

TOWNSHIP OF WESTAMPTON
AUDIT REPORT FOR THE YEAR
ENDED DECEMBER 31, 2016

**TOWNSHIP OF WESTAMPTON
COUNTY OF BURLINGTON**

CONTENTS

PART 1

	PAGE
Independent Auditor's Report	1
Independent Auditor's Report on Internal Control Over Financial Reporting and On Compliance and Other Matters Based on an audit of Financial Statements Performed in Accordance with <i>Governmental Auditing Standards</i>	5
Financial Statements – Regulatory Basis:	
Current Fund:	
Statements of Assets, Liabilities, Reserves & Fund Balance – Regulatory Basis	9
Statements of Operations and Changes in Fund Balance – Regulatory Basis	11
Statement of Revenues – Regulatory Basis	12
Statement of Expenditures – Regulatory Basis	14
Trust Fund:	
Statements of Assets, Liabilities, Reserves & Fund Balance – Regulatory Basis	18
Statement of Revenues – Regulatory Basis – Municipal Open Space Fund	19
Statement of Expenditures – Regulatory Basis – Municipal Open Space Fund	20
General Capital Fund:	
Statements of Assets, Liabilities, Reserves & Fund Balance – Regulatory Basis	21
General Fixed Assets:	
Statements of Assets, Liabilities, Reserves & Fund Balance – Regulatory Basis	22
Notes to Financial Statements	25
Supplemental Exhibits:	
Current Fund	
Schedule of Cash - Treasurer	59
Schedule of Cash - Collector	50
Schedule of Change Funds	60
Schedule of Taxes Receivable	61
Schedule of Tax Title Liens	62
Schedule of Property Acquired for Taxes	62
Schedule of Revenue Accounts Receivable	63
Schedule of 2015 Appropriation Reserves	64
Schedule of Local District Tax	65
Schedule of Regional High School Tax Payable	65
Schedule of County Taxes Payable	66
Schedule of Various Reserves	67

(continued)

EXHIBITS**PAGE****Current Fund (continued):**

Schedule of Due to State of New Jersey Division of Youth and Family Services	A-16	68
Schedule of Due to the State of New Jersey D.C.A State Training Fees	A-17	68
Schedule of State and Federal Grants Receivable	A-18	69
Schedule of Reserves for State and Federal Grants – Appropriated	A-19	70
Schedule of Reserves for State and Federal Grants – Unappropriated	A-20	71

Trust Fund:

Schedule of Cash – Treasurer	B-3	75
Schedule of Reserve for Animal Control Fund Expenditures	B-4	76
Schedule of Due to State of New Jersey	B-5	76
Schedule of Payroll Deductions Payable	B-6	77
Schedule of Reserve for Tax Sale Premiums	B-7	78
Schedule of Reserve for Open Space	B-8	79
Schedule of Miscellaneous Trust Reserves	B-9	80
Schedule of Due from County	B-10	81

General Capital Fund:

Schedule of Fund Balance	C-1	85
Schedule of Cash - Treasurer	C-2	85
Analysis of General Capital Cash	C-3	86
Schedule of Deferred Charges to Future Taxation – Funded	C-4	87
Schedule of Deferred Charges to Future Taxation – Unfunded	C-5	88
Schedule of Burlington County Open Space Grant Receivable	C-6	89
Schedule of Capital Improvement Fund	C-7	90
Schedule of Improvement Authorizations	C-8	91
Schedule of General Serial Bonds	C-9	92
Schedule of Bond Anticipation Notes	C-10	93
Schedule of Bonds and Notes Authorized But Not Issued	C-11	94

General Fixed Assets:

Schedule of Investment in Fixed Assets	D-1	97
--	-----	----

(continued)

PART II	PAGE
Comments and Recommendations:	
General Comments	101
Collection of Interest on Delinquent Taxes	102
Delinquent Taxes and Tax Title Liens	102
Examination of Bills	103
Financial Records	103
Fixed Assets	104
Municipal Court	104
Payroll Fund	105
Follow-up of Prior Year Findings	105
Officials	106
Acknowledgment	107
	(concluded)

This page intentionally left blank

**TOWNSHIP OF WESTAMPTON
COUNTY OF BURLINGTON**

PART I

**INDEPENDENT AUDITOR'S REPORTS
AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

This page intentionally left blank

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members
of the Township Committee
Township of Westampton
Westampton, New Jersey 08060

Report on the Financial Statements

We have audited the accompanying statements of assets, liabilities, reserves and fund balance--regulatory basis of the various funds and account group of the Township of Westampton, County of Burlington, State of New Jersey as of December 31, 2016 and 2015, and the related statements of operations and changes in fund balance - regulatory basis for the years then ended, the related statement of revenues - regulatory basis, statement of expenditures - regulatory basis, and statement of general fixed assets group of accounts - regulatory basis for the year ended December 31, 2016 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 accounting principles and practices 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 misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

Opinions

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

As discussed in Note 1 to the financial statements, the Township of Westampton prepares its financial statements using accounting practices that demonstrate compliance with regulatory basis of accounting and budget laws of the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the State of New Jersey.

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

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

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township of Westampton, County of Burlington, State of New Jersey, as of December 31, 2016 and 2015, or the results of its operations and changes in fund balance for the years then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, reserves and fund balance--regulatory basis of the various funds and account group of the Township of Westampton, County of Burlington, State of New Jersey, as of December 31, 2016, and the results of its operations and changes in fund balance --regulatory basis of such funds for the years then ended, and the related statement of revenues--regulatory basis, statement of expenditures--regulatory basis of the various funds, and the related notes to financial statements, for the year ended December 31, 2016 in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Other Matters

Report on Supplementary Information

Our audit was made for the purpose of forming an opinion on the financial statements referred to in the first paragraph as a whole. The supplemental financial statements presented for the various funds are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and is not a required part of the above financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 5, 2017, on our consideration of the Township of Westampton'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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township of Westampton's internal control over financial reporting and compliance.

Respectfully submitted,

HOLMAN FRENIA ALLISON, P.C.

Michael Holt
Certified Public Accountant
Registered Municipal Accountant
CR 473

June 5, 2017
Medford, New Jersey

This page intentionally left blank

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

Honorable Mayor and Members
of the Township Committee
Township of Westampton
Westampton, New Jersey 08060

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements of the Township of Westampton (herein referred to as "the Municipality"), as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the Municipality's basic financial statements, and have issued our report thereon dated June 5, 2017. Our report on the financial statements – regulatory basis was modified to indicate that the financial statements were not prepared and presented in accordance with accounting principles generally accepted in the United States of America but rather prepared and presented in accordance with the regulatory basis of accounting 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, to meet the requirements of the State of New Jersey for municipal government entities as described in Note 1.

Internal Control Over Financial Reporting

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

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

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 *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. 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 Municipality's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying Comments & Recommendations to be a material weakness as Finding No. 2016-004.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Municipality's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* or audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and which are described in the accompanying Comments & Recommendations section as Finding No's. 2016-001, 2016-002, 2016-003, and 2016-004.

Response to Findings

The Township of Westampton's response to the findings identified in our audit is described in the accompanying Comments & Recommendations section. The Township of Westampton's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 Municipality's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey in considering the Municipality's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

HOLMAN FRENIA ALLISON, P.C.

Michael Holt
Certified Public Accountant
Registered Municipal Accountant
CR 473

June 5, 2017
Medford, New Jersey

BASIC FINANCIAL STATEMENTS

This page intentionally left blank

**TOWNSHIP OF WESTAMPTON
CURRENT FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2016 AND 2015**

ASSETS	REFERENCE	2016	2015
Current Fund:			
Cash and Investments:			
Treasurer	A-4	\$ 2,955,380.87	\$ 2,430,218.75
Change Fund	A-6	<u>950.00</u>	<u>950.00</u>
Total Cash and Investments		<u>2,956,330.87</u>	<u>2,431,168.75</u>
Other Receivables:			
Due From State of New Jersey	A	<u>13,272.29</u>	<u>12,043.16</u>
Total Other Receivables		<u>13,272.29</u>	<u>12,043.16</u>
Receivables & Other Assets With Full Reserves:			
Delinquent Property Taxes Receivable	A-7	216,854.81	251,559.46
Tax Title Liens Receivable	A-8	53,372.86	36,070.93
Property Acquired/Assessed Valuation	A-9	1,306,500.00	214,300.00
Revenue Accounts Receivable	A-10	29,302.92	102,766.65
Due from Federal and State Grant Fund	A	167,172.31	174,093.63
Due from Municipal Open Space Fund	B	<u>20,898.85</u>	<u>26,877.19</u>
Total Receivables		<u>1,794,101.75</u>	<u>805,667.86</u>
Total Current Fund Assets		<u>4,763,704.91</u>	<u>3,248,879.77</u>
Federal & State Grant Fund:			
Grants Receivable	A-18	1,071,300.41	984,328.17
Due from Trust Other	B	<u>10,504.80</u>	<u>10,504.80</u>
Total Federal & State Grant Fund Assets		<u>1,081,805.21</u>	<u>994,832.97</u>
Total Assets		<u><u>\$ 5,845,510.12</u></u>	<u><u>\$ 4,243,712.74</u></u>

**TOWNSHIP OF WESTAMPTON
CURRENT FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2016 AND 2015**

LIABILITIES RESERVES & FUND BALANCE	REFERENCE	2016	2015
Current Fund:			
Appropriation Reserve:			
Encumbered	A-3	\$ 11,319.68	\$ 80,865.27
Reserved	A-3	194,954.40	207,746.12
Prepaid Taxes	A	264,346.73	249,983.88
Tax Overpayments	A	15,264.64	3,887.87
Due County for Added & Omitted Taxes	A-14	45,406.66	3,771.75
Local School Taxes Payable	A-12	626,744.94	525,736.42
Regional School Taxes Payable	A-13	256,769.74	140,043.24
Due to State:			
Division of Youth and Family Services - Marriage	A-16	200.00	625.00
DCA Training Fees	A-17	5,891.00	13,542.00
Due General Capital Fund	C	89,234.00	89,234.00
Due to Trust Other Funds	B	1,649.27	1,319.21
Reserve for Municipal Court Roof Repairs	A-15	40.00	40.00
Reserve for Tax Map	A-15	13,362.50	13,362.50
Reserve for Revaluation	A-15	5,828.10	32,670.20
Total Operating Liabilities		<u>1,531,011.66</u>	<u>1,362,827.46</u>
Reserve for Receivables	A	1,794,101.75	805,667.86
Fund Balance	A-1	<u>1,438,591.50</u>	<u>1,080,384.45</u>
Total Operating Fund		<u>4,763,704.91</u>	<u>3,248,879.77</u>
Federal & State Grant Fund:			
Reserve for State Grants:			
Appropriated Reserves	A-19	914,463.90	792,925.51
Unappropriated Reserves	A-20	-	13,768.83
Due to Current Fund	A	167,172.31	174,093.63
Reserve for Encumbrances	A-19	<u>169.00</u>	<u>14,045.00</u>
Total Federal & State Grant Fund		<u>1,081,805.21</u>	<u>994,832.97</u>
Total Liabilities Reserve & Fund Balance		<u>\$ 5,845,510.12</u>	<u>\$ 4,243,712.74</u>

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

**TOWNSHIP OF WESTAMPTON
CURRENT FUND
STATEMENTS OF OPERATIONS AND CHANGES
IN FUND BALANCE - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

	2016	2015
Revenue & Other Income Realized:		
Fund Balance Utilized	\$ 1,000,000.00	\$ 886,000.00
Miscellaneous Revenues Anticipated	3,779,630.12	3,772,455.98
Receipts From Delinquent Taxes	250,118.52	242,074.42
Receipts From Current Taxes	26,262,135.13	25,203,853.57
Nonbudget Revenues	136,204.92	544,325.99
Other Credits to Income:		
Tax Overpayment Adjustment	-	12,946.22
Unexpended Balance of Appropriation Reserves	41,847.15	23,866.35
Liquidation of Reserves for:		
Due Trust Other Fund	-	1,316.56
Due Municipal Open Space Fund	-	390.62
	<u>31,469,935.84</u>	<u>30,687,229.71</u>
Total Revenue & Other Income		
Expenditures:		
Budget & Emergency Appropriations:		
Appropriations Within "CAPS":		
Operations:		
Salaries and Wages	4,739,435.60	4,733,636.18
Other Expenses	2,787,088.48	2,835,605.82
Deferred Charges & Statutory Expenditures	1,245,333.92	1,204,382.00
Appropriations Excluded From "CAPS":		
Operations:		
Salaries and Wages	429,741.05	435,834.72
Other Expenses	416,285.21	1,242,811.88
Capital Improvement Fund	20,000.00	40,000.00
Municipal Debt Service	585,571.47	9,870.27
Deferred Charges	-	154,200.00
County Taxes	4,726,221.66	4,454,645.81
Local District School Tax	9,988,170.00	9,586,154.00
Regional High School Tax	4,654,274.00	4,420,621.00
Municipal Open Space	466,742.04	458,899.56
Prior Year Refunds	50,198.72	-
Veterans and Senior Citizens Deductions Disallowed		
By Tax Collector (Net)--Prior Year Taxes	2,666.64	2,710.40
Interfunds Created	-	44,816.80
	<u>30,111,728.79</u>	<u>29,624,188.44</u>
Total Expenditures		
Excess/(Deficit) in Revenue	1,358,207.05	1,063,041.27
Adjustments to Income before Fund Balance		
Expenditures Included Above Which Are by Statute Deferred Charges to Budget of Succeeding Years	-	-
	<u>1,358,207.05</u>	<u>1,063,041.27</u>
Statutory Excess to Fund Balance		
Fund Balance January 1,	<u>1,080,384.45</u>	<u>903,343.18</u>
Total	2,438,591.50	1,966,384.45
Decreased by: Utilized as Anticipated Revenue	<u>1,000,000.00</u>	<u>886,000.00</u>
Fund Balance December 31, 2016	<u>\$ 1,438,591.50</u>	<u>\$ 1,080,384.45</u>

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

**TOWNSHIP OF WESTAMPTON
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2016**

	ANTICIPATED BUDGET	ADDED BY N.J.S.40A:4-87	REALIZED	EXCESS OR (DEFICIT)
Fund Balance Anticipated	\$ 1,000,000.00	\$ -	\$ 1,000,000.00	\$ -
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	15,000.00	-	15,564.00	564.00
Fees and Permits	30,000.00	-	29,942.47	(57.53)
Municipal Court	500,000.00	-	466,903.29	(33,096.71)
Interest & Cost on Taxes	80,000.00	-	85,872.73	5,872.73
Interest on Investments & Deposits	8,000.00	-	10,120.40	2,120.40
Emergency Medical Service Fees	475,000.00	-	517,664.09	42,664.09
Energy Receipts Tax	653,387.00	-	653,387.00	-
Uniform Construction Code Fees	250,000.00	-	713,855.00	463,855.00
SRO Reimbursement	93,558.00	-	120,486.00	26,928.00
Constr. Code Enforcement - Twp of Hainesport	80,663.00	-	79,090.77	(1,572.23)
Public Bldgs and Grounds - Westampton Twp School District	93,250.00	-	93,250.00	-
Municipal Court--Twp of Eastampton	80,545.00	-	80,545.68	0.68
Additional Revenues Offset With Appropriations:				
Click It or Ticket	-	5,000.00	5,000.00	-
N.J. Transportation Trust Fund Authority Act	196,000.00	-	196,000.00	-
Clean Communities Program	-	21,158.94	21,158.94	-
Bulletproof Vest Partnership Grant	-	2,957.30	2,957.30	-
Recycling Tonnage Grant	22,876.31	-	22,876.31	-
Alcohol Education and Rehabilitation Fund	2,543.13	1,389.92	3,933.05	-
Municipal Alliance on Alcoholism and Drug Abuse	42,300.00	-	42,300.00	-
Drunk Driving Enforcement Fund	15,116.09	-	15,116.09	-
CDBG	-	78,000.00	78,000.00	-
COPS Hiring Program	45,896.00	-	45,896.00	-
Drive Sober Get Pulled Over	-	5,000.00	5,000.00	-
Body Armor Replacement Fund	-	2,344.57	2,344.57	-
Other Special Items:				
Municipal Occupancy Tax	250,050.00	-	400,624.25	150,574.25
Local Fire Bureau Fees	25,000.00	-	24,227.00	(773.00)
Uniform Fire Safety Act	43,732.00	-	47,515.18	3,783.18
Total Miscellaneous	3,002,916.53	115,850.73	3,779,630.12	660,862.86
Receipts from Delinquent Taxes	250,000.00	-	250,118.52	118.52
Subtotal General Revenues	4,252,916.53	115,850.73	5,029,748.64	660,981.38
Amount to be Raised by Taxes for Support to Municipal Budget - Local Tax for Municipal Purposes	6,504,631.24	-	7,076,666.67	572,035.43
Budget Totals	10,757,547.77	115,850.73	12,106,415.31	1,233,016.81
Nonbudget Revenues	-	-	136,204.92	136,204.92
Total	\$ 10,757,547.77	\$ 115,850.73	\$ 12,242,620.23	\$ 1,369,221.73

ANALYSIS OF REALIZED REVENUE

Allocation of Current Tax Collections:

Revenue From Collections	\$ 26,262,135.13
Allocated to - School, County & Special District Taxes	<u>19,835,407.70</u>
Balance for Support of Municipal Budget Revenues	6,426,727.43
Add: Appropriation - "Reserve for Uncollected Taxes"	<u>649,939.24</u>
Amount for Support of Municipal Budget Appropriations	<u>\$ 7,076,666.67</u>

Receipts From Delinquent Taxes:

Delinquent Tax Collections	\$ 250,118.52
Tax Title Lien Collections	<u>-</u>
Total Receipts From Delinquent Taxes	<u>\$ 250,118.52</u>

Analysis of Nonbudget Revenue:

Treasurer:	
PILOT	\$ 23,269.96
Cable Franchise Fees	69,821.75
Smoke Detector Inspections	12,790.00
Administration Fee - Senior Citizens and Veterans	1,542.08
DMV Inspection Reimbursement	17,025.13
Municipal Building Rent	11,376.00
Restitution	<u>380.00</u>
Total Analysis of Nonbudget Revenue	<u>\$ 136,204.92</u>

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

**TOWNSHIP OF WESTAMPTON
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2016**

OPERATIONS	APPROPRIATIONS		EXPENDED		CANCEL
	BUDGET	BUDGET AFTER MODIFICATION	PAID	ENCUMBERED	
General Government:					
General Administration:					
Salaries and Wages	\$ 193,813.00	\$ 183,813.00	\$ 183,651.60	\$ -	\$ 161.40
Other Expenses	42,000.00	48,000.00	44,709.93	42.99	3,247.08
Mayor and Committee:					
Salaries and Wages	18,550.00	18,550.00	18,550.00	-	-
Elections--Other Expense	4,000.00	4,148.28	4,148.28	-	-
Financial Administration (Treasury):					
Salaries and Wages	80,844.00	80,844.00	80,758.00	-	86.00
Other Expenses	25,000.00	25,000.00	23,138.97	-	1,861.03
Audit Services:					
Other Expenses	26,000.00	26,000.00	26,000.00	-	-
Revenue Administration (Tax Collection):					
Salaries and Wages	70,108.00	70,233.00	70,233.00	-	-
Other Expenses	4,000.00	4,000.00	3,435.60	-	564.40
Tax Assessment Administration:					
Salaries and Wages	53,889.00	53,889.00	52,528.51	-	1,360.49
Other Expenses	5,000.00	5,000.00	4,041.37	-	958.63
Legal Services (Legal Department):					
Other Expenses	62,000.00	82,000.00	74,646.77	-	7,353.23
Engineering Services:					
Other Expenses	8,300.00	11,300.00	6,178.28	-	5,121.72
Land Use Administration:					
Planning Board:					
Salaries and Wages	6,001.00	6,001.00	6,001.00	-	-
Other Expenses	3,000.00	3,000.00	1,596.37	-	1,403.63
Insurance:					
Liability Insurance	68,642.00	62,904.00	62,904.00	-	-
Unemployment Insurance	22,000.00	23,500.00	21,921.28	-	1,578.72
Workers Compensation	201,712.00	201,712.00	201,712.00	-	-
Group Insurance for Employees	989,091.00	996,763.20	996,612.15	-	151.05
Health Benefit Waiver	52,500.00	57,939.75	57,939.75	-	-

**TOWNSHIP OF WESTAMPTON
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2016**

OPERATIONS	APPROPRIATIONS			EXPENDED		CANCEL
	BUDGET	BUDGET AFTER MODIFICATION	PAID	ENCUMBERED	RESERVED	
Public Safety Functions:						
Police Department:						
Salaries and Wages	2,215,736.00	2,165,736.00	2,132,308.56	-	33,427.44	-
Other Expenses	90,000.00	90,000.00	88,444.65	643.90	911.45	-
Emergency Medical Services:						
Salaries and Wages	899,250.00	909,250.00	907,803.41	-	1,446.59	-
Other Expenses	81,210.00	86,210.00	75,532.69	4,437.60	6,239.71	-
Emergency Services Billing	25,000.00	26,500.00	24,424.86	-	2,075.14	-
Emergency Management						
Salaries and Wages	5,000.00	5,000.00	5,000.00	-	-	-
Uniform Fire Safety Act:						
Salaries and Wages	45,500.00	23,083.85	15,050.82	-	8,033.03	-
Other Expenses	27,550.00	27,550.00	27,540.32	-	9.68	-
Fire Hydrant Service	81,000.00	81,000.00	79,608.96	-	1,391.04	-
Municipal Prosecutor:						
Salaries and Wages	24,960.00	24,960.00	24,960.00	-	-	-
Public Works Functions:						
Streets & Roads Maintenance:						
Salaries and Wages	547,952.00	550,452.00	549,779.60	-	672.40	-
Other Expenses	99,000.00	104,000.00	90,662.94	3,877.02	9,460.04	-
Trash Removal:						
Collection	182,500.00	182,500.00	182,025.00	-	475.00	-
Vehicle Maintenance:						
Salaries and Wages	-	-			-	-
Other Expenses	136,500.00	146,500.00	135,447.95	31.74	11,020.31	-
Municipal Services Act Costs	15,000.00	15,000.00	14,573.28	-	426.72	-

**TOWNSHIP OF WESTAMPTON
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2016**

OPERATIONS	APPROPRIATIONS		EXPENDED		CANCEL
	BUDGET	BUDGET AFTER MODIFICATION	PAID	ENCUMBERED	
Utility Expenses & Bulk Purchases:					
Electricity	206,000.00	206,000.00	171,156.73	-	34,843.27
Telephone	35,000.00	37,000.00	35,474.17	-	1,525.83
Petroleum Products	100,000.00	73,000.00	62,242.89	-	10,757.11
Water/Sewer	8,000.00	8,500.00	7,873.80	-	626.20
Landfill/Solid Waste Disposal Costs:					
Trash Removal Disposal	270,000.00	264,000.00	238,569.71	-	25,430.29
Recycling Tax	12,500.00	12,500.00	12,500.00	-	-
Uniform Construction Code Enforcement Functions:					
Construction Code Official:					
Salaries and Wages	185,167.00	185,167.00	184,137.07	-	1,029.93
Other Expenses	30,000.00	35,000.00	28,556.58	2,203.19	4,240.23
Municipal Court:					
Salaries and Wages	243,017.00	258,017.00	257,816.17	-	200.83
Other Expenses	45,000.00	45,000.00	41,657.84	-	3,342.16
Other Common Operating Functions (Unclassified):					
Accumulated Leave Compensation	1.00	1.00	1.00	-	-
Total Operations Within "CAPS"	7,547,293.00	7,526,524.08	7,333,855.86	11,236.44	181,431.78
Detail:					
Salaries and Wages	4,778,787.00	4,739,435.60	4,681,965.44	31.74	57,438.42
Other Expenses	2,768,506.00	2,787,088.48	2,651,890.42	11,204.70	123,993.36
Deferred Charges & Statutory Expenditures - Municipal Within "CAPS":					
Statutory Expenditures:					
Social Security System (O.A.S.I.)	388,000.00	388,000.00	376,789.98	-	11,210.02
Public Employees Retirement -ERIF	11,255.00	11,255.00	11,255.00	-	-
Defined Contribution Retirement Program	2,000.00	2,100.00	1,971.75	-	128.25
Consolidated Police & Firemen's Pension	584,555.00	603,903.76	603,903.76	-	-
Public Employees Retirement System	238,755.00	240,075.16	240,075.16	-	-
Total Deferred Charges & Statutory Expenditures Within "CAPS"	1,224,565.00	1,245,333.92	1,233,995.65	-	11,338.27
Total General Appropriations for Municipal Purposes Within "CAPS"	8,771,858.00	8,771,858.00	8,567,851.51	11,236.44	192,770.05

**TOWNSHIP OF WESTAMPTON
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2016**

OPERATIONS	APPROPRIATIONS		EXPENDED		CANCEL
	BUDGET	BUDGET AFTER MODIFICATION	PAID	ENCUMBERED	RESERVED
Operations Excluded From "CAPS":					
Public & Private Programs Offset by Revenues:					
Clean Communities Program Grant		21,158.94	21,158.94	-	-
Body Armor Replacement		2,344.57	2,344.57	-	-
Alcohol Education and Rehabilitation Fund	2,543.13	3,933.05	3,933.05	-	-
Municipal Alliance on Alcoholism and Drug Abuse					
State Share	42,300.00	42,300.00	42,300.00	-	-
Township Share	2,100.00	2,100.00	2,100.00	-	-
Police Hiring Program Grant					
Salaries and Wages		-		-	-
Other Expenses					
Bulletproof Vest Partnership Grant		2,957.30	2,957.30	-	-
Recycling Tonnage Grant	22,876.31	22,876.31	22,876.31	-	-
Drunk Driving Enforcement Grant	15,116.09	15,116.09	15,116.09	-	-
Drive Sober or Get Pulled Over		5,000.00	5,000.00	-	-
FEMA - Assistance to Firefighters		-		-	-
FEMA - Assistance to Firefighters - Township Match		-		-	-
FEMA - SAFER Program		-		-	-
2013 COPS Hiring Program					
Federal Share	45,896.00	45,896.00	45,896.00	-	-
Township Share	45,896.00	45,896.00	45,896.00	-	-
Click it or Ticket		5,000.00	5,000.00	-	-
NJ Transportation Trust Fund Authority Act - 2015					
NJ Transportation Trust Fund Authority Act	196,000.00	196,000.00	196,000.00	-	-
Community Development Block Grant		78,000.00	78,000.00	-	-
Insurance (N.J.S.A. 40A:4-45.3(00)):					
Employee Group Health	9,432.00	9,432.00	9,432.00	-	-
Shared Municipal Service Agreements					
Construction Code Enforcement:					
Salaries and Wages	72,663.00	72,663.00	71,090.77	-	1,572.23
Other Expenses	8,000.00	8,000.00	7,895.26	-	104.74
Public Building Grounds:					
Salaries and Wages	87,250.00	87,250.00	87,250.00	-	-
Other Expenses	6,000.00	6,000.00	5,409.38	83.24	507.38
Municipal Court:					
Salaries and Wages	80,545.00	80,545.00	80,545.00	-	-
Police:					
Salaries and Wages	93,558.00	93,558.00	93,558.00	-	-
Total Operations Excluded from "CAPS"	730,175.53	846,026.26	843,758.67	83.24	2,184.35
Detail:					
Salaries and Wages	428,351.13	429,741.05	428,168.82	-	1,572.23
Other Expenses	301,824.40	416,285.21	415,589.85	83.24	612.12

**TOWNSHIP OF WESTAMPTON
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2016**

OPERATIONS	APPROPRIATIONS		EXPENDED		CANCEL
	BUDGET	BUDGET AFTER MODIFICATION	PAID	ENCUMBERED RESERVED	
Capital Improvement Fund	20,000.00	20,000.00	20,000.00	-	-
Total Capital Improvements - Excluded from CAPS	20,000.00	20,000.00	20,000.00	-	-
Municipal Debt Service - Excluded From "CAPS":					
Payment of Bond Principal	459,000.00	459,000.00	459,000.00	-	-
Interest on Bonds	126,575.00	126,575.00	126,571.47	-	3.53
Total Municipal Debt Service Excluded From "CAPS"	585,575.00	585,575.00	585,571.47	-	3.53
Total General Appropriations Excluded From "CAPS"	605,575.00	605,575.00	605,571.47	-	3.53
Subtotal General Appropriations Reserve For Uncollected Taxes	10,107,608.53	10,223,459.26	10,017,181.65	11,319.68	194,954.40
	649,939.24	649,939.24	649,939.24	-	-
Total General Appropriations	<u>\$ 10,757,547.77</u>	<u>\$ 10,873,398.50</u>	<u>\$ 10,667,120.89</u>	<u>\$ 11,319.68</u>	<u>\$ 194,954.40</u>
Adopted Budget					
Added by N.J.S.40A:4-87					
		<u>\$ 10,757,547.77</u>			
		<u>115,850.73</u>			
Total		<u>\$ 10,873,398.50</u>			
Federal & State Grants					
Reserve for Uncollected Taxes					
Refunds					
Disbursed					
		\$ 488,578.26			
		649,939.24			
		(289,767.22)			
		<u>9,818,370.61</u>			
Total		<u>\$ 10,667,120.89</u>			

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

**TOWNSHIP OF WESTAMPTON
TRUST FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2016 AND 2015**

ASSETS	REFERENCE	2016	2015
Animal Control Fund:			
Cash	B-3	\$ 4,024.22	\$ 4,310.32
Prepaid Expense	B	114.00	59.40
Total Animal Control Fund		<u>4,138.22</u>	<u>4,369.72</u>
Other Funds:			
Cash - Treasurer	B-3	947,118.70	500,584.67
Cash - Collector	B-3	393,482.64	274,664.09
Due from Current Fund	A	1,649.27	1,319.21
Total Other Funds		<u>1,342,250.61</u>	<u>776,567.97</u>
Municipal Open Space Funds:			
Cash - Treasurer	B-3	684,051.23	691,326.16
Due from County	B-10	200,600.00	214,200.00
Total Municipal Open Space Funds		<u>884,651.23</u>	<u>905,526.16</u>
Total Assets		<u>\$ 2,231,040.06</u>	<u>\$ 1,686,463.85</u>
LIABILITIES, RESERVES & FUND BALANCE			
Animal Control Fund:			
Reserve for Animal Control Fund Expenditures	B-4	\$ 1,773.22	\$ 1,251.72
Due to State of NJ --State Registration Fees	B-5	1.00	1.00
Prepaid Animal Control Licenses	B	2,364.00	3,117.00
Total Animal Control Fund		<u>4,138.22</u>	<u>4,369.72</u>
Other Funds:			
Reserves for:			
Municipal Law Enforcement Grant	B-9	9,714.19	2,702.72
Municipal Drug Alliance	B-9	49,714.53	21,548.38
Performance Bonds	B-9	83,400.00	16,956.00
Redemption of Tax Title Liens	B-9	1,782.64	1,039.83
Escrow Deposits	B-9	83,212.91	74,859.13
Fire Code Penalties	B-9	1,559.76	8,645.22
Outside Police Services	B-9	10,672.99	6,148.53
Public Defender Fees	B-9	12,011.59	14,270.71
Recreation Expenditures	B-9	109,623.13	123,411.48
Accumulated Sick Time	B-9	53,272.31	70,886.79
Snow Removal	B-9	56,098.94	60,842.26
Affordable Housing	B-9	28,448.11	28,376.26
COAH Development Fees	B-9	433,537.82	50,207.70
Confiscated Funds	B-9	2,690.56	7,339.72
Police K-9 Unit	B-9	50.04	-
Payroll Deductions Payable	B-6	4,256.29	5,228.44
Premiums Received at Tax Sales	B-7	391,700.00	273,600.00
Due to Federal and State Grant Fund	A	10,504.80	10,504.80
Total Other Funds		<u>1,342,250.61</u>	<u>776,567.97</u>
Municipal Open Space Funds:			
Due to General Capital Fund	C	250,000.00	214,000.00
Due to Current Fund	A	20,898.85	26,877.19
Reserve for County Receivable	B	200,600.00	214,200.00
Reserve for Municipal Open Space	B-8	413,152.38	450,448.97
Total Municipal Open Space Fund		<u>884,651.23</u>	<u>905,526.16</u>
Total Liabilities, Reserves & Fund Balance		<u>\$ 2,231,040.06</u>	<u>\$ 1,686,463.85</u>

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

**TOWNSHIP OF WESTAMPTON
TRUST MUNICIPAL OPEN SPACE FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2016**

	ANTICIPATED BUDGET	REALIZED	EXCESS OR (DEFICIT)
Amount to be Raised by Taxation	\$ 462,136.33	\$ 468,114.67	\$ 5,978.34
Reserve for Open Space	450,450.00	450,450.00	-
Public and Private Revenues	38,296.00	-	(38,296.00)
Miscellaneous	-	99,156.25	99,156.25
	<hr/>	<hr/>	<hr/>
Total	\$ 950,882.33	\$ 1,017,720.92	\$ 66,838.59

ANALYSIS OF REALIZED REVENUE

Amount to be Raised by Taxation:

Current Year Levy	\$ 463,508.96
Added/Omitted Levy	4,605.71
	<hr/>
	468,114.67
	<hr/>

Miscellaneous:

Reimbursement for Field Lighting Expense	\$ 82,318.75
Open Space Reimbursement from County	15,760.00
Interest on Investments	1,077.50
	<hr/>
	\$ 99,156.25
	<hr/>

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

TOWNSHIP OF WESTAMPTON
TRUST MUNICIPAL OPEN SPACE FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2016

OPERATIONS	APPROPRIATIONS				EXPENDED		UNEXPENDED	
	BUDGET AFTER		PAID	ENCUMBERED	RESERVED	CANCELLED	BALANCE	
	BUDGET	MODIFICATION						
Maintenance of Lands for Recreation and Conservation								
Salaries and Wages	\$ 62,984.00	\$ 62,984.00	\$ 62,984.00	\$ -	\$ -	\$ -	\$ -	
Other Expenses	125,000.33	125,000.33	113,870.85	-	11,129.48	-	-	
Historic Preservation								
Other Expenses	20,000.00	20,000.00	959.28	-	19,040.72	-	-	
Acquisition of Land for Recreation and Conservation	120,000.00	120,000.00	7,150.25	-	112,849.75	-	-	
Acquisition of Farmland	40,000.00	40,000.00	45,000.00	-	(5,000.00)	-	-	
Down Payments on Improvements	20,000.00	20,000.00	-	-	20,000.00	-	-	
Reserve for Future Use	188,252.00	188,252.00	-	-	188,252.00	-	-	
Debt Service								
Payment of Bond Anticipation Notes	362,136.00	362,136.00	362,136.00	-	-	-	-	
Interest on Bonds	12,510.00	12,510.00	12,467.13	-	-	-	42.87	
Total	\$ 950,882.33	\$ 950,882.33	\$ 604,567.51	\$ -	\$ 346,271.95	\$ -	\$ 42.87	

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

TOWNSHIP OF WESTAMPTON
GENERAL CAPITAL FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2016 AND 2015

ASSETS	REFERENCE	2016	2015
Cash & Cash Equivalents	C-2	\$ 152,939.55	\$ 454,567.37
Burlington County Open Space Grant Receivable	C-6	72,000.00	108,000.00
Due from Current Fund	C-3	89,234.00	89,234.00
Due from Municipal Open Space Trust Fund	B	250,000.00	214,000.00
Deferred Charges to Future Taxation:			
Funded	C-4	4,010,000.00	4,469,000.00
Unfunded	C-5	<u>2,449,200.33</u>	<u>2,467,336.33</u>
Total Assets		<u>\$ 7,023,373.88</u>	<u>\$ 7,802,137.70</u>
LIABILITIES, RESERVES & FUND BALANCE			
Bond Anticipation Notes Payable	C-10	\$ 2,376,705.00	\$ 2,358,841.00
General Serial Bond	C-9	4,010,000.00	4,469,000.00
Capital Improvement Fund	C-7	4,075.00	4,075.00
Reserve for Encumbrances	C-8	156,258.64	104,279.64
Improvement Authorizations:			
Funded	C-8	83,748.68	609,849.77
Unfunded	C-8	320,581.09	148,086.82
Reserve for:			
Burlington County Open Space Grant Receivable	C-6	72,000.00	108,000.00
Fund Balance	C-1	<u>5.47</u>	<u>5.47</u>
Total Liabilities, Reserves & Fund Balance		<u>\$ 7,023,373.88</u>	<u>\$ 7,802,137.70</u>

There were bonds and notes authorized but not issued on December 31, 2016 of \$495.33 and on December 31, 2015 of \$475,000.33.

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

**TOWNSHIP OF WESTAMPTON
GENERAL FIXED ASSETS ACCOUNT GROUP
STATEMENTS OF FIXED ASSETS AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2016 AND 2015**

ASSETS	REFERENCE	2016	2015
Land and Improvements	D-1	\$ 6,038,281.72	\$ 6,038,281.72
Building	D-1	2,157,000.00	2,157,000.00
Machinery and Equipment	D-1	<u>3,474,872.77</u>	<u>3,474,872.77</u>
Total		<u>\$ 11,670,154.49</u>	<u>\$ 11,670,154.49</u>
FUND BALANCE			
Investment in Fixed Assets	D-1	<u>\$ 11,670,154.49</u>	<u>\$ 11,670,154.49</u>

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

**TOWNSHIP OF WESTAMPTON
COUNTY OF BURLINGTON**

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

This page intentionally left blank

TOWNSHIP OF WESTAMPTON

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

Note 1. Summary of Significant Accounting Policies

Description of Financial Reporting Entity

The Township of Westampton was incorporated in 1850 and is located in central New Jersey in Burlington County, approximately twenty miles south of the City of Trenton. The 2010 population according to the U.S. Census Bureau is 8,813.

The Township has a Township Committee form of government. The Mayor is elected at the first meeting of each year from among the five committee members, by the five committee members. The committee members serve three year terms that are staggered. Two members are elected in two successive years and one member is elected in the third year.

Component Units - The Township of Westampton has no component units as defined by Governmental Accounting Standards Board Statement No. 14, as amended by GASB Statements No. 39 and 61.

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

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

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

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

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

General Fixed Assets Account Group – used to account for fixed assets used in general government operations.

Budgets and Budgetary Accounting - The Township must adopt an annual budget for its current fund in accordance with *N.J.S.A.40A:4* et seq. *N.J.S.A.40A:4-5* requires the governing body to introduce and approve the annual municipal budget no later than February 10th of each year. At introduction, the governing body shall fix the time and place for a public hearing on the budget and must advertise the time and place at least ten days prior to the hearing in a newspaper published and circulating in the Township.

TOWNSHIP OF WESTAMPTON

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

Note 1. Summary of Significant Accounting Policies (continued):

The public hearing must not be held less than twenty-eight days after the date the budget was introduced. After the hearing has been held, the governing body may, by majority vote, adopt the budget or may amend the budget in accordance with N.J.S.A.40A:4-9. Amendments to adopted budgets, if any, are detailed in the statements of revenues and expenditures.

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

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

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

New Jersey municipal units are required by N.J.S.A. 40A:5-14 to deposit public funds in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States or of the State of New Jersey or in the New Jersey Cash Management Fund. *N.J.S.A.40A:5-15.1* provides a list of investments which may be purchased by New Jersey municipal units. In addition, other State statutes permit investments in obligations issued by local authorities and other state agencies. *N.J.S.A.17:9-41* et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act ("GUDPA"), a multiple financial institutional collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the amount of their deposits to the governmental units.

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

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

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

TOWNSHIP OF WESTAMPTON

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

Note 1. Summary of Significant Accounting Policies (continued):

General Fixed Assets - Accounting for governmental fixed assets, as required by *N.J.A.C.5:30-5.6*, differs in certain respects from accounting principles generally accepted in the United States of America. In accordance with the regulations, all local units, including municipalities, must maintain a general fixed assets reporting system that establishes and maintains a physical inventory of nonexpendable, tangible property as defined and limited by the U.S. Office of Management and Budget Circular A-87 (Attachment B, Section 19), except that the useful life of such property is at least five years. The Township has adopted a capitalization threshold of \$5,000.00, the maximum amount allowed by the Circular. Generally, assets are valued at historical cost; however, assets acquired prior to December 31, 1985 are valued at actual historical cost or estimated historical cost. In some instances, assets are valued at the assessed valuation of the property at the time of acquisition, which approximates fair value. No depreciation of general fixed assets is recorded. Donated general fixed assets are recorded at their estimated fair market value on the acquisition date. Interest costs relative to the acquisition of general fixed assets are recorded as expenditures when paid. Public domain ("infrastructure") general fixed assets consisting of certain improvements such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. Expenditures for construction in progress are recorded in the capital funds until such time as the construction is completed and put into operation. The Township is required to maintain a subsidiary ledger detailing fixed assets records to control additions, retirements, and transfers of fixed assets. In addition, a statement of general fixed assets, reflecting the activity for the year, must be included in the Township's basic financial statements.

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

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 foreclosed property has not been included in the general fixed assets account group. If such property is converted to a municipal use, it will be recorded in the general fixed assets account group.

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

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

TOWNSHIP OF WESTAMPTON

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

Note 1. Summary of Significant Accounting Policies (continued):

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

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

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

School Taxes - The Township is responsible for levying, collecting, and remitting school taxes for the Westampton Township School District and the Rancocas Valley Regional High School District. Operations are charged for the full amount required to be raised from taxation to operate the local school district for the period from January 1 to December 31 and for the regional high school district the Township's share of the amount required to be raised by taxation for the period from July 1 to June 30, increased by the amount deferred at December 31, 2015 and decreased by the amount deferred at December 31, 2016.

County Taxes - The Township is responsible for levying, collecting, and remitting county taxes for the County of Burlington. Operations is charged for the amount due the County for the year, based upon the ratables required to be certified to the County Board of Taxation by January 10 of the current year. In addition, operations is charged for the County share of Added and Omitted Taxes certified to the County Board of Taxation by October 10 of the current year and due to be paid to the County by February 15 of the following year.

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

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

TOWNSHIP OF WESTAMPTON

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

Note 1. Summary of Significant Accounting Policies (continued):

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

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

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

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

Impact of Recently Issued Accounting Principles Impact of Recently Issued Accounting Principles

Adopted Accounting Pronouncements

For the year ended December 31, 2016, the Township implemented GASB Statement No. 72, *Fair Value Measurement and Application*. As a result of implementing this statement, the Township is required to measure certain investments at fair value for financial reporting purposes. In addition, the Township is required to measure donated capital assets at acquisition value (an entry price); these assets were previously required to be measured at fair value. Statement No. 72 requires disclosures to be made about fair value measurements, the level of fair value hierarchy, and valuation techniques. Implementation of this Statement did not impact the Township's financial statements.

The Township implemented GASB 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*. Implementation of this Statement did not impact the Township's financial statements.

The Township implemented GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. Implementation of this Statement did not impact the Township's financial statements.

Statement No. 77, *Tax Abatement Disclosures*. This Statement requires governments that enter into tax abatement agreements to disclose information about those agreements. Implementation of this Statement did not impact the Township's financial statements.

TOWNSHIP OF WESTAMPTON

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

Note 1. Summary of Significant Accounting Policies (continued):

Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*. The objective of this Statement is to address a practice issue regarding the scope and applicability of Statement No. 68, *Accounting and Financial Reporting for Pensions*. Implementation of this Statement did not impact the Township's financial statements.

Statement No. 79, *Certain External Investment Pools and Pool Participants*. This Statement addresses accounting and financial reporting for certain external investment pools and pool participants. Implementation of this Statement did not impact the Township's financial statements.

Recently Issued Accounting Pronouncements

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

Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement will be effective for the year ended December 31, 2017. Management does not expect this Statement to impact the Township's financial statements.

Statement No. 75, *Accounting and Financial Reporting for Post-employment Benefits Other than Pensions*. This Statement replaces the requirements of Statement No. 45, *Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agency Employers and Agent Multi-Employer Plans*, for OPEB Statement No. 74, *Financial Reporting for Post-employment Benefit Plans Other Than Pension Plans*, establishes new accounting and financial reporting requirements for OPEB Plans. This Statement will be effective for the year ended December 31, 2018. Management has not yet determined the potential impact on the Township's financial statements.

Statement No. 80, *Blending Requirements for Certain Component Units - an amendment of GASB Statement No. 14*. The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the blending requirements established in paragraph 53 of Statement No. 14, *The Financial Reporting Entity, as amended*. This Statement will be effective for the year ended December 31, 2017. Management does not expect this Statement to impact the Township's financial statements.

Statement No. 81, *Irrevocable Split-Interest Agreements*. The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. This Statement will be effective for the year ended December 31, 2017. Management does not expect this Statement to impact the Township's financial statements.

TOWNSHIP OF WESTAMPTON

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

Note 1. Summary of Significant Accounting Policies (continued):

Statement No. 82, *Pension Issues – an amendment of GASB Statements No. 67, 68 and No. 73*. The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and 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 will be effective for the year ended December 31, 2017. Management has not yet determined the potential impact on the Township's financial statements.

Statement No. 83, *Certain Asset Retirement Obligations*. This Statement addresses accounting and financial reporting requirements for certain asset retirement obligations and establishes the timing and pattern of recognition of a liability and corresponding deferred outflow of resources. This Statement will be effective for the year ended December 31, 2019. Management does not expect this Statement to impact the Township's financial statements.

Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement will be effective for the year ended December 31, 2019. Management does not expect this Statement to impact the Township's financial statements.

Statement No. 85, *Omnibus 2017*. The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). This Statement will be effective for the year ended December 31, 2018. Management has not yet determined the potential impact on the Township's financial statements.

Note 2. Cash and Cash Equivalents:

The Township is governed by the deposit and investment limitations of New Jersey state law. The Deposits and investments held at December 31, 2016, and reported at fair value are as follows:

<u>Type</u>	<u>Carrying Value</u>
Deposits:	
Demand Deposits	\$ 5,137,947.21
Total Deposits	<u>\$ 5,137,947.21</u>
Fund:	
Current Fund	\$ 2,956,330.87
Animal Control Trust Fund	4,024.22
Trust - Other Fund	1,340,601.34
Municipal Open Space Trust Fund	684,051.23
General Capital Fund	<u>152,939.55</u>
Total	<u>\$ 5,137,947.21</u>

TOWNSHIP OF WESTAMPTON

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

Note 2. Cash and Cash Equivalents (continued):

Custodial Credit Risk Related to Deposits - Custodial credit risk is the risk that, in the event of a bank failure, the Township's deposits might not be recovered. Although the Township does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the Township 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 Township relative to the happening of a future condition. Such funds are shown as uninsured and uncollateralized in the schedule that follows.

As of December 31, 2016, the Township's bank balances of \$5,350,694.32 were exposed to custodial credit risk as follows:

Uninsured & Uncollateralized	\$ 1,810,602.00
Insured Under F.D.I.C.	500,000.00
Collateralized Under GUDPA	<u>3,040,092.32</u>
Total	<u>\$ 5,350,694.32</u>

Note: 3: Property Taxes

The following is a three-year comparison of certain statistical information relative to property taxes and property tax collections for the current and previous two years.

Comparison of Tax Rate Information

	2016	2015	2014
Total Tax Rate	<u>\$2.276</u>	<u>\$2.232</u>	<u>\$2.175</u>
Apportionment of Tax Rate:			
Municipal	0.563	0.563	0.524
Municipal Open Space	0.040	0.040	0.040
County	0.407	0.389	0.378
Local School	0.864	0.854	0.847
Regional School	0.402	0.386	0.386

Net Valuation Taxable:

2016	<u>\$ 1,155,340,830</u>	
2015	<u>\$ 1,146,278,979</u>	
2014		<u>\$ 1,176,955,207</u>

TOWNSHIP OF WESTAMPTON

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

Note: 3: Property Taxes (continued):

Comparison of Tax Levies and Collection Currently

YEAR	TAX LEVY	CASH COLLECTIONS	PERCENTAGE OF COLLECTION
2016	\$ 26,552,805.03	\$ 26,262,135.13	98.90%
2015	25,609,696.99	25,203,853.57	98.42%
2014	25,609,997.88	24,959,032.58	97.46%

Delinquent Taxes and Tax Title Liens

YEAR ENDED DECEMBER 31	AMOUNT OF TAX TITLE LIENS	AMOUNT OF DELINQUENT TAXES	TOTAL DELINQUENT	PERCENTAGE OF TAX LEVY
2016	\$ 53,372.86	\$ 216,854.81	\$ 270,227.67	1.02%
2015	36,070.93	251,559.46	287,630.39	1.12%
2014	30,873.15	470,467.02	501,340.17	1.96%

Note: 4. Property Acquired By Tax Title Lien Liquidation

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

YEAR	AMOUNT
2016	\$ 1,306,500.00
2015	214,300.00
2014	214,300.00

TOWNSHIP OF WESTAMPTON

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

Note 5: Fund Balance Appropriated

The following schedule details the amount of fund balance available at the end of the current year and four previous years and the amounts utilized in the subsequent year's budgets.

YEAR	BALANCE DECEMBER 31,	UTILIZED IN BUDGET OF SUCCEEDING YEAR	PERCENTAGE OF FUND BALANCE USED
CURRENT FUND:			
2016	\$ 1,438,591.50	\$ 1,150,000.00	79.94%
2015	1,080,384.45	1,000,000.00	92.56%
2014	903,343.18	886,000.00	98.08%
2013	1,402,642.85	1,300,000.00	92.68%
2012	1,016,706.36	950,000.00	93.44%

Note 6. Interfund Receivables and Payables

The following interfunds remained as of December 31, 2016:

Fund	Interfund Receivable	Interfund Payable
Current Fund	\$ 188,071.16	\$ 90,883.27
Federal and State Grant Fund	10,504.80	167,172.31
General Capital Fund	339,234.00	-
Trust - Animal Control Fund	-	-
Trust - Other Fund	1,649.27	10,504.80
Trust - Municipal Open Space Fund	-	270,898.85
	<u>\$ 539,459.23</u>	<u>\$ 539,459.23</u>

The interfund receivables and payables above predominately resulted from payment made by certain funds on behalf of other funds. All interfund balances are expected to be repaid within one year.

The summary of interfund transfers follows:

Fund	Interfund Transfer In	Interfund Transfer Out
Current Fund	\$ -	\$ 27,029.68
Federal and State Grant Fund	27,029.68	-
General Capital Fund	36,000.00	-
Municipal Open Space Trust Fund	-	36,000.00
	<u>\$ 63,029.68</u>	<u>\$ 63,029.68</u>

TOWNSHIP OF WESTAMPTON

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

Note 7. Pension Obligations

A. Public Employees' Retirement System (PERS)

Plan Description - The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PERS, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrpts.shtml.

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

The following represents the membership tiers for PERS:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Basis of Presentation - The schedules of employer allocations and the schedules of pension amounts by employer (collectively, the Schedules) present amounts that are considered elements of the financial statements of PERS or its participating employers. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of PERS or the participating employers. The accompanying Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of PERS to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

Contributions - The contribution policy for PERS is set by *N.J.S.A. 43:15A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability.

TOWNSHIP OF WESTAMPTON

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

Note 7. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS) (continued):

Funding for noncontributory group insurance benefits is based on actual claims paid. For the fiscal year 2016, the State's pension contribution was less than the actuarial determined amount. The local employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

Components of Net Pension Liability - At December 31, 2016, the Municipality reported a liability of \$8,069,198 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2016. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. The Municipality's proportion of the net pension liability was based on the Municipality's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2016. The Municipality's proportion measured as of June 30, 2016, was .02725%, which was a decrease of .00052% from its proportion measured as of June 30, 2015.

Collective Balances at December 31, 2016 & December 31, 2015

	<u>12/31/16</u>	<u>12/31/15</u>
Actuarial Valuation Date (including roll Forward)	June 30, 2016	June 30, 2015
Deferred Outflows of Resources	2,279,968	1,012,562
Deferred Inflows of Resources	85,694	100,231
Net Pension Liability	8,069,198	6,234,004
Municipality's Portion of the Plan's Total		
Net Pension Liability	0.02725%	0.02777%

Pension Expense and Deferred Outflows/Inflows of Resources - At December 31, 2016, the Municipality reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

TOWNSHIP OF WESTAMPTON

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

Note 7. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS) (continued):

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 150,063	\$ -
Changes of Assumptions	1,671,507	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	307,686	-
Changes in Proportion and Differences between Municipality Contributions and Proportionate Share of Contributions	<u>150,712</u>	<u>85,694</u>
	<u>\$ 2,279,968</u>	<u>\$ 85,694</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the pension expense as follows:

Year Ending

Dec 31,

PERS

2017	\$ 507,036
2018	507,036
2019	584,333
2020	470,000
2021	<u>125,869</u>
	<u>\$ 2,194,274</u>

TOWNSHIP OF WESTAMPTON

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

Note 7. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS) (continued):

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2014	-	5.00
June 30, 2015	-	5.00
June 30, 2016	5.00	-
Changes in Proportion and Differences between Municipality Contributions and Proportionate Share of Contributions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	6.44
June 30, 2015	5.72	5.72
June 30, 2016	5.57	5.57

Actuarial Assumptions - The total pension asset/(liability) as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuations used the following actuarial assumptions:

TOWNSHIP OF WESTAMPTON

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

Note 7. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS) (continued):

<u>PERS</u>	
Inflation	3.08%
Salary Increases:	
Through 2026	1.65% - 4.15% Based on Age
Thereafter	2.65% - 5.15% Based on Age
Investment Rate of Return	7.65%
Mortality Rate Table	RP-2000
Period of Actuarial Experience	
Study upon which Actuarial	
Assumptions were Based	July 1, 2011 - June 30, 2014

Pre-retirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on the mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scales. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

TOWNSHIP OF WESTAMPTON

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

Note 7. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS) (continued):

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.65% at June 30, 2016) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2016 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%	0.87%
U.S. Treasuries	1.50%	1.74%
Investment grade credit	8.00%	1.79%
Mortgages	2.00%	1.67%
High Yield Bonds	2.00%	4.56%
Inflation-Indexed Bonds	1.50%	3.44%
Broad U.S. Equities	26.00%	8.53%
Developed Foreign Equities	13.25%	6.83%
Emerging Market Equities	6.50%	9.95%
Private Equity	9.00%	12.40%
Hedge Funds/Absolute Return	12.50%	4.68%
Real Estate (Property)	2.00%	6.91%
Commodities	0.50%	5.45%
Global debt ex U.S.	5.00%	-0.25%
REIT	5.25%	5.63%
	<u>100.00%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 3.98% as of June 30, 2016. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.65%, and a municipal bond rate of 2.85% as of June 30, 2016 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipals 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 contribution rate in the most recent fiscal year. The State employer contributed 30% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions.

TOWNSHIP OF WESTAMPTON

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

Note 7. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS) (continued):

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 2034. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2034 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the Municipality's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the Municipality's proportionate share of the net pension liability calculated using the discount rate as disclosed above, as well as what the Municipality's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.98%) or 1-percentage-point higher (4.98%) than the current rate:

	Decrease (2.98%)	Discount Rate (3.98%)	Increase (4.98%)
Municipality's proportionate share of the Net Pension Liability and the State's Proportionate Share of the Net Pension Liability associated with the Municipality	\$ 9,887,860	\$ 8,069,198	\$ 6,567,735

B. Police and Firemen's Retirement System (PFRS)

Plan Description – The State of New Jersey, Police and Firemen's Retirement System (PFRS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PFRS, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrpts.shtml.

The vesting and benefit provisions are set by N.J.S.A. 43:16A. PFRS provides retirement as well as death and disability benefits. All benefits vest after ten years of service, except disability benefits which vest after four years of service.

The following represents the membership tiers for PFRS:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to May 22, 2010.
2	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
3	Members who were eligible to enroll on or after June 28, 2011

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

TOWNSHIP OF WESTAMPTON

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

Note 7. Pension Obligations (continued):

B. Police and Firemen's Retirement System (PFRS) (continued):

Members may elect deferred retirement benefits after achieving ten years of service, in which case benefits would begin at age 55 equal to 2% of final compensation for each year of service.

Basis of Presentation - The schedules of employer allocations and the schedules of pension amounts by employer (collectively, the Schedules) present amounts that are considered elements of the financial statements of PFRS or its participating employers. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of PFRS or the participating employers. The accompanying Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of PFRS to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

Contributions - The contribution policy for PFRS is set by *N.J.S.A. 43:16A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's contribution amount is based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. For fiscal year 2016, the State contributed an amount less than the actuarially determined amount. The Local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PFRS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. Municipality contributions to PFRS amounted to \$603,170 for 2016.

The employee contributions for PFRS are 10.00% of employees' annual compensation, as defined.

Net Pension Liability and Pension Expense - At December 31, 2016, the Municipality's proportionate share of the PFRS net pension liability is valued to be \$14,131,628. The net pension liability was measured as of June 30, 2016. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2015, to the measurement date of June 30, 2016. The Municipality's proportion of the net pension liability was based on the Municipality's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2016. The Municipality's proportion measured as of June 30, 2016, was .07398%, which was an increase of .00206% from its proportion measured as of June 30, 2015.

TOWNSHIP OF WESTAMPTON

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

Note 7. Pension Obligations (continued):

B. Police and Firemen's Retirement System (PFRS) (continued):

Collective Balances at December 31, 2016 & December 31, 2015

	<u>12/31/16</u>	<u>12/31/15</u>
Actuarial Valuation Date (including roll Forward)	June 30, 2016	June 30, 2015
Deferred Outflows of Resources	3,241,759	2,286,315
Deferred Inflows of Resources	378,203	678,255
Net Pension Liability	14,131,628	11,978,395
Municipality's Portion of the Plan's Total		
Net Pension Liability	0.07398%	0.07191%

Pension Expense and Deferred Outflows/Inflows of Resources - At December 31, 2016, the Municipality had deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ -	\$ 92,635
Changes of Assumptions	1,957,347	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	990,175	-
Changes in Proportion and Differences between Municipality Contributions and Proportionate Share of Contributions	<u>294,237</u>	<u>285,568</u>
	<u>\$ 3,241,759</u>	<u>\$ 378,203</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pension expense as follows:

TOWNSHIP OF WESTAMPTON

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

Note 7. Pension Obligations (continued):

B. Police and Firemen's Retirement System (PFRS) (continued):

Year Ending			
	<u>Dec 31,</u>	<u>PFRS</u>	
	2017	\$	658,892
	2018		658,890
	2019		900,396
	2020		555,190
	2021		90,186
			<u>2,863,554</u>
		\$	<u>2,863,554</u>
		<u>Deferred</u>	<u>Deferred</u>
		<u>Outflows of</u>	<u>Inflows of</u>
		<u>Resources</u>	<u>Resources</u>
Differences between Expected and Actual Experience			
Year of Pension Plan Deferral:			
	June 30, 2014	-	-
	June 30, 2015	-	5.53
	June 30, 2016	-	5.58
Changes of Assumptions			
Year of Pension Plan Deferral:			
	June 30, 2014	6.17	-
	June 30, 2015	5.53	-
	June 30, 2016	5.58	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments			
Year of Pension Plan Deferral:			
	June 30, 2014	-	5.00
	June 30, 2015	-	5.00
	June 30, 2016	5.00	-
Changes in Proportion and Differences between Municipality Contributions and Proportionate Share of Contributions			
Year of Pension Plan Deferral:			
	June 30, 2014	6.17	6.17
	June 30, 2015	5.53	5.53
	June 30, 2016	5.58	5.58

TOWNSHIP OF WESTAMPTON

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

Note 7. Pension Obligations (continued):

B. Police and Firemen's Retirement System (PFRS) (continued):

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

Additionally, the State's proportionate share of the net pension liability attributable to the Municipality is \$1,186,706 as of December 31, 2016. The net pension liability was measured as of June 30, 2016. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2015, to the measurement date of June 30, 2016. The State's proportion of the net pension liability associated with the Municipality was based on a projection of the Municipality's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. The State's proportion measured as of June 30, 2016 was .07398%, which was an increase of .00206% from its proportion measured as of June 30, 2015, which is the same proportion as the Municipality's.

Municipality's Proportionate Share of the Net Pension Liability	\$ 14,131,628
State's Proportionate Share of the Net Pension Liability Associated with the Municipality	<u>1,186,706</u>
Total Net Pension Liability	<u><u>\$ 15,318,334</u></u>

For the year ended December 31, 2016, the Municipality's total allocated pension expense was \$1,338,276.

Actuarial Assumptions - The total pension asset/(liability) as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuations used the following actuarial assumptions:

TOWNSHIP OF WESTAMPTON

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

Note 7. Pension Obligations (continued):

B. Police and Firemen's Retirement System (PFRS) (continued):

PFRS

Inflation	3.08%
Salary Increases:	
Through 2026	2.10% - 8.98% Based on Age
Thereafter	3.10% - 9.98% Based on Age
Investment Rate of Return	7.65%
Mortality Rate Table	RP-2000
Period of Actuarial Experience	
Study upon which Actuarial	
Assumptions were Based	July 1, 2010 - June 30, 2013

Pre-retirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on the mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scales. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

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

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.65% at June 30, 2016) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2016 are summarized in the following table:

TOWNSHIP OF WESTAMPTON

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

Note 7. Pension Obligations (continued):

B. Police and Firemen's Retirement System (PFRS) (continued):

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	0.87%
U.S. Treasuries	1.50%	1.74%
Investment Grade Credit	8.00%	1.79%
Mortgages	2.00%	1.67%
High Yield Bonds	2.00%	4.56%
Inflation-Indexed Bonds	1.50%	3.44%
Broad US Equities	26.00%	8.53%
Developed Foreign Equities	13.25%	6.83%
Emerging Market Equities	6.50%	9.95%
Private Equity	9.00%	12.40%
Hedge Funds/Absolute Return	12.50%	4.68%
Real Estate (Property)	2.00%	6.91%
Commodities	0.50%	5.45%
Global Debt ex US	5.00%	-0.25%
REIT	5.25%	5.63%
Total	100.00%	

Discount Rate - The discount rate used to measure the total pension liability was 5.55% as of June 30, 2016. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.65%, and a municipal bond rate of 2.85% as of June 30, 2016 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipals 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 contribution rate in the most recent fiscal year. The State employer contributed 30% of the actuarially determined contributions and the local employers contributed 100% of their 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 2050. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2050 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the Municipality's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the Municipality's proportionate share of the net pension liability calculated using the discount rate as disclosed above, as well as what the Municipality's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.55%) or 1-percentage-point higher (6.55%) than the current rate:

	Decrease (4.55%)	Discount Rate (5.55%)	Increase (6.55%)
Municipality's proportionate share of the Net Pension Liability and the State's Proportionate Share of the Net Pension Liability associated with the Municipality	\$ 19,751,868	\$ 15,318,334	\$ 11,703,053

TOWNSHIP OF WESTAMPTON

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

Note 8. Accrued Sick and Vacation Benefits

Full-time employees are entitled to fifteen paid sick leave days each year. Unused sick leave may be accumulated from year to year, or an employee may choose to be reimbursement at one half pay at the end of each year for any unused sick leave from the current year. Other than employees contracted under the police contract, vacation days not used during the year may not be accumulated and carried forward.

The Township of Westampton compensates employees for unused sick leave upon termination or retirement. The current policy provides one compensated day for every two days accumulated. There is a maximum pay-out of forty-five days' pay, and is paid at the rate of pay upon termination or retirement. Any deviations from this policy are approved by the Township Committee.

The Township does not record accrued expenses related to compensated absences. However, it is estimated that, at December 31, 2016, accrued benefits for compensated absences are valued at \$283,304.07.

The Township has established a Compensated Absences Trust Fund to set aside funds for future payment of compensated absences. At December 31, 2016 the balance of the fund was \$53,272.31.

Note 9. Deferred Compensation

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

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

Note 10. Lease Obligations

At December 31, 2016, the Township had operating lease agreements in effect for photocopiers and a mailing machine. Future minimum payments under the operating lease agreements are as follows:

<u>Year Ending</u> <u>December 31,</u>		<u>Amount</u>
2017	\$	10,899.84
2018		5,726.24
2019		2,361.42

Rental payments under operating leases for the year 2016 were \$11,625.84.

TOWNSHIP OF WESTAMPTON

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

Note 11. Capital Debt

During the fiscal year ended December 31, 2016 the following changes occurred in capital debt:

	December 31, 2015	Accrued/ Increases	Retired/ Decreases	December 31, 2016	Due Within One Year
Bond Anticipation Notes	\$ 2,358,841.00	\$ 2,376,705.00	\$ (2,358,841.00)	\$ 2,376,705.00	\$ 2,376,705.00
General Capital Serial Bonds	4,469,000.00	-	(459,000.00)	4,010,000.00	465,000.00
Compensated Absences	302,272.31	-	(18,968.24)	283,304.07	-
Net Pension Liability - PFRS	11,978,395.00	2,153,233.00	-	14,131,628.00	-
Net Pension Liability - PERS	6,234,004.00	1,835,194.00	-	8,069,198.00	-
Total	<u>\$ 25,342,512.31</u>	<u>\$ 6,365,132.00</u>	<u>\$ (2,836,809.24)</u>	<u>\$ 28,870,835.07</u>	<u>\$ 2,841,705.00</u>

The Local Bond Law governs the issuance of bonds and notes to finance general municipal capital expenditures. Bonds are retired in serial installments with the statutory period of usefulness. Bonds issued by the Township are general obligations bonds backed by the full faith and credit of the Township.

Bond anticipation notes are issued to temporarily finance capital projects prior to the issuance of serial bonds. The terms of the notes cannot exceed one year but the notes may be renewed from time to time for a period not exceeding one year. All such notes must be paid no later than the tenth anniversary of the date of the original note. The State of New Jersey also prescribes that on or before the third anniversary date of the original note a payment of at least equal to the first legally payable installment of the bonds in anticipation of which such notes were issued be paid. A second legal installment must be paid if the notes are to be renewed beyond the fourth anniversary date of the original issuance and so on.

Summary of Municipal Debt	<u>Year 2016</u>	<u>Year 2015</u>	<u>Year 2014</u>
Issued & Outstanding			
General:			
Bonds, Loans & Notes	\$ 6,386,705.00	\$ 6,827,841.00	\$ 5,759,206.00
Authorized But Not Issued			
General - Bonds & Notes	<u>495.33</u>	<u>495.33</u>	<u>475,000.33</u>
Total Issued & Authorized but Not Issued	6,387,200.33	6,828,336.33	6,234,206.33
Less: Deduction to Pay Bonds & Notes	<u>1,996,705.33</u>	<u>2,359,336.33</u>	<u>2,604,311.33</u>
Net Debt	<u>\$ 4,390,495.00</u>	<u>\$ 4,469,000.00</u>	<u>\$ 3,629,895.00</u>

TOWNSHIP OF WESTAMPTON

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

Note 11. Capital Debt (continued):

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 0.377%

	GROSS DEBT	DEDUCTIONS	NET DEBT
Local School District Debt	\$ 3,935,000.00	\$ 3,935,000.00	\$ -
Regional School District Debt	3,718,840.05	3,718,840.05	-
General Debt	6,387,200.33	1,996,705.33	4,390,495.00
Total	<u>\$ 14,041,040.38</u>	<u>\$ 9,650,545.38</u>	<u>\$ 4,390,495.00</u>

Net Debt, \$4,390,495.00 divided by Equalized Valuation Basis per N.J.S.A.40A:2-2, as amended, \$1,163,543,948 equals 0.377%.

Borrowing Power Under 40A:2-6:

3 1/2% of Equalized Valuation Bases (Municipal)	\$ 40,724,038.18
Net Debt	<u>4,469,000.00</u>
Remaining Borrowing Power	<u>\$ 36,255,038.18</u>

As of December 31, 2016, the Township's Capital Debt is as follows:

During 2015, the Township of Westampton issued \$4,469,000.00 of General Obligation Bonds dated June 15, 2015. Bonds were issued to permanently finance various capital improvement projects. Payments are due each June 15th with various interest rates (1.750% to 2.125%).

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

<u>Year Ending</u> <u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 465,000.00	\$ 75,118.75	\$ 540,118.75
2018	475,000.00	66,893.75	541,893.75
2019	485,000.00	57,887.50	542,887.50
2020	495,000.00	48,087.50	543,087.50
2021	505,000.00	38,087.50	543,087.50
2022-2024	1,585,000.00	50,731.25	1,635,731.25
Total	<u>\$ 4,010,000.00</u>	<u>\$ 336,806.25</u>	<u>\$ 4,346,806.25</u>

TOWNSHIP OF WESTAMPTON

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

Note 11. Capital Debt (continued):

Bond Anticipation Notes (See Exhibit C-11) – Notes mature June 13, 2017 @ 1.090%.

<u>December 31,</u> <u>2015</u>	<u>Issued</u>	<u>Retired</u>	<u>December 31,</u> <u>2016</u>
\$ 2,358,841.00	\$ 2,376,705.00	\$ 2,358,841.00	\$ 2,376,705.00

Note 12. Local District School and Regional High School Taxes

Regulations provide for deferral of not more than 50% of the annual levy when school taxes are raised for a school year and have not been requisitioned by the school district.

The Township has elected to defer school taxes as follows:

	<u>Local District School Tax</u>		<u>Regional High School Tax</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Balance of Tax	\$ 4,994,084.94	\$ 4,893,076.42	\$ 2,327,034.74	\$ 2,210,308.24
Deferred	4,367,340.00	4,367,340.00	2,070,265.00	2,070,265.00
Tax Payable	<u>\$ 626,744.94</u>	<u>\$ 525,736.42</u>	<u>\$ 256,769.74</u>	<u>\$ 140,043.24</u>

Note 13. Joint Insurance Pool

The Township of Westampton is a member of the Burlington County Municipal Joint Insurance Fund. The Fund provides the Township with the following coverage:

- General Liability
- Law Enforcement Professional Liability
- Automotive Liability
- Property (Including Auto Physical Damage)
- Fidelity and Performance (Blanket)
- Boiler and Machinery
- Workers' Compensation
- Environmental Legal Liability
- Public Officials
- Employment Practices Liability

Contributions to the Fund, are payable in an annual premium and is based on actuarial assumptions determined by the Fund's actuary. The Township's agreement with the pool provides that the pool will be self-sustaining through member premiums and will reinsure through the Municipal Excess Liability Joint Insurance Fund for claims in excess of \$50,000 to \$200,000 based on the line of coverage for each insured event.

TOWNSHIP OF WESTAMPTON

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

Note 13. Joint Insurance Pool (continued):

The Fund publishes its own financial report for the year ended December 31, 2016, which can be obtained at burlcojif.org.

Note 14. New Jersey Unemployment Compensation Insurance

The Township elected the “Contributory Method” to fund its New Jersey Unemployment Compensation Insurance, which requires the Township to annually appropriate funds to pay the projected costs of contributions at the rate determined by the Commissioner of Labor. The expense for these benefits for the years ended December 31, 2016 and 2015 were \$21,921.28 and \$21,215.17, respectively.

Note 15. Open Space, Recreation, Farmland and Historic Preservation Trust

On November 2, 1999, pursuant to N.J.S.A. 40:12-15.1, et seq., the voters of the Township of Westampton authorized the establishment of the Township of Westampton Open Space, Recreation, Farmland and Historic Preservation Trust Fund, effective January 1, 2000, to be used exclusively for the acquisition of land for open space preservation, farmland preservation, historic preservation, parks and recreation through the property’s outright acquisition or the acquisition of development rights. The Township proposed to levy a tax in the amount of two cents per one hundred dollars of assessed value for a period not to exceed twenty years. Additionally, on November 8, 2005, the voters of the Township authorized the establishment of an additional two cents per one hundred dollars of assessed value, effective January 1, 2006 for a period not to exceed twenty years (2025), for the purpose of continuing to acquire property or pay the cost of bonding on the indebtedness incurred for the purpose of acquiring such property. All revenue received is accounted for in a Trust Fund dedicated by rider (N.J.S.A. 40A4-39) for the purpose stated. Interest earned on the investment of these funds is credited to the Open Space, Recreation, Farmland and Historic Preservation Trust Fund.

Note 16. Litigation

State and Federal Grants - The Township receives financial assistance from the State of New Jersey and the U.S. government in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of the funds for eligible purposes. Substantially all grants, entitlements and cost reimbursements are subject to financial and compliance audits by grantors. As a result of these audits, costs previously reimbursed could be disallowed and require repayment to the grantor agency. As of December 31, 2016, the Township estimates that no material liabilities will result from such audits.

Pending Litigation - There is one claim against the Township that is currently in the discover stage and the outcome is unknown as of June 5, 2017.

TOWNSHIP OF WESTAMPTON

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

Note 17. Accounts Receivable

Accounts receivable at December 31, 2016 consisted of intergovernmental grants, taxes, sewer rents and other accounts receivable. All receivables are considered collectible in full due to the stable condition of state programs and the current fiscal year guarantee of federal funds. Accounts receivable as of fiscal year end for the Township's individual major and fiduciary funds, in the aggregate, are as follows:

	Current Fund	State & Federal Grant Fund	Open Space Trust Fund	General Capital Fund	Total
State Aid	\$ -	\$ 479,103.07	\$ -	\$ -	\$ 479,103.07
Federal Aid	-	590,197.34	-	-	590,197.34
Taxes	1,576,727.67	-	-	-	1,576,727.67
Other	29,302.92	2,000.00	200,600.00	72,000.00	303,902.92
Total	<u>\$ 1,606,030.59</u>	<u>\$ 1,071,300.41</u>	<u>\$ 200,600.00</u>	<u>\$ 72,000.00</u>	<u>\$ 2,949,931.00</u>

Note 18. Fixed Assets

The following schedule is a summarization of the General Fixed Assets by Source for the year ended December 31, 2016:

	Balance December 31, 2015	Additions	Deletions	Balance December 31, 2016
Land	\$ 6,038,281.72	\$ -	\$ -	\$ 6,038,281.72
Building	2,157,000.00	-	-	2,157,000.00
Machinery and Equipment	3,474,872.77	-	-	3,474,872.77
Total	<u>\$ 11,670,154.49</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,670,154.49</u>

Note 19. Subsequent Events

The Township has evaluated subsequent events through June 5, 2017, the date the financial statements were available to be issued and has noted the following:

During May of 2017, the Township approved one new bond ordinance. Ordinance 3-2017 was approved providing for the acquisition of various capital equipment and various capital improvements of the Township for a total of \$4,654,000.00 and authorizing the issuance of debt in the amount of \$441,750.00 in bonds or notes.

This page intentionally left blank

SUPPLEMENTARY EXHIBITS

This page intentionally left blank

CURRENT FUND

This page intentionally left blank

**TOWNSHIP OF WESTAMPTON
CURRENT FUND
SCHEDULE OF CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>CURRENT FUND</u>	<u>STATE & FEDERAL GRANT FUND</u>
Balance December 31, 2015	\$ 2,430,218.75	\$ -
Increased by Receipts:		
Tax Collector	\$ 26,552,689.26	\$ -
Due From State - Senior Citizen & Veteran Deductions	77,104.23	-
Miscellaneous Revenue Anticipated	3,326,638.86	-
Miscellaneous Revenue Not Anticipated	136,204.92	-
Refunds of Current Year Appropriations	289,767.22	-
Marriage License Fees	825.00	-
Petty Cash	700.00	-
Federal & State Grants - Due Current Fund	-	27,029.68
Federal & State Grants Unappropriated	-	-
Federal & State Grants Receivable	-	339,841.19
	<u>30,383,929.49</u>	<u>366,870.87</u>
Total Receipts	<u>30,383,929.49</u>	<u>366,870.87</u>
Subtotal	<u>32,814,148.24</u>	<u>366,870.87</u>
Decreased by Disbursements:		
2016 Appropriations	9,818,370.61	-
Appropriation Reserves	165,898.97	-
Encumbrances Payable	80,865.27	-
County Taxes Payable	4,684,586.75	-
Local District School Tax	9,887,161.48	-
Regional High School Tax	4,537,547.50	-
Municipal Open Space Tax	462,136.33	-
Marriage License Fees Due State of NJ	1,250.00	-
Construction Fees Due State of NJ	76,064.00	-
Refund Tax Overpayments	51,658.16	-
Reserve for Revaluation	26,842.10	-
Petty Cash	700.00	-
Refunds	37,706.52	-
Change Fund	950.00	-
Due State & Federal Grant Fund	27,029.68	-
Federal & State Grants - Appropriated	-	366,870.87
	<u>29,858,767.37</u>	<u>366,870.87</u>
Total Disbursements	<u>29,858,767.37</u>	<u>366,870.87</u>
Balance December 31, 2016	<u><u>\$ 2,955,380.87</u></u>	<u><u>\$ -</u></u>

EXHIBIT A-5

**TOWNSHIP OF WESTAMPTON
CURRENT FUND
SCHEDULE OF CASH - COLLECTOR
FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>CURRENT FUND</u>
Increased by Receipts:	
Interest and Costs on Taxes	\$ 85,872.73
Taxes Receivable	26,202,469.80
Prepaid Taxes	<u>264,346.73</u>
Subtotal	26,552,689.26
Decreased by Disbursements:	
Deposits to Treasurer's Account	<u><u>\$ 26,552,689.26</u></u>

EXHIBIT A-6

**CURRENT FUND
SCHEDULE OF CHANGE FUNDS
AS OF DECEMBER 31, 2016**

	<u>CURRENT FUND</u>
Municipal Clerk	\$ 150.00
Collector	200.00
Court Clerk	<u>600.00</u>
	<u><u>\$ 950.00</u></u>

**TOWNSHIP OF WESTAMPTON
CURRENT FUND
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY
FOR THE YEAR ENDED DECEMBER 31, 2016**

YEAR	BALANCE DECEMBER 31, 2015	2016 LEVY	ADDED TAXES	COLLECTED 2015	COLLECTED 2016	SENIOR CITIZENS & VETERANS	OVERPAYMENT APPLIED	OVERPAYMENT CREATED	CANCELED	TRANSFERRED TO TAX TITLE LIENS	TRANSFERRED TO ARREARS	BALANCE DECEMBER 31, 2016
2013	\$ 0.40	-	\$ -	-	\$ -	-	-	-	-	\$ -	-	\$ 0.40
2015	\$ 251,559.06	-	-	-	\$ -	-	-	-	-	-	-	426.63
Arrears	-	-	-	-	\$ -	-	-	-	-	-	-	4,045.74
Total	251,559.46	-	-	-	252,449.35	(2,666.64)	2,580.79	(2,330.83)	(601.26)	-	-	4,472.77
2016	-	26,295,557.51	257,247.52	249,983.88	25,950,020.45	81,000.00	1,897.65	(20,766.85)	62,849.30	13,093.84	(2,344.72)	212,382.04
Total	\$ 251,559.46	\$ 26,295,557.51	\$ 257,247.52	\$ 249,983.88	\$ 26,202,469.80	\$ 78,333.36	\$ 4,478.44	\$ (23,097.68)	\$ 62,248.04	\$ 13,093.84	\$ (2,344.72)	\$ 216,854.81

ANALYSIS OF 2015 PROPERTY TAX LEVY:

Tax Yield:	
General Property Tax	\$ 26,295,557.51
Added Taxes (54-4-63.1 et. seq.)	<u>257,247.52</u>
Total Tax Yield	<u>\$ 26,552,805.03</u>
Tax Levy:	
Local School District Tax (Abstract)	\$ 9,988,170.00
Regional High School Tax (Abstract)	4,654,274.00
Municipal Open Space (Abstract)	462,136.33
Municipal Open Space (Added)	4,605.71
County Taxes:	
County Tax (Abstract)	3,858,471.43
County Library Tax (Abstract)	358,834.61
County Open Space	463,508.96
Due County for Added Taxes (54-4-63.1 et. seq.)	<u>45,406.66</u>
Total County Taxes	4,726,221.66
Local Tax for Municipal Purposes	6,504,631.24
Add: Additional Tax Levied	<u>6,717,397.33</u>
Total Tax Levy	<u>\$ 26,552,805.03</u>

**TOWNSHIP OF WESTAMPTON
CURRENT FUND
SCHEDULE OF TAX TITLE LIENS
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance December 31, 2015		\$ 36,070.93
Increased by:		
Transfers from Taxes Receivable	\$ 13,093.84	
Adjustment to Liens	27.90	
Interest & Costs Accrued by Sale	4,180.19	17,301.93
		<hr/>
Subtotal		53,372.86
Decreased by:		
Collections		<hr/> -
Balance December 31, 2016		<hr/> <hr/> \$ 53,372.86

**SCHEDULE OF PROPERTY ACQUIRED FOR TAXES
(AT ASSESSED VALUATION)
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2015	\$ 214,300.00
Increased by:	
Adjustment for Assessed Values	<hr/> 1,092,200.00
Balance December 31, 2016	<hr/> <hr/> \$ 1,306,500.00

**TOWNSHIP OF WESTAMPTON
CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2016**

	BALANCE DECEMBER 31, 2015	ACCRUED IN 2016	TREASURER	BALANCE DECEMBER 31, 2016
Miscellaneous Revenues Anticipated				
Clerk:				
Licenses - Alcoholic Beverages	\$ -	\$ 15,564.00	\$ 15,564.00	\$ -
Fees and Permits	-	29,942.47	29,942.47	-
Construction Code Official	-	713,855.00	713,855.00	-
Emergency Medical Service Fees	-	517,664.09	517,664.09	-
Energy Receipts Tax	-	653,387.00	653,387.00	-
Uniform Fire Safety Act	-	47,515.18	47,515.18	-
Municipal Occupancy Tax	-	400,624.25	400,624.25	-
Local Fire Bureau Fees	-	24,227.00	24,227.00	-
Telecommunications Franchise Fees	69,821.75	-	69,821.75	-
Municipal Court:				
Fines and Costs	32,944.90	466,903.29	470,545.27	29,302.92
Interest on Investments	-	10,120.40	10,120.40	-
Interlocal Service Agreements				
BCIT - Police	-	120,486.00	120,486.00	-
Hainesport Township - Construction Code	-	79,090.77	79,090.77	-
Eastampton Township - Municipal Court	-	80,545.68	80,545.68	-
Westampton Township School District	-	93,250.00	93,250.00	-
Total	<u>\$ 102,766.65</u>	<u>\$ 3,253,175.13</u>	<u>\$ 3,326,638.86</u>	<u>\$ 29,302.92</u>
Cash Receipts			<u>\$ 3,326,638.86</u>	
Total			<u>\$ 3,326,638.86</u>	

**TOWNSHIP OF WESTAMPTON
CURRENT FUND
SCHEDULE OF 2015 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2016**

	BALANCE DECEMBER 31, 2015	BALANCE AFTER TRANSFERS	PAID OR CHARGED	BALANCE LAPSED
General Government:				
Administrative and Executive:				
Other Expenses	\$ 3,088.63	\$ 3,088.63	\$ 3,071.27	\$ 17.36
Collection of Taxes:				
Other Expenses	1,893.29	393.29	16.00	377.29
Legal Services and Costs:				
Other Expenses	5,932.91	6,732.91	6,649.37	83.54
Engineering Services:				
Other Expenses	6,111.50	1,111.50	466.75	644.75
Land Use Administration:				
Land Development Board:				
Other Expenses	23,253.00	23,253.00	93.00	23,160.00
Insurance:				
Unemployment Compensation	1,284.83	1,284.83	974.21	310.62
Group Insurance for Employees	68,583.81	68,583.81	67,731.75	852.06
Public Safety Functions:				
Police Department:				
Salaries and Wages	45,448.88	34,448.88	33,611.56	837.32
Other Expenses	6,121.34	6,121.34	5,313.87	807.47
Emergency Medical Services:				
Salaries and Wages	1,853.63	6,853.63	6,827.44	26.19
Other Expenses	5,241.48	5,241.48	5,141.65	99.83
Emergency Medical Services Billing	2,124.02	2,124.02	1,758.47	365.55
Uniform Fire Safety Act:				
Other Expenses	10,157.25	6,657.25	6,634.08	23.17
Public Works Functions:				
Streets & Roads Maintenance:				
Other Expenses	5,312.17	5,312.17	3,070.76	2,241.41
Vehicle Maintenance:				
Other Expenses	7,854.82	7,854.82	7,814.27	40.55
Municipal Services Act Costs	15,000.00	15,000.00	14,148.03	851.97
Other Common Operating Functions:				
Accumulated Leave Compensation	-	41,250.00	41,250.00	-
Utility Expenses & Bulk Purchases:				
Electricity and Natural Gas	10,563.07	10,563.07	9,731.59	831.48
Telephone	3,318.67	818.67	490.69	327.98
Petroleum Products	8,831.49	4,831.49	4,444.62	386.87
Water/Sewer	275.52	275.52	77.06	198.46
Landfill/Solid Waste Disposal Costs:				
Trash Removal	26,391.17	24,391.17	21,165.84	3,225.33
Uniform Construction Code Enforcement Functions:				
Construction Code Official:				
Other Expenses	193.10	193.10	105.27	87.83
Municipal Court:				
Other Expenses	5,551.62	1,551.62	1,406.98	144.64
Deferred Charges and Statutory Expenditures (within CAPS)				
Social Security System (O.A.S.I.)	5,144.74	5,144.74	4,769.71	375.03
All Others	19,080.45	5,530.45	-	5,530.45
Total	\$ 288,611.39	\$ 288,611.39	\$ 246,764.24	\$ 41,847.15
2015 Appropriation Reserves	\$ 207,746.12			
2015 Encumbrances	80,865.27			
Total	\$ 288,611.39			

**TOWNSHIP OF WESTAMPTON
CURRENT FUND
SCHEDULE OF LOCAL DISTRICT TAX
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance December 31, 2015:		
School Tax Deferred	\$ 4,367,340.00	
School Tax Payable	<u>525,736.42</u>	\$ 4,893,076.42
Increased by Levy:		
School Year July 1, 2016 - June 30, 2017		<u>9,988,170.00</u>
Subtotal		14,881,246.42
Decreased by:		
Payments		<u>9,887,161.48</u>
Subtotal		4,994,084.94
Balance December 31, 2016:		
School Tax Deferred	4,367,340.00	
School Tax Payable	<u>626,744.94</u>	
Balance December 31, 2016		<u>\$ 4,994,084.94</u>

ANALYSIS OF AMOUNT CHARGED TO OPERATIONS

2016 Payments	\$ 9,887,161.48
Less School Taxes Payable at December 31, 2015	525,736.42
Plus School Taxes Payable at December 31, 2016	<u>626,744.94</u>
Amount Charged to 2016 Operations	<u>\$ 9,988,170.00</u>

**SCHEDULE OF REGIONAL HIGH SCHOOL TAX PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance December 31, 2015:		
School Tax Deferred	\$ 2,070,265.00	
School Tax Payable	<u>140,043.24</u>	\$ 2,210,308.24
Increased by Levy:		
School Year July 1, 2016 - June 30, 2017		<u>4,654,274.00</u>
Subtotal		6,864,582.24
Decreased by:		
Payments		<u>4,537,547.50</u>
Subtotal		2,327,034.74
Balance December 31, 2016:		
School Tax Deferred	2,070,265.00	
School Tax Payable	<u>256,769.74</u>	
Balance December 31, 2016		<u>\$ 2,327,034.74</u>

ANALYSIS OF AMOUNT CHARGED TO OPERATIONS

2016 Payments	\$ 4,537,547.50
Less School Taxes Payable at December 31, 2015	140,043.24
Plus School Taxes Payable at December 31, 2016	<u>256,769.74</u>
Amount Charged to 2016 Operations	<u>\$ 4,654,274.00</u>

**TOWNSHIP OF WESTAMPTON
CURRENT FUND
SCHEDULE OF COUNTY TAXES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance December 31, 2015		\$	3,771.75
Increased by 2015 Levy:			
County	\$	3,858,471.43	
County Library		358,834.61	
County Open Space		463,508.96	
County Added & Omitted		<u>45,406.66</u>	4,726,221.66
Subtotal			<u>4,729,993.41</u>
Decreased by:			
Payments			<u>4,684,586.75</u>
Balance December 31, 2016		\$	<u><u>45,406.66</u></u>

**TOWNSHIP OF WESTAMPTON
CURRENT FUND
SCHEDULE OF VARIOUS RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2016**

	BALANCE DECEMBER 31, <u>2015</u>	<u>INCREASED</u>	<u>DECREASED</u>	BALANCE DECEMBER 31, <u>2016</u>
Reserve for Revaluation	\$ 32,670.20	\$ -	\$ 26,842.10	\$ 5,828.10
Reserve for Tax Map	13,362.50	-	-	13,362.50
Reserve for Municipal Court Repairs	<u>40.00</u>	<u>-</u>	<u>-</u>	<u>40.00</u>
	<u>\$ 46,072.70</u>	<u>\$ -</u>	<u>\$ 26,842.10</u>	<u>\$ 19,230.60</u>

**TOWNSHIP OF WESTAMPTON
CURRENT FUND
SCHEDULE OF DUE TO THE STATE OF NEW JERSEY DIVISION OF
YOUTH AND FAMILY SERVICES
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance December 31, 2015	\$ 625.00
Increased by:	
Cash Receipts	<u>825.00</u>
	1,450.00
Decreased by:	
Cash Disbursement	<u>1,250.00</u>
Balance December 31, 2016	<u><u>\$ 200.00</u></u>

**TOWNSHIP OF WESTAMPTON
CURRENT FUND
SCHEDULE OF DUE TO THE STATE OF NEW JERSEY
D.C.A. STATE TRAINING FEES
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance December 31, 2015	\$ 13,542.00
Increased by:	
Cash Receipts	<u>68,413.00</u>
	81,955.00
Decreased by:	
Cash Disbursement	<u>76,064.00</u>
Balance December 31, 2016	<u><u>\$ 5,891.00</u></u>

**TOWNSHIP OF WESTAMPTON
CURRENT FUND
SCHEDULE OF STATE AND FEDERAL GRANTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2016**

GRANT	BALANCE DECEMBER 31, 2015	ANTICIPATED REVENUE	RECEIVED	CANCELLED	BALANCE DECEMBER 31, 2016
State:					
Municipal Alliance on Alcoholism and Drug Abuse	\$ 58,033.49	\$ 42,300.00	\$ 32,425.03	\$ -	\$ 67,908.46
Municipal Aid Road Program - Holly Lane Phase 2	99,000.00	-	99,000.00	-	-
Municipal Aid Road Program - Holly Lane Phase 3	196,000.00	-	-	-	196,000.00
New Jersey Transportation Trust Fund	-	196,000.00	-	-	196,000.00
Help America Vote Act Grant	7,544.00	-	-	-	7,544.00
Body Armor Replacement Grant	-	2,344.57	2,344.57	-	-
Clean Communities Program	-	21,158.94	21,158.94	-	-
Alcohol Education and Rehabilitation Grant	-	3,933.05	3,933.05	-	-
Recycling Tonnage Grant	-	22,876.31	11,225.70	-	11,650.61
Total State	360,577.49	288,612.87	170,087.29	-	479,103.07
Federal:					
Drunk Driving Enforcement Grant	-	15,116.09	15,116.09	-	-
Click It or Ticket	4,000.00	5,000.00	5,000.00	-	4,000.00
Drive Sober or Get Pulled Over	5,000.00	5,000.00	10,000.00	-	-
Emergency Management Grant	282.00	-	-	-	282.00
COPS Hiring Program	13,762.50	45,896.00	33,422.24	-	26,236.26
Police Hiring Program	18,706.18	-	-	-	18,706.18
Bulletproof Vest Partnership Grant	-	2,957.30	2,957.30	-	-
FEMA - SAFER Program	580,000.00	-	117,027.10	-	462,972.90
Community Development Block Grant	-	78,000.00	-	-	78,000.00
Total Federal	621,750.68	151,969.39	183,522.73	-	590,197.34
Local:					
Delaware Valley Regional Planning Commission	2,000.00	-	-	-	2,000.00
Total Local	2,000.00	-	-	-	2,000.00
Total	\$ 984,328.17	\$ 440,582.26	\$ 353,610.02	\$ -	\$ 1,071,300.41
Cash Receipts			\$ 339,841.19		
Transfer from Unappropriated Reserves			13,768.83		
Total			\$ 326,072.36		

TOWNSHIP OF WESTAMPTON
CURRENT FUND
SCHEDULE OF RESERVES FOR STATE AND FEDERAL GRANTS - APPROPRIATED
FOR THE YEAR ENDED DECEMBER 31, 2016

APPROPRIATION	BALANCE DECEMBER 31, 2015	2016 BUDGET APPROPRIATION	EXPENDED	CANCELLED	BALANCE DECEMBER 31, 2016
State:					
Municipal Alliance on Alcoholism and Drug Abuse	\$ -	\$ 42,300.00	\$ 42,300.00	-	\$ -
Municipal Aid Program - Holly Lane Phase 3	196,000.00	-	-	-	196,000.00
New Jersey Transportation Trust Fund	-	196,000.00	-	-	196,000.00
Help America Vote Act Grant	3,835.00	-	-	-	3,835.00
Body Armor Replacement Fund	2,436.47	2,344.57	2,436.47	-	2,344.57
Clean Communities Program	3,168.00	21,158.94	16,643.52	-	7,683.42
Alcohol Education and Rehabilitation Grant	5,454.23	3,933.05	-	-	9,387.28
Recycling Tonnage Grant	6,263.00	22,876.31	7,672.16	-	21,467.15
Total State	217,156.70	288,612.87	69,052.15	-	436,717.42
Federal:					
COPS Hiring Program	-	45,896.00	45,896.00	-	-
Drunk Driving Enforcement Fund	-	15,116.09	5,252.26	-	9,863.83
Click It or Ticket	4,000.00	5,000.00	5,000.00	-	4,000.00
Drive Sober or Get Pulled Over	5,000.00	5,000.00	-	-	10,000.00
Bulletproof Vest Partnership Grant	45.31	2,957.30	2,342.43	-	660.18
FEMA - Firefighters Assistance	3,333.00	-	-	-	3,333.00
FEMA - SAFER Program	563,390.50	-	191,501.03	-	371,889.47
Community Development Block Grant	-	78,000.00	-	-	78,000.00
Total Federal	575,768.81	151,969.39	249,991.72	-	477,746.48
Local/Matching:					
COPS Hiring Program	-	45,896.00	45,896.00	-	-
Municipal Alliance on Alcoholism and Drug Abuse	-	2,100.00	2,100.00	-	-
Total Local	-	47,996.00	47,996.00	-	-
Total	\$ 792,925.51	\$ 488,578.26	\$ 367,039.87	\$ -	\$ 914,463.90
Cash Disbursements		\$	366,870.87		
Encumbrances			169.00		
Total		\$	367,039.87		

**TOWNSHIP OF WESTAMPTON
FEDERAL AND STATE GRANT FUND
SCHEDULE OF RESERVES FOR STATE GRANTS - UNAPPROPRIATED
FOR THE YEAR ENDED DECEMBER 31, 2016**

GRANT	TRANSFERRED			
	BALANCE DECEMBER 31, 2015	TO 2016 GRANT APPROPRIATED	RECEIVED	BALANCE DECEMBER 31, 2016
State:				
Alcohol Education and Rehabilitation Act	\$ 2,543.13	\$ 2,543.13	\$ -	\$ -
Recycling Tonnage Grant	11,225.70	11,225.70	-	-
	<hr/>			
Total Grants	\$ 13,768.83	\$ 13,768.83	\$ -	\$ -
	<hr/>			

This page intentionally left blank

TRUST FUND

This page intentionally left blank

**TOWNSHIP OF WESTAMPTON
TRUST FUND
SCHEDULE OF CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2016**

	ANIMAL CONTROL	MUNICIPAL OPEN SPACE	TRUST OTHER
Balance December 31, 2015	\$ 4,310.32	\$ 691,326.16	\$ 775,248.76
Increased by Receipts:			
Reserve for Animal Control Fund Expenditures	\$ 10,545.00		\$ -
State Registration Fees	1,105.80		-
Due Current Fund	-		-
Prepaid Animal Control License Fees	2,364.00		-
Due General Capital	-	36,000.00	-
Reserve for Municipal Open Space	-	561,292.58	-
Miscellaneous Reserves Per Exhibit B-9	-		1,769,413.02
Net Payroll	-		3,831,609.89
Payroll Deductions Payable	-		3,246,087.02
Tax Sale Premiums	-		349,700.00
Other Accounts Receivable	-		-
	14,014.80	597,292.58	9,196,809.93
Subtotal	18,325.12	1,288,618.74	9,972,058.69
Decreased by Disbursements:			
Reserve for Animal Control Fund Expenditures	12,779.30		-
State Registration Fees	1,407.60		-
Due Current Fund	-		-
Prepaid Expense	114.00		-
Reserve for Municipal Open Space	-	604,567.51	-
Miscellaneous Reserves Per Exhibit B-9	-		1,320,858.23
Net Payroll	-		3,831,609.89
Payroll Deductions Payable	-		3,247,059.17
Tax Sale Premiums	-		231,600.00
Interfunds Paid	-		330.06
	14,300.90	604,567.51	8,631,457.35
Balance December 31, 2016	\$ 4,024.22	\$ 684,051.23	\$ 1,340,601.34

**TOWNSHIP OF WESTAMPTON
TRUST FUND
SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance December 31, 2015	\$	1,251.72
Increased by:		
Receipts:		
Dog License Fees	\$	10,545.00
Prepaid Licenses Applied	2,815.20	13,360.20
Subtotal		14,611.92
Decreased by:		
Prepaid Expense Applied	59.40	
Disbursements	12,779.30	12,838.70
Balance December 31, 2016	\$	<u>1,773.22</u>

LICENSE FEES COLLECTED

YEAR	AMOUNT
2015	\$ 11,040.25
2014	12,999.30
Total	<u>\$ 24,039.55</u>

**SCHEDULE OF DUE TO STATE OF NEW JERSEY
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance December 31, 2015	\$	1.00
Increased by:		
Receipts:		
State Registration Fees	1,105.80	
Prepaid Licenses Applied	301.80	1,407.60
Subtotal		1,408.60
Decreased by:		
Disbursements		<u>1,407.60</u>
Balance December 31, 2016	\$	<u>1.00</u>

**TOWNSHIP OF WESTAMPTON
TRUST FUND
SCHEDULE OF PAYROLL DEDUCTIONS PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance December 31, 2015	\$ 5,228.44
Increased by:	
Payroll Deductions	<u>3,246,087.02</u>
Subtotal	3,251,315.46
Decreased by:	
Disbursements	<u>3,247,059.17</u>
Balance December 31, 2016	<u><u>\$ 4,256.29</u></u>

**TOWNSHIP OF WESTAMPTON
TRUST FUND
SCHEDULE OF RESERVE FOR TAX SALE PREMIUMS
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance December 31, 2015	\$ 273,600.00
Increased by:	
Premiums Received at Tax Sale	<u>349,700.00</u>
Subtotal	623,300.00
Decreased by:	
Redemption of Premiums	<u>231,600.00</u>
Balance December 31, 2016	<u><u>\$ 391,700.00</u></u>

**TOWNSHIP OF WESTAMPTON
SCHEDULE OF RESERVE FOR OPEN SPACE
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance December 31, 2015			\$	450,448.97
Increased by:				
Receipts:				
2016 Tax Levy	\$	463,508.96		
2016 Added and Omitted Levy		4,605.71		
Miscellaneous		99,156.25		567,270.92
				<hr/>
Subtotal				1,017,719.89
Decreased by:				
2016 Budget Appropriations				<hr/>
				604,567.51
Balance December 31, 2016			\$	<u><u>413,152.38</u></u>

**TOWNSHIP OF WESTAMPTON
TRUST FUND - OTHER
SCHEDULE OF MISCELLANEOUS TRUST RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2016**

	BALANCE DECEMBER 31, 2015	RECEIPTS	DISBURSEMENTS	BALANCE DECEMBER 31, 2016
Municipal Law Enforcement Grant	\$ 2,702.72	\$ 9,326.67	\$ 2,315.20	\$ 9,714.19
Municipal Drug Alliance	21,548.38	51,119.74	22,953.59	49,714.53
Performance Bonds	16,956.00	66,444.00	-	83,400.00
Redemption of Tax Title Liens	1,039.83	222,360.34	221,617.53	1,782.64
Escrow Deposits	74,859.13	165,019.10	156,665.32	83,212.91
Fire Code Penalties	8,645.22	8,410.00	15,495.46	1,559.76
Outside Police Services	6,148.53	141,548.10	137,023.64	10,672.99
Public Defender Fees	14,270.71	17,476.50	19,735.62	12,011.59
Recreation Expenditures	123,411.48	636,787.21	650,575.56	109,623.13
Accumulated Sick Time	70,886.79	41,419.20	59,033.68	53,272.31
Snow Removal	60,842.26	877.93	5,621.25	56,098.94
Affordable Housing	28,376.26	71.85	-	28,448.11
COAH Development Fees	50,207.70	408,488.32	25,158.20	433,537.82
Confiscated Funds	7,339.72	14.02	4,663.18	2,690.56
Police K-9 Unit	-	50.04	-	50.04
	<hr/>			
Total	\$ 487,234.73	\$ 1,769,413.02	\$ 1,320,858.23	\$ 935,789.52
	<hr/>			

**TOWNSHIP OF WESTAMPTON
TRUST FUND
SCHEDULE OF DUE FROM COUNTY
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance December 31, 2015	\$ 214,200.00
Decreased by:	
Receipts from County	<u>13,600.00</u>
Balance December 31, 2016	<u><u>\$ 200,600.00</u></u>

Analysis of Balance

<u>Future Payment Due Dates</u>	<u>Amount Due</u>
November 15, 2017	\$ 13,400.00
November 15, 2018	13,200.00
November 15, 2019	13,000.00
November 15, 2020	12,800.00
November 15, 2021	12,600.00
November 15, 2022	12,400.00
November 15, 2023	12,200.00
November 15, 2024	12,000.00
November 15, 2025	11,800.00
November 15, 2026	11,600.00
November 15, 2027	11,400.00
November 15, 2028	11,200.00
November 15, 2029	11,000.00
November 15, 2030	10,800.00
November 15, 2031	10,600.00
November 15, 2032	10,400.00
November 15, 2033	<u>10,200.00</u>
Total	<u><u>\$ 200,600.00</u></u>

This page intentionally left blank

GENERAL CAPITAL FUND

This page intentionally left blank

**TOWNSHIP OF WESTAMPTON
GENERAL CAPITAL FUND
SCHEDULE OF FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance December 31, 2016 & 2015	\$	<u>5.47</u>
----------------------------------	----	-------------

**SCHEDULE OF CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance December 31, 2015	\$	454,567.37
Increased by Receipts:		
Current Fund - Capital Improvement Fund	\$	20,000.00
Note Proceeds		<u>2,376,705.00</u>
Subtotal		2,396,705
Decreased by Disbursements:		
Improvement Authorizations		701,627.82
Note Payments		<u>1,996,705.00</u>
Subtotal		2,698,332.82
Balance December 31, 2016	\$	<u>152,939.55</u>

**TOWNSHIP OF WESTAMPTON
GENERAL CAPITAL FUND
ANALYSIS OF CASH
AT DECEMBER 31, 2016**

	BALANCE (OVERDRAFT) DECEMBER 31, 2015	BOND ANTICIPATION NOTES/BONDS	RECEIPTS		DISBURSEMENTS		TRANSFERS		BALANCE (OVERDRAFT) DECEMBER 31, 2016
			MISCELLANEOUS	IMPROVEMENT	IMPROVEMENT	MISCELLANEOUS	FROM	TO	
Fund Balance	\$ 5.47	-	\$ -	\$ -	-	-	\$ -	-	\$ 5.47
Capital Improvement Fund	4,075.00	-	20,000.00	-	-	-	20,000.00	-	4,075.00
Due Current Fund	(89,234.00)	-	-	-	-	-	-	-	(89,234.00)
Contra - Notes/Bonds Renewals	-	2,376,705.00	-	-	-	1,996,705.00	380,000.00	-	-
Due Municipal Open Space Trust Fund	(214,000.00)	-	-	-	-	-	36,000.00	-	(250,000.00)
Encumbrances Payable	104,279.64	-	-	-	-	-	104,279.64	156,258.64	156,258.64
IMPROVEMENT AUTHORIZATIONS:									
ORDINANCE									
NUMBER									
16-2004	(108,000.33)	-	-	-	-	-	-	36,000.00	(72,000.33)
3-2007	3,370.21	-	-	-	-	-	-	-	3,370.21
5-2009	4,340.84	-	-	-	-	-	-	-	4,340.84
7-2010	11,839.32	-	-	-	-	-	-	-	11,839.32
5-2011	4,011.38	-	-	-	-	-	-	-	4,011.38
3-2012	3,089.86	-	-	-	-	-	-	-	3,089.86
4-2013	74,092.53	-	-	45,230.71	-	-	-	1,736.00	30,597.82
2-2014	148,086.82	-	-	6,990.00	-	-	-	-	141,096.82
4-2014	96,151.71	-	-	95,070.99	-	-	-	-	1,080.72
2-2015	412,458.92	-	-	351,436.03	-	-	138,643.00	102,543.64	24,923.53
10-2016	-	-	-	202,900.09	-	-	17,615.64	400,000.00	179,484.27
Total	\$ 454,567.37	\$ 2,376,705.00	\$ 20,000.00	\$ 701,627.82	\$ 1,996,705.00	\$ 696,538.28	\$ 696,538.28	\$ 696,538.28	\$ 152,939.55

**TOWNSHIP OF WESTAMPTON
GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance December 31, 2015	\$ 4,469,000.00
Decreased by:	
2016 Budget Appropriation to Pay General Serial Bonds	<u>459,000.00</u>
Balance December 31, 2016	<u><u>\$ 4,010,000.00</u></u>

TOWNSHIP OF WESTAMPTON
GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED
FOR THE YEAR ENDED DECEMBER 31, 2016

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2015	2016 AUTHORIZATIONS	BONDS ISSUED	GRANTS RECEIVED	NOTES PAID BY BUDGET APPROPRIATION	BALANCE DECEMBER 31, 2016	ANALYSIS OF BALANCE DECEMBER 31, 2016			BOND ANTICIPATION NOTES
								UNEXPENDED IMPROVEMENT AUTHORIZATION	EXPENDED		
16-2004	Acquisition of Real Property	\$ 108,000.33	\$ -	\$ -	\$ 36,000.00	\$ -	\$ 72,000.33	\$ -	\$ 72,000.33	\$ -	-
15-2008	Construction of Various Recreational Improvements and the Acquisition of Real Property for Open Space	797,761.00	-	-	-	199,254.00	598,507.00	-	-	-	598,507.00
6-2010	Acquisition of Certain Real Property for Open Space and Various Recreational Improvements	231,080.00	-	-	-	46,216.00	184,864.00	-	-	-	184,864.00
2-2014	Various Capital Improvements to Recreational Facilities in the Township	1,330,000.00	-	-	-	116,666.00	1,213,334.00	-	-	-	1,213,334.00
2-2015	Various Capital Improvements	495.00	-	-	-	-	495.00	-	495.00	-	-
10-2016	Acquisition of Various Capital Equipment and for Various Capital Improvements	-	380,000.00	-	-	-	380,000.00	-	-	-	380,000.00
	Total	\$ 2,467,336.33	\$ 380,000.00	\$ -	\$ 36,000.00	\$ 362,136.00	\$ 2,449,200.33	\$ -	\$ 72,495.33	\$ -	2,376,705.00
	Pay Down on Notes from Current Fund					\$ -					
	Pay Down on Notes from Open Space					362,136.00					
	Total					\$ 362,136.00					
						Improvement Authorizations Unfunded		\$ 320,581.09			
						Less - Unexpended Proceeds of Bond Anticipation					
						Notes Issued:					
						Ordinance 2-2014		141,096.82			
						Ordinance 10-2016		179,484.27			
								\$ -			

**TOWNSHIP OF WESTAMPTON
GENERAL CAPITAL FUND
SCHEDULE OF BURLINGTON COUNTY OPEN SPACE GRANT RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance December 31, 2015	\$ 108,000.00
Decreased By:	
Collected by Municipal Open Space Fund	<u>36,000.00</u>
Balance December 31, 2016	<u><u>\$ 72,000.00</u></u>

**TOWNSHIP OF WESTAMPTON
GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance December 31, 2015	\$ 4,075.00
Increased By:	
Transfer from Current Fund Budget	<u>20,000.00</u>
Subtotal	24,075.00
Decreased By:	
Appropriated to Finance Improvement Authorizations	<u>20,000.00</u>
Balance December 31, 2016	<u><u>\$ 4,075.00</u></u>

**TOWNSHIP OF WESTAMPTON
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
FOR THE YEAR ENDED DECEMBER 31, 2016**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	AMOUNT	BALANCE DECEMBER 31, 2015		2016 AUTHORIZATIONS	RECLASSIFICATION PRIOR YEAR		CURRENT YEAR ENCUMBRANCES		BALANCE DECEMBER 31, 2016	
			FUNDED	UNFUNDED		PAYABLES	EXPENDED	PAYABLE	FUNDED	UNFUNDED	
3-2007	Acquisition of Various Equipment and Various Capital Improvements	\$ 220,000.00	\$ 3,370.21	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,370.21	\$ -	-
13-2008	Acquisition of Various Pieces of Equipment	45,000.00	-	-	-	-	-	-	-	-	-
5-2009/2-2010	Various Capital Improvements and Other Related Expenses In and For the Township	168,200.00	4,340.84	-	-	-	-	-	4,340.84	-	-
7-2010	Various Capital Improvements and Other Related Expenses In and For the Township	58,000.00	11,839.32	-	-	-	-	-	11,839.32	-	-
5-2011	Various Capital Improvements and Other Related Expenses In and For the Township	395,000.00	4,011.38	-	-	-	-	-	4,011.38	-	-
3-2012	Various Capital Improvements and Other Related Expenses In and For the Township	312,000.00	3,089.86	-	-	-	-	-	3,089.86	-	-
17-2012	Acquisition of a Ladder Truck and Related Expenses	920,000.00	-	-	-	-	-	-	-	-	-
4-2013	Acquisition of Various Capital Equipment and the Completion of Various Capital Improvements	475,000.00	74,092.53	-	-	1,736.00	45,230.71	-	30,597.82	-	-
2-2014	Various Capital Improvements to Recreational Facilities in the Township	1,400,000.00	-	148,086.82	-	-	6,990.00	-	-	141,096.82	-
4-2014	Acquisition of Various Capital Equipment and the Completion of Various Capital Improvements	629,000.00	96,151.71	-	-	-	95,070.99	-	1,080.72	-	-
10-2014	Completion of Various Capital Improvements to the Municipal Building in the Township	500,000.00	-	-	-	-	-	-	-	-	-
2-2015	Various Capital Improvements	948,000.00	412,953.92	-	-	102,543.64	351,436.03	138,643.00	25,418.53	-	-
10-2016	Acquisition of Various Capital Equipment and the Completion of Various Capital Improvements	400,000.00	-	-	400,000.00	-	202,900.09	17,615.64	-	179,484.27	-
Total		\$ 609,849.77	\$ 148,086.82	\$ -	\$ 400,000.00	\$ 104,279.64	\$ 701,627.82	\$ 156,258.64	\$ 83,748.68	\$ 320,581.09	

Refunds	
Disbursements	701,627.82
Total	701,627.82

TOWNSHIP OF WESTAMPTON
GENERAL CAPITAL FUND
SCHEDULE OF GENERAL SERIAL BONDS
AT DECEMBER 31, 2016

PURPOSE	DATE OF ISSUE	AMOUNT OF ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING			INTEREST RATE	BALANCE		ISSUED	PAID	BALANCE DECEMBER 31, 2016		
			DECEMBER 31, 2016		DECEMBER 31, 2015								
			DATE	AMOUNT									
General Obligation Bonds - Series 2015	6/15/2015	4,469,000	6/15/17	465,000	1.750%	\$	4,469,000.00	\$	-	\$ 459,000.00	\$	4,010,000.00	
			6/15/18	475,000	1.750%								
			6/15/19	485,000	2.000%								
			6/15/20	495,000	2.000%								
			6/15/21	505,000	2.000%								
			6/15/22	515,000	2.000%								
			6/15/23	530,000	2.125%								
			6/15/24	540,000	2.125%								
Totals							\$	4,469,000.00	\$	-	\$459,000.00	\$	4,010,000.00

**TOWNSHIP OF WESTAMPTON
GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES
AT DECEMBER 31, 2016**

IMPROVEMENT DESCRIPTION	ORDINANCE NUMBER	DATE OF ORIGINAL ISSUE	DATE OF ISSUE	DATE OF MATURITY	INTEREST RATE	BALANCE	
						DECEMBER 31, 2015	DECEMBER 31, 2016
						INCREASED	DECREASED
Construction of Various Recreational Improvements and the Acquisition of Real Property for Open Space	15-2008	10/20/08	06/16/15 06/14/16	06/15/16 06/13/17	0.530% 1.090%	\$ - 598,507.00	\$ 797,761.00 - 598,507.00
Acquisition of Certain Real Property for Open Space and Various Recreational Improvements	6-2010	06/25/10	06/16/15 06/14/16	06/15/16 06/13/17	0.530% 1.090%	231,080.00 -	231,080.00 - 184,864.00
Various Capital Improvements to Recreational Facilities in the Township	2-2014	06/17/14	06/16/15 06/14/16	06/15/16 06/13/17	0.530% 1.090%	1,330,000.00 -	1,330,000.00 - 1,213,334.00
Acquisition of Various Capital Equipment and the Completion of Various Capital Improvements	10-2016	03/10/16	06/14/16	06/13/17	1.090%	- 380,000.00	- 380,000.00
Total						\$ 2,376,705.00	\$ 2,358,841.00 \$ 2,376,705.00
Renewals						\$ 1,996,705.00	\$ 1,996,705.00
New Issue						380,000.00	
Paid by Municipal Open Space Trust Fund						362,136.00	
						\$ 2,376,705.00	\$ 2,358,841.00

**TOWNSHIP OF WESTAMPTON
GENERAL CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
AT DECEMBER 31, 2016**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2015	2016 AUTHORIZATIONS /INCREASES	NOTES ISSUED	BALANCE DECEMBER 31, 2016
16-2004	Acquisition of Real Property	\$ 0.33	\$ -	-	\$ 0.33
2-2015	Various Capital Improvements	495.00	-	-	495.00
10-2016	Acquisitions of Various Capital Equipment and the Completion of Various Capital Improvements	-	380,000.00	380,000.00	-
Total		\$ 495.33	\$ 380,000.00	\$ 380,000.00	\$ 495.33

GENERAL FIXED ASSETS

This page intentionally left blank

TOWNSHIP OF WESTAMPTON
GENERAL FIXED ASSETS ACCOUNT GROUP
SCHEDULE OF INVESTMENT IN FIXED ASSETS
DECEMBER 31, 2016 AND 2015

	BALANCE DECEMBER 31, 2015		ADDITIONS	DELETIONS	BALANCE DECEMBER 31, 2016
Land (at Assessed Valuation)	\$ 6,038,281.72	\$	-	\$ -	\$ 6,038,281.72
Buildings	2,157,000.00		-	-	2,157,000.00
Vehicles	3,474,872.77		-	-	3,474,872.77
	<hr/>				
Total	\$ 11,670,154.49	\$	-	\$ -	\$ 11,670,154.49
	<hr/>				

This page intentionally left blank

**TOWNSHIP OF WESTAMPTON
COUNTY OF BURLINGTON**

PART II

**COMMENTS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2016**

This page intentionally left blank

To the Honorable Mayor and
Members of the Township Committee
Township of Westampton
Westampton, New Jersey 08060

We have audited the financial statements and transactions of the Township of Westampton in the County of Burlington for the year ended December 31, 2016. In accordance with requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the following are the *General Comments* and *Recommendations* for the year then ended.

GENERAL COMMENTS

Contracts and Agreements Required to be advertised by (N.J.S.A.40A:11-4)

N.J.S.A.40A:11-4 - Every contract or agreement, for the performance of any work or 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 by the governing body of the contracting unit 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 for the period of January 1, 2016 to December 31, 2016, except by contract or agreement.

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

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

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed.

The compliance review of expenditures did not reveal any individual payments of contracts in excess of the statutory limit other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of *N.J.S.A.40A:11-4*.

Contracts and Agreements Requiring Solicitation of Quotations

The examination of expenditures did not reveal any individual payments, contracts or agreements in excess of \$6,000 for the period of January 1, 2016 to December 31, 2016, thereafter "for the performance of any work or the furnishing or hiring of any materials or supplies", other than those where

Contracts and Agreements Requiring Solicitation of Quotations (continued):

bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provision of (*N.J.S.A.40A:11-6.1*).

Collection of Interest on Delinquent Taxes

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

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

“**BE IT RESOLVED** by the Township Committee of the Township of Westampton, County of Burlington, State of New Jersey, the rate of interest charged on delinquent taxes or assessments on any installment made ten (10) days after the date upon which the same became payable, shall not exceed eight (8) percent per annum of the first One Thousand Five Hundred Dollars (\$1,500.00) of the delinquency, and eighteen (18) percent per annum on any amount in excess of One Thousand Five Hundred Dollars (\$1,500.00).

BE IT FURTHER RESOLVED, that where interest on delinquent tax payments is one dollar (\$1.00) or less, payment and collection of said interest is hereby waived.”

It appears from an examination of the Collector's record that interest was collected in accordance with the foregoing resolution.

Delinquent Taxes and Tax Title Liens

The delinquent taxes at December 31, 2016, included 2016 and 2015 real estate taxes only.

The last tax sale was held on November 23, 2016 and was complete.

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

YEAR	NUMBER OF LIENS
2016	12
2015	10
2014	8

Examination of Bills

A test check of paid bills was made and each bill, upon proper approval, was considered as a separate and individual contract unless the records disclosed it to be a part payment or estimate.

Financial Records

***Finding 2016-001:**

Tax adjustments and other closing entries are not being properly posted in the Township's General Ledger accounting system for the Current Fund and the General Capital Fund.

Recommendation:

That the client posts all adjusting and closing entries to the general ledger at year end for all funds.

Management's Response:

The Township of Westampton agrees with this finding and will correct it accordingly.

***Finding 2016-002:**

In review of the Township's internal control procedures, our audit revealed that no written Standard Operating Procedures manual is in place. If an employee were to be out for an extended period of time, there is no written documentation of the responsibilities that would assist other employees in understanding what was required of that position.

Recommendation:

The Township develop a Standard Operating Procedures manual and document the controls in place that all employees should follow and the responsibilities of each position in the Township.

Management's Response:

The Township of Westampton agrees with this finding and will correct it accordingly.

***Finding 2016-003:**

It was noted during our review of the Township internal controls that there is a lack of segregation of duties and lack of oversight for the CFO and Tax Collector's offices. The same employees are performing collection, billing and reconciliation procedures.

Recommendation:

The Township should implement internal controls procedures that would promote proper segregation of duties and proper oversight to all Township offices.

Financial Records (continued):**Management's Response:**

The Township has always had the intention of implementing this recommendation when personnel numbers allow. A current employee will be providing assistance to the CFO and Tax Collector by March 2017 when a new employee will be hired for the Construction Clerk position. This person will work with the new Township Administrator to develop and implement necessary internal control checks.

Fixed Assets***Finding 2016-004:**

The Township does not properly maintain and update the fixed asset ledger. It was noted that building improvements made during 2015 were not included and that no one internally reviews the ledger compared to what the Township has on hand for accuracy.

Recommendation:

That the Township reviews its fixed asset listing on a regular basis to ensure that all fixed asset additions and deletions are properly accounted for. The Township should also review the tags and locations of moveable assets to ensure that all assets listed are able to be accounting for.

Management's Response:

The Township of Westampton agrees with this finding and will correct it accordingly.

Municipal Court

The Township of Westampton entered into an Interlocal Municipal Court Agreement with the Township of Hainesport effective February 10, 2009 in accordance with *N.J.S.A.2B:12-1*.

The Township of Westampton assumed all administrative responsibility as well the responsibility of obtaining an audit of Hainesport Township's Municipal Court.

A separate report of the Municipal Court transactions for both Westampton and Hainesport Township was filed in accordance with the requirements of the Local Finance Board.

As part of the test of the Municipal Court records, no attempt was made to differentiate between fines due the Township, County, or State, or to pass upon the authenticity of the preparation and procedures for complaints issued.

Payroll Fund

The examination of the payroll fund included testing the detail computation of various deductions or other credits from the payroll of Township employees; also, the examination ascertained that the accumulated withholdings were distributed to the proper agencies.

Prior Year Findings

In accordance with government auditing standards, my procedures included a review of all prior year findings. Corrective action has been taken on all of the prior year findings except those marked above with an asterisk (*).

OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office at December 31, 2016:

NAME	TITLE	AMOUNT OF BOND	NAME OF CORPORATE SURETY
C. Andre Daniels	Mayor		
Abraham Lopez.	Deputy Mayor		
Maureen Smith-Hartman	Committee Member		
John Wisniewski	Committee Member		
Patricia Winsett-Teleisa	Committee Member		
Maria Carrington	Township Administrator	C	
Robert L. Hudnell	Chief Financial Officer	A	
Carol Layou	Tax Collector	A	
Sue Graubart	Court Administrator	B	
Richard Andronici	Court Magistrate	B	
Marlin Gene Blair, Jr.	Construction Official/Zoning Officer and Building Sub- Code Official	C A	
Al Marmero	Solicitor		

- (A) Covered by the Primary Statutory Positions Bond Coverage in the amount of \$1,000,000 written by the Municipal Excess Liability Joint Insurance Fund.
- (B) Covered by the Excess Public Officials Bond Coverage in the amount of \$1,000,000 by the Municipal Excess Liability Joint Insurance Fund.
- (C) Covered by the Public Employee Dishonesty Coverage in the amount of \$50,000 written by the Burlington County Municipal Joint Insurance Fund and the Excess Public Employee Dishonesty Coverage in the amount of \$950,000 written by the Municipal Excess Liability Joint Insurance Fund.

Acknowledgement

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

Respectfully submitted,

HOLMAN FRENIA ALLISON, P. C.

Michael Holt
Certified Public Accountant
Registered Municipal Accountant
CR 473

June 5, 2017
Medford, New Jersey