent Property Taxes Receivable | 40,129 | 83,606 |
| Tax Title and Other Liens | 651,737 | 477,004 |
| Property Acquired for Taxes - at Assessed Valuation | 8,248,596 | 8,248,596 |
| Due from Municipal Utilities Authority | 27,243 | - |
| Revenue Accounts Receivable | 304,585 | 337,614 |
| Interfund Receivable: | | |
| Animal Control Fund | 2,473 | 829 |
| Total Receivables and Other Assets | 9,274,763 | 9,147,649 |
| Deferred Charges: | | |
| Emergency Appropriation | - | 6,170 |
| Special Emergency Appropriation | - | 300,000 |
| Total Deferred Charges | - | 306,170 |
| Total Regular Fund | 15,429,400 | 17,536,675 |
| Federal and State Grant Fund: | | |
| Cash | 1,335,121 | 1,655,270 |
| Federal and State Grants Receivable | 687,224 | 494,348 |
| Due from Regular Fund | - | 2,547,488 |
| Total Federal and State Grant Fund | 2,022,345 | 4,697,106 |
| Total Current Fund | \$ 17,451,745 | 22,233,781 |

**CURRENT FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
AS OF DECEMBER 31,**

| <u>LIABILITIES, RESERVES AND FUND BALANCE</u> | <u>2015</u> | <u>2014</u> |
|---|---------------|-------------|
| Regular Fund: | | |
| Liabilities: | | |
| Appropriation Reserves | \$ 1,051,138 | 591,616 |
| Reserve for Encumbrances/Accounts Payable | 994,105 | 1,450,326 |
| Taxes Collected in Advance | 1,042,508 | 897,918 |
| Overpaid Taxes | 160,511 | 247,469 |
| Payroll Taxes Payable | 138,418 | 19,620 |
| Special Emergency Note Payable | - | 300,000 |
| County Added Tax Payable | 113,139 | 92,047 |
| Due to State: | | |
| DCA Training Fees | 21,459 | 12,302 |
| Interfund Payable: | | |
| Third Party Inspectors | 49,117 | 15,633 |
| Public Defender Trust | 2,600 | 1,300 |
| Local Open Space Trust | - | 3,639 |
| Grant Fund | - | 2,547,488 |
| General Capital Fund | 591,244 | 236,469 |
| Other | | |
| Due to Municipal Utilities Authority | - | 229,778 |
| Surety Bond Payable | 291,449 | 291,449 |
| Court Settlements | 71,941 | 253,208 |
| Curb and Sidewalk Surety Deposits | 57,830 | 50,830 |
| Curb and Sidewalk in Lieu | 497,687 | 482,387 |
| Street Opening Surety | 67,778 | 65,278 |
| In Lieu - Other | 30,800 | 30,800 |
| State Tax Appeals Pending | 119,105 | 119,105 |
| Property Sales | 70,788 | 65,787 |
| Property Revaluation | 11,584 | 58,981 |
| | 5,383,201 | 8,063,430 |
| Reserve for Receivables and Other Assets | 9,274,763 | 9,147,649 |
| Fund Balance | 771,436 | 325,596 |
| Total Regular Fund | 15,429,400 | 17,536,675 |
| Federal and State Grant Fund: | | |
| Unappropriated Reserves | - | - |
| Appropriated Reserves | 470,324 | 619,081 |
| Encumbrances Payable | 171,993 | 113,018 |
| Due to General Capital | 1,380,028 | 3,965,007 |
| Total Federal and State Grant Fund | 2,022,345 | 4,697,106 |
| Total Current Fund | \$ 17,451,745 | 22,233,781 |

**CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES
IN FUND BALANCE - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31,**

| | 2015 | 2014 |
|---|-------------|-------------|
| Revenue and Other Income Realized | | |
| Fund Balance | \$ 300,000 | 350,000 |
| Miscellaneous Revenue Anticipated | 16,844,275 | 15,897,159 |
| Receipts from Delinquent Taxes | 145,039 | 89,018 |
| Receipts from Current Taxes | 120,587,111 | 118,410,757 |
| Non Budget Revenue | 870,325 | 317,182 |
| Other Credits to Income: | | |
| Unexpended Balance of Appropriation Res. | 232,337 | 151,874 |
| Interfund Returned | - | 522 |
| Cancellation of Prior Year Liabilities | - | 556 |
| Reserve for Tax Appeals | - | 200,000 |
| Total Income | 138,979,087 | 135,417,068 |
| Expenditures | | |
| Budget and Emergency Appropriations: | | |
| Appropriations Within "CAPS" | | |
| Operations: | | |
| Salaries and Wages | 15,021,538 | 14,678,224 |
| Other Expenses | 11,843,306 | 11,710,294 |
| Deferred Charges & Statutory Expenditures | 4,071,162 | 3,741,468 |
| Appropriations Excluded from "CAPS" | | |
| Operations: | | |
| Other Expenses | 2,134,189 | 1,798,371 |
| Capital Improvements | 331,000 | 590,000 |
| Debt Service | 4,625,570 | 4,339,555 |
| Deferred Charges | 306,170 | 300,000 |
| Local District School Tax | 77,749,630 | 75,859,907 |
| Municipal Open Space Tax | 814,843 | 820,610 |
| County Tax | 20,512,400 | 20,772,517 |
| County Share of Added Tax | 113,139 | 92,047 |
| Receivable Advances Originating in 2015 | 27,243 | - |
| Refund of Prior Year's Revenue | 683,057 | 600,101 |
| Total Expenditures | 138,233,247 | 135,303,094 |
| Excess in Revenue | 745,840 | 113,974 |

**CURRENT FUND
 COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES
 IN FUND BALANCE - REGULATORY BASIS
 FOR THE YEARS ENDED DECEMBER 31,**

| | <u>2015</u> | <u>2014</u> |
|---|-------------------|----------------|
| Adjustments to Income before Fund Balance: | | |
| Expenditures included above which are by Statute Deferred Charges to Budgets of Succeeding Year | - | 6,170 |
| Total Adjustments | <u>-</u> | <u>6,170</u> |
| Statutory Excess to Fund Balance | <u>745,840</u> | <u>120,144</u> |
| Fund Balance January 1 | <u>325,596</u> | <u>555,452</u> |
| | 1,071,436 | 675,596 |
| Decreased by: | | |
| Utilization as Anticipated Revenue | <u>300,000</u> | <u>350,000</u> |
| Fund Balance December 31 | <u>\$ 771,436</u> | <u>325,596</u> |

**CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015**

| | Anticipated | | Excess or (Deficit) |
|--|------------------|-----------------------------|------------------------|
| | Budget | N.J.S. 40A:4-87 Realized | |
| Fund Balance Anticipated | \$ 300,000 | 300,000 | - |
| Total Fund Balance Anticipated | <u>300,000</u> | <u>300,000</u> | <u>-</u> |
| Miscellaneous Revenues: | | | |
| Section A: Local Revenues | | | |
| Licenses: | | | |
| Alcoholic Beverages | 91,314 | 88,089 | (3,225) |
| Other | 962,000 | 943,513 | (18,487) |
| Fees and Permits | 179,700 | 160,040 | (19,660) |
| Fines and Costs: | | | |
| Municipal Court | 814,000 | 835,873 | 21,873 |
| Interest and Costs on Taxes | 318,000 | 332,247 | 14,247 |
| Interest Earned on Investments | 26,725 | 26,300 | (425) |
| Hotel Occupancy Tax | 496,574 | 495,308 | (1,266) |
| Ambulance Fees | 1,140,500 | 1,055,452 | (85,048) |
| Total Section A: Local Revenues | <u>4,028,813</u> | <u>3,936,822</u> | <u>(91,991)</u> |
| Section B: State Aid Without Offsetting Appropriations | | | |
| Energy Receipts Tax | 6,013,285 | 6,013,285 | |
| Watershed Moratorium Offset Aid | 16,779 | 16,779 | |
| Garden State Preservation Trust Fund | 9,001 | 9,001 | |
| Total Section B: State Aid Without Offsetting Appropriations | <u>6,039,065</u> | <u>6,039,065</u> | <u>-</u> |
| Section C: Uniform Construction Code Fees | | | |
| Uniform Construction Code Fees | 620,000 | 792,443 | 172,443 |
| Total Section C: Uniform Construction Code Fees | <u>620,000</u> | <u>792,443</u> | <u>172,443</u> |

**CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015**

| | Anticipated | | Realized | Excess or (Deficit) |
|---|----------------|-----------------|------------------|------------------------|
| | Budget | N.J.S. 40A:4-87 | | |
| Section D: Special Items of General Revenue Anticipated with Prior Written Consent of the Director of Local Government Services - Interlocal Municipal Service Agreements | | | | |
| Offset with Appropriations | | | | |
| City of Northfield Dispatch Services | \$ 371,527 | | 360,000 | (11,527) |
| City of Linwood Dispatch Services | 322,354 | | 315,500 | (6,854) |
| Borough of Longport Dispatch Services | | 82,500 | 62,889 | (19,611) |
| Egg Harbor Township Board of Education Solid Waste Disposal | 131,376 | | 132,688 | 1,312 |
| State of New Jersey - Motor Vehicle Commission | 97,451 | | 97,451 | - |
| County of Atlantic Nutrition Site | 13,914 | | 13,890 | (24) |
| OY Inc. Settlement - Site Plan Improvements | 31,000 | | 31,000 | - |
| Total Section D: Shared Service Agreements Offset with Appropriations | 967,622 | 82,500 | 1,013,418 | (36,704) |
| Section F: Special Items - Public and Private Programs | | | | |
| Off-Set with Appropriations | | | | |
| Recycling Tonnage Grant | 73,971 | | 73,971 | |
| Drunk Driving Enforcement Fund | 20,195 | | 20,195 | |
| Clean Communities Program | 85,761 | 18,452 | 104,213 | |
| Alcohol Education and Rehabilitation Fund | | 766 | 766 | |
| Municipal Alliance on Alcoholism and Drug Abuse | 24,679 | | 24,679 | |
| Safe and Secure Communities Program-PL 1994, Ch 220 | 60,000 | | 60,000 | |
| Over the Limit Under Arrest | 6,000 | | 6,000 | |
| Cops in Shops - Summer Shore Initiative | | 2,000 | 2,000 | |
| Cops in Shops - Fall/College Initiative | | | 4,400 | |
| Conducted Energy Device Assistance Program | | | 4,233 | |
| Smart Policing Initiative | | 4,233 | 17,494 | |
| CRDA - Demo of Derelict Structures | | 17,494 | 125,000 | |
| NJ Body Armor Fund | | 7,572 | 7,572 | |
| NJ Hazard Mitigation Grant | | 75,000 | 75,000 | |
| NJ DOT - Reconstruction of Ridge Avenue | | 190,000 | 190,000 | |

**CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015**

| | Anticipated | | Realized | Excess or (Deficit) |
|---|-------------------|-----------------|-------------------|------------------------|
| | Budget | N.J.S. 40A:4-87 | | |
| NJ DOT - Highway Safety Program | | 44,572 | 44,572 | |
| Click It Ticket | 4,000 | | 4,000 | |
| Drive Sober or Get Pulled Over | | 10,000 | 10,000 | |
| Distracted Driving Statewide Crackdown | 5,000 | | 5,000 | |
| Primax Properties Donation - Tree Planting | 20,000 | | 20,000 | |
| Total Section F: Special Items - Public and Private Programs Off-Set with Appropriations | 304,006 | 495,089 | 799,095 | - |
| Section G: Special Items of General Revenue Anticipated with Prior Written Consent of Director of Local Government | | | | |
| Services - Other Special Items | 73,204 | | 69,815 | (3,389) |
| Uniform Fire Safety Act | 2,145,281 | | 1,976,732 | (168,549) |
| Host Community Fees | 376,000 | | 376,000 | - |
| Environmental Trust Account | 703,000 | | 703,000 | - |
| Open Space Trust Fund | 250,000 | | 250,000 | - |
| Appropriation of Authority Assets | 90,020 | | 83,250 | (6,770) |
| Towing Fees | 96,580 | | 100,044 | 3,464 |
| Cell Tower Leases | 313,844 | | 320,220 | 6,376 |
| Tax Abatement Payments | 40,000 | | 40,000 | - |
| ACUA PILOT | 143,500 | | 144,371 | 871 |
| Cable Franchise Fees | 200,000 | | 200,000 | - |
| Capital Surplus | | | | |
| Total Section G: Other Special Items | 4,431,429 | - | 4,263,432 | (167,997) |
| Total Miscellaneous Revenues: | 16,390,935 | 577,589 | 16,844,275 | (124,249) |
| Receipts from Delinquent Taxes | 210,000 | | 145,039 | (64,961) |

**CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015**

| | Anticipated | | Excess or (Deficit) |
|--|----------------------|-----------------|---------------------------------------|
| | Budget | N.J.S. 40A:4-87 | |
| Amount to be Raised by Taxes for Support of Municipal Budget | | | |
| Local Tax for Municipal Purposes | 21,611,347 | | 524,093 |
| Total Amount to be Raised by Taxes for Support of Municipal Budget | <u>21,611,347</u> | <u>-</u> | <u>524,093</u> |
| Budget Totals | <u>38,512,282</u> | <u>577,589</u> | <u>334,883</u> |
| Non- Budget Revenues: | | | |
| Other Non- Budget Revenues: | | | <u>870,325</u> |
| | <u>\$ 38,512,282</u> | <u>577,589</u> | <u>40,295,079</u> <u>1,205,208</u> |

**CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015**

Analysis of Realized Revenues

Allocation of Current Tax Collections:

| | | |
|--------------------------|----|-------------|
| Revenue from Collections | \$ | 120,587,111 |
|--------------------------|----|-------------|

| | | |
|---------------------------------------|--|---|
| Less: Reserve for Tax Appeals Pending | | - |
|---------------------------------------|--|---|

| | | |
|------------------------------|--|-------------|
| Net Revenue from Collections | | 120,587,111 |
|------------------------------|--|-------------|

Allocated to:

| | | |
|--------------------------------|--|------------|
| School, County and Other Taxes | | 99,190,012 |
|--------------------------------|--|------------|

| | | |
|--|--|------------|
| Balance for Support of Municipal Budget Appropriations | | 21,397,099 |
|--|--|------------|

Increased by:

| | | |
|--|--|---------|
| Appropriation "Reserved for Uncollected Taxes" | | 738,341 |
|--|--|---------|

| | | |
|---|--|------------|
| Amount for Support of Municipal Budget Appropriations | | 22,135,440 |
|---|--|------------|

Receipts from Delinquent Taxes:

| | | |
|---------------------------|--|--------|
| Delinquent Tax Collection | | 77,210 |
|---------------------------|--|--------|

| | | |
|----------------------------|--|--------|
| Tax Title Lien Collections | | 67,829 |
|----------------------------|--|--------|

| | | |
|--------------------------------------|--|---------|
| Total Receipts from Delinquent Taxes | | 145,039 |
|--------------------------------------|--|---------|

Analysis of Non-Budget Revenue:

Miscellaneous Revenue Not Anticipated:

Revenue Accounts Receivable:

| | | |
|--------------|--|-------|
| Tax Searches | | 1,090 |
|--------------|--|-------|

Treasurer:

Municipal Utilities Authority (MUA)

| | | |
|-----------------|--|--------|
| Rental and Fuel | | 50,000 |
|-----------------|--|--------|

| | | |
|---------------------------|--|-------|
| SC/VET Administrative Fee | | 6,670 |
|---------------------------|--|-------|

| | | |
|--|--|--------|
| Cygnus Arts Center Janitorial Services | | 13,860 |
|--|--|--------|

| | | |
|------------------------------|--|--------|
| Atlantic County Radio System | | 12,990 |
|------------------------------|--|--------|

| | | |
|-------------------------------|--|-------|
| Motor Vehicle Inspection Fund | | 6,936 |
|-------------------------------|--|-------|

| | | |
|--------------------|--|--------|
| ACUA Crass Cutting | | 55,200 |
|--------------------|--|--------|

| | | |
|---------------------|--|---------|
| FEMA Reimbursements | | 443,112 |
|---------------------|--|---------|

| | | |
|------------------------------------|--|--------|
| Workers Compensation Reimbursement | | 23,069 |
|------------------------------------|--|--------|

| | | |
|--------------------|--|---------|
| Prior Year Refunds | | 104,333 |
|--------------------|--|---------|

| | | |
|-------------------|--|--------|
| Police Department | | 11,648 |
|-------------------|--|--------|

| | | |
|-------------------------------|--|--------|
| Military Leave Reimbursements | | 10,551 |
|-------------------------------|--|--------|

| | | |
|---------------------|--|---------|
| Other Miscellaneous | | 130,866 |
|---------------------|--|---------|

| | | |
|--|----|---------|
| Total Miscellaneous Revenue Not Anticipated: | \$ | 870,325 |
|--|----|---------|

**CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015**

| | Appropriations | | Paid or Charged | Expended | | (Over expended) Unexpended Balance Cancelled |
|---|----------------|----------------------------|-----------------|------------|----------|--|
| | Budget | Budget After Modifications | | Encumbered | Reserved | |
| OPERATIONS WITHIN "CAPS" | | | | | | |
| GENERAL GOVERNMENT | | | | | | |
| Governing Body | | | | | | |
| Salaries and Wages | \$ 125,587 | 112,087 | 108,197 | | 3,890 | |
| Other Expenses | 10,475 | 10,475 | 7,591 | 97 | 2,787 | |
| DEPARTMENT OF ADMINISTRATION AND FINANCE | | | | | | |
| Administrator's Office | | | | | | |
| Salaries and Wages | 240,324 | 226,824 | 221,972 | | 4,852 | |
| Other Expenses | 10,000 | 10,000 | 8,508 | 878 | 614 | |
| Office of Township Clerk | | | | | | |
| Salaries and Wages | 316,894 | 316,894 | 312,128 | | 4,766 | |
| Other Expenses | 56,700 | 56,700 | 47,933 | 8,064 | 703 | |
| Office of Information Technology | | | | | | |
| Salaries and Wages | 160,721 | 130,721 | 129,928 | | 793 | |
| Other Expenses | 82,700 | 82,700 | 51,222 | 23,103 | 8,375 | |
| Division of Treasury | | | | | | |
| Salaries and Wages | 242,884 | 243,884 | 238,704 | | 5,180 | |
| Other Expenses | 51,900 | 51,900 | 37,694 | 7,621 | 6,585 | |
| Auditor | | | | | | |
| Other Expenses | 65,500 | 65,500 | 57,000 | | 8,500 | |
| Division of Collections | | | | | | |
| Salaries and Wages | 233,776 | 224,776 | 223,283 | | 1,493 | |
| Other Expenses | 47,450 | 47,450 | 41,758 | 2,645 | 3,047 | |
| Division of Assessments | | | | | | |
| Salaries and Wages | 133,507 | 133,507 | 133,477 | | 30 | |
| Other Expenses | | | | | | |
| Miscellaneous Other Expenses | 74,700 | 74,700 | 69,400 | 4,048 | 1,252 | |
| Division of Law | | | | | | |
| Other Expenses | 415,000 | 505,000 | 430,142 | 32,006 | 42,852 | |
| Rent Leveling Board | | | | | | |
| Other Expenses | 20,100 | 24,100 | 19,820 | 3,200 | 1,080 | |
| DEPARTMENT OF PUBLIC WORKS | | | | | | |
| Division of Roads | | | | | | |
| Salaries and Wages | 647,775 | 647,775 | 626,313 | | 21,462 | |
| Other Expenses | 164,400 | 179,400 | 96,939 | 71,395 | 11,066 | |
| Division of Buildings and Grounds | | | | | | |
| Salaries and Wages | 814,287 | 805,987 | 790,865 | | 15,122 | |
| Other Expenses | 155,000 | 163,000 | 120,695 | 28,214 | 14,091 | |

The Accompanying Notes To The Financial Statements Are An Integral Part of This Statement

**CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015**

| | Appropriations | | Budget After Modifications | Paid or Charged | Expended | | Reserved | (Over expended) Unexpended Balance Cancelled |
|--|----------------|-----------|-------------------------------|--------------------|------------|----------|----------|---|
| | Budget | Budget | | | Encumbered | Reserved | | |
| Division of Equipment Maintenance | | | | | | | | |
| Salaries and Wages | 360,068 | 360,068 | 360,754 | 1,314 | | | | |
| Other Expenses | 250,400 | 270,400 | 192,279 | 50,951 | | | | |
| Division of Solid Waste | | | | | | | | |
| Salaries and Wages | 824,709 | 811,409 | 796,411 | 14,998 | | | | |
| Other Expenses | 34,000 | 34,000 | 24,501 | 8,677 | | | | |
| Landfill/Solid Waste Disposal Costs | | | | | | | | |
| Other Expenses | 1,375,000 | 1,375,000 | 1,080,729 | 221,986 | | | | |
| Animal Control | | | | | | | | |
| Other Expenses | 24,000 | 24,000 | 20,350 | 1,850 | | | | |
| Engineering Services | | | | | | | | |
| Other Expenses | 66,000 | 66,000 | 34,488 | 31,512 | | | | |
| DEPARTMENT OF RECREATION | | | | | | | | |
| Salaries and Wages | 141,218 | 122,918 | 92,619 | 30,299 | | | | |
| Other Expenses | 77,975 | 77,975 | 54,150 | 3,754 | | | | |
| Celebration of Events | | | | | | | | |
| Other Expenses | 2,500 | 2,500 | 2,041 | 33 | | | | |
| DEPARTMENT OF POLICE | | | | | | | | |
| Salaries and Wages | 8,889,602 | 8,886,602 | 8,755,082 | 131,520 | | | | |
| Other Expenses | 554,750 | 554,750 | 331,618 | 57,526 | | | | |
| DEPARTMENT OF POLICE DISPATCH/911 | | | | | | | | |
| Salaries and Wages | 331,485 | 292,185 | 287,019 | 5,166 | | | | |
| Other Expenses | 37,500 | 37,500 | 30,400 | 1,106 | | | | |
| DEPARTMENT OF FIRE | | | | | | | | |
| Other Expenses | 190,000 | 190,000 | 129,183 | 285 | | | | |
| Aid | | | | | | | | |
| Ambulance Services | 150,000 | 150,000 | 150,000 | - | | | | |
| Salaries and Wages | | | | | | | | |
| Other Expenses | 494,000 | 504,000 | 504,000 | - | | | | |
| Municipal Court | | | | | | | | |
| Salaries and Wages | 96,050 | 121,050 | 98,370 | 5,569 | | | | |
| Other Expenses | 529,525 | 529,525 | 527,752 | 1,773 | | | | |
| Public Defender | | | | | | | | |
| Other Expenses | 51,800 | 51,800 | 30,153 | 7,979 | | | | |
| | 5 | 5 | 5 | 5 | | | | |

**CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015**

| | Appropriations | | Paid or Charged | Expended | | (Over expended) Unexpended Balance Cancelled |
|--|-------------------|----------------------------|-------------------|----------------|----------------|--|
| | Budget | Budget After Modifications | | Encumbered | Reserved | |
| DEPARTMENT OF COMMUNITY DEVELOPMENT | | | | | | |
| Division of Planning | | | | | | |
| Salaries and Wages | 119,854 | 119,854 | 119,819 | | 35 | |
| Other Expenses | 26,850 | 26,850 | 11,638 | 1,246 | 13,966 | |
| Division of Zoning | | | | | | |
| Salaries and Wages | 49,500 | 49,500 | 49,416 | | 84 | |
| Other Expenses | 5,500 | 5,500 | 3,424 | 358 | 1,718 | |
| ACCUMULATED LEAVE COMPENSATION | | | | | | |
| Salaries and Wages | 75,000 | 75,000 | 75,000 | | - | |
| Insurance | | | | | | |
| Other Insurance Premiums (JIF) | 639,568 | 639,568 | 621,164 | 1,499 | 16,905 | |
| Worker Compensation Insurance (JIF) | 1,231,833 | 1,231,833 | 1,231,833 | | - | |
| Group Insurance for Employees | 3,880,350 | 3,835,350 | 3,783,920 | | 51,430 | |
| Group Insurance Opt-Out Payments | 30,000 | 30,000 | 25,000 | | 5,000 | |
| Division of Inspections | | | | | | |
| Salaries and Wages | 354,844 | 354,844 | 354,629 | | 215 | |
| Other Expenses | 32,000 | 32,000 | 9,168 | 3,937 | 18,895 | |
| Uniform Fire Safety Act (PL 1983, CH383) | | | | | | |
| Fire Prevention Program | | | | | | |
| Salaries and Wages | 71,178 | 71,178 | 69,810 | | 1,368 | |
| Other Expenses | 5,600 | 5,600 | 4,441 | 50 | 1,109 | |
| UNCLASSIFIED | | | | | | |
| Electricity | 400,000 | 400,000 | 331,420 | 25,391 | 43,189 | |
| Street Lighting | 292,500 | 292,500 | 264,760 | 23,350 | 4,390 | |
| Telephone | 113,000 | 113,000 | 81,253 | 17,102 | 14,645 | |
| Water | 27,000 | 27,000 | 24,147 | | 2,853 | |
| Gas | 58,000 | 58,000 | 58,000 | | - | |
| Sewerage | 4,000 | 4,000 | 2,798 | | 1,202 | |
| Gasoline | 485,000 | 458,200 | 290,110 | 46,044 | 122,046 | |
| Fire Hydrant Service | 288,000 | 288,000 | 258,417 | 23,326 | 6,257 | |
| Condominium Services Act (PL 1989, CH 299) | 170,000 | 170,000 | 148,222 | 21,778 | - | |
| TOTAL OPERATIONS WITHIN "CAPS" | 26,909,844 | 26,864,844 | 25,093,857 | 926,112 | 844,875 | - |
| Contingent | - | - | - | - | - | - |
| TOTAL OPERATIONS INCLUDING CONTINGENT WITHIN "CAPS" | 26,909,844 | 26,864,844 | 25,093,857 | 926,112 | 844,875 | - |

The Accompanying Notes To The Financial Statements Are An Integral Part of This Statement

**CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015**

| | Appropriations | | Paid or Charged | Expended | | (Over expended) Unexpended Balance Cancelled |
|--|-------------------|----------------------------|-------------------|----------------|----------------|--|
| | Budget | Budget After Modifications | | Encumbered | Reserved | |
| Detail: | | | | | | |
| Salaries and Wages | 15,156,738 | 15,021,538 | 14,777,178 | - | 244,360 | |
| Other Expenses | 11,753,106 | 11,843,306 | 10,316,679 | 926,112 | 600,515 | |
| | - | | | | | |
| DEFERRED CHARGES AND STATUTORY EXPENDITURES: | | | | | | |
| Statutory Expenditures: | | | | | | |
| Contributions to: | | | | | | |
| Public Employees' Retirement System | 802,882 | 802,882 | 802,882 | | - | |
| Social Security System (O.A.S.I.) | 1,200,000 | 1,245,000 | 1,228,968 | 21 | 16,011 | |
| Consolidated Police and Firemen's Pension Fund | 1,949,780 | 1,949,780 | 1,949,780 | | - | |
| Unemployment Compensation Insurance | 68,500 | 68,500 | 62,558 | 20 | 5,922 | |
| Defined Contribution Retirement Program | 5,000 | 5,000 | 3,672 | 435 | 893 | |
| | <u>4,026,162</u> | <u>4,071,162</u> | <u>4,047,860</u> | <u>476</u> | <u>22,826</u> | |
| TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES: | | | | | | |
| | <u>30,936,006</u> | <u>30,936,006</u> | <u>29,141,717</u> | <u>926,588</u> | <u>867,701</u> | |
| TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS" | | | | | | |
| OPERATIONS - EXCLUDED FROM "CAPS" | | | | | | |
| (A) Operations - Excluded from "CAPS" | | | | | | |
| Group Insurance for Employees | 126,650 | 126,650 | 126,650 | | - | |
| Recycling Tax | 43,533 | 43,533 | 43,533 | | - | |
| Length of Service Award Program | 158,000 | 158,000 | | | 158,000 | |
| | | | | | | |
| Shared Services: | | | | | | |
| City of Northfield Dispatch Service | 371,527 | 371,527 | 352,916 | 1,466 | 5,618 | 11,527 |
| City of Linwood Dispatch Service | 322,354 | 322,354 | 315,292 | | 208 | 6,854 |
| Borough of Longport Dispatch Service | - | 82,500 | 60,889 | 2,000 | 19,611 | |
| Egg Harbor Township Board of Education | | | | | | |
| Solid Waste Disposal | 131,376 | 131,376 | 110,709 | 20,667 | - | |
| State of NJ Motor Vehicle Commission | 97,451 | 97,451 | 97,451 | | - | |
| County of Atlantic - Nutrition Site | 13,914 | 13,914 | 13,914 | | - | |
| | <u>1,264,805</u> | <u>1,347,305</u> | <u>1,121,354</u> | <u>24,133</u> | <u>183,437</u> | <u>18,381</u> |

**CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015**

| | Appropriations | | Paid or Charged | Expended | | (Over expended) Unexpended Balance Cancelled |
|---|----------------|----------------------------|-----------------|------------|----------|--|
| | Budget | Budget After Modifications | | Encumbered | Reserved | |
| (A) Public and Private Programs Off-Set by Revenues | | | | | | |
| State of NJ - Division of Motor Vehicles | 20,195 | 20,195 | 20,195 | | | |
| Drunk Driving Enforcement Fund | 24,679 | 24,679 | 24,679 | | | |
| Egg Harbor Township Municipal Alliance | 6,170 | 6,170 | 6,170 | | | |
| Municipal Alliance | 73,971 | 73,971 | 73,971 | | | |
| Local Match | 85,761 | 104,213 | 104,213 | | | |
| Recycling Tonnage Grant | 60,000 | 60,000 | 60,000 | | | |
| Clean Communities Act (NJSA 13:13-99.1 et. seq.) | 17,494 | 17,494 | 17,494 | | | |
| Safe and Secure Communities Program | 4,233 | 4,233 | 4,233 | | | |
| Smart Policing Initiative | 125,000 | 125,000 | 125,000 | | | |
| Conducted Energy Device Assistance Program | 766 | 766 | 766 | | | |
| CRDA - Demo of Derelict Structures | 75,000 | 75,000 | 75,000 | | | |
| Municipal Alcohol Education/Rehabilitation Program | 7,572 | 7,572 | 7,572 | | | |
| NJ Hazard Mitigation Grant | 4,000 | 4,000 | 4,000 | | | |
| Body Armor | 5,000 | 5,000 | 5,000 | | | |
| Click It Ticket | 10,000 | 10,000 | 10,000 | | | |
| Distracted Driving Statewide Crackdown | 6,000 | 6,000 | 6,000 | | | |
| Drive Sober or Get Pulled Over | 4,400 | 4,400 | 4,400 | | | |
| Over the Limit Under Arrest | 2,000 | 2,000 | 2,000 | | | |
| COPS in Shops Fall/College Initiative | 20,000 | 20,000 | 20,000 | | | |
| COPS in Shops Summer Shore Initiative | 190,000 | 190,000 | 190,000 | | | |
| Primax Properties Donation - Tree Planting | | 44,572 | 44,572 | | | |
| NJ DOT -Reconstruction of Ridge Avenue | | - | | | | |
| NJ Highway Safety Program - Safe Corridor | | - | | | | |
| CDBG | | - | | | | |
| Total Public and Private Programs Off-Set by Revenues | 310,176 | 805,265 | 805,265 | - | - | - |
| Total Operations - Excluded from "CAPS" | 1,574,981 | 2,152,570 | 1,926,619 | 24,133 | 183,437 | 18,381 |
| Detail: | | | | | | |
| Salaries and Wages | 1,574,981 | 2,152,570 | 1,926,619 | 24,133 | 183,437 | 18,381 |
| Other Expenses | | | | | | |
| (C) Capital Improvements | | | | | | |
| Capital Improvement Fund | 300,000 | 300,000 | 300,000 | | | |
| OY, Inc. Settlement - Site Plan Improvements | 31,000 | 31,000 | 31,000 | | | |
| NJ Transportation Trust - Ridge Avenue | | - | | | | |
| Total Capital Improvements | 331,000 | 331,000 | 331,000 | - | - | - |

**CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015**

| | Appropriations | | Paid or Charged | Expended | | (Over expended) Unexpended Balance Cancelled |
|--|----------------|----------------------------|-------------------|------------|------------------------|--|
| | Budget | Budget After Modifications | | Encumbered | Reserved | |
| (D) Debt Service | | | | | | |
| Payment of Bond Principal | 3,525,000 | 3,525,000 | 3,525,000 | | | |
| Interest on Bonds | 989,000 | 989,000 | 988,793 | | | 207 |
| Interest on Notes | 2,550 | 2,550 | 2,543 | | | 7 |
| Green Trust Loan Program: | | | | | | |
| Loan Repayments for Principal and Interest | 109,234 | 109,234 | 109,234 | | | - |
| Total Debt Service | 4,625,784 | 4,625,784 | 4,625,570 | | | 214 |
| (E) Deferred Charges | | | | | | |
| Emergency Authorizations | 6,170 | 6,170 | 6,170 | | | |
| Special Emergency Authorizations - 5 years | 300,000 | 300,000 | 300,000 | | | |
| Total Deferred Charges | 306,170 | 306,170 | 306,170 | | | |
| TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS" | 6,837,935 | 7,415,524 | 7,189,359 | 24,133 | 183,437 | 18,595 |
| SUBTOTAL GENERAL APPROPRIATIONS | 37,773,941 | 38,351,530 | 36,331,076 | 950,721 | 1,051,138 | 18,595 |
| (M) Reserve for Uncollected Taxes | 738,341 | 738,341 | 738,341 | | | |
| TOTAL GENERAL APPROPRIATIONS | \$ 38,512,282 | 39,089,871 | 37,069,417 | 950,721 | 1,051,138 | 18,595 |
| Budget | | | | | | |
| Appropriations by 40A:4-87 | | 38,512,282 | | | | 18,595 |
| Emergency Appropriations | | 577,589 | | | Cancelled Overexpended | - |
| | | <u>39,089,871</u> | | | | <u>18,595</u> |
| Reserve for Uncollected Taxes | | | 738,341 | | | |
| Federal and State Grants | | | 805,265 | | | |
| Deferred Charges | | | 306,170 | | | |
| Capital Improvement Fund Disbursements | | | 300,000 | | | |
| | | | 34,919,641 | | | |
| | | | <u>37,069,417</u> | | | |

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EXHIBIT B - TRUST FUND

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**TRUST FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
AS OF DECEMBER 31,**

| | 2015 | 2014 |
|---|---------------|------------|
| ASSETS | | |
| Animal Control Fund: | | |
| Cash | \$ 15,915 | 13,668 |
| | 15,915 | 13,668 |
| Assessment Trust Fund: | | |
| Assessments Receivable | 5,110 | 10,221 |
| Assessment Liens | 2,589 | 2,589 |
| | 7,699 | 12,810 |
| Length of Service Award Program (LOSAP) (unaudited) | | |
| Investments | | |
| Mutual Funds | 1,643,835 | 1,540,710 |
| Employer Contribution Receivable | 126,140 | 157,304 |
| | 1,769,975 | 1,698,014 |
| Other Funds: | | |
| Cash - Treasurer | 6,745,203 | 7,706,147 |
| Cash - Collector | 3,435,496 | 3,653,875 |
| Due from Atlantic County Utilities Authority | | |
| Environmental Trust Fund | 24,499 | 23,287 |
| Amount Due from Current Fund - | | |
| Open Space Tax | - | 3,639 |
| Public Defender | 2,600 | 1,300 |
| Third Party Inspections | 49,117 | 15,633 |
| | 10,256,915 | 11,403,881 |
| | \$ 12,050,504 | 13,128,373 |

The Accompanying Notes To The Financial Statements Are An Integral Part of This Statement

**TRUST FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
AS OF DECEMBER 31,**

| | 2015 | 2014 |
|---|---------------|------------|
| LIABILITIES, RESERVES AND FUND BALANCE | | |
| Animal Control Fund: | | |
| Due to Current Fund | \$ 2,473 | 829 |
| Due to State of New Jersey | 1 | 1 |
| Reserve for Expenditures | 13,441 | 12,838 |
| | 15,915 | 13,668 |
| Assessment Trust Fund: | | |
| Reserve for Liens and Costs | 2,589 | 2,589 |
| Reserve for Assessments Receivable | 5,110 | 10,221 |
| | 7,699 | 12,810 |
| Length of Service Award Program (LOSAP) (unaudited) | | |
| Net Assets Available for Benefits | 1,769,975 | 1,698,014 |
| Other Funds: | | |
| Deposits for Redemption of Tax Sale Certificates | 295,016 | 135,114 |
| Premiums on Tax Sale Deposits | 3,140,480 | 3,518,761 |
| Reserves - Miscellaneous | 6,821,419 | 7,750,006 |
| | 10,256,915 | 11,403,881 |
| | \$ 12,050,504 | 13,128,373 |

The Accompanying Notes To The Financial Statements Are An Integral Part of This Statement

EXHIBIT C - CAPITAL FUND

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**GENERAL CAPITAL FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
AS OF DECEMBER 31,**

| <u>ASSETS</u> | 2015 | 2014 |
|--|---------------|------------|
| Due from Current Fund | \$ 591,244 | 236,469 |
| Due from Grant Fund | 1,380,028 | 3,965,007 |
| Deferred Charges to Future Taxation - | | |
| Funded | 31,879,765 | 35,494,751 |
| Unfunded | 2,225,000 | - |
| Due from NJDEP Bureau of Dam Safety and Flood Control | 627,195 | 627,195 |
| Due From FEMA | 907,060 | 1,498,304 |
| | 37,610,292 | 41,821,726 |
| <u>LIABILITIES, RESERVES AND FUND BALANCE</u> | | |
| Encumbrances Payable | 1,354,253 | 3,415,960 |
| Bond Anticipation Notes Payable | 2,225,000 | - |
| Serial Bonds Payable | 30,985,000 | 34,510,000 |
| Green Trust Program Loans Payable | 894,765 | 984,751 |
| Improvement Authorizations: | | |
| Funded | 801,824 | 2,560,858 |
| Unfunded | 1,189,293 | - |
| Capital Improvement Fund | 31,303 | 21,303 |
| Fund Balance | 128,854 | 328,854 |
| | \$ 37,610,292 | 41,821,726 |

There were bonds and notes authorized but not issued at December 31

| | |
|------|---|
| 2014 | - |
| 2015 | - |

**GENERAL CAPITAL FUND
COMPARATIVE STATEMENT OF FUND BALANCE -
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31,**

| | <u>2015</u> | <u>2014</u> |
|-------------------------------------|-------------------|----------------|
| Beginning Balance January 1 | \$ 328,854 | 199,449 |
| Increased by: | | |
| Premiums on sale of Bonds & Notes | - | 56,322 |
| Unfunded Improvement Authorizations | | |
| Cancelled | - | 2,498 |
| Cancelled Reserve | - | 70,585 |
| Decreased by: | | |
| Surplus budgeted in Current Fund | 200,000 | - |
| Ending Balance December 31 | <u>\$ 128,854</u> | <u>328,854</u> |

EXHIBIT G - GENERAL FIXED ASSETS ACCOUNT GROUP

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GENERAL FIXED ASSETS ACCOUNT GROUP
STATEMENT OF GENERAL FIXED ASSETS - REGULATORY BASIS
AS OF DECEMBER 31,

| | <u>2015</u> | <u>2014</u> |
|------------------------------------|----------------------|-------------------|
| General Fixed Assets: | | |
| Construction in Progress | \$ - | 360,395 |
| Land | 2,902,953 | 2,902,953 |
| Buildings | 24,624,897 | 24,242,024 |
| Improvements Other than Buildings | 357,677 | 348,512 |
| Vehicles | 17,217,622 | 15,794,111 |
| Machinery and Equipment | <u>15,675,176</u> | <u>15,456,841</u> |
| Total General Fixed Assets | <u>60,778,325</u> | <u>59,104,836</u> |
| | | |
| Investment in General Fixed Assets | <u>\$ 60,778,325</u> | <u>59,104,836</u> |

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NOTES TO FINANCIAL STATEMENTS

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**EGG HARBOR TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014**

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Township of Egg Harbor was incorporated in 1710 and is situated in the southeast portion of Atlantic County. The population estimate by the US Department of Census as of July 2010 is 43,323. The Township provides to its citizens the following services: public safety, recreation, public improvements, planning and zoning and general administrative services.

The Township is governed by an elected, five member committee form of government, with the Mayor appointed annually by the committee members. The committee is comprised of five individuals serving three year terms. Two committee members are elected annually except for every third year when one committee person is elected. The Township Administrator monitors the daily administrative responsibilities.

Except as noted below, the financial statements of the Township of Egg Harbor include every board, body, office or commission supported and maintained wholly or in part by funds appropriated by the Township of Egg Harbor, as required by N.J.S. 40A:5-5.

Component units are legally separate organizations for which the Township is financially accountable. The Township is financially accountable for an organization if the Township appoints a voting majority of the organization's governing board and (1) the Township is able to significantly influence the programs or services performed or provided by the organization; or (2) the Township is legally entitled to or can otherwise access the organization's resources; the Township is legally obligated or has otherwise assumed the responsibility to finance the deficits of or provide financial support to the organization; or the Township is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the Township in that the Township approves the budget, the issuance of debt or the levying of taxes. The Egg Harbor Township Golf Corporation and Municipal Utilities Authority are component units of the Township however they are not presented as part of the financial statements of the Township of Egg Harbor. The Golf Corporation does have an independent audit performed however the Corporation is not a public body as defined in the Open Public Records Act (OPRA). The Municipal Utilities Authority also has an independent audit performed and a copy is available at the Authority's office.

B. Description of Funds

The accounting policies of the Township of Egg Harbor conform to the accounting principles applicable to municipalities that 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 the respect to public funds. Under this method of accounting, the Township of Egg Harbor accounts for its financial transactions through the following separate funds:

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

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

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

General Fixed Assets Account Group -- All fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the general fixed assets account group, rather than in governmental funds.

EGG HARBOR TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014

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

Expenditures -- are recorded on the "budgetary" basis of accounting. Generally expenditures are recorded when an amount is encumbered for goods 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. Appropriation reserves covering unencumbered appropriation balances are automatically created at December 31st of each year and recorded as liabilities, except for amounts that may be canceled by the Governing Body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income. Appropriations for principal payments on outstanding general capital bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis. Compensated absences are treated on a pay as you go basis with no amount charged to operations in the year incurred.

Foreclosed Property -- Foreclosed property is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved. Ordinarily, it is the intention of the Township to resell foreclosed property in order to recover all or a portion of the delinquent taxes or assessments and to return the property to a taxpaying basis. For this reason the value of the foreclosed property has not been included in the General Fixed Assets Account Group. If such property is converted to a municipal use, it will be recorded in the General Fixed Asset Account Group.

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 -- The Township has developed a fixed assets accounting and reporting system, as promulgated by the Division of Local Government Services, which differs in certain respects from generally accepted accounting principles.

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

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.

**EGG HARBOR TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014**

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 at the time the land is foreclosed or donated. Land purchased by the Township is valued at cost. Expenditures for long lived assets with an original cost in excess of \$2,500 are capitalized.

No depreciation has been provided for in the financial statements.

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

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

The following schedules are a summarization of the changes in general fixed assets for the years ended December 31, 2015 and 2014.

| | Balance as of 12/31/14 | Additions / Transfers | Disposal / Transfers | Balance as of 12/31/15 |
|--------------------------------------|---------------------------|--------------------------|-------------------------|---------------------------|
| Construction in Progress | \$ 360,395 | 15,280 | 375,675 | - |
| Land | 2,902,953 | | | 2,902,953 |
| Buildings | 24,242,024 | 382,873 | | 24,624,897 |
| Improvements other than Buildings | 348,512 | 9,165 | | 357,677 |
| Vehicles | 15,794,111 | 1,424,296 | | 17,218,407 |
| Machinery and Equipment | 15,456,841 | 240,643 | 23,093 | 15,674,391 |
| | <u>\$ 59,104,836</u> | <u>2,072,257</u> | <u>398,768</u> | <u>60,778,325</u> |

| | Balance as of 12/31/13 | Additions / Transfers | Disposal / Transfers | Balance as of 12/31/14 |
|--------------------------------------|---------------------------|--------------------------|-------------------------|---------------------------|
| Construction in Progress | \$ 872,588 | 21,438 | 533,631 | 360,395 |
| Land | 2,902,953 | | | 2,902,953 |
| Buildings | 23,697,975 | 10,418 | (533,631) | 24,242,024 |
| Improvements other than Buildings | 348,512 | | | 348,512 |
| Vehicles | 16,084,115 | 392,192 | 682,196 | 15,794,111 |
| Machinery and Equipment | 14,734,906 | 765,933 | 43,998 | 15,456,841 |
| | <u>\$ 58,641,049</u> | <u>1,189,981</u> | <u>726,194</u> | <u>59,104,836</u> |

Levy of Taxes -- The County Board of Taxation certifies the tax levy of the municipality each year. The tax levy is based on the assessed valuation of taxable property within the municipality. Taxes are payable on the first day of February, May, August, and November. Any taxes that have not been paid by the 11th day of the 11th month in the fiscal year levied are subject to being included in the tax sale and the lien enforced by

**EGG HARBOR TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014**

selling the property in accordance with NJSA 54:5 et seq.

The municipality is responsible for remitting 100% of the school and county taxes to the respective agency. The loss for delinquent or uncollectible accounts is borne by the municipality and not the school district or county.

Interest on Delinquent Taxes – It is the policy of the Township of Egg Harbor to collect interest for the nonpayment of taxes or assessments on or before the date when they would become delinquent. The Tax Collector is authorized to charge eight percent (8%) per annum on the first \$1,500 of taxes becoming delinquent after the due date and eighteen percent (18%) per annum on any amount of taxes in excess of \$1,500 becoming delinquent after the due date and if a delinquency is in excess of \$10,000 and remains in arrears beyond December 31st, an additional penalty of six percent (6%) shall be charged against the delinquency. There is a ten day grace period.

Capitalization of Interest -- It is the policy of the Township of Egg Harbor to treat interest on projects as a current expense and the interest is included in the current operating budget.

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

D. Required Financial Statements

The State of New Jersey requires the following financial statements to be presented for each fund on the regulatory basis of accounting: Balance Sheet, Statement of Operations and Changes in Fund Balance, Statement of Revenue and Statement of Expenditures. These statements differ from those presented under Generally Accepted Accounting Principles, which requires a Statement of Net Position and Statement of Activities in addition to the fund financial statements.

E. Comparative Data

Comparative total data for the prior year has been presented in the accompanying Balance Sheets and Statement of Operations in order to provide an understanding of changes in the Township's financial position. However, comparative (i.e., presentation of prior year totals by fund type) data have not been presented in the Statement of Revenue-Regulatory Basis and Statement of Expenditures-Regulatory Basis since their inclusion would make the statements unduly complex and difficult to read.

F. Recent Accounting Pronouncements Not Yet Effective

In February 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 72, "Fair Value Measurement and Application". This statement is effective for fiscal periods beginning after June 15, 2015, and will not have any effect on the Township's financial reporting.

In June 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 73, "Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68". This statement is effective for fiscal periods beginning after June 30, 2016, and will not have any effect on the Township's financial reporting.

In June 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 74, "Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans". This statement is effective for fiscal periods beginning after June 30, 2016, and establishes new accounting and financial reporting

**EGG HARBOR TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014**

requirements for OPEB plans. It is anticipated that this statement will not have any effect on the Township's financial reporting.

In June 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions". This statement is effective for fiscal periods beginning after June 30, 2017. Although not determinable, the impact of this statement on the net position of the entity is anticipated to be significant.

In June 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 76, "The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments". This statement is effective for fiscal periods beginning after June 30, 2015, and will not have any effect on the Township's financial reporting.

In August 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 77 "Tax Abatement Disclosures". This statement, which is effective for fiscal periods beginning after December 15, 2015, will not have any effect on the Township's financial reporting.

In December 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 78 "Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans". This statement, which is effective for fiscal periods beginning after December 15, 2015, will not have any effect on the Township's financial reporting.

In December 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 79 "Certain External Investment Pools and Pool Participants". This statement, which is effective for fiscal periods beginning after December 15, 2015, will not have any effect on the Township's financial reporting.

In January 2016, the Governmental Accounting Standards Board (GASB) issued Statement No. 80 "Blending Requirements for Certain Component Units – an amendment of GASB Statement No. 14". This statement, which is effective for fiscal periods beginning after June 15, 2016, will not have any effect on the Township's financial reporting.

Note 2: BUDGETARY INFORMATION

Under New Jersey State Statutes, the annual budget is required to be a balanced cash basis document. To accomplish this, the municipality is required to establish a reserve for uncollected taxes. The 2015 and 2014 statutory budgets included a reserve for uncollected taxes in the amount of \$738,341 and \$650,000. To balance the budget, the municipality is required to show a budgeted fund balance. The amount of fund balance budgeted to balance the 2015 and 2014 statutory budgets was \$300,000 and \$350,000.

The Chief Financial Officer has the discretion of approving intra department budgetary transfers throughout the year. Inter department transfers are not permitted prior to November 1. After November 1 these transfers can be made in the form of a resolution and approved by Township Committee. The following significant budget transfers were approved in the 2015 and 2014 calendar years:

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**EGG HARBOR TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014**

| <u>Budget Category</u> | <u>2015</u> | <u>2014</u> |
|---|-------------|-------------|
| Division of Law | | |
| Other Expenses | 90,000 | 100,000 |
| Department of Police Dispatch/911 | | |
| Salaries and Wages | (39,300) | (110,000) |
| Insurance | | |
| Group Insurance | (45,000) | 178,000 |
| Statutory Expenditures | | |
| Social Security System (O.A.S.I.) | 45,000 | |
| Information Technology | | |
| Salaries and Wages | | (50,000) |
| Division of Roads | | |
| Salaries and Wages | | (55,000) |
| Department of Police | | |
| Salaries and Wages | | 61,000 |
| Landfill/Solid Waste Disposal Cost | | |
| Other Expenses | | (92,385) |
| Electricity | | 85,000 |
| Gasoline | | |
| Public Employees' Retirement System | | (72,908) |
| Consolidated Police and Firemen's Pension | | (113,490) |

NJSA 40A:4-87 permits special items of revenue and appropriations to be inserted into the annual budget when the item has been made available by any public or private funding source and the item was not determined at the time of budget adoption. During 2015, the Township Committee approved total budget insertions in the amount of \$577,589. The Township Committee approved total budget insertions in the amount of \$349,608 during the 2014 calendar year. The following schedule details the significant budget insertions:

**EGG HARBOR TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014**

| <u>Budget Category</u> | | <u>2015</u> | <u>2014</u> |
|--|----|-------------|-------------|
| Borough of Longport Dispatch Service | \$ | 82,500 | |
| Highway Safety Program "Safe Corridors" | | | 92,418 |
| Clean Communities Act | | 18,452 | |
| NJ Transportation Trust Fund | | | 190,000 |
| Smart Policing Initiative | | 17,494 | |
| Conducted Energy Device Assistance Program | | 4,233 | |
| CRDA - Demo of Derelict Structures | | 125,000 | |
| Municipal Alcohol Education/Rehabilitation Program | | 766 | |
| NJ Hazard Mitigation Grant | | 75,000 | |
| Body Armor | | 7,572 | |
| Drive Sober or Get Pulled Over | | 10,000 | |
| COPS in Shops Summer Shore Initiative | | 2,000 | |
| NJ DOT - Reconstruction of Ridge Avenue | | 190,000 | |
| NJ Highway Safety Program - Safe Corridor | | 44,572 | |

The municipality may make emergency appropriations, after the adoption of the budget, for a purpose which was not foreseen at the time the budget was adopted or for which adequate provision was not made therein. This type of appropriation shall be made to meet a pressing need for public expenditure to protect or promote the public health, safety, morals or welfare or to provide temporary housing or public assistance prior to the next succeeding fiscal year. Emergency appropriations, except those classified as a special emergency, must be raised in the budgets of the succeeding year. Special emergency appropriations are permitted to be raised in the budgets of the succeeding three or five years. The Township Committee did not approve any special emergency appropriations during the 2015 and 2014 calendar years. During the 2015 and 2014 calendar years, the following emergency appropriations were approved by the Township Committee:

| <u>Budget Category</u> | <u>2015</u> | <u>2014</u> |
|-------------------------------|-------------|-------------|
| Egg Harbor Municipal Alliance | | |
| Local Match | | 6,170 |

Note 3: INVESTMENTS

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

Credit Risk. New Jersey Statutes 40A:5-15.1(a) limits municipal investments to those specified in the Statutes. The type of allowance investments are Bonds of the United States of America or the local unit or school Townships of which the local unit is a part of: obligations of federal agencies not exceeding 397 days; government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

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

**EGG HARBOR TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014**

Unaudited Investments

As more fully described in Note 24, the Township has created a Length of Service Award Program (LOSAP) for emergency service volunteers. The LOSAP investments are similar to those allowed in a deferred compensation program as specified in NJSA 43:15B-1 et. seq. except that all investments are retained in the name of the Township. All investments are valued at fair value. In accordance with NJAC 5:30-14.37 the investments are maintained by Lincoln Benefit Life, which is an authorized provider approved by the Division of Local Government Services. The balance in the account on December 31, 2015 and 2014 amounted to \$1,643,835 and \$1,540,710, respectively.

Note 4: CASH

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The municipality's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. Under the act, all demand deposits are covered by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the municipality in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, bail funds or funds that may pass to the municipality relative to the happening of a future condition. As of December 31, 2015, \$6,219,090 of the municipality's bank balance of \$18,789,759 was exposed to custodial credit risk. As of December 31, 2014, \$6,814,665 of the municipality's bank balance of \$21,589,382 was exposed to custodial credit risk.

Note 5: LONG TERM DEBT

Long-term debt as of December 31, 2015 and 2014 consisted of the following:

| | Balance 12/31/14 | Issued | Retired | Balance 12/31/15 | Amounts Due Within One Year |
|------------------------------|----------------------|------------------|------------------|---------------------|-----------------------------------|
| Bonds payable: | | | | | |
| General | \$ 34,510,000 | | 3,525,000 | 30,985,000 | 3,590,000 |
| Green Trust Loan | 984,751 | | 89,986 | 894,765 | 91,796 |
| Other liabilities: | | | | | |
| Compensated Absences Payable | 3,722,729 | 2,175,922 | 2,415,815 | 3,482,836 | 7,496 |
| Total long-term liabilities | <u>\$ 39,217,480</u> | <u>2,175,922</u> | <u>6,030,801</u> | <u>35,362,601</u> | <u>3,689,292</u> |
| | | | | | |
| | Balance 12/31/13 | Issued | Retired | Balance 12/31/14 | Amounts Due Within One Year |
| Bonds payable: | | | | | |
| General | \$ 32,291,000 | 5,299,000 | 3,080,000 | 34,510,000 | 3,525,000 |
| Green Trust Loan | 1,072,965 | | 88,214 | 984,751 | 89,986 |
| Other liabilities: | | | | | |
| Compensated Absences Payable | 3,622,795 | 2,140,401 | 2,040,467 | 3,722,729 | |
| Total long-term liabilities | <u>\$ 36,986,760</u> | <u>7,439,401</u> | <u>5,208,681</u> | <u>39,217,480</u> | <u>3,614,986</u> |

EGG HARBOR TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014

Paid by Current Fund:

\$19,406,000 General Improvement Bonds, Series 2006 dated 2/1/06 payable in annual installments through 2/1/26. Interest is paid semiannually at varying rates from 4.00% to 4.375% per annum. Bonds maturing on or after 2/16/17 are redeemable at the option of the Township in whole or in part on any date on or after 2/1/16. During 2014 \$11,611,000 was refunded with the Refunding Bonds Series 2014. The balance remaining as of December 31, 2015 was \$890,000.

\$9,885,000 General Improvement Bonds, Series 2008 dated 9/1/08 payable in annual installments through 9/1/23. Interest is paid semiannually at varying rates from 4.00% to 4.125% per annum. Bonds maturing on or after 9/1/19 are redeemable at the option of the Township in whole or in part on any date on or after 9/1/18. The balance remaining as of December 31, 2015 was \$5,900,000.

\$4,705,000 Refunding Bonds, Series 2011 dated 9/15/2011 payable in annual installments through 2/15/16. Interest is paid semiannually at varying rates from 2.00% to 3.50% per annum. These bonds were issued to advance refund the callable portion of the General Improvement Bonds, Series 2002. The bonds that were called had maturities from 2/15/2013 to 2/15/2016 in the total amount of \$4,775,000. The total net present value savings on the issue is \$211,887. The balance remaining on the issue as of December 31, 2015 was \$1,160,000.

\$7,800,000 General Improvement Bonds, Series 2012 dated 9/1/12 payable in annual installments through 9/1/23. Interest is paid semiannually at 2.00% per annum. The bonds are not subject to redemption prior to their stated maturities. The balance remaining on this issue as of December 31, 2015 was \$6,475,000.

\$11,560,000 Refunding Bonds, Series 2014 dated 8/1/2014 payable in annual installments through 2/1/26. Interest is paid semiannually at varying rates from 2.00% to 5.00% per annum. These bonds were issued to advance refund the callable portion of the General Improvement Bonds, Series 2006. The bonds that were called had maturities from 2/1/2014 to 2/1/2016 in the total amount of \$14,156,000. The total net present value savings on the issue is \$688,012. The balance remaining on the issue as of December 31, 2015 was \$11,460,000.

\$5,350,000 General Improvement Bonds, Series 2014 dated 7/15/14 payable in annual installments through 9/1/23. Interest is paid semiannually at varying rates from 2.00% to 3.00% per annum. The bonds are callable. The balance remaining on this issue as of December 31, 2015 was \$5,100,000.

\$150,000 Loan Payable dated January 22, 1999 through the New Jersey Department of Environmental Protection payable in semi annual installments through June 22, 2018. Payments of \$4,663.74 are first applied to interest then to principal. The stated interest rate is 2.00% per annum. The balance remaining as of December 31, 2015 was \$22,637.

\$150,000 Loan Payable dated October 9, 2002 through the New Jersey Department of Environmental Protection payable in semi annual installments through July 11, 2021. Payments of \$4,870.21 are first applied to interest then to principal. The stated interest rate is 2.00% per annum. The balance remaining as of December 31, 2015 was \$54,815.

\$500,000 Loan Payable dated October 11, 2002 through the New Jersey Department of Environmental Protection payable in semi annual installments through July 11, 2022. Payments of \$15,545.80 are first applied to interest then to principal. The stated interest rate is 2.00% per annum. The balance remaining as of December 31, 2015 was \$202,152.

\$700,000 Loan Payable dated November 7, 2007 through New Jersey Department of Environmental Protection payable in semi annual installments through August 13, 2027. Payments of \$21,764 are first

**EGG HARBOR TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014**

applied to interest then to principal. The stated interest rate is 2.00% per annum. The balance remaining as of December 31, 2015 was \$462,344.

\$250,000 Loan Payable dated November 26, 2007 through the New Jersey Department of Environmental Protection payable in semiannual installments through November 26, 2026. Payments of \$7,772.90 are first applied to interest then to principal. The stated interest rate is 2.00% per annum. The balance remaining as of December 31, 2015 was \$152,817.

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

| Year | Green Trust Program Loans | | General Capital Fund | | Total All Debt Service |
|-----------|------------------------------|---------------|----------------------|------------------|---------------------------|
| | Principal | Interest | Principal | Interest | |
| 2016 | \$ 91,796 | 17,438 | 3,590,000 | 910,926 | 4,610,160 |
| 2017 | 93,640 | 15,594 | 2,945,000 | 817,713 | 3,871,947 |
| 2018 | 90,859 | 13,712 | 3,030,000 | 744,362 | 3,878,933 |
| 2019 | 87,974 | 11,932 | 3,125,000 | 669,506 | 3,894,412 |
| 2020 | 89,742 | 10,164 | 3,165,000 | 585,725 | 3,850,631 |
| 2021-2025 | 340,516 | 26,777 | 13,285,000 | 1,487,830 | 15,140,123 |
| 2026-2027 | 100,238 | 2,362 | 1,845,000 | 35,175 | 1,982,775 |
| | <u>\$ 894,765</u> | <u>97,979</u> | <u>30,985,000</u> | <u>5,251,237</u> | <u>37,228,981</u> |

As of December 31, 2015, the carrying value of the above bonds approximates the fair value of the bonds.

| | <u>2015</u> | <u>2014</u> | <u>2013</u> |
|--|----------------------|-------------------|-------------------|
| <u>Summary of Municipal Debt</u> | | | |
| Bonds & Notes Issued | \$ 34,104,765 | 35,494,752 | 35,563,965 |
| Bonds & Notes Authorized But Not Issued | - | - | - |
| Net Bonds & Notes Issued and Authorized But Not Issued | <u>\$ 34,104,765</u> | <u>35,494,752</u> | <u>35,563,965</u> |

For Debt Statement purposes, total Gross General Debt includes the total amount of outstanding debt of the Egg Harbor Township Golf Corporation as more fully explained in Note 21. The total amount of that debt guarantee is a deduction from gross debt for debt statement purposes.

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 0.808%.

**EGG HARBOR TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014**

| | <u>Gross Debt</u> | <u>Deductions</u> | <u>Net Debt</u> |
|----------------------------|-----------------------|-------------------|-------------------|
| Local School District Debt | \$ 83,920,000 | 83,920,000 | - |
| General Debt | 46,903,275 | 12,798,510 | 34,104,765 |
| | <u>\$ 130,823,275</u> | <u>96,718,510</u> | <u>34,104,765</u> |

Net Debt \$34,104,764.81 / Equalized Valuation Basis per NJSA 40A:2-2 as amended, \$4,221,162,145.33 = 0.808%.

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

| | |
|--|-----------------------|
| 3 ½ % of Equalized Valuation Basis (Municipal) | \$ 147,740,675 |
| Net Debt | 34,104,765 |
| Remaining Borrowing Power | <u>\$ 113,635,910</u> |

Note 6: SHORT TERM FINANCING

| | <u>Balance 12/31/14</u> | <u>Additions</u> | <u>Reductions</u> | <u>Balance 12/31/15</u> |
|-------------------------|-----------------------------|------------------|-------------------|-----------------------------|
| Bond Anticipation Notes | \$ - | 2,225,000 | | 2,225,000 |
| Special Emergency Notes | 300,000 | | 300,000 | - |
| | <u>\$ 300,000</u> | <u>2,225,000</u> | <u>300,000</u> | <u>2,225,000</u> |

| | <u>Balance 12/31/13</u> | <u>Additions</u> | <u>Reductions</u> | <u>Balance 12/31/14</u> |
|-------------------------|-----------------------------|------------------|-------------------|-----------------------------|
| Bond Anticipation Notes | \$ 2,200,000 | | 2,200,000 | - |
| Special Emergency Notes | 600,000 | | 300,000 | 300,000 |
| | <u>\$ 2,800,000</u> | <u>-</u> | <u>2,500,000</u> | <u>300,000</u> |

At December 31, 2015 the Township had a bond anticipation note held by PNC Bank for \$2,225,000. The note will mature on 8/5/16 with interest at 0.77% per annum.

At December 31, 2014 the Township had a special emergency note held by Newfield National Bank for \$300,000. The note matured 3/26/15 with interest at 0.85% per annum.

**EGG HARBOR TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014**

Note 7: FUND BALANCES APPROPRIATED

Fund balances at December 31, 2015 and 2014 which were appropriated and included as anticipated revenue in their own respective funds for the years ending December 31, 2016 and 2015 were as follows:

| | 2016 | 2015 |
|--------------|-----------|-----------|
| Current Fund | \$560,000 | \$300,000 |

Municipalities are permitted to appropriate the full amount of fund balance, net of any amounts due from the State of New Jersey for Senior Citizens and Veterans deductions, deferred charges, and cash deficit. The total amount of fund balance available to the Township to appropriate in the 2016 budget is \$771,436.

Note 8: SCHOOL TAXES

Local District School Tax in the amount of \$77,749,630 has been raised for the 2015 calendar year and \$77,749,630 was remitted to the school district. Local District School Tax in the amount of \$75,859,907 was raised for the 2014 calendar year and \$75,859,907 was remitted to the school district. Since the school district operates on a July 1 to June 30 fiscal year the school tax levy is determined by taking 50% of the prior year and 50% of the current year requirements, plus the actual amount needed for debt service.

Note 9: TAXES COLLECTED IN ADVANCE

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

| | Balance 12/31/15 | Balance 12/31/14 |
|---|---------------------|---------------------|
| Prepaid Taxes | \$1,042,508 | \$897,918 |
| Cash Liability for Taxes Collected in Advance | \$1,042,508 | \$897,918 |

Note 10: PENSION FUNDS

Description of Plans

Substantially all of the Township's employees participate in the Public Employees' Retirement System (PERS) and Police and Fireman's Retirement System (PFRS) cost sharing multiple-employer defined benefit plans which have been established by State Statute and are administered by the New Jersey Division of Pensions and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of the System will be assumed by the State of New Jersey should the system terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the systems. This report may be obtained by writing to the Division of Pension and Benefits, PO Box 295, Trenton, New Jersey 08625 or the report can be accessed on the internet at – <http://www.state.nj.us/treasury/pensions/annrpts.shtml>.

Public Employees' Retirement System

The Public Employees' Retirement System was established in January, 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 or any county, municipality, school district or

**EGG HARBOR TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014**

public agency provided the employee is not required to be a member of another State-administered retirement system.

Police and Fireman's Retirement System

The contribution policy for the Police and Fireman's Retirement System (PFRS) is set by N.J.S.A. 43:16 and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. PFRS provides for employee contributions of 10.0% of employees' annual compensation, as defined. Employers are required to contribute to an actuarially determined rate.

Defined Contribution Retirement Program (DCRP)

The Defined Contribution Retirement Program (DCRP) was established as of July 1, 2008 under the provisions of Chapter 92, P.L. 2008 and Chapter 103, P.L. 2008 (NJSA43:15C-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 NJSA 43:15C-1 et seq.

Funding Policy

The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. PERS provided for employee contributions of 6.92% through June 30, 2015 and 7.06% thereafter of employee's annual compensation, as defined. Employers are required to contribute to an actuarially determined rate in PERS. The current PERS rate is 12.46% of covered payroll. The Township's contributions to PERS for the years ended December 31, 2015, 2014, and 2013 were \$802,882, \$729,466, and \$733,772.

The contribution policy for the PFRS is set by N.J.S.A. 43:16 and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. PFRS provides for employee contributions of 10.0% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate. The Township's contributions to PFRS for the year ended December 31, 2015, 2014, and 2013 were \$1,949,780, \$1,762,502, and \$1,968,347.

The total payroll for the year ended December 31, 2015, 2014, and 2013 was \$14,777,178, \$15,465,454, and \$15,434,285. Payroll covered by PFRS was \$7,541,624, \$7,591,713, and \$7,442,854. Covered payroll by PERS was \$6,612,599, \$6,719,178, and \$5,509,008.

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 ¼ 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.

**EGG HARBOR TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014**

- 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).

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

Also, Chapter 1, P.L. 2010 changed the membership eligibility criteria for new members of PERS from the amount of annual compensation to the number of hours worked weekly. Also, it returned the benefit multiplier for new members of PERS to 1/60th from 1/55th, and it provided that new members of PERS have the retirement allowance calculated using the average annual compensation for the last five years of service instead of the last three years of service. New members of PERS will no longer receive pension service credit from more than one employer. Pension service credit will be earned for the highest paid position only. For new members of the PFRS, the law capped the maximum compensation that can be used to calculate a pension from these plans at the annual wage contribution base for social security, and requires the pension to be calculated using a three year average annual compensation instead of the last year's salary. This law also closed the Prosecutors Part of the PERS to new members and repealed the law for new members that provided a non-forfeitable right to receive a pension based on the laws of the retirement system in place at the time 5 years of pension service credit is attained. The law also requires the State to make its full pension contribution, defined a 1/7th of the required amount, beginning in fiscal years 2012.

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

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

**EGG HARBOR TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014**

NOTE 11: PENSION LIABILITIES

In 2012, the Governmental Accounting Standards Board issued GASB statement 68. This statement is effective for fiscal years beginning after June 15, 2014. This statement changes the method of reporting the Township's pension liabilities. However, due to the fact that the Township reports on the regulatory basis of accounting, no financial statement impact will be recognized.

The following represents the municipality's pension liabilities as June 30, 2015:

Public Employees' Retirement System

The Township has a liability of \$21,817,642 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2015, the Township's proportion is 0.09719193780%, which was an increase of 4.05% from its proportion measured as of June 30, 2014.

For the year ended December 31, 2015, the Township would have recognized pension expense of \$1,605,924. At December 31, 2015, the Township would report deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|-----------------------------------|----------------------------------|
| Changes of assumptions | \$ 2,343,041 | |
| Net difference between projected and actual earnings on pension plan investments | 520,492 | (350,786) |
| Changes in proportion and differences between Twp. contributions and proportionate share of contributions | 811,225 | |
| Total | <u>\$ 3,674,758</u> | <u>(350,786)</u> |

Amounts that would be reported as deferred outflows of resources and deferred inflows of resources related to pensions would be recognized in pension expense as follows:

| Year ended June 30, | | |
|------------------------|-----------|------------------|
| 2016 | \$ | 1,158,283 |
| 2017 | | 1,158,283 |
| 2018 | | 1,158,283 |
| 2019 | | 1,158,283 |
| 2020 | | (909,139) |
| Thereafter | | (400,021) |
| Total | <u>\$</u> | <u>3,323,972</u> |

**EGG HARBOR TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014**

Actuarial Assumptions

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation of July 1, 2014, which was rolled forward to June 30, 2015. The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014. This actuarial valuation used the following assumptions, applied to all period in the measurement:

| | |
|----------------------------|------------------------------|
| Inflation rate | 3.04% |
| Salary increases: | |
| 2012-2021 | 2.15% - 4.40% (based on age) |
| Thereafter | 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 males and females) with adjustments for mortality improvements from the base year of 2012 based on Projections Scale AA.

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011.

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, 2015 are summarized in the following table:

**EGG HARBOR TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014**

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

Discount Rate

The discount rate used to measure the total pension liability was 4.90% and 5.39% as of June 30, 2015 and 2014, 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 3.80% and 4.29% as of June 30, 2015 and 2014, 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, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the Township's proportionate share of the net pension liability to changes in the discount rate.

The following presents the Township's proportionate share of the net pension liability calculated using the discount rate of 4.90%, as well as what the Township's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (3.90%) or 1-percentage point higher (5.90%) than the current rate:

| | 1% Decrease (4.39%) | Current Discount Rate (5.39%) | 1% Increase (6.39%) |
|---|---------------------------|-------------------------------------|---------------------------|
| Township's proportionate share of the net pension liability | \$ 27,116,660 | 21,817,642 | 17,374,984 |

**EGG HARBOR TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014**

Pension plan fiduciary net position.

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial report.

Police and Firemen's Retirement System

The Township has a liability of \$39,273,145 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2015, the Township's proportion is 0.23578249490%, which is a decrease of 1.15% from its proportion measured as of June 30, 2014.

For the year ended December 31, 2015, the Township would have recognized pension expense of \$3,598,715. At December 31, 2015, the Township would have reported deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|-----------------------------------|----------------------------------|
| Changes of assumptions | \$ 7,250,798 | |
| Net difference between projected and actual earnings on pension plan investments | | (1,022,258) |
| Changes in proportion and differences between City contributions and proportionate share of contributions | 1,151,483 | (299,959) |
| Total | \$ 8,402,281 | (1,322,217) |

Amounts that would be reported as deferred outflows of resources and deferred inflows of resources related to pensions would be recognized in pension expense as follows:

| Year ended June 30, | | |
|------------------------|----|-----------|
| 2016 | \$ | 2,033,764 |
| 2017 | | 2,033,764 |
| 2018 | | 2,033,764 |
| 2019 | | 2,033,764 |
| 2020 | | (901,704) |
| Thereafter | | (153,290) |
| Total | \$ | 7,080,064 |

**EGG HARBOR TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014**

Actuarial Assumptions

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation of July 1, 2014, which was rolled forward to June 30, 2015. This actuarial valuation used the following assumptions, applied to all period in the measurement:

| | |
|----------------------------|-------------------------------|
| Inflation rate | 3.04% |
| Salary increases: | |
| 2012-2021 | 2.60% - 9.48% (based on age) |
| Thereafter | 3.60% - 10.48% (based on age) |
| Investment rate of return: | 7.90% |

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

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2013.

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, 2015 are summarized in the following table:

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

**EGG HARBOR TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014**

Discount Rate

The discount rate used to measure the total pension liability was 5.79% and 6.32% as of June 30, 2015 and 2014, 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 3.80% and 4.29% as of June 30, 2015 and 2014, 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 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 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 collective net pension liability of the participating employers as of June 30, 2015, 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:

| | 1% Decrease (4.79%) | Current Discount Rate (5.79%) | 1% Increase (6.79%) |
|---|---------------------------|-------------------------------------|---------------------------|
| Twp's proportionate share of the net pension liability | \$ 56,314,921 | 39,273,145 | 31,629,597 |

In addition to the PFRS liabilities listed above, a special funding situation exists for the Local employers of the Police and Fire Retirement System of New Jersey. The State of New Jersey, as a non-employer, is required to pay the additional costs incurred by Local employers under Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The June 30, 2015 and June 30, 2014 State special funding situation net pension liability amounts of \$1,460,720,421 and \$1,354,554,686, respectively, are the accumulated differences between the annual actuarially determined State obligation under the special funding situation and the actual State contribution through the valuation date. The fiscal year ending June 30, 2015 State special funding situation pension expense of \$182,203,735 is the actuarially determined contribution amount that the State owes for the fiscal year ending June 30, 2015. The pension expense is deemed to be a State administrative expense due to the special funding situation.

Although the liabilities related to the special funding situation are the liabilities of the State of New Jersey, the proportionate share of the statewide liability allocated to the Township of Egg Harbor was 0.23578249490% and 0.23851709160% for 2015 and 2014 respectively. The net pension liability amounts allocated to the Township were \$3,444,123 and \$3,230,844 respectively. For the fiscal year ending June 30, 2015 State special funding situation pension expense of \$429,605 is allocated to the Township.

**EGG HARBOR TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014**

Pension plan fiduciary net position.

Detailed information about the pension plan's fiduciary net position is available in the separately issued PFRS financial report.

NOTE 12: POST-RETIREMENT BENEFITS

Plan Description

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

The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the SHBP. In 2000 the Township of Egg Harbor authorized participation in the State Health Benefit Program and Local Prescription Drug Program through resolution 110-2000. The Township does not offer post-retirement benefits to retirees.

The New Jersey State Health Benefits Plan issues a stand-alone financial report under GASB 43. To view the report, go to <http://www.state.nj.us/treasury/pensions/health-benefits.shtml>.

Note 13: DEFERRED COMPENSATION

Employees of the Township of Egg Harbor may participate in a deferred compensation plan adopted under the provisions of Internal Revenue Code Section 457 (Deferred Compensation Plans with Respect to Service for State and Local Governments).

The deferred compensation plan is available to all employees of the Township. Under the plan, employees may elect to defer a portion of their salaries and avoid paying taxes on the deferred portion until the withdrawal date. The deferred compensation amount is not available for withdrawal by employees until termination, retirement, death, or unforeseeable emergency.

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

As part of its fiduciary role, the Township has an obligation of due care in selecting the third party administrator. In the opinion of the Township's legal counsel, the Township has acted in a prudent manner and is not liable for losses that may arise from the administration of the plan.

Note 14: LABOR CONTRACTS

As of December 31, 2015, the Township's employees are organized in three collective bargaining units. The contracts with the Policeman's Benevolent Association (PBA) expired December 31, 2015 and is in negotiations for a new contract. Government Workers Union (GWU) will expire December 31, 2016. The contract with the Communications Workers Union (CWA) expired December 31, 2014 and is in negotiations for a new contract.

**EGG HARBOR TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014**

| <u>Bargaining Unit</u> | <u>Job Category</u> | <u>Members</u> |
|------------------------|---------------------|---|
| PBA | Police | All uniformed police excluding Chief and Captain |
| GWU | General | All other employees except confidential employees |
| CWA | Management | Most Department Heads |

Note 15: ACCRUED SICK AND VACATION BENEFITS

The Township has permitted full time employees to accrue unused sick and vacation time, which may be taken as time off or paid at a later date at an agreed upon rate. It is estimated that the current cost of such unpaid compensation at December 31, 2015 would approximate \$3,482,836. The estimated cost of unpaid compensation as of December 31, 2014 was \$3,722,729. This amount is not reported either as an expenditure or liability. Employees covered under the CWA and PBA contracts are permitted to accumulate up to 240 and 225 days of sick time, respectively. Payment will be made upon separation at varying levels, based on years of service. Employees covered under the GWU contract are permitted to accrue sick time to a maximum of 240 days. Payment will be made upon separation based on years of service. The PBA contract permits employees to accumulate vacation time from one year to the next, up to 30 days. Payment will be made upon separation, provided adequate notice is given. New Jersey Municipalities are permitted to accrue a compensated absences liability. The Township has begun to accumulate funds for accrued absences. As of December 31, 2015 and 2014 the total amount accumulated was \$3,759 and \$3,759, respectively. The Township did not fund an increase in the reserve during 2015.

Note 16: ECONOMIC DEPENDENCY

The Township of Egg Harbor is not economically dependent on any one business or industry as a major source of tax revenue for the Township.

Note 17: HOST COMMUNITY BENEFIT

The Township of Egg Harbor has entered into a Host Community Benefit Agreement with the Atlantic County Utilities Authority with respect to waste accepted at the transfer station. The Authority, as owner of the transfer station located in the Township, agrees to provide the Township with a "host community" benefit for each ton of waste it shall accept for disposal at any of its transfer stations. For the most recent period beginning January 1, 2015 through December 31, 2015, the amount of the benefit was \$7.80 per ton of waste. \$6.80 per ton is permitted to be used for current operations of the Township. \$1.00 per ton is retained in the environmental trust fund and is to be used for the purpose of funding environmental projects to benefit the residents of Egg Harbor Township; specifically public water supply and public sewer. A \$2.00 per ton reduction has been granted to volume customers who deliver their waste to the transfer station. The benefit rate for the 2014 calendar year was \$7.70 per ton of waste of which \$6.70 per ton was used for current operations and \$1.00 per ton was retained in the environmental trust fund.

Note 18: ASSESSMENT PROJECTS

Several assessment improvement projects had been undertaken by the Township of Egg Harbor. These projects were for sewer and water extensions in various areas of the Township. The amount of the remaining project as assessed to property owners is as follows:

| <u>Date</u> <u>Confirmed</u> | <u>Project</u> | <u>Amount</u> <u>Confirmed</u> | <u>Balance</u> <u>12/31/15</u> |
|---------------------------------|-------------------------|-----------------------------------|-----------------------------------|
| 2/28/96 | Town Hall Sewer Service | \$ 878,668 | 5,110 |
| | | <u>\$ 878,688</u> | <u>5,110</u> |

**EGG HARBOR TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014**

Note 19: CONTINGENT LIABILITIES

During the normal course of operations, lawsuits are occasionally brought against the governmental unit. There are presently no outstanding lawsuits that would result in a material contingent liability to the Township.

Note 20: RISK MANAGEMENT

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the 2015 and 2014 calendar years, the Township did not incur claims in excess of their coverage and the amount of coverage did not significantly decrease.

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

The Township is a member of the Atlantic County Municipal Joint Insurance Fund (JIF) and the Municipal Excess Liability Fund (MEL) which also includes other municipalities throughout the region. The Township is obligated to remit insurance premiums into these funds for sufficient insurance coverage. There is an unknown contingent liability with the Atlantic County Municipal Joint Insurance Fund if there is a catastrophic insurance claim from any member of the fund. The Township has a general liability limit of \$300,000 under JIF, with a coverage limitation of \$5,000,000 under MEL. There was no reduction in coverage and no claims in excess of coverage during 2015. The Joint Insurance Fund issues its own financial report which may be obtained from the Atlantic County Joint Insurance Fund, Arthur J. Gallagher Risk Management Services, Inc., PO Box 530, 6000 Sagemore Drive, Suite 6203, Marlton, NJ 08053.

New Jersey Unemployment Compensation Insurance – The Township has elected to fund its New Jersey Unemployment Compensation Insurance under the “Contributory Method”. Under this plan, the Township is required to annually appropriate funds to pay the projected costs of contributions at a rate determined by the Commissioner of Labor. The expense for the years ended December 31, 2015 and 2014 was \$62,578 and \$60,430.

NOTE 21: RELATED PARTIES

A separate not for profit entity, the Egg Harbor Township Golf Corporation, has been formed as a 501(c)(3) entity based on the Internal Revenue Service Code. The entity was formed to construct and oversee the operation of a golf course. A separate management company operated the golf course through October 2009. To obtain the most favorable bond rates, the corporation financed the construction with a tax exempt borrowing from the Atlantic County Improvement Authority. With the approval of the State of New Jersey Local Finance Board, Egg Harbor Township guarantees the borrowing of \$10,550,000. This amount will not be a direct liability of the Township and, as long as the guarantee is not activated, the amount will not impair the borrowing capacity of the Township. Based on the terms of the guarantor agreement, if it becomes necessary for the Township to make payments on this debt service, the payment is to be made within one hundred twenty (120) days of the notice and will be applied to the Debt Service Reserve Fund. The Golf Corporation is obligated to reimburse the Township at the earliest practicable date. During the 2015 and 2014 calendar years, the Township budgeted and paid \$325,000 and \$550,000 towards the Golf Corporation principal and interest payment. Prior to 2011 the payments were made from the general revenues of the Township but effective with 2011, the Township is funding the principal and interest payments through the Open Spaces Trust Fund. As of December 31, 2015, the accumulated debt service payments made by the Township on behalf of the Golf Corporation was \$3,375,000.

As of December 31, 2015, the Golf Corporation had outstanding notes in the amount of \$8,045,000.

**EGG HARBOR TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014**

In May 2006, the Atlantic County Improvement Authority refinanced \$9,785,000 of the originally issued bonds. This issue was to advance refund all of the outstanding callable principal amounts of the original issue with a maturity date on or after November 1, 2011. Principal payments are due November 1 of each year commencing in 2006 and continuing through 2030. Interest is due each May 1 and November 1 at rates ranging from 3.5% to 5.00% per annum.

Note 22: OPEN SPACE TAXING DISTRICT

The voters of the Township approved the establishment of an Open Space, Recreation, Farmland and Historic Preservation Trust Fund Taxing District effective January 1, 2002. The amount assessed each year, \$.02 per \$100 of assessed valuation, will be placed in an interest-bearing account for the acquisition, development, capital maintenance and payment of debt service on lands acquired for recreation and conservation purposes. The amount to be raised by taxation during 2015 was \$814,843 and \$816,971 was levied in 2014. The unexpended amount of \$1,131,446 is reserved for future use.

Note 23: INTERFUND BALANCES

As of December 31, 2015, the following interfunds were included on the balance sheets of the various funds of the Township of Egg Harbor:

| | Due From | Due To |
|-------------------------|--------------|-----------|
| Current Fund: | | |
| Animal Control Fund | \$ 2,473 | |
| Third Party Inspectors | | 49,117 |
| Public Defender | | 2,600 |
| General Capital | | 591,244 |
| Grant Fund: | | |
| General Capital | | 1,380,028 |
| Trust Fund: | | |
| Current Fund - | | |
| Animal Control Fund | | 2,473 |
| Third Party Inspections | 49,117 | |
| Public Defender | 2,600 | |
| General Capital: | | |
| Grant Fund | 1,380,028 | |
| Current Fund | 591,244 | |
| | \$ 2,025,462 | 2,025,462 |

The amounts due to or from the general capital fund and grant fund are due to the fact that there is no separate capital or grant bank account. All other interfunds are due to cash being transferred between accounts. It is anticipated that all other interfunds will be liquidated during the calendar year.

**EGG HARBOR TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014**

Note 24: LENGTH OF SERVICE AWARDS PROGRAM (UNAUDITED)

During the 2001 calendar year, the voters of the Township of Egg Harbor approved the establishment of a Length of Service Awards Program (LOSAP) Deferred Compensation Plan. This plan is made available to all bona fide eligible volunteers who are performing qualified services which is defined as fire fighting and prevention services, emergency medical services and ambulance services pursuant to Section 457 of the Internal Revenue Code of 1986, as amended, except for provisions added by reason of the LOSAP as enacted into federal law in 1997. The establishment of this LOSAP will also comply with New Jersey Public Law 1997, Chapter 388 and the LOSAP Document. The Township appropriated \$158,000 and \$158,000 in 2015 and 2014 budgets, respectively for contributions to the LOSAP for volunteers who have met the established criteria.

The LOSAP is administered by an unrelated financial institution. Under the terms of an IRC Section 457 deferred compensation plan, all deferred compensation and income attributable to the investment of the deferred compensation amounts held by the financial institution, until paid or made available to the employees or beneficiaries, are the property of the Township subject only to the claims of the Township's general creditors. In addition, the participants in the plan have rights equal to those of the general creditors of the Township, and each participant's rights are equal to his or her share of the fair market value of the plan assets. The Township believes that it is unlikely that plan assets will be needed to satisfy claims of general creditors that might arise.

As part of its fiduciary role, the Township has an obligation of due care in selecting the third party administrator. In the opinion of the Township's legal counsel, the Township has acted in a prudent manner and is not liable for losses that may arise from the administration of the plan.

The Township of Egg Harbor issues a separate unaudited financial report that includes the statement of net assets available for benefits for the LOSAP. The financial report may be obtained by contacting the Township of Egg Harbor, 3515 Bargaintown Road, Egg Harbor Township, NJ 08234.

Note 25: SUBSEQUENT EVENTS

The Township has evaluated subsequent events through June 2, 2016, the date which the financial statements were available to be issued and no additional items were noted for disclosure or adjustment.

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SUPPLEMENTARY DATA

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FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

1535 HAVEN AVENUE • PO BOX 538 • OCEAN CITY, NJ • 08226-0538
PHONE 609.399.6333 • FAX 609.399.3710
www.ford-scott.com

Independent Auditor's Report

The Honorable Mayor and
Members of Township Committee
Township of Egg Harbor, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the regulatory basis financial statements of the various funds and account group as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements, and have issued our report thereon dated June 2, 2016, which was adverse due to being presented in accordance with the New Jersey regulatory basis of accounting.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Very truly yours,

FORD, SCOTT & ASSOCIATES, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

Harvey C. Coccozza, Jr.

Harvey C. Coccozza, Jr.
Certified Public Accountant
Registered Municipal Accountant
No. 551

June 2, 2016

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

| Federal or State Grantor/Pass - Through Grantor/Program Title | Grant Period | CFDA # or Pass-Through Grantor's # | Program or Award Amount | Balance Dec. 31, 2014 | Receipts or Revenue Recognized | Disbursements/ Expenditures | Adjustment | Balance Dec. 31, 2015 |
|--|-------------------|--|----------------------------|--------------------------|--------------------------------------|--------------------------------|------------|--------------------------|
| Federal: | | | | | | | | |
| U. S. Department of Justice | | | | | | | | |
| AC - E. Byme Memorial JAG | 1/1/14 - 12/31/14 | 16.592 | 11,243 \$ | 976 | - | 2,877 | - | 976 |
| Bulletproof Vest Partnership Program | 1/1/14 - 12/31/14 | NA | 9,132 | 5,577 | - | 2,877 | - | 2,700 |
| | | | | 6,553 | | | | 3,676 |
| NJ Division of Traffic Safety | | | | | | | | |
| Smart Policing Initiative | 1/1/15 - 12/31/15 | 20.600 | 17,494 | - | 17,494 | 17,494 | | - |
| Click It or Ticket | 1/1/12 - 12/31/12 | 20.602 | 2,650 | 2,650 | 4,000 | 4,000 | | 2,650 |
| Click It or Ticket | 1/1/15 - 12/31/15 | 20.602 | 4,000 | - | 10,000 | 4,950 | (50) | - |
| Drive Sober or Get Pulled Over | 1/1/15 - 12/31/15 | 20.602 | 10,000 | - | | | | 5,000 |
| | | | | 2,650 | 31,494 | 26,444 | (50) | 7,650 |
| U.S. Department of Homeland Security | | | | | | | | |
| Passed Through Federal Emergency Management | | | | | | | | |
| Assistance (FEMA) | | | | | | | | |
| Reimbursement for Hurricane Sandy | 1/1/15 - 12/31/15 | 97.036 | 443,112 | - | 443,112 | 443,112 | | - |
| Reimbursement for Hurricane Sandy | 1/1/13 - 12/31/13 | 97.036 | 28,250 | 21 | | | | 21 |
| | | | | 21 | 443,112 | 443,112 | - | 21 |
| Total Federal Awards | | | \$ | 9,224 | 474,606 | 472,433 | (50) | 11,347 |

**SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2015**

| Federal or State Grantor/Pass - Through Grantor/Program Title | Grant Period | Pass-Through Grantor's # | Program or Award Amount | Balance Dec. 31, 2014 | Receipts or Revenue Recognized | Disbursements/ Expenditures | Adjustment | Balance Dec. 31, 2015 | (Memo Only) Total Cumulative State Expenditures |
|--|-------------------|------------------------------|----------------------------|--------------------------|--------------------------------------|--------------------------------|----------------|--------------------------|---|
| State of New Jersey | | | | | | | | | |
| NJ Department of Environmental Protection | | | | | | | | | |
| Clean Communities Act | 1/1/15 - 12/31/15 | 4900-765-178920 | 104,213 | - | 104,213 | 34,221 | | 69,992 | 34,221 |
| Clean Communities Act | 1/1/14 - 12/31/14 | 4900-765-178920 | 91,438 | 64,802 | | 64,802 | | - | 91,438 |
| Recycling Tonnage Grant | 1/1/15 - 12/31/15 | NA | 73,971 | - | 73,971 | | | 73,971 | - |
| Recycling Tonnage Grant | 1/1/14 - 12/31/14 | NA | 79,864 | 79,864 | | 28,726 | | 51,138 | 28,726 |
| Recycling Tonnage Grant | 1/1/12 - 12/31/12 | NA | 47,482 | 37,011 | | 31,108 | (5,903) | - | 41,579 |
| Recycling Tonnage Grant | 1/1/13 - 12/31/13 | NA | 79,864 | 26,921 | | 26,921 | | - | 79,864 |
| Hazard Mitigation Grant | 1/1/15 - 12/31/15 | NA | 75,000 | - | 75,000 | 75,000 | | - | 75,000 |
| Stormwater Grant | 1/1/10 - 12/31/10 | NA | 5,155 | 5,155 | | 260,778 | (5,903) | 5,155 | - |
| | | | | <u>213,753</u> | <u>253,184</u> | <u>260,778</u> | <u>(5,903)</u> | <u>200,256</u> | |
| Department of Transportation | | | | | | | | | |
| Transportation Trust Fund Authority Act | 1/1/14 - 12/31/14 | 480-078-6320-162-6010 | 190,000 | 12,297 | 190,000 | 190,000 | | 12,297 | 177,703 |
| Reconstruction of Ridge Avenue | 1/1/15 - 12/31/15 | 480-078-6320-162-6010 | 190,000 | - | 190,000 | 190,000 | | - | 190,000 |
| | | | | <u>12,297</u> | <u>190,000</u> | <u>190,000</u> | <u>-</u> | <u>12,297</u> | |
| Department of Community Affairs | | | | | | | | | |
| Safe & Secure Communities | 1/1/15 - 12/31/15 | 100-066-1020-107-090940 | 60,000 | 60,000 | 60,000 | 52,024 | | 7,976 | 52,024 |
| Safe & Secure Communities | 1/1/13 - 12/31/13 | 100-066-1020-107-090940 | 60,000 | 10,239 | 2,000 | 10,239 | | - | 60,000 |
| Cops in Shops Summer Shore Initiative | 1/1/15 - 12/31/15 | NA | 2,000 | 2,000 | 2,000 | 2,000 | | - | 2,000 |
| Cops in Shops College Fall Initiative | 1/1/15 - 12/31/15 | NA | 4,400 | 4,400 | 4,400 | 4,400 | | - | 4,400 |
| Over the Limit Under Arrest | 1/1/15 - 12/31/15 | NA | 6,000 | 6,000 | 6,000 | 6,000 | | - | 6,000 |
| | | | | <u>10,239</u> | <u>72,400</u> | <u>74,663</u> | <u>-</u> | <u>7,976</u> | |
| | | | | <u>14,133</u> | <u>766</u> | <u>681</u> | <u>-</u> | <u>14,218</u> | |
| NJ Department of Health | | | | | | | | | |
| Alcohol Education Rehabilitation | 1/1/10 - 12/31/10 | 4250-760-050000-63-260 | 5,279 | 2,953 | 681 | | | 2,272 | 3,007 |
| Alcohol Education Rehabilitation | 1/1/11 - 12/31/11 | 4250-760-050000-63-260 | 485 | 485 | | | | 485 | - |
| Alcohol Education Rehabilitation | 1/1/12 - 12/31/12 | 4250-760-050000-63-260 | 3,993 | 3,993 | | | | 3,993 | - |
| Alcohol Education Rehabilitation | 1/1/13 - 12/31/13 | 4250-760-050000-63-260 | 2,744 | 2,744 | | | | 2,744 | - |
| Alcohol Education Rehabilitation | 1/1/14 - 12/31/14 | 4250-760-050000-63-260 | 3,958 | 3,958 | | | | 3,958 | - |
| Alcohol Education Rehabilitation | 1/1/15 - 12/31/15 | 4250-760-050000-63-260 | 766 | 766 | | | | 766 | - |
| | | | | <u>14,133</u> | <u>766</u> | <u>681</u> | <u>-</u> | <u>14,218</u> | |
| NJ Division of Law and Public Safety | | | | | | | | | |
| Division of Motor Vehicles | | | | | | | | | |
| Drunk Driving Enforcement Fund | 1/1/15 - 12/31/15 | 1110-101-030000-129040290064 | 20,195 | 20,195 | 20,195 | | | - | 20,195 |
| Drunk Driving Enforcement Fund | 1/1/14 - 12/31/14 | 1110-101-030000-129040290064 | 20,195 | | 693 | | | 19,502 | 693 |
| Drunk Driving Enforcement Fund | 1/1/11 - 12/31/11 | 1110-101-030000-129040290064 | 23,153 | 19,888 | | | 3,265 | 23,153 | - |
| Drunk Driving Enforcement Fund | 1/1/12 - 12/31/12 | 1110-101-030000-129040290064 | 37,707 | 37,707 | | | | 37,707 | - |
| Drunk Driving Enforcement Fund | 1/1/13 - 12/31/13 | 1110-101-030000-129040290064 | 24,399 | 14,839 | | | 3,500 | 18,339 | 6,060 |
| Safe Corridor | 1/1/15 - 12/31/15 | NA | 44,572 | 44,572 | | | | 44,572 | - |
| Body Armor Fund | 1/1/14 - 12/31/14 | NA | 92,418 | 25,530 | | 15,185 | | 10,345 | 82,073 |
| Body Armor Fund | 1/1/15 - 12/31/15 | NA | 7,572 | - | | | | 7,572 | - |
| Body Armor Fund | 1/1/14 - 12/31/14 | NA | 17,815 | 13,979 | | 2,877 | | 11,102 | 6,713 |
| Distracted Driver Statewide Crackdown | 1/1/15 - 12/31/15 | NA | 5,000 | - | 5,000 | | | - | 5,000 |
| Conducted Energy Program | 1/1/15 - 12/31/15 | NA | 4,233 | - | 4,233 | | | - | 4,233 |
| Office of Information Telecommunication | 1/1/08 - 12/31/08 | NA | 41,321 | 15,496 | | | | 15,496 | 25,825 |
| Services-Enhanced 911 Grant | | | | <u>147,634</u> | <u>81,572</u> | <u>48,183</u> | <u>6,765</u> | <u>187,788</u> | |

The Accompanying Notes To The Schedule of Expenditures of Federal Awards and State Financial Assistance Are An Integral Part of This Statement

**SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2015**

| Federal or State Grantor/Pass - Through Grantor/Program Title | Grant Period | Pass-Through Grantor's # | Program or Award Amount | Balance Dec. 31, 2014 | Receipts or Revenue Recognized | Disbursements/ Expenditures | Adjustment | Balance Dec. 31, 2015 | (Memo Only) Total Cumulative State Expenditures |
|---|---------------------|-----------------------------|----------------------------|--------------------------|--------------------------------------|--------------------------------|------------|--------------------------|---|
| Loan Program | | | | | | | | | |
| New Jersey Department of Environmental Protection - Green Acres Trust Loan Program | 6/22/09 - 6/22/18 | # | 4800-533-851000-60 | | | | | | 39,951 |
| | 7/11/03 - 7/11/21 | # | 4800-533-851000-60 | | | | | | 71,679 |
| | 7/11/03 - 7/11/21 | # | 4800-533-851000-60 | | | | | | 254,924 |
| | 11/26/07 - 11/26/26 | # | 4800-533-851000-60 | | | | | | 177,184 |
| | 8/13/08 - 8/13/27 | # | 4800-533-851000-60 | | | | | | 529,227 |
| Total State Assistance | | | | <u>398,056</u> | <u>597,922</u> | <u>574,305</u> | <u>862</u> | <u>422,535</u> | |
| Total Federal Awards and State Financial Assistance | | | | <u>407,280</u> | <u>1,072,528</u> | <u>1,046,738</u> | <u>812</u> | <u>433,882</u> | |

- total of all loans for which the state government is at risk

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL
AWARDS AND STATE FINANCIAL ASSISTANCE
DECEMBER 31, 2015**

Note 1: BASIS OF PRESENTATION

The accompanying schedule of federal and state awards includes the federal and state grant activity of the Township of Egg Harbor, New Jersey and is presented on the basis of accounting prescribed by the State of New Jersey, Department of Community Affairs, Division of Local Government Services, which is a comprehensive basis of accounting other than generally accepted accounting principles. Encumbrances are considered in determining the single audit threshold on major programs.

In calculating the total state programs expended, the New Jersey Department of Environmental Protection, Green Acres Trust Loan Program have been excluded. Although the State government is at risk for these funds, the loan proceeds were received and expended in prior years and there are no compliance requirements other than to repay the loans.

Note 2: RELATIONSHIP TO GENERAL PURPOSE FINANCIAL STATEMENTS

Amounts reported in the accompanying schedule agree with amounts reported in the Township's financial statement. Receipts from federal and state grants are realized as revenue when anticipated in the Township's budget. Expenditures are recognized when they become payable. Financial assistance revenue and expenditures are reported in the Township's financial statements on the basis of accounting prescribed by the State of New Jersey, Department of Community Affairs, Division of Local Government Services, as follows:

| | <u>State</u> | <u>Federal</u> |
|---|-------------------|----------------|
| Expenditures per Schedule of Federal Awards and State Financial Assistance | \$ 574,305 | 472,433 |
| Encumbrances, net | <u>(46,482)</u> | <u>(2,877)</u> |
| Expenditures reported in Basic Financial Statements | <u>\$ 527,823</u> | <u>469,556</u> |

The Balance remaining on the New Jersey Department of Environmental Protection, Green Acres Trust Loans as of December 31, 2015 amounted to \$894,765.

Part II - Schedule of Financial Statement Findings

NONE

Status of Prior Year Recommendations

NONE

**CURRENT FUND
SCHEDULE OF CASH - TREASURER**

| | <u>Current Fund</u> | <u>Grant Fund</u> |
|--|---------------------|-------------------|
| Balance December 31, 2014 | \$ 8,061,860 | 1,655,270 |
| Increased by Receipts: | | |
| Tax Collector | 120,868,327 | |
| Revenue Accounts Receivable | 13,353,940 | |
| Miscellaneous Revenue | 870,325 | |
| State of New Jersey | | |
| Senior Citizens and Veterans | 333,500 | |
| Motor Vehicle Commission | 97,451 | |
| Uniform Fire Safety Fees | 69,815 | |
| DCA Training Fees | 70,635 | |
| Amounts Due From | | |
| Grant Fund | 1,283,728 | |
| Animal Control Fund | 829 | |
| Public Defender Trust Fund | 27,300 | |
| General Capital Fund | 2,579,775 | |
| City of Northfield Dispatch Services | 360,000 | |
| City of Linwood Dispatch Services | 315,500 | |
| Borough of Longport Dispatch Services | 62,889 | |
| Egg Harbor Township Board of Education Solid Waste Disposal | 132,688 | |
| State of New Jersey - Motor Vehicle Commission | 97,451 | |
| County of Atlantic Nutrition Site | 13,890 | |
| Reserve for Property Sales | 5,001 | |
| Curb and Sidewalk Surety | 23,000 | |
| Curb and Sidewalk In Lieu | 15,300 | |
| Street Opening Surety | 24,000 | |
| Court Case Settlements | 89,542 | |
| Third Party Inspection Fees | 381,406 | |
| Federal and State Receivables | | 600,202 |
| | <u>141,076,292</u> | <u>600,202</u> |
| | \$ 149,138,152 | 2,255,472 |

**CURRENT FUND
SCHEDULE OF CASH - TREASURER**

| | <u>Current Fund</u> | <u>Grant Fund</u> |
|--------------------------------------|----------------------------|-------------------------|
| Decreased by Disbursements: | | |
| Current Year Appropriation | \$ 34,919,641 | |
| Prior Year Appropriations | 1,730,454 | |
| County Taxes | 20,604,447 | |
| Local District School Taxes | 77,749,630 | |
| Local Open Space Trust Fund | 818,482 | |
| Special Emergency Note Payable | 300,000 | |
| Reserve for Property Revaluation | 47,397 | |
| State of New Jersey | | |
| DCA Training Fees | 61,478 | |
| Marriage Licenses | 6,425 | |
| Third Party Inspection Fees | 347,922 | |
| Curb and Sidewalk Surety | 16,000 | |
| Street Opening Surety | 21,500 | |
| Court Settlements | 270,809 | |
| Refund of Prior Revenue | 683,057 | |
| Amounts Due To | | |
| Capital Fund | 5,146,448 | |
| Public Defender Trust Fund | 26,000 | |
| Due to Municipal Utilities Authority | 257,021 | |
| Due to Current Fund | | 24,556 |
| Federal and State Disbursements | | 895,795 |
| | <u>143,006,711</u> | <u>920,351</u> |
| Balance December 31, 2015 | \$ <u><u>6,131,441</u></u> | <u><u>1,335,121</u></u> |

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

| | | | |
|-----------------------------|---------------|----|--------------------|
| Balance December 31, 2014 | | \$ | - |
| Increased by Receipts: | | | |
| Prepaid Taxes | 1,042,508 | | |
| Taxes Receivable | 119,424,653 | | |
| Revenue Accounts Receivable | 332,247 | | |
| Miscellaneous Revenue | 1,090 | | |
| Tax Title and Other Liens | <u>67,829</u> | | |
| | | | <u>120,868,327</u> |
| | | | 120,868,327 |
| Payments to Treasurer | | | <u>120,868,327</u> |
| Balance December 31, 2015 | | \$ | <u><u>-</u></u> |

**CURRENT FUND
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY**

| Year | Balance Dec. 31, 2014 | Current Year Levy | Added Taxes | Overpayments Created | 2014 | 2015 | Overpayments (Applied) | Adjustments | Transferred To Tax Title Lien | Arrears | Balance Dec. 31, 2015 |
|-----------------|--------------------------|----------------------|-------------|-------------------------|---------|-------------|---------------------------|-------------|-------------------------------------|----------|--------------------------|
| Arrears 2014 | \$ 80,896 | | | | | 63,750 | (651) | | | 22,332 | 40,129 |
| | 2,710 | | 10,750 | 1,334 | | 13,460 | 1,334 | | | | |
| | 83,606 | - | 10,750 | 1,334 | - | 77,210 | - | 683 | | 22,332 | 40,129 |
| 2015 | | 120,719,041 | 662,389 | | 897,918 | 119,689,193 | | 511,551 | 260,436 | (22,332) | - |
| | \$ 83,606 | 120,719,041 | 673,139 | 1,334 | 897,918 | 119,766,403 | - | 512,234 | 260,436 | - | 40,129 |

Cash Receipts
Senior Citizens and Veterans
119,766,403

Analysis of Current Year Tax Levy

| | |
|----------------------------------|--------------------|
| Tax Yield: | |
| General Property Tax | 120,719,041 |
| Added Taxes (54-4-63.1 et. Seq.) | 662,389 |
| | <u>121,381,430</u> |
| | |
| Tax Levy: | |
| General County Taxes | 18,813,560 |
| County Library Taxes | 1,197,799 |
| County Open Space Taxes | 56,882 |
| County Health Taxes | 444,159 |
| County Added and Omitted Taxes | 113,139 |
| Total County Taxes | <u>20,625,539</u> |
| | |
| Local School District Tax | 77,749,630 |
| Local Open Space Tax | 814,843 |
| Local Tax for Municipal Purposes | |
| Add: Additional Tax Levied | <u>22,191,418</u> |
| | <u>121,381,430</u> |

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

| | | | |
|--|-------------------|----|-----------------------|
| Balance December 31, 2014 | | \$ | 477,004 |
| Increased by: | | | |
| Transfers from Taxes Receivable | 260,436 | | |
| Interest and Costs Accrued by Sale of December 16, 2015 | 2,930 | | |
| | <u> </u> | | <u>263,366</u> |
| | | | 740,370 |
| Decreased by: | | | |
| Transferred Foreclosed Properties | | | |
| Collections | 67,829 | | |
| Adjustment | 20,804 | | |
| | <u> </u> | | <u>88,633</u> |
| Balance December 31, 2015 | | \$ | <u><u>651,737</u></u> |

**CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE**

| | Balance Dec. 31, 2014 | Accrued in 2015 | Collected by | | Balance Dec. 31, 2015 |
|-----------------------------------|--------------------------|--------------------|--------------|------------|--------------------------|
| | | | Collector | Treasurer | |
| Clerk: | | | | | |
| Licenses: | | | | | |
| Alcoholic Beverage | \$ | 88,089 | | 88,089 | |
| Tax Collector: | | | | | |
| Interest on Taxes | | 332,247 | 332,247 | | |
| Treasurer: | | | | | |
| Licenses: | | | | | |
| Other | | 943,513 | 943,513 | | |
| Fees and Permits | | 160,040 | | 160,040 | |
| Construction Code Fees | | 792,443 | | 792,443 | |
| Fines and Costs: | | | | | |
| Municipal Court | 61,575 | 829,705 | | 835,873 | 55,407 |
| Interest Earned on Investments | | 26,300 | | 26,300 | |
| Energy Receipts Tax | | 6,013,285 | | 6,013,285 | |
| Watershed Moratorium Offset Aid | | 16,779 | | 16,779 | |
| Garden State Pilot Trust | | 9,001 | | 9,001 | |
| Host Community Surcharge | 156,023 | 1,987,303 | | 1,976,732 | 166,594 |
| ACUA Pilot | | 40,000 | | 40,000 | |
| Environmental Trust | | 376,000 | | 376,000 | |
| Open Space Trust Fund | | 703,000 | | 703,000 | |
| Ambulance Fees | 97,815 | 1,015,029 | | 1,055,452 | 57,392 |
| Hotel Occupancy Tax | 22,201 | 498,299 | | 495,308 | 25,192 |
| Towing Fees | | 83,250 | | 83,250 | |
| Cell Tower Leases | | 100,044 | | 100,044 | |
| Tax Abatement Payments | | 320,220 | | 320,220 | |
| Cable Franchise Fees | | 144,371 | | 144,371 | |
| Capital Surplus | | 200,000 | | 200,000 | |
| Appropriation of Authority Assets | | 250,000 | | 250,000 | |
| | \$ | 337,614 | 1,275,760 | 13,686,187 | 304,585 |

See Accompanying Auditor's Report

**CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES - PRIOR YEAR**

| | Balance Dec. 31, 2014 | Balance After Transfers | Paid or Charged | | Balance Lapsed | Over- Expended |
|---|--------------------------|-------------------------------|-----------------|---------------------|-------------------|-------------------|
| | | | Cash | Accounts Payable | | |
| OPERATIONS WITHIN "CAPS" | | | | | | |
| DEPARTMENT OF ADMINISTRATION AND FINANCE | | | | | | |
| Governing Body | | | | | | |
| Salaries and Wages | 6,060 | 3,912 | 3,912 | - | - | |
| Other Expenses | 763 | 763 | 247 | 516 | | |
| Administrator's Office | | | | | | |
| Salaries and Wages | 7,352 | 6,567 | 6,567 | - | - | |
| Other Expenses | 2,781 | 2,781 | 1,167 | 1,614 | | |
| Office of Township Clerk | | | | | | |
| Salaries and Wages | 11,100 | 10,478 | 10,478 | - | - | |
| Other Expenses | 14,564 | 14,564 | 8,250 | 6,314 | | |
| Office of Information Technology | | | | | | |
| Salaries and Wages | 6,144 | 4,412 | 4,412 | - | - | |
| Other Expenses | 11,618 | 11,618 | 10,533 | 1,085 | | |
| Division of Treasury | | | | | | |
| Salaries and Wages | 7,872 | 7,463 | 7,463 | - | - | |
| Other Expenses | 8,369 | 7,369 | 5,245 | 2,124 | | |
| Auditor | | | | | | |
| Other Expenses | 8,500 | 8,500 | - | 8,500 | | |
| Division of Collections | | | | | | |
| Salaries and Wages | 7,440 | 7,069 | 7,069 | - | - | |
| Other Expenses | 2,843 | 2,843 | 1,710 | 1,133 | | |
| Division of Assessments | | | | | | |
| Salaries and Wages | 4,043 | 4,043 | 4,008 | 35 | | |
| Other Expenses | | | | | | |
| Miscellaneous Other Expenses | 14,046 | 14,046 | 14,046 | - | - | |
| Division of Law | | | | | | |
| Other Expenses | 126,173 | 136,173 | 111,071 | 25,102 | | |
| Rent Leveling Board | | | | | | |
| Other Expenses | 380 | 5,880 | 5,805 | 75 | | |
| DEPARTMENT OF PUBLIC WORKS | | | | | | |
| Division of Roads | | | | | | |
| Salaries and Wages | 23,906 | 24,165 | 23,944 | 221 | | |
| Other Expenses | 34,933 | 34,933 | 29,043 | 5,890 | | |
| Division of Buildings and Grounds | | | | | | |
| Salaries and Wages | 26,002 | 31,102 | 31,101 | 1 | | |
| Other Expenses | 45,794 | 45,794 | 40,109 | 5,685 | | |

See Accompanying Auditor's Report

**CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES - PRIOR YEAR**

| | Balance | Balance | Paid or Charged | | Balance | Over- |
|--|---------------|-----------------|-----------------|------------------|---------|-------|
| | Dec. 31, 2014 | After Transfers | Cash | Accounts Payable | | |
| Division of Equipment Maintenance | | | | | | |
| Salaries and Wages | 13,046 | 11,486 | 11,409 | | 77 | |
| Other Expenses | 75,086 | 75,086 | 63,478 | 1,290 | 10,318 | |
| Division of Solid Waste | | | | | | |
| Salaries and Wages | 30,664 | 23,796 | 23,751 | | 45 | |
| Other Expenses | 5,200 | 5,200 | 3,099 | | 2,101 | |
| Landfill/Solid Waste Disposal Costs | | | | | | |
| Other Expenses | 150,341 | 122,341 | 114,884 | | 7,457 | |
| Animal Control | | | | | | |
| Other Expenses | 3,650 | 3,650 | 1,850 | | 1,800 | |
| Engineering Services | | | | | | |
| Other Expenses | 32,880 | 32,880 | 7,085 | 25,595 | 200 | |
| DEPARTMENT OF RECREATION | | | | | | |
| Salaries and Wages | 13,496 | 13,496 | 12,773 | | 723 | |
| Other Expenses | 30,767 | 30,767 | 24,859 | | 5,908 | |
| Celebration of Events | | | | | | |
| Other Expenses | 14 | 14 | | | 14 | |
| DEPARTMENT OF POLICE | | | | | | |
| Salaries and Wages | 302,687 | 359,951 | 354,874 | | 5,077 | |
| Other Expenses | 331,399 | 331,399 | 296,409 | 8,529 | 26,461 | |
| DEPARTMENT OF POLICE DISPATCH/911 | | | | | | |
| Salaries and Wages | 19,117 | 23,617 | 21,630 | | 1,987 | |
| Other Expenses | 11,515 | 11,515 | 4,927 | | 6,588 | |
| DEPARTMENT OF FIRE | | | | | | |
| Other Expenses | 33,715 | 33,715 | 33,435 | 161 | 119 | |
| Ambulance Services | | | | | | |
| Salaries and Wages | 18,506 | 35,006 | 32,993 | | 2,013 | |
| Other Expenses | 37,664 | 41,664 | 39,729 | | 1,935 | |
| Municipal Court | | | | | | |
| Salaries and Wages | 17,993 | 22,994 | 21,906 | | 1,088 | |
| Other Expenses | 14,694 | 14,694 | 6,354 | | 8,340 | |
| Public Defender | | | | | | |
| Other Expenses | 5 | 5 | | | 5 | |

See Accompanying Auditor's Report

**CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES - PRIOR YEAR**

| | Balance Dec. 31, 2014 | Balance After Transfers | Paid or Charged | | Accounts Payable | Balance Lapsed | Over- Expended |
|---|--------------------------|-------------------------------|-----------------|--|---------------------|-------------------|-------------------|
| | | | Cash | | | | |
| DEPARTMENT OF COMMUNITY DEVELOPMENT | | | | | | | |
| Division of Planning | | | | | | | |
| Salaries and Wages | 3,462 | 3,462 | 3,414 | | | 48 | |
| Other Expenses | 3,209 | 3,209 | 2,373 | | | 836 | |
| Division of Zoning | | | | | | | |
| Salaries and Wages | 3,090 | 1,471 | 1,471 | | | - | |
| Other Expenses | 2,270 | 2,270 | 1,400 | | | 870 | |
| ACCUMULATED LEAVE COMPENSATION | | | | | | | |
| Insurance | | | | | | | |
| Other Insurance Premiums (JIF) | 18,763 | 18,763 | 1,396 | | | 17,367 | |
| Division of Inspections | | | | | | | |
| Salaries and Wages | 14,156 | 10,569 | 10,569 | | | - | |
| Other Expenses | 17,503 | 17,503 | 580 | | | 16,923 | |
| UNIFORM FIRE SAFETY ACT (PL 1983, CH383) | | | | | | | |
| Fire Prevention Program | | | | | | | |
| Salaries and Wages | 4,016 | 3,016 | 2,719 | | | 297 | |
| Other Expenses | 2,655 | 2,655 | 2,654 | | | 1 | |
| UNCLASSIFIED | | | | | | | |
| Electricity | 59,114 | 55,114 | 39,350 | | | 15,764 | |
| Street Lighting | 15,366 | 15,366 | 13,696 | | | 1,670 | |
| Telephone | 18,143 | 18,143 | 13,910 | | 4,136 | 97 | |
| Water | 2,854 | 1,854 | 171 | | | 1,683 | |
| Gas | 9,516 | 591 | 291 | | | 300 | |
| Sewerage | 301 | 301 | - | | | 301 | |
| Gasoline | 68,046 | 40,046 | 36,161 | | | 3,885 | |
| Fire Hydrant Service | 23,414 | 23,414 | 23,326 | | | 88 | |
| Condominium Services Act (PL 1989 CH299) | 9,778 | 9,778 | 9,778 | | | - | |

**CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES - PRIOR YEAR**

| | Balance Dec. 31, 2014 | Balance After Transfers | Cash | Paid or Charged Accounts Payable | Balance Lapsed | Over- Expended |
|---|--------------------------|-------------------------------|------------------|--|-------------------|-------------------|
| DEFERRED CHARGES AND STATUTORY EXPENDITURES: | | | | | | |
| Statutory Expenditures: | | | | | | |
| Contribution to: | | | | | | |
| Social Security (O.A.S.I.) | 11,765 | 11,765 | | | 11,765 | |
| Unemployment Compensation Insurance | 6,570 | 71 | | | 71 | |
| Defined Contribution Retirement Program | 793 | 793 | 15 | | 778 | |
| OPERATIONS EXCLUDED FROM "CAPS" | | | | | | |
| Group Insurance for Employees | 9,999 | - | | | - | |
| Length of Service Award Program | 158,000 | 158,000 | 151,368 | | 6,632 | |
| City of Northfield Dispatch Service | 13,434 | 13,434 | 1,157 | | 12,277 | |
| City of Linwood Dispatch Service | 2,941 | 2,941 | 2,808 | | 133 | |
| Egg Harbor Township Board of Education | | | | | | |
| Solid Waste Disposal | 10,222 | 10,222 | 10,222 | | - | |
| All Other Accounts - No Change | - | - | | | - | |
| \$ | 2,002,502 | 2,002,502 | 1,730,454 | 39,711 | 232,337 | - |

**CURRENT FUND
SCHEDULE OF LOCAL DISTRICT SCHOOL TAX**

| | | |
|---------------------------|----|------------|
| Balance December 31, 2014 | \$ | - |
| Increased by: | | |
| Levy - Calendar Year 2014 | | 77,749,630 |
| | | 77,749,630 |
| Decreased by: | | |
| Payments | | 77,749,630 |
| Balance December 31, 2015 | \$ | - |

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

| <u>Purpose</u> | <u>Balance Dec. 31, 2014</u> | <u>Transferred From 2015 Revenues</u> | <u>Received</u> | <u>Adjustments</u> | <u>Balance Dec. 31, 2015</u> |
|---|----------------------------------|---|-----------------|--------------------|----------------------------------|
| FEDERAL GRANTS: | | | | | |
| Cops Hiring Program Grant | | 17,494 | 17,494 | | - |
| Smart Policing Initiative | | 4,000 | 4,000 | | - |
| Click It or Ticket | | 16,000 | 10,950 | 50 | 5,000 |
| Drive Sober or Get Pulled Over | 11,911 | | 11,911 | | - |
| AC - E. Byrne Memorial JAG | | | | | |
| Total Federal | <u>11,911</u> | <u>37,494</u> | <u>44,355</u> | <u>50</u> | <u>5,000</u> |
| STATE GRANTS: | | | | | |
| NJ Transportation Trust Fund Authority Act of 1934 | 47,500 | 190,000 | 190,000 | | 47,500 |
| Reconstruction of Ridge Avenue | | | | | |
| NJ Department of Public Safety | 119,577 | 44,572 | | | 164,149 |
| Safe Corridor | 16,040 | 7,572 | 7,572 | | 16,040 |
| Body Armor Fund | 21,199 | 20,195 | | | 41,394 |
| Drunk Driving Enforcement Fund | | 766 | 766 | | - |
| Alcohol Education Rehabilitation | - | 60,000 | 73,579 | | 13,579 |
| Safe and Secure Communities Program | 27,158 | 73,971 | | 5,903 | 73,961 |
| Recycling Tonnage Grant | 5,893 | | | | - |
| Clean Communities Program | - | 104,213 | 104,213 | | - |
| Hazardous Mitigation Grant - Community Center | - | 75,000 | | | 75,000 |
| Conducted Energy Device Program | - | 4,233 | | | 4,233 |
| Distracted Driving Statewide Crackdown | - | 5,000 | 5,000 | | - |
| COPS in Shops - | | | | | |
| Summer Shore Program | - | 2,000 | 2,000 | | - |
| College/Fall Initiative | - | 4,400 | 4,400 | | - |
| Total State | <u>237,367</u> | <u>591,922</u> | <u>387,530</u> | <u>5,903</u> | <u>435,856</u> |

\$

See Accompanying Auditor's Report

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

| <u>Purpose</u> | Balance Dec. 31, 2014 | Transferred From 2014 Revenues | Received | Adjustments | Balance Dec. 31, 2015 |
|--|--------------------------|--------------------------------------|----------------|--------------|--------------------------|
| Local Grants: | | | | | |
| CRDA - West Atlantic City | 219,098 | 125,000 | 118,907 | | 225,191 |
| Donation - Primax Properties - Tree Planting | - | 20,000 | 20,000 | | - |
| Atlantic County Municipal Drug Alliance | 25,972 | 24,679 | 29,410 | 64 | 21,177 |
| Total State | <u>245,070</u> | <u>169,679</u> | <u>168,317</u> | <u>64</u> | <u>246,368</u> |
| | <u>\$ 494,348</u> | <u>799,095</u> | <u>600,202</u> | <u>6,017</u> | <u>687,224</u> |
| | | Cash | 600,202 | | |
| | | Unappropriated Reserves | - | | |
| | | | <u>600,202</u> | | |

See Accompanying Auditor's Report

**TRUST FUND
SCHEDULE OF CASH - TREASURER**

| | <u>Animal Control</u> | <u>Other</u> |
|--------------------------------------|-----------------------|------------------|
| Balance December 31, 2014 | \$ 13,668 | 7,706,147 |
| Increased By: | | |
| State Dog License Fees | 1,172 | |
| Municipal Dog License Fees | 5,992 | |
| Developers Escrow | | 266,874 |
| Small Cities Loan Repayments | | - |
| Recreation Expenditures | | 387,061 |
| Environmental Trust | | 243,776 |
| POAA Fines | | 107 |
| Council on Affordable Housing (COAH) | | 91,498 |
| Basin Maintenance | | 2,028,565 |
| Law Enforcement | | 10,193 |
| Law Enforcement - Federal Funds | | 56 |
| Performance Bond Guarantees | | 193,415 |
| Open Space Land Acquisition | | 1,289,843 |
| Other Trusts: | | |
| Fire Safety | | 5,300 |
| Third Party Inspection Fees | | 379,296 |
| Public Defender Fees | | 27,300 |
| Police Detail | | 496,162 |
| Due from Current Fund | | |
| | <u>7,164</u> | <u>5,419,446</u> |
| | 20,832 | 13,125,593 |
| Decreased By: | | |
| Paid to State of NJ | 1,172 | |
| Dog Fund Expenditures | 2,916 | |
| Due to Current Fund | | |
| Animal Control Fund | 829 | |
| Other | | |
| Developers Escrow | | 288,287 |
| Small Cities Loan Repayments | | 4,074 |
| Recreation Expenditures | | 351,858 |
| Environmental Trust | | 376,000 |
| Council on Affordable Housing (COAH) | | - |
| Basin Maintenance | | 2,062,538 |
| Law Enforcement | | - |
| Law Enforcement - Federal Funds | | - |
| Performance Bond Guarantees | | 705,970 |
| Open Space Land Acquisition | | 1,761,883 |
| Other Trusts: | | |
| Fire Safety | | 544 |
| Third Party Inspection Fees | | 349,150 |
| Public Defender Fees | | 28,655 |
| Police Detail | | 451,431 |
| | <u>4,917</u> | <u>6,380,390</u> |
| Balance December 31, 2015 | \$ <u>15,915</u> | <u>6,745,203</u> |

See Accompanying Auditor's Report

**TRUST FUND
SCHEDULE OF CASH - TREASURER**

| | <u>Dog Licenses</u> | <u>Other</u> |
|--|---------------------|-------------------------|
| Analysis of December 31, 2015 Balance | | |
| Developer's Escrow | \$ | 505,639 |
| Recreation Commission Dedicated Trust | | 127,781 |
| Environmental Trust Fund | | 298,061 |
| Law Enforcement Trust Fund | | 21,623 |
| Law Enforcement Trust-Federal Funds | | 28,224 |
| Parking Offenses Adjudication Act | | 1,469 |
| Police Detail | | 60,746 |
| Municipal Evidence | | 40,457 |
| Public Defender Fees | | 30,917 |
| Third Party Inspection Fees | | 165,171 |
| Fire Safety Fines | | 7,526 |
| Small Cities Trust | | 7,756 |
| Open Space Trust Fund | | 1,131,446 |
| Accumulated Absences | | 3,759 |
| Snow Removal Trust | | 4,388 |
| Council on Affordable Housing (COAH) Trust | | 235,110 |
| Basin Maintenance | | 2,108,053 |
| Performance Guarantee Trust | | <u>1,967,077</u> |
| | \$ | <u><u>6,745,203</u></u> |

**TRUST FUND
SCHEDULE OF CASH - COLLECTOR**

| | | |
|---|-----------|-----------------------|
| Balance December 31, 2014 | \$ | 3,653,875 |
| Increased by Receipts: | | |
| Deposits for Redemption of Tax Sale Certificates | 5,272,352 | |
| Premiums Received at Tax Sale | 1,877,780 | |
| | <hr/> | <hr/> 7,150,132 |
| | | 10,804,007 |
| Decreased by Disbursements: | | |
| Tax Sale Redemptions | 5,112,450 | |
| Premiums Returned | 2,256,061 | |
| | <hr/> | <hr/> 7,368,511 |
| Balance December 31, 2015 | \$ | <hr/> <hr/> 3,435,496 |

ANALYSIS OF BALANCE - DECEMBER 31, 2015

| | |
|---------------------------|-----------------------|
| Tax Title Lien Redemption | 295,016 |
| Tax Sale Premium | <hr/> 3,140,480 |
| | <hr/> <hr/> 3,435,496 |

See Accompanying Auditor's Report

**TRUST FUND
SCHEDULE OF ASSESSMENT RECEIVABLE**

| Ordinance Number | Improvement Description | Date of Confirmation | Installments | | Balance Dec. 31, 2014 | Collected | Adjustments | Balance Dec. 31, 2015 | Balance Pledged to | |
|---------------------|-------------------------|-------------------------|--------------|-------------|--------------------------|-----------|-------------|--------------------------|----------------------------|---------|
| | | | Number | Due Date | | | | | Assessment Overpayments | Reserve |
| 19-93 | Town Hall Sewer Service | 2/28/96 | 10 | 5/1/96-2005 | 10,221 | 5,111 | | 5,110 | | 5,110 |
| | | | | | \$ 10,221 | 5,111 | - | 5,110 | - | 5,110 |

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

| | | | |
|---|----|-------|--------|
| Balance December 31, 2014 | \$ | | 12,838 |
| Increased by: | | | |
| Dog License Fees Collected | | 5,992 | |
| | | 5,992 | 5,992 |
| | | | 18,830 |
| Decreased by: | | | |
| Expenditures under N.J.S.A. 4:19-15.11: | | | |
| Cash | | 2,916 | |
| Statutory Excess to Current Fund | | 2,473 | |
| | | 5,389 | 5,389 |
| Balance December 31, 2015 | \$ | | 13,441 |

License Fees Collected

| <u>Year</u> | <u>Amount</u> |
|-------------|---------------|
| 2014 | 6,648 |
| 2013 | 6,793 |
| | 13,441 |
| | 13,441 |

TRUST FUND
SCHEDULE OF AMOUNT DUE TO/(FROM) STATE OF NEW JERSEY
ANIMAL CONTROL FUND

| | | | |
|--------------------------------|----|-------|-------------|
| Balance December 31, 2014 | \$ | | 1 |
| Increased By: | | | |
| Collected in 2014 | | | |
| State License Fees | | 699 | |
| Pilot Clinic Fund Fees | | 140 | |
| Animal Population Control Fees | | 333 | |
| | | <hr/> | <hr/> |
| | | | 1,172 |
| | | | 1,173 |
| Decreased By: | | | |
| Payments | | | <hr/> |
| | | | 1,172 |
| Balance December 31, 2015 | \$ | | <hr/> <hr/> |
| | | | 1 |

**TRUST FUND
SCHEDULE OF DEPOSITS FOR REDEMPTION OF
TAX SALE CERTIFICATES**

| | | | |
|---|----|------------------|-----------------------|
| Balance December 31, 2014 | \$ | | 135,114 |
| Increased By: | | | |
| Deposits Received | | 5,271,975 | |
| Interest Earned | | <u>377</u> | |
| | | | <u>5,272,352</u> |
| | | | 5,407,466 |
| Decreased By; | | | |
| Refunds - Tax Sale Certificates Redeemed | | <u>5,112,450</u> | |
| | | | <u>5,112,450</u> |
| Balance December 31, 2015 | \$ | | <u><u>295,016</u></u> |

**TRUST - OTHER FUNDS
SCHEDULE OF MISCELLANEOUS RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2014**

| <u>Reserve</u> | Increased by | | Decreased by | | Balance Dec. 31, 2015 |
|--------------------------------------|--------------------------|------------------|---------------|------------------|--------------------------|
| | Balance Dec. 31, 2014 | Receipts | Other | Disbursements | |
| Developers Escrow | \$ 527,052 | 266,874 | | 288,287 | 505,639 |
| Small Cities Loan Repayments | 11,830 | | | 4,074 | 7,756 |
| Recreation Expenditures | 92,578 | 387,061 | | 351,858 | 127,781 |
| Environmental Trust | 406,309 | 267,752 | 24,499 | 376,000 | 322,560 |
| Accumulated Absences | 3,759 | | | | 3,759 |
| POAA Fines | 1,362 | 107 | | | 1,469 |
| Council on Affordable Housing (COAH) | 143,612 | 91,498 | | | 235,110 |
| Basin Maintenance | 2,142,027 | 2,028,565 | | 2,062,538 | 2,108,054 |
| Law Enforcement | 11,430 | 10,193 | | | 21,623 |
| Law Enforcement - Federal Funds | 28,168 | 56 | | | 28,224 |
| Performance Bond Guarantees | 2,479,632 | 193,415 | | 705,970 | 1,967,077 |
| Open Space Land Acquisition | 1,603,486 | 1,289,843 | | 1,761,883 | 1,131,446 |
| Other Trusts: | | | | | |
| Fire Safety | 2,770 | 5,300 | | 544 | 7,526 |
| Municipal Evidence | 40,457 | | | | 40,457 |
| Third Party Inspection Fees | 184,142 | 379,296 | | 349,150 | 214,288 |
| Public Defender Fees | 34,872 | 27,300 | | 28,655 | 33,517 |
| Police Detail | 16,015 | 496,162 | | 451,431 | 60,746 |
| Snow Removal | 20,505 | | | 16,118 | 4,387 |
| | <u>\$ 7,750,006</u> | <u>5,443,422</u> | <u>24,499</u> | <u>6,396,508</u> | <u>6,821,419</u> |

**GENERAL CAPITAL FUND
SCHEDULE OF AMOUNT DUE FROM CURRENT FUND**

| | | |
|-------------------------------------|-----------|--------------------------|
| Balance December 31, 2014 | | \$ 236,469 |
| Increased by: | | |
| Capital Improvement Fund | 300,000 | |
| FEMA Grant Funds Received | 591,244 | |
| Notes Issued | 2,225,000 | |
| Transfer to Due from Grant Fund | 2,584,979 | |
| | <hr/> | <hr/> 5,701,223 |
| | | 5,937,692 |
| Decreased by: | | |
| Improvement Authorizations | 5,146,448 | |
| Appropriated to 2015 Budget Revenue | 200,000 | |
| | <hr/> | <hr/> 5,346,448 |
| Balance December 31, 2015 | | \$ <u><u>591,244</u></u> |

**GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND**

| | | | |
|-----------------------------------|---------|----|---------|
| Balance December 31, 2014 | | \$ | 21,303 |
| Increased by: | | | |
| Budget Appropriation | 300,000 | | |
| | | | 300,000 |
| | | | 321,303 |
| Decreased by: | | | |
| Improvement Authorizations Funded | 290,000 | | |
| | | | 290,000 |
| Balance December 31, 2015 | | \$ | 31,303 |

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

| | | | |
|---------------------------|------------------|----|--------------------------|
| Balance December 31, 2014 | | \$ | 35,494,751 |
| Increased by: | | | |
| Serial Bonds Issued | | | - |
| Decreased by: | | | |
| Serial Bonds Paid | 3,525,000 | | |
| NJEIT Bonds & Loans | 89,986 | | |
| | <u>3,614,986</u> | | <u>3,614,986</u> |
| Balance December 31, 2015 | | \$ | <u><u>31,879,765</u></u> |

**GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS**

| Ord # | Improvement Description | Ord. Date | Amount | Authorizations | | | Paid or Charged | Canceled | Balance December 31, 2015 | |
|---------|-------------------------------------|-----------|-----------|----------------------------------|----------|----------------|------------------|----------|-------------------------------------|------------------|
| | | | | Balance December 31, 2014 Funded | Unfunded | Other Funding | | | Deferred Charges to Future Taxation | Funded |
| 39-2007 | Various Capital Improvements | 7/11/2007 | 3,219,000 | \$ 1,819 | | | | | 1,819 | |
| 23-2008 | Various Capital Improvements | 6/11/2008 | 5,240,000 | 35,410 | | | 15,280 | | 20,130 | |
| 28-2009 | Various Capital Improvements | 8/12/2009 | 1,660,000 | 7,359 | | | 7,359 | | - | |
| 16-2010 | Various Capital Improvements | 6/23/2010 | 2,575,000 | 138,465 | | | - | | 138,465 | |
| 17-2010 | Various Capital Improvements | 6/23/2010 | 120,000 | 250 | | | 250 | | - | |
| 24-2012 | Various Capital Improvements | 6/20/2012 | 3,032,000 | 210,905 | | | 208,636 | | 2,269 | |
| 21-2013 | Various Capital Improvements | 6/26/2013 | 2,430,000 | 182,335 | | | 159,685 | | 22,650 | |
| 22-2013 | Various Capital Improvements | 6/26/2013 | 225,000 | 51,821 | | | 29,219 | | 22,602 | |
| 09-2014 | Various Capital Improvements | 4/23/2014 | 5,086,400 | 1,919,279 | | | 1,373,671 | | 545,608 | |
| 10-2014 | Purchase of Office Equipment & Furn | 4/23/2014 | 40,000 | 13,215 | | | 6,840 | | 6,375 | |
| 17-2015 | Various Capital Improvements | 6/24/2015 | 2,400,000 | | | 175,000 | 1,210,707 | | | 1,189,293 |
| 18-2015 | Various Capital Improvements | 6/24/2015 | 115,000 | | | 115,000 | 73,094 | | 41,906 | |
| | | | | <u>\$ 2,560,858</u> | <u>-</u> | <u>290,000</u> | <u>3,084,741</u> | <u>-</u> | <u>801,824</u> | <u>1,189,293</u> |

**GENERAL CAPITAL FUND
SCHEDULE OF GENERAL SERIAL BONDS**

| Purpose | Date of Issue | Amount of Original Issue | Maturities of Bonds Outstanding | | | Interest Rate | Balance Dec. 31, 2014 | Increased | Decreased | Balance Dec. 31, 2015 |
|----------------------------------|---------------|--------------------------|---------------------------------|-------------------|--------|---------------|-----------------------|-----------|------------|-----------------------|
| | | | Date | December 31, 2015 | Amount | | | | | |
| General Obligation Bonds of 2006 | 2/1/2006 | 19,406,000 | 2/1/2016 | 890,000 | | 4.250% \$ | 1,735,000 | 845,000 | 890,000 | |
| General Obligation Bonds of 2008 | 9/1/2008 | 9,885,000 | 9/1/2016 | 700,000 | | 4.000% | 6,585,000 | 685,000 | 5,900,000 | |
| | | | 9/1/2017 | 710,000 | | 4.000% | | | | |
| | | | 9/1/2018 | 720,000 | | 4.125% | | | | |
| | | | 9/1/2019 | 740,000 | | 4.125% | | | | |
| | | | 9/1/2020 | 750,000 | | 4.125% | | | | |
| 9/1/21-23 | 760,000 | | 4.125% | | | | | | | |
| 2011 Refunding Bonds | 9/15/2011 | 4,705,000 | 2/15/2016 | 1,160,000 | | 3.500% | 2,330,000 | 1,170,000 | 1,160,000 | |
| General Obligation Bonds of 2012 | 9/1/2012 | 7,800,000 | 9/1/2016 | 525,000 | | 2.000% | 6,950,000 | 475,000 | 6,475,000 | |
| | | | 9/1/2017 | 850,000 | | 2.000% | | | | |
| | | | 9/1/2018 | 850,000 | | 2.000% | | | | |
| | | | 9/1/2019 | 850,000 | | 2.000% | | | | |
| | | | 9/1/2020 | 850,000 | | 2.000% | | | | |
| | | | 9/1/2021 | 850,000 | | 2.000% | | | | |
| | | | 9/1/2022 | 850,000 | | 2.000% | | | | |
| | | | 9/1/2023 | 850,000 | | 2.000% | | | | |
| 2014 Refunding Bonds | 8/1/2014 | 11,560,000 | 2/1/2016 | 65,000 | | 2.000% | 11,560,000 | 100,000 | 11,460,000 | |
| General Obligation Bonds of 2014 | 7/15/2014 | 5,350,000 | 2/1/2017 | 985,000 | | 2.000% | 5,350,000 | 250,000 | 5,100,000 | |
| | | | 2/1/2018 | 1,010,000 | | 2.000% | | | | |
| | | | 2/1/2019 | 1,035,000 | | 2.000% | | | | |
| | | | 2/1/2019 | 910,000 | | 4.000% | | | | |
| | | | 2/1/2020 | 155,000 | | 2.250% | | | | |
| | | | 2/1/2020 | 935,000 | | 4.000% | | | | |
| | | | 2/1/2021 | 155,000 | | 2.375% | | | | |
| | | | 2/1/2021 | 980,000 | | 4.000% | | | | |
| | | | 2/1/2022 | 145,000 | | 5.000% | | | | |
| | | | 2/1/2023 | 1,180,000 | | 5.000% | | | | |
| | | | 2/1/2024 | 1,245,000 | | 5.000% | | | | |
| | | | 2/1/2025 | 1,315,000 | | 5.000% | | | | |
| | | | 2/1/2026 | 1,345,000 | | 3.000% | | | | |
| 7/15/2016 | 250,000 | | 2.000% | | | | | | | |
| 7/15/2017 | 400,000 | | 2.000% | | | | | | | |
| 7/15/2018 | 450,000 | | 2.000% | | | | | | | |
| 7/15/2019 | 500,000 | | 3.000% | | | | | | | |
| 7/15/2020 | 500,000 | | 3.000% | | | | | | | |
| 7/15/2021 | 500,000 | | 3.000% | | | | | | | |
| 7/15/2022 | 500,000 | | 2.250% | | | | | | | |
| 7/15/2023 | 500,000 | | 2.500% | | | | | | | |
| 7/15/2024 | 500,000 | | 2.625% | | | | | | | |
| 7/15/2025 | 500,000 | | 3.000% | | | | | | | |
| 7/15/2026 | 500,000 | | 3.000% | | | | | | | |
| | | | | | | | \$ 34,510,000 | - | 3,525,000 | 30,985,000 |

**GENERAL CAPITAL FUND
SCHEDULE OF GREEN TRUST LOAN PAYABLE**

| Purpose | Date of Issue | Amount of Original Issue | Maturities of Bonds Outstanding | | | | Interest Rate | Balance Dec. 31, 2014 | Increased | Decreased | Balance Dec. 31, 2015 |
|----------------------------------|---------------|--------------------------|---------------------------------|------------|-------------------|-----------|---------------|-----------------------|-----------|-----------|-----------------------|
| | | | December 31, 2015 | | December 31, 2014 | | | | | | |
| | | | Date | Amount | Date | Amount | | | | | |
| Tony Canale Park (Pine Oak Park) | 1/22/1999 | 150,000 | 6/22/2016 | 4,437 | 2.000% | \$ | 31,380 | | 8,743 | 22,637 | |
| | | | 12/22/2016 | 4,482 | 2.000% | | | | | | |
| | | | 6/22/2017 | 4,527 | 2.000% | | | | | | |
| | | | 12/22/2017 | 4,572 | 2.000% | | | | | | |
| Regional Park, Part 1 | 10/9/2002 | 150,000 | 6/22/2018 | 4,619 | 2.000% | | | | | | |
| | | | 1/11/2016 | 4,322 | 2.000% | | 63,331 | | 8,516 | 54,815 | |
| | | | 7/11/2016 | 4,365 | 2.000% | | | | | | |
| | | | 1/11/2017 | 4,409 | 2.000% | | | | | | |
| | | | 7/11/2017 | 4,453 | 2.000% | | | | | | |
| | | | 1/11/2018 | 4,498 | 2.000% | | | | | | |
| | | | 7/11/2018 | 4,543 | 2.000% | | | | | | |
| | | | 1/11/2019 | 4,588 | 2.000% | | | | | | |
| | | | 7/11/2019 | 4,634 | 2.000% | | | | | | |
| | | | 1/11/2020 | 4,680 | 2.000% | | | | | | |
| | | | 7/11/2020 | 4,727 | 2.000% | | | | | | |
| | | | 1/11/2021 | 4,774 | 2.000% | | | | | | |
| | | | 7/11/2021 | 4,822 | 2.000% | | | | | | |
| | | | Regional Park, Part 2 | 10/11/2002 | 500,000 | 1/11/2016 | 13,524 | 2.000% | | 228,800 | |
| 7/11/2016 | 13,660 | 2.000% | | | | | | | | | |
| 1/11/2017 | 13,796 | 2.000% | | | | | | | | | |
| 7/11/2017 | 13,934 | 2.000% | | | | | | | | | |
| 1/11/2018 | 14,073 | 2.000% | | | | | | | | | |
| 7/11/2018 | 14,214 | 2.000% | | | | | | | | | |
| 1/11/2019 | 14,356 | 2.000% | | | | | | | | | |
| 7/11/2019 | 14,500 | 2.000% | | | | | | | | | |
| 1/11/2020 | 14,645 | 2.000% | | | | | | | | | |
| 7/11/2020 | 14,791 | 2.000% | | | | | | | | | |
| Bargaintown Park | 11/7/2007 | 700,000 | 1/11/2021 | 14,939 | 2.000% | | | | | | |
| | | | 7/11/2021 | 15,089 | 2.000% | | | | | | |
| | | | 1/11/2022 | 15,239 | 2.000% | | | | | | |
| | | | 7/11/2022 | 15,392 | 2.000% | | | | | | |
| | | | 2/13/2016 | 17,141 | 2.000% | | 496,118 | | 33,774 | 462,344 | |
| | | | 8/13/2016 | 17,312 | 2.000% | | | | | | |
| | | | 2/13/2017 | 17,485 | 2.000% | | | | | | |
| | | | 8/13/2017 | 17,660 | 2.000% | | | | | | |
| | | | 2/13/2018 | 17,837 | 2.000% | | | | | | |
| | | | 8/13/2018 | 18,015 | 2.000% | | | | | | |
| | | | 2/13/2019 | 18,195 | 2.000% | | | | | | |
| | | | 8/13/2019 | 18,377 | 2.000% | | | | | | |
| 2/13/2020 | 18,561 | 2.000% | | | | | | | | | |
| 8/13/2020 | 18,746 | 2.000% | | | | | | | | | |
| 2/13/2021 | 18,934 | 2.000% | | | | | | | | | |
| 8/13/2021 | 19,123 | 2.000% | | | | | | | | | |
| 2/13/2022 | 19,314 | 2.000% | | | | | | | | | |
| 8/13/2022 | 19,508 | 2.000% | | | | | | | | | |

**GENERAL CAPITAL FUND
SCHEDULE OF GREEN TRUST LOAN PAYABLE**

| Purpose | Date of Issue | Amount of Original Issue | Maturities of Bonds Outstanding | | Interest Rate | Balance Dec. 31, 2014 | Increased | Decreased | Balance Dec. 31, 2015 |
|----------------------------|---------------|--------------------------|---------------------------------|--------|---------------|-----------------------|-----------|-----------|-----------------------|
| | | | Date | Amount | | | | | |
| | | | December 31, 2015 | Amount | | | | | |
| | 2/13/2023 | 19,703 | 19,703 | 2.000% | | | | | |
| | 8/13/2023 | 19,900 | 19,900 | 2.000% | | | | | |
| | 2/13/2024 | 20,099 | 20,099 | 2.000% | | | | | |
| | 8/13/2024 | 20,300 | 20,300 | 2.000% | | | | | |
| | 2/13/2025 | 20,503 | 20,503 | 2.000% | | | | | |
| | 8/13/2025 | 20,708 | 20,708 | 2.000% | | | | | |
| | 2/13/2026 | 20,915 | 20,915 | 2.000% | | | | | |
| | 8/13/2026 | 21,124 | 21,124 | 2.000% | | | | | |
| | 2/13/2027 | 21,335 | 21,335 | 2.000% | | | | | |
| | 8/13/2027 | 21,549 | 21,549 | 2.000% | | | | | |
| | | | | | 165,122 | | | | |
| Tony Canale Park, Phase II | 11/26/2007 | 250,000 | 6,245 | 2.000% | 165,122 | | 12,305 | 152,817 | |
| | 11/26/2016 | | 6,307 | 2.000% | | | | | |
| | 5/26/2017 | | 6,370 | 2.000% | | | | | |
| | 11/26/2017 | | 6,434 | 2.000% | | | | | |
| | 5/26/2018 | | 6,498 | 2.000% | | | | | |
| | 11/26/2018 | | 6,563 | 2.000% | | | | | |
| | 5/26/2019 | | 6,629 | 2.000% | | | | | |
| | 11/26/2019 | | 6,695 | 2.000% | | | | | |
| | 5/26/2020 | | 6,762 | 2.000% | | | | | |
| | 11/26/2020 | | 6,830 | 2.000% | | | | | |
| | 5/26/2021 | | 6,898 | 2.000% | | | | | |
| | 11/26/2021 | | 6,967 | 2.000% | | | | | |
| | 5/26/2022 | | 7,037 | 2.000% | | | | | |
| | 11/26/2022 | | 7,107 | 2.000% | | | | | |
| | 5/26/2023 | | 7,178 | 2.000% | | | | | |
| | 11/26/2023 | | 7,250 | 2.000% | | | | | |
| | 5/26/2024 | | 7,322 | 2.000% | | | | | |
| | 11/26/2024 | | 7,396 | 2.000% | | | | | |
| | 5/26/2025 | | 7,470 | 2.000% | | | | | |
| | 11/26/2025 | | 7,544 | 2.000% | | | | | |
| | 5/26/2026 | | 7,620 | 2.000% | | | | | |
| | 11/26/2026 | | 7,695 | 2.000% | | | | | |
| | | | | | \$ 984,751 | | 89,986 | 894,765 | |
| | | | | | | - | | | |

**GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES**

| Improvement Description | Ordinance Number | Date of Original Issue | Date of Issue | Date of Maturity | Interest Rate | Balance Dec. 31, 2014 | Increased | Decreased | Balance Dec. 31, 2015 |
|------------------------------|------------------|------------------------|---------------|------------------|---------------|-----------------------|-----------|-----------|-----------------------|
| Various Capital Improvements | 17-2015 | 8/6/2015 | 8/6/2015 | 8/5/2016 | 0.770% | \$ - | 2,225,000 | | 2,225,000 |
| | | | | | | \$ - | 2,225,000 | - | 2,225,000 |

**GENERAL CAPITAL FUND
SCHEDULE OF BOND AND NOTES AUTHORIZED BUT NOT ISSUED**

| Ordinance Number | Improvement Description | Balance Dec. 31, 2014 | 2015 Authorizations | Debt Issued | Balance Dec. 31, 2015 |
|---------------------|------------------------------|--------------------------|------------------------|------------------|--------------------------|
| 17-2015 | Various Capital Improvements | \$ - | 2,225,000 | 2,225,000 | - |
| | | <u>\$ -</u> | <u>2,225,000</u> | <u>2,225,000</u> | <u>-</u> |

TOWNSHIP OF EGG HARBOR

PART II

LETTER OF COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2015

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GENERAL COMMENTS

Contracts and Agreements Required to be Advertised for N.J.S. 40A:11-4

N.J.S. 40A:11-4 states, "Every contract or agreement for the performance of any work or the furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate \$40,000 except by contract or agreement.

The governing body of the Township has the responsibility of determining whether the expenditures in any category will exceed \$40,000 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.

Our examination of expenditures did not reveal payments in excess of \$40,000 "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, awarded under state or county cooperative purchasing agreements, or where a resolution had been previously adopted under the provisions of N.J.S. 40A:11-6.

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

- Purchase of EMS Vehicle
- Field Lighting
- Building Demolition
- Road Improvements and Repairs
- Community Center Generator

Contracts and Agreements Requiring Solicitation of Quotations

N.J.S. 40A:11-6.1 states, "Prior to the award of any other purchase, contract or agreement, the contracting agent shall, except in the case of the performance of professional services, solicit quotations, whenever practical, on any such purchase, contract or agreement the estimated cost or price of which is \$6,000 or more."

Our examination of expenditures did reveal not purchases made in excess of \$6,000 without obtaining quotes as required by statute.

Collection of Interest on Delinquent Taxes and Assessments

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

The governing body, on January 1, 2015, adopted the following resolution authorizing interest to be charged on delinquent taxes:

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

WHEREAS, NJSA 54:4-67 has been amended to permit the fixing of said rate of 8 percent per annum on the first \$1,500; and

WHEREAS, N.J.S.A. 54-4-67 has been amended to allow for an additional penalty of 6% to be collected against a delinquency in excess of \$10,000.00 on properties that fail to pay the delinquency prior to the end of the calendar year;

NOW, THEREFORE, BE IT RESOLVED, by the Township Committee of the Township of Egg Harbor, Atlantic County, New Jersey, as follows;

1. That the tax collector is hereby authorized and directed to charge 8% per annum on the first \$1,500.00 of taxes becoming delinquent after due date and 18% per annum on any amount of taxes in excess of \$1,500.00 becoming delinquent after due date and if a delinquency is in excess of \$10,000.00 and remains in arrears beyond December 31st of the tax year, an additional penalty of 6% shall be charged against the delinquency.
2. Effective January 1, 2015, there will be a ten-day grace period for quarterly tax payments made by cash, check, or money order.
3. Any payments not made in accordance with paragraph two of this resolution shall be charged interest from the due date, as set forth in paragraph one of this resolution.
4. This resolution shall be published in its entirety once in the official newspaper of the Township of Egg Harbor.
5. The Tax Collector is hereby authorized to hold a Tax Lien Sale in the month of December.
6. A certified copy of this resolution shall be provided by the Township Clerk to the Tax Collector, Township Attorney, and Township Auditor for the Township of Egg Harbor.

It appears from an examination of the collector's records that interest on delinquent taxes was collected in accordance with the foregoing resolution.

Delinquent Taxes and Tax Title Liens

The last tax sale was held on December 16, 2015 and was complete.

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

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

| <u>Year</u> | <u>Number of Liens</u> |
|-------------|----------------------------|
| 2015 | 377 |
| 2014 | 312 |
| 2013 | 360 |
| 2012 | 315 |
| 2011 | 310 |

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

Verification of Delinquent Taxes and Other Charges

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

| <u>Type</u> | <u>Number Mailed</u> |
|--------------------------------|----------------------|
| Payment of 2016 and 2015 Taxes | 10 |
| Municipal Court | 10 |

As of the date of this audit report, all verifications have not been returned. No problems were noted with the verifications that have been returned related to property taxes or municipal court.

Deposit of Municipal Funds

N.J.S. 40A:5-15 states, "All municipal funds shall be deposited within 48 hours upon receipt."

Our examination has revealed that municipal funds were all deposited within the mandated time.

Comparison of Tax Levies and Collections 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>Cash Collections</u> | <u>Percentage of Collections</u> |
|-------------|-----------------|-------------------------|----------------------------------|
| 2015 | \$ 121,381,430 | 120,587,111 | 99.35% |
| 2014 | 119,150,819 | 118,410,757 | 99.38% |
| 2013 | 115,393,839 | 114,322,268 | 99.07% |
| 2012 | 109,419,955 | 107,633,826 | 98.37% |
| 2011 | 106,350,123 | 104,304,768 | 98.08% |

Comparative Schedule of Tax Rate Information

| | <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> |
|----------------------------|---------------|---------------|---------------|---------------|---------------|
| Tax Rate | 2.9630 | 2.9040 | 2.813 | 4.228 | 4.101 |
| Apportionment of Tax Rate: | | | | | |
| Municipal | 0.5300 | 0.5180 | 0.4990 | 0.7340 | 0.7340 |
| Local Open Space | 0.0200 | 0.0200 | 0.0200 | 0.0200 | 0.0200 |
| County | 0.5050 | 0.5080 | 0.4810 | 0.6410 | 0.6650 |
| Local School | 1.9080 | 1.8580 | 1.8130 | 2.8330 | 2.6820 |
| Assessed Value | 4,084,839,929 | 4,084,839,929 | 4,077,433,434 | 2,567,152,785 | 2,576,920,800 |

A revaluation of properties was performed in 2012 in order to bring the property values in line with their true value. The revaluation was effective for the 2013 tax year.

Delinquent Taxes and Tax Title Liens

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

| <u>Year</u> | <u>Amount of Tax Title Liens</u> | <u>Amount of Delinquent Taxes</u> | <u>Total Delinquent</u> | <u>Percent of Tax Levy</u> |
|-------------|--|---|-----------------------------|--------------------------------|
| 2015 | \$ 651,737 | 40,129 | 691,866 | 0.57% |
| 2014 | 461,293 | 83,606 | 544,899 | 0.46% |
| 2013 | 436,861 | 49,864 | 486,725 | 0.42% |
| 2012 | 349,298 | 74,799 | 424,097 | 0.39% |
| 2011 | 458,223 | 77,437 | 535,660 | 0.50% |

Schedule of Financial Statement Findings

NONE

Status of Prior Year Recommendations

NONE

Recommendations

NONE

Should any questions arise, please do not hesitate to call me.

Very truly yours,

FORD, SCOTT & ASSOCIATES, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

Harvey C. Cocozza, Jr.

Harvey C. Cocozza, Jr.
Certified Public Accountant
Registered Municipal Accountant
No. 551

June 2, 2016