

TOWNSHIP OF MIDDLE

COUNTY OF CAPE MAY

REPORT OF AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2015

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

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Township Committee
Township of Middle
Cape May Court House, NJ 08210

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

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

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

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

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

Opinion on Regulatory Basis of Accounting

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

Emphasis of Matter

Adoption of New Accounting Principles

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

Other Matters

Prior Period Financial Statements

The financial statements of the Township of Middle, County of Cape May, as of December 31, 2014, were audited by other auditors whose report dated June 10, 2015, expressed an adverse opinion under accounting principles generally accepted in the United States of America and an unmodified opinion under the regulatory basis of accounting.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township's basic financial statements. The supplemental statements and schedules presented for the various funds, as listed in the table of contents, are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2016 on our consideration of the Township of Middle's, in the County of Cape May, State of New Jersey, internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township of Middle's internal control over financial reporting and compliance.

Respectfully submitted.



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Michael J. Welding
Certified Public Accountant
Registered Municipal Accountant

Woodbury, New Jersey
June 28, 2016

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

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Township Committee
Township of Middle
Cape May Court House, NJ 08210

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, of the Township of Middle, in the County of Cape May, State of New Jersey, as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements, and have issued our report thereon dated June 28, 2016. That report indicated that the Township of Middle's financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America, but were prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. In addition, our report on the financial statements also included an emphasis of matter paragraph describing the adoption of new accounting principles. The financial statements of the Township of Middle, County of Cape May, as of December 31, 2014, were audited by other auditors whose report dated June 10, 2015, expressed an adverse opinion under accounting principles generally accepted in the United States of America and an unmodified opinion under the regulatory basis of accounting.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying *Schedule of Findings and Questioned Costs* that we consider to be significant deficiencies: 2015-001, 2015-002, 2015-003, and 2015-004.

Compliance and Other Matters

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

The Township of Middle's Response to Findings

The Township of Middle's response to the findings identified in our audit is described in the accompanying *Schedule of Findings and Questioned Costs*. The Township'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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Michael J. Welding
Certified Public Accountant
Registered Municipal Accountant

Woodbury, New Jersey
June 28, 2016

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

	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
ASSETS:			
Regular Fund:			
Cash	SA-1	\$ 7,371,459.28	\$ 7,780,952.51
Change Fund	A	1,400.00	1,400.00
Due from State of New Jersey	SA-6	2,958.70	346.37
		<u>7,375,817.98</u>	<u>7,782,698.88</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	SA-2	103,949.96	23,816.85
Tax Title Liens	SA-3	628,401.23	571,431.40
Property Acquired for Taxes -- Assessed Valuation	A	2,629,223.47	2,629,223.47
Other Liens	A	395.75	614.88
Revenue Accounts Receivable	SA-8	8,293.62	12,496.65
Due from Trust -- Animal Control Fund	SB-3	2,349.19	5,085.33
Due from Trust -- Other	SB-5	1,692.46	
Due from Federal and State Grant Fund	SA-12	461,336.07	111,103.87
Due from General Capital Fund	SA-1	74,633.08	
		<u>3,910,274.83</u>	<u>3,353,772.45</u>
Deferred Charges:			
Emergency Appropriation	A-3		12,000.00
Special Emergency Appropriation	A-3	34,000.00	51,000.00
Overexpenditure of Appropriation	A-3		3,575.31
		<u>34,000.00</u>	<u>66,575.31</u>
Total Regular Fund		<u>11,320,092.81</u>	<u>11,203,046.64</u>
Federal and State Grant Fund:			
Federal and State Grants Receivable	SA-13	2,745,916.38	2,972,130.60
Total Federal and State Grant Fund		<u>2,745,916.38</u>	<u>2,972,130.60</u>
		<u>\$ 14,066,009.19</u>	<u>\$ 14,175,177.24</u>

(Continued)

TOWNSHIP OF MIDDLE
CURRENT FUND

Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis
As of December 31, 2015 and 2014

	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
LIABILITIES, RESERVES AND FUND BALANCE:			
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3	\$ 304,131.93	\$ 826,013.12
Reserve for Encumbrances	A-3	324,380.81	459,595.47
Accounts Payable	SA-1	1,843.47	9,805.07
Prepaid Licenses and Fees	SA-1	37,474.00	33,256.00
Tax Overpayments	SA-4	15,328.45	2,210.62
Prepaid Taxes	SA-5	887,085.05	668,582.12
County Tax Payable	SA-9		40,130.52
Local School Tax Payable	SA-10	3,461,767.95	3,188,748.12
Due to Water District	SA-11	8,024.15	9,941.94
Payroll Deductions Payable	SA-1		161,606.56
Deposit on Land Sales	A	3,000.00	3,000.00
Reserve for Revaluation/Reassessment	A	25,272.10	25,272.10
Reserve for State Tax Appeals	A	100,000.00	100,000.00
Reserve for Sale of Municipal Assets	A-1		1.00
Due to Trust -- Other Funds	SB-5		1,010.00
Due to Utility Operating Fund	SD-6	166,130.89	88,440.37
Due to State of NJ - FEMA Overpayment	A-1	38,166.21	
Reserve for JIF Refunds and Incentives	SA-1	1,889.99	
Reserve for Dredging Project	SA-1	12,240.00	
		<u>5,386,735.00</u>	<u>5,617,613.01</u>
Reserves for Receivables and Other Assets	A	3,910,274.83	3,353,772.45
Fund Balance	A-1	<u>2,023,082.98</u>	<u>2,231,661.18</u>
Total Regular Fund		<u>11,320,092.81</u>	<u>11,203,046.64</u>
Federal and State Grant Fund:			
Due to Current Fund	SA-12	461,336.07	111,103.87
Encumbrances Payable	SA-14		902,090.21
Appropriated Reserves	SA-14	2,256,036.04	1,902,165.21
Unappropriated Reserves	SA-15	28,544.27	56,771.31
Total Federal and State Grant Fund		<u>2,745,916.38</u>	<u>2,972,130.60</u>
		<u>\$ 14,066,009.19</u>	<u>\$ 14,175,177.24</u>

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

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

	<u>2015</u>	<u>2014</u>
REVENUE AND OTHER INCOME REALIZED:		
Fund Balance Anticipated	\$ 1,757,500.00	\$ 1,377,000.00
Miscellaneous Revenues Anticipated	7,040,112.36	7,600,533.89
Receipts from Delinquent Taxes and Tax Title Liens	148,092.71	1,103,661.54
Receipts from Current Taxes	47,440,826.93	47,006,720.82
Non-Budget Revenue	620,320.53	607,772.50
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	765,551.09	293,848.73
Interfunds Liquidated	1,058.32	6,752.31
Accounts Payable Canceled		3,009.23
Excess Reserve Animal Control Fund	2,334.55	
Reserve for Sale of Municipal Assets	1.00	
	<u>57,775,797.49</u>	<u>57,999,299.02</u>
EXPENDITURES:		
Budget Appropriations:		
Within "CAPS":		
Operations:		
Salaries and Wages	8,071,850.00	7,778,119.00
Other Expenses	8,026,151.00	8,263,126.31
Deferred Charges and Statutory Expenditures	1,904,071.31	1,935,413.06
Excluded from "CAPS":		
Operations:		
Salaries and Wages	134,000.00	130,000.00
Other Expenses	544,871.03	1,255,984.98
Capital Improvements		174,000.00
Municipal Debt Service	1,678,990.11	1,631,237.38
Deferred Charges	29,000.00	49,000.00
Local School Tax	26,160,197.00	25,661,194.00
Special District Taxes	2,371,227.52	2,357,624.00
County Taxes	6,836,986.23	6,729,967.17
Refund of Prior Year Revenue	5,000.00	18,462.88
Prior Year Seniors' Cit & Vets' Deductions Disallowed	1,500.00	4,000.00
Due to State of NJ - FEMA Overpayment	38,166.21	
Interfunds Created		
Federal and State Grant Fund	350,232.20	116,189.20
General Capital Fund	74,633.08	
	<u>56,226,875.69</u>	<u>56,104,317.98</u>
Excess (Deficit) in Revenue	1,548,921.80	1,894,981.04
Adjustment to Income before Fund Balance:		
Expenditures included above which are by		
Statute Deferred Charges to Budgets of		
Succeeding Year		
		<u>15,575.31</u>
Statutory Excess to Fund Balance	<u>1,548,921.80</u>	<u>1,910,556.35</u>
FUND BALANCE:		
Balance January 1,	<u>2,231,661.18</u>	<u>1,698,104.83</u>
	3,780,582.98	3,608,661.18
Utilized as Anticipated Revenue	<u>1,757,500.00</u>	<u>1,377,000.00</u>
Balance December 31,	<u>\$ 2,023,082.98</u>	<u>\$ 2,231,661.18</u>

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

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

	<u>Anticipated</u>		<u>Realized</u>	<u>Excess or (Deficit)</u>
	<u>Budget</u>	<u>Special N.J.S. 40A: 4-87</u>		
Surplus Anticipated	\$ 1,757,500.00		\$ 1,757,500.00	
Miscellaneous Revenues				
Local Revenues				
Licenses:				
Alcoholic Beverages	5,700.00		5,942.00	\$ 242.00
Other	25,000.00		58,532.00	33,532.00
Fees and Permits	155,000.00		185,572.32	30,572.32
Registrar of Vital Statistics	60,000.00		62,297.00	2,297.00
Trailer Tax	150,000.00		141,440.00	(8,560.00)
Hotel/Motel Tax	37,000.00		46,017.12	9,017.12
Fines and Costs: Municipal Court	226,000.00		220,692.84	(5,307.16)
Interest and Costs on Taxes	240,000.00		258,724.70	18,724.70
Interest on Investments and Deposits	5,920.00		6,350.97	430.97
Ambulance Fees	775,500.00		802,273.61	26,773.61
Host Community Benefits	15,000.00		33,628.18	18,628.18
Payment in Lieu of Taxes	20,000.00		15,789.83	(4,210.17)
Cable TV and Franchise Fee	105,000.00		113,027.14	8,027.14
State Aid Without Offsetting Appropriations				
Energy Receipts Tax	3,519,743.00		3,519,743.00	
Garden State Trust	47,481.00		47,481.00	
Dedicated Uniform Construction Code Fees				
Uniform Construction Code Fees	232,000.00		448,659.00	216,659.00
Interlocal Municipal Service Agreements Offset with Appropriations				
Police Officer - Cape May County Technical School	74,000.00		75,006.40	1,006.40
Middle Township Fire District #2 - JIF Insurance	37,564.00		37,564.00	
Public and Private Revenues Offset with Appropriations				
Safe and Secure Communities	60,000.00		60,000.00	
Body Armor Fund	4,295.81	\$ 4,625.51	8,921.32	
Emergency Management Assistance	5,000.00		5,000.00	
Recycling Tonnage	44,066.06		44,066.06	
Click It or Ticket	3,409.44		3,409.44	
Drive Sober Or Get Pulled Over		7,596.96	7,596.96	
Clean Communities		55,313.25	55,313.25	
No Net Loss Reforestation Grant		382,500.00	382,500.00	
Other Special Items				
Borough of Woodbine - Municipal Court	63,672.00		67,564.22	3,892.22
Sewer Utility - Indirect Costs	327,000.00		327,000.00	
Reserve for Sale of Municipal Assets	15,550.00			(15,550.00)
Snow Reserve	25,000.00			(25,000.00)
	<u>6,278,901.31</u>	<u>450,035.72</u>	<u>7,040,112.36</u>	<u>311,175.33</u>
Receipts from Delinquent Taxes	<u>15,230.40</u>		<u>148,092.71</u>	<u>132,862.31</u>
Amount to be Raised by Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purposes including Reserve for Uncollected Taxes	<u>12,313,100.11</u>		<u>12,406,407.88</u>	<u>93,307.77</u>
Budget Totals	<u>20,364,731.82</u>	<u>450,035.72</u>	<u>21,352,112.95</u>	<u>537,345.41</u>
Non-Budget Revenue			<u>620,320.53</u>	<u>620,320.53</u>
	<u>\$ 20,364,731.82</u>	<u>\$ 450,035.72</u>	<u>\$ 21,972,433.48</u>	<u>\$ 1,157,665.94</u>

(Continued)

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

Analysis of Realized Revenue

Allocation of Current Tax Collections:	
Revenue from Collections	\$ 47,440,826.93
Allocated to:	
County, Special Districts, and School Taxes	<u>35,368,410.75</u>
Amount for Support of Municipal Budget Appropriations	12,072,416.18
Add: Appropriation "Reserve for Uncollected Taxes"	<u>333,991.70</u>
Amount for Support of Municipal Budget Appropriations	<u>\$ 12,406,407.88</u>
Receipts from Delinquent Taxes:	
Delinquent Tax Collections	<u>\$ 148,092.71</u>

Analysis of Non-Budget Revenues

Miscellaneous Revenue not Anticipated:	
Sale of Township Property	\$ 9,049.42
Police Reports	5,462.85
Zoning Books, Maps, Copies	2,227.00
Grass Cutting	17,212.10
Police Traffic Admin	200,362.54
Host Community Benefit Settlement Payments	20,000.00
Miscellaneous	71,396.12
Senior Citizens & Veterans' Deductions Administrative Fee	4,379.33
FEMA Reimbursement	242,473.17
Interlocal Middle Township Board of Education	29,999.00
In Lieu Taxes - Federal	<u>17,759.00</u>
Total Miscellaneous Revenue not Anticipated	<u>\$ 620,320.53</u>

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

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

	Appropriations		Paid or Charged	Expended		Unexpended Balance Canceled
	Budget	Budget After Modification		Encumbered	Reserved	
OPERATIONS -- WITHIN "CAPS"						
General Government Functions						
General Administration:						
Salaries and Wages	\$ 170,000.00	\$ 173,000.00	\$ 171,998.68	\$	1,001.32	
Other Expenses	40,000.00	41,200.00	36,064.59	4,770.98	364.43	
Public Affairs:						
Other Expenses	750.00	750.00			750.00	
Human Resources:						
Salaries and Wages	72,000.00	73,200.00	72,747.66		452.34	
Other Expenses	9,500.00	9,500.00	9,141.16	198.00	160.84	
Mayor and Committee:						
Salaries and Wages	52,500.00	52,500.00	52,500.00			
Other Expenses	6,300.00	6,300.00	6,300.00			
Municipal Clerk:						
Salaries and Wages	120,000.00	123,500.00	122,976.31		523.69	
Other Expenses						
Miscellaneous Other Expenses	40,600.00	36,600.00	30,869.18	2,691.70	3,039.12	
Codification of Ordinances	8,600.00	8,245.00	3,397.88	4,621.07	226.05	
Records Management:						
Other Expenses	1,000.00	1,000.00			1,000.00	
Financial Administration:						
Salaries and Wages	192,000.00	182,000.00	178,160.49		3,839.51	
Other Expenses	55,000.00	51,000.00	36,623.66	3,289.30	11,087.04	
Grants and Administration:						
Other Expenses	26,000.00	26,000.00	18,137.19	852.50	7,010.31	
Bond Registrar:						
Other Expenses	100.00	100.00			100.00	
Information Technology:						
Salaries and Wages	49,000.00	46,000.00	44,903.74		1,096.26	
Other Expenses	14,400.00	9,400.00	7,958.58		1,441.42	
Audit Services:						
Other Expenses	31,000.00	31,000.00	31,000.00			
Collection of Taxes:						
Salaries and Wages	148,000.00	142,000.00	139,704.55		2,295.45	
Other Expenses	41,150.00	40,150.00	31,973.28	6,642.62	1,534.10	
Assessment of Taxes:						
Salaries and Wages	117,500.00	119,500.00	118,540.50		959.50	
Other Expenses	40,000.00	33,000.00	31,991.87	377.18	630.95	
Liquidation of Tax Title Liens and Foreclosed Property:						
Other Expenses	9,000.00	9,000.00		9,000.00		
Legal Services:						
Other Expenses	327,000.00	327,000.00	253,100.83	50,112.67	23,786.50	

(Continued)

TOWNSHIP OF MIDDLE
Statement of Expenditures – Regulatory Basis
For the Year Ended December 31, 2015

	Appropriations			Expended			Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved		
Engineering Services:							
Other Expenses	\$ 70,000.00	\$ 116,000.00	\$ 98,787.92	\$ 16,683.47	\$ 528.61		
Municipal Court:							
Salaries and Wages	163,500.00	163,500.00	158,390.55		5,109.45		
Other Expenses	23,800.00	23,800.00	20,850.52	227.75	2,721.73		
Public Defender:							
Other Expenses	17,500.00	17,500.00	17,499.96		0.04		
<u>Land Use Administration</u>							
<u>Planning Board:</u>							
Other Expenses	25,000.00	25,000.00	5,000.00		20,000.00		
Smart Growth Expenses	1.00	1.00			1.00		
Miscellaneous Other Expenses							
Zoning Board of Adjustments:							
Salaries and Wages	94,000.00	95,000.00	94,208.97		791.03		
Other Expenses	38,000.00	38,000.00	12,050.86	25,395.06	554.08		
<u>Insurance</u>							
General Liability	190,500.00	190,500.00	190,500.00				
Workers Compensation	571,500.00	528,500.00	528,426.00		74.00		
Employee Group Health	3,479,000.00	3,298,250.00	3,288,976.76	1,468.60	7,804.64		
Health Benefit Waivers							
Salaries and Wages	56,000.00	77,000.00	76,758.10		241.90		
<u>Public Safety Functions</u>							
<u>Police:</u>							
Salaries and Wages	4,581,000.00	4,475,000.00	4,450,880.56		24,119.44		
Other Expenses	357,400.00	398,400.00	333,182.40	49,584.93	15,632.67		
Police Radio & Communications:							
Salaries and Wages	428,400.00	493,400.00	488,591.41		4,808.59		
Other Expenses	7,000.00	7,000.00	6,370.95	539.00	90.05		
Emergency Management Services:							
Salaries and Wages	4,700.00	4,700.00	2,695.33		2,004.67		
Other Expenses	1,000.00	1,500.00	713.47		786.53		
Rescue Squad:							
Salaries and Wages	407,500.00	443,500.00	436,810.80		6,689.20		
Other Expenses	41,000.00	47,500.00	43,523.33	1,071.48	2,905.19		
Contributions to First Aid Squads	70,000.00	70,000.00	70,000.00				
Fire Protection:							
Other Expenses	5,000.00	5,000.00	4,010.00		990.00		
Municipal Prosecutor:							
Other Expenses	34,000.00	34,000.00	33,996.00	4.00			

(Continued)

TOWNSHIP OF MIDDLE
 Statement of Expenditures – Regulatory Basis
 For the Year Ended December 31, 2015

	<u>Appropriations</u>		<u>Expended</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	
<u>Public Works Functions</u>					
Road Repairs and Maintenance:					
Salaries and Wages		\$ 871,500.00	\$ 867,114.32	\$	4,385.68
Other Expenses	125,000.00	125,000.00	93,633.20	29,861.76	1,505.04
Snow Removal:					
Other Expenses	25,000.00	25,000.00	14,961.00	10,039.00	
Shade Tree Commission:					
Other Expenses	750.00	750.00			750.00
Garbage and Trash Removal:					
Other Expenses	333,400.00	333,400.00	277,138.00	55,558.00	704.00
Recycling:					
Other Expenses	334,000.00	334,000.00	334,000.00		
Motor Pool - Other Expenses	181,000.00	219,000.00	169,267.21	36,384.92	13,347.87
Public Buildings & Ground:					
Other Expenses	96,000.00	103,500.00	98,410.06	1,455.19	3,634.75
<u>Health and Human Services</u>					
Board of Health:					
Salaries and Wages	850.00	850.00	849.98		0.02
Other Expenses	500.00	500.00	222.00		278.00
Animal Control:					
Salaries and Wages	58,200.00	63,700.00	63,136.52		563.48
Other Expenses	10,000.00	10,000.00	7,519.07	90.00	2,390.93
Animal Shelter Contractual	71,100.00	71,105.00	71,103.00		2.00
<u>Code Enforcement and Administration</u>					
Code Enforcement Officer:					
Salaries and Wages	34,000.00	34,000.00	33,190.00		810.00
Construction Official:					
Salaries and Wages	122,000.00	77,000.00	72,985.19		4,014.81
Other Expenses	14,600.00	149,600.00	143,075.31	4,167.96	2,356.73
Demolition of Substandard Buildings	5,000.00	5,000.00			5,000.00
Electrical Inspector:					
Salaries and Wages	26,300.00	15,000.00	15,000.00		
<u>Park and Recreation</u>					
Recreation:					
Salaries and Wages	225,000.00	189,000.00	182,561.65		6,438.35
Other Expenses	42,000.00	43,000.00	39,567.21	3,012.42	420.37
Senior Center:					
Salaries and Wages	66,000.00	57,000.00	54,961.77		2,038.23
Other Expenses	20,000.00	20,000.00	16,137.55	1,278.67	2,583.78
Beach Restoration - Other Expenses	500.00	500.00			500.00

(Continued)

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

	Appropriations		Paid or Charged	Expended		Unexpended Balance Canceled
	Budget	Budget After Modification		Encumbered	Reserved	
<u>Unclassified</u>						
Terminal Leave	\$ 100,000.00	\$ 100,000.00	\$ 100,000.00			
<u>Utility Expenses and Bulk Purchases</u>						
Electricity	380,000.00	380,000.00	375,479.52	\$ 3,469.87	\$ 1,050.61	
Street Lighting	100.00	100.00			100.00	
Postage	8,000.00					
Telephone	88,000.00	88,000.00	82,206.29	929.14	4,864.57	
Water	14,000.00	15,000.00	14,989.73		10.27	
Natural Gas	45,000.00	58,000.00	57,280.21	603.57	116.22	
Fuel Oil	1,000.00	1,000.00			1,000.00	
Gasoline	280,000.00	280,000.00	150,771.84		39,228.16	\$ 90,000.00
Sanitary Landfill - Contractual	390,000.00	422,500.00	422,400.01		99.99	
Total Operations -- Within "CAPS"	16,188,001.00	16,188,001.00	15,518,274.68	324,380.81	255,345.51	90,000.00
Detail:						
Salaries and Wages	8,141,950.00	8,071,850.00	7,999,667.08	-	72,182.92	-
Other Expenses (Including Contingent)	8,046,051.00	8,116,151.00	7,518,607.60	324,380.81	183,162.59	90,000.00
<u>DEFERRED CHARGES AND STATUTORY EXPENDITURES -- WITHIN "CAPS"</u>						
Deferred Charges						
Overexpenditure of Appropriations	3,575.31	3,575.31	3,575.31			
<u>Statutory Expenditures</u>						
Public Employees Retirement System	354,738.00	354,738.00	354,738.00			
Social Security System (O.A.S.I.)	635,000.00	635,000.00	590,380.59		44,619.41	
Police and Firemen's Retirement System	855,758.00	855,758.00	855,758.00			
Defined Contribution Retirement Plan	10,000.00	10,000.00	6,332.99		3,667.01	
Unemployment Compensation	45,000.00	45,000.00	45,000.00			
Total Deferred Charges and Statutory Expenditures -- Municipal -- Within "CAPS"	1,904,071.31	1,904,071.31	1,855,784.89	-	48,286.42	-
Total General Appropriations for Municipal Purposes Within -- "CAPS"	18,092,072.31	18,092,072.31	17,374,059.57	324,380.81	303,631.93	90,000.00
<u>OPERATIONS -- EXCLUDED FROM "CAPS"</u>						
Public Assistance - Township Share of Costs	500.00	500.00			500.00	
Total Other Operations -- Excluded from "CAPS"	500.00	500.00	-	-	500.00	-

(Continued)

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

	Appropriations		Paid or Charged	Expended		Unexpended Balance Canceled
	Budget	Budget After Modification		Encumbered	Reserved	
Shared Service Agreements						
Police						
Salaries and Wages	\$ 74,000.00	\$ 74,000.00	\$ 74,000.00			
Middle Township Fire District #2						
JIF Insurance	37,564.00	37,564.00	37,564.00			
Total Shared Service Agreements	111,564.00	111,564.00	111,564.00	-	-	-
Public and Private Programs Offset by Revenues						
Safe and Secure Communities	60,000.00	60,000.00	60,000.00			
Body Armor Fund (40A:4-87, \$4,625.51)	4,295.81	8,921.32	8,921.32			
Emergency Management Assistance	5,000.00	5,000.00	5,000.00			
Recycling Tonnage	44,066.06	44,066.06	44,066.06			
Click It or Ticket	3,409.44	3,409.44	3,409.44			
Drive Sober Or Get Pulled Over (40A:4-87, \$7,596.96)		7,596.96	7,596.96			
Clean Communities (40A:4-87, \$55,313.25)		55,313.25	55,313.25			
No Net Loss Reforestation Grant (40A:4-87, \$382,500.00)		382,500.00	382,500.00			
Total Public and Private Programs Offset by Revenues	116,771.31	566,807.03	566,807.03	-	-	-
Total Operations -- Excluded from "CAPS"	228,835.31	678,871.03	678,371.03	-	\$ 500.00	-
Detail:						
Salaries and Wages	134,000.00	134,000.00	134,000.00			
Other Expenses	94,835.31	544,871.03	544,371.03		500.00	
<u>MUNICIPAL DEBT SERVICE -- EXCLUDED FROM "CAPS"</u>						
Payment of Bond Principal	945,000.00	945,000.00	945,000.00			
Payment of Bond Anticipation Notes and Capital Notes	490,000.00	490,000.00	490,000.00			
Interest on Bonds	77,632.50	77,672.50	77,632.52			\$ 39.98
Interest on Notes	46,000.00	46,000.00	45,104.36			895.64
Green Trust Loan Program	98,300.00	98,300.00	98,132.13			167.87
New Jersey Environmental Infrastructure Trust Loan:						
Principal	20,200.00	20,060.00	19,327.39			732.61
Interest	3,700.00	3,800.00	3,793.71			6.29
Total Municipal Debt Service -- Excluded from "CAPS"	1,680,832.50	1,680,832.50	1,678,990.11	-	-	1,842.39

(Continued)

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

	Appropriations		Expended		Unexpended	
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	Balance Canceled
DEFERRED CHARGES -- EXCLUDED FROM "CAPS"						
Emergency Authorizations	\$ 12,000.00	\$ 12,000.00	\$ 12,000.00			
Special Emergency Authorizations - 5 Years (N.J.S.A. 40A:4-55)	17,000.00	17,000.00	17,000.00			
Total Deferred Charges - Municipal - Excluded from "CAPS"	29,000.00	29,000.00	29,000.00	-	-	-
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	1,938,667.81	2,388,703.53	2,386,361.14	-	500.00	\$ 1,842.39
Subtotal General Appropriations	20,030,740.12	20,480,775.84	19,760,420.71	\$ 324,380.81	304,131.93	91,842.39
Reserve for Uncollected Taxes	333,991.70	333,991.70	333,991.70			
Total	\$ 20,364,731.82	\$ 20,814,767.54	\$ 20,094,412.41	\$ 324,380.81	\$ 304,131.93	\$ 91,842.39
Budget		\$ 20,364,731.82				
Appropriation by 40A:4-87		450,035.72				
Reserve for Federal and State Grant Fund--Appropriated			\$ 566,807.03			
Deferred Charges			32,575.31			
Reserve for Uncollected Taxes			333,991.70			
Disbursed			19,161,038.37			
		\$ 20,814,767.54	\$ 20,094,412.41			

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

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

	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
ASSETS:			
Animal Control Fund:			
Cash - Chief Financial Officer	SB-1	<u>\$ 20,751.69</u>	<u>\$ 18,317.23</u>
Other Funds:			
Cash - Chief Financial Officer	SB-1	2,395,151.98	2,284,726.26
Cash - Tax Collector	SB-1	328,762.49	436,024.10
Due from State of NJ - Burial Permits	SB-1		5.00
Due from Current Fund	SB-5		1,010.00
Loans Receivable - UDAG	SB-9	<u>223,913.21</u>	<u>235,772.27</u>
Total Other Funds		<u>2,947,827.68</u>	<u>2,957,537.63</u>
		<u>\$ 2,968,579.37</u>	<u>\$ 2,975,854.86</u>

(Continued)

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

	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
LIABILITIES, RESERVES AND FUND BALANCE:			
Animal Control Fund:			
Due to Current Fund	SB-3	\$ 2,349.19	\$ 5,085.33
Due to State of New Jersey Board of Health	SB-4	34.00	19.80
Prepaid Licenses	SB-2	2,646.00	
Reserve for Animal Control Fund Expenditures	SB-2	<u>15,722.50</u>	<u>13,212.10</u>
Total Animal Control Fund		<u>20,751.69</u>	<u>18,317.23</u>
Other Funds:			
Due to Current Fund	SB-5	1,692.46	
Due to State of New Jersey			
Construction Code Fees	SB-7	14,103.00	4,256.00
Marriage Licenses	SB-8	525.00	1,685.00
Reserve for:			
Community Development Block Grant	SB-6	2,676.80	2,676.80
Developer's Escrow	SB-6	714,732.13	825,802.22
Sewer Escrows	SB-6	133,833.96	136,071.46
Unemployment Compensation	SB-6	166,137.76	143,365.55
Street Openings	SB-6	15,770.00	10,770.00
Special Law Enforcement - Forfeited Funds	SB-6	23,001.14	14,919.41
Smart Growth Plan	SB-6	33,013.31	33,013.31
Housing Rehabilitation	SB-6	111,344.46	75,349.46
Urban Aid	SB-6	486,977.47	469,459.88
Recreation Dedicated Trust	SB-6	119,023.04	99,019.67
Subdivisions - Map Changes	SB-6	5,757.50	5,557.50
POAA Fines Trust	SB-6	207.00	170.00
Police Extra Duty Work	SB-6	26,382.85	140,213.49
Snow Removal	SB-6	61,858.67	74,818.82
COAH	SB-6	262,161.55	212,025.98
Municipal Alliance	SB-6	5,638.97	6,564.42
Donations - Bus Shelters	SB-6	836.08	836.08
Accumulated Absences	SB-6	108,677.79	29,166.21
Payroll	SB-6	100,801.04	
Loans Receivable - UDAG	SB-6	223,913.21	235,772.27
Tax Sale Premiums	SB-6	292,000.00	354,800.00
Tax Title Liens Redemption	SB-6	<u>36,762.49</u>	<u>81,224.10</u>
Total Other Funds		<u>2,947,827.68</u>	<u>2,957,537.63</u>
		<u>\$ 2,968,579.37</u>	<u>\$ 2,975,854.86</u>

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

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

ASSETS:	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
Cash	SC-1	\$ 1,081,234.46	\$ 3,063,697.71
Grant Receivable	SC-7		55,385.00
Deferred Charges to Future Taxation:			
Funded	SC-3	1,930,703.61	2,974,939.45
Unfunded	SC-4	8,913,000.86	9,403,000.86
		<u>\$ 11,924,938.93</u>	<u>\$ 15,497,023.02</u>
LIABILITIES, RESERVES AND FUND BALANCE:			
General Serial Bonds	SC-8	\$ 937,000.00	\$ 1,882,000.00
NJ EIT Loans Payable	SC-9	142,550.90	161,878.29
Green Acres Loans Payable	SC-10	851,152.71	931,061.16
Bond Anticipation Notes	SC-11	4,033,000.00	4,523,000.00
Improvement Authorizations:			
Funded	SC-7	1,042,161.60	1,438,267.83
Unfunded	SC-7	3,712,336.69	4,890,893.27
Contracts Payable	SC-7	895,395.17	708,130.41
Due to Current Fund	SC-7	74,633.08	
Due to Sewer Utility Capital Fund	SC-6		108,750.00
Reserve to Pay Bonds and Notes	C	26,192.78	26,192.78
Capital Improvement Fund	SC-5	109,484.44	699,484.44
Fund Balance	C-1	101,031.56	127,364.84
		<u>\$ 11,924,938.93</u>	<u>\$ 15,497,023.02</u>

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

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

Balance December 31, 2014	\$ 127,364.84
Decreased by:	
Improvement Authorization 1503-15	<u>26,333.28</u>
Balance December 31, 2015	<u><u>\$ 101,031.56</u></u>

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

TOWNSHIP OF MIDDLE
SEWER UTILITY FUND
 Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis
 As of December 31, 2015 and 2014

	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
ASSETS:			
Operating Fund:			
Cash	SD-1	\$ 1,831,049.51	\$ 1,768,791.87
Due from Current Fund	SD-3	<u>166,130.89</u>	<u>88,440.37</u>
		<u>1,997,180.40</u>	<u>1,857,232.24</u>
Receivables with Full Reserves:			
Sewer Rents Receivable	SD-4	61,015.63	29,666.49
Sewer Liens Receivable	SD-5	<u>1,549.14</u>	<u>5,748.89</u>
		<u>62,564.77</u>	<u>35,415.38</u>
Total Operating Fund		<u>2,059,745.17</u>	<u>1,892,647.62</u>
Capital Fund:			
Cash	SD-1	407,842.72	1,340,584.09
Grants Receivable - USDA	SD-1		7,600.00
Due from General Capital Fund	SD-1		108,750.00
Fixed Capital	SD-10	30,392,598.51	28,105,028.24
Fixed Capital Authorized and Uncompleted	SD-11	<u>15,599,979.73</u>	<u>17,887,550.00</u>
Total Capital Fund		<u>46,400,420.96</u>	<u>47,449,512.33</u>
		<u>\$ 48,460,166.13</u>	<u>\$ 49,342,159.95</u>

(Continued)

TOWNSHIP OF MIDDLE
SEWER UTILITY FUND
 Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis
 As of December 31, 2015 and 2014

	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
LIABILITIES, RESERVES AND FUND BALANCE:			
Operating Fund:			
Liabilities:			
Appropriation Reserves	D-3	\$ 100,187.62	\$ 82,809.40
Encumbrances	D-3	100,237.87	18,683.99
Sewer Rents Overpayments	SD-8	10,316.32	38,962.84
Prepaid Sewer Rents	SD-9	441,217.76	424,969.88
Bond Issue Costs Payable	D-1		17,829.97
Accrued Interest on Bonds and Notes	SD-6	221,271.68	228,167.35
Reserve for Dewatering Project (ACE)	SD-3	189,000.00	
		<u>1,062,231.25</u>	<u>811,423.43</u>
Reserve for Receivables	D	62,564.77	35,415.38
Fund Balance	D-1	<u>934,949.15</u>	<u>1,045,808.81</u>
Total Operating Fund		<u>2,059,745.17</u>	<u>1,892,647.62</u>
Capital Fund:			
General Serial Bonds	SD-15	12,855,000.00	13,300,000.00
Rural Development Administration Bonds	SD-16	10,003,524.24	10,143,349.21
Bond Anticipation Note	SD-17		1,000,000.00
Improvement Authorizations:			
Funded	SD-12	401,070.49	389,288.73
Unfunded	SD-12	1,658,144.44	1,667,268.84
Contracts Payable	SD-12	152,366.12	204,114.85
Reserve for Amortization	SD-13	20,474,535.29	17,804,326.94
Deferred Reserve for Amortization	SD-14	492,768.71	2,578,152.09
Reserve for the Payment of Bonds, Loans and Notes	D	248,155.02	248,155.02
Fund Balance	D	<u>114,856.65</u>	<u>114,856.65</u>
Total Capital Fund		<u>46,400,420.96</u>	<u>47,449,512.33</u>
		<u>\$ 48,460,166.13</u>	<u>\$ 49,342,159.95</u>

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

TOWNSHIP OF MIDDLE
SEWER UTILITY OPERATING FUND
 Statements of Operations and Changes in Operating Fund Balance -- Regulatory Basis
 For the Years Ended December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
REVENUE AND OTHER INCOME REALIZED:		
Operating Surplus Anticipated	\$ 200,000.00	\$ 295,119.00
Sewer Rents	4,137,849.25	4,215,081.88
Miscellaneous	95,957.84	145,549.49
Other Credits to Income:		
Cancellation Bond Issuance Costs Payable	17,829.97	
Unexpended Balance of Appropriation Reserves	<u>59,174.88</u>	<u>19,663.31</u>
 Total Income	 <u>4,510,811.94</u>	 <u>4,675,413.68</u>
 EXPENDITURES:		
Operating	2,563,000.00	2,524,119.00
Capital Outlay	70,000.00	50,000.00
Debt Service	1,431,671.60	1,426,137.54
Deferred Charges and Statutory Expenditures	<u>357,000.00</u>	<u>130,000.00</u>
 Total Expenditures	 <u>4,421,671.60</u>	 <u>4,130,256.54</u>
 Statutory Excess to Fund Balance	 89,140.34	 545,157.14
 FUND BALANCE:		
Balance January 1	<u>1,045,808.81</u>	<u>795,770.67</u>
	1,134,949.15	1,340,927.81
Decreased by:		
Utilized as Revenue	<u>200,000.00</u>	<u>295,119.00</u>
 Balance December 31	 <u>\$ 934,949.15</u>	 <u>\$ 1,045,808.81</u>

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

TOWNSHIP OF MIDDLE
SEWER UTILITY OPERATING FUND
Statement of Revenues -- Regulatory Basis
For the Year Ended December 31, 2015

	Anticipated <u>Budget</u>	Realized	Excess/ <u>(Deficit)</u>
Operating Surplus Anticipated	\$ 200,000.00	\$ 200,000.00	
Sewer Rents	4,100,000.00	4,137,849.25	\$ 37,849.25
Miscellaneous	<u>132,000.00</u>	<u>95,957.84</u>	<u>(36,042.16)</u>
	<u>\$ 4,432,000.00</u>	<u>\$ 4,433,807.09</u>	<u>\$ 1,807.09</u>

Analysis of Realized Revenues

Sewer Rents Receivables	\$ 4,133,649.50
Sewer Liens Receivables	<u>4,199.75</u>
	<u>\$ 4,137,849.25</u>

Miscellaneous:

Receipts:

Application Fees	\$ 15,200.00
Interest on Delinquent Accounts	47,452.03
Connection Fee	28,600.00
Disconnection Fee	100.00
Interest on Investments	955.83
Miscellaneous	<u>3,649.98</u>

\$ 95,957.84

Collected by Sewer Fund	\$ 91,397.21
Collected by Current Fund	<u>4,560.63</u>

\$ 95,957.84

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

TOWNSHIP OF MIDDLE
SEWER UTILITY OPERATING FUND
 Statement of Expenditures -- Regulatory Basis
 For the Year Ended December 31, 2015

	Appropriations		Paid or Charged	Expended		Unexpended Balance Canceled
	Original Budget	Budget After Modification		Encumbrances	Reserved	
Operating:						
Salaries and Wages	\$ 196,000.00	\$ 196,000.00	\$ 189,719.69	\$ 6,280.31		
Other Expenses	207,000.00	207,000.00	176,762.13	30,237.87		
Insurance	160,000.00	160,000.00	153,841.34	6,158.66		
C/MC/MJA User Charges	2,000,000.00	2,000,000.00	1,913,274.00	86,726.00		
Total Operating	2,563,000.00	2,563,000.00	2,433,597.16	30,237.87	99,164.97	-
Capital Improvements						
Capital Outlay	70,000.00	70,000.00		70,000.00		
Total Capital Improvements	70,000.00	70,000.00	-	70,000.00	-	-
Debt Service:						
Payment of Bond Principal	585,000.00	585,000.00	584,824.95			\$ 175.05
Interest on Bonds	845,000.00	845,000.00	838,189.50			6,810.50
Interest on Notes	12,000.00	12,000.00	8,657.15			3,342.85
Total Debt Service	1,442,000.00	1,442,000.00	1,431,671.60	-	-	10,328.40
Deferred Charges and Statutory Expenditures:						
Deferred Charges:						
Township of Middle - Indirect Costs	327,000.00	327,000.00	327,000.00			
Statutory Expenditures:						
Public Employees' Retirement System	15,000.00	15,000.00	15,000.00			
Contributions to Social Security System (O.A.S.I.)	15,000.00	15,000.00	13,977.35	1,022.65		
Total Deferred Charges and Statutory Expenditures	357,000.00	357,000.00	355,977.35	-	1,022.65	-
Total	\$ 4,432,000.00	\$ 4,432,000.00	\$ 4,221,246.11	\$ 100,237.87	\$ 100,187.62	\$ 10,328.40
Accrued Interest on Bonds and Notes			\$ 846,846.65			
Due Current Fund			200.00			
Cash Disbursements			3,374,199.46			
			\$ 4,221,246.11			

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

TOWNSHIP OF MIDDLE
PUBLIC ASSISTANCE FUND
 Statements of Assets, Liabilities and Reserves -- Regulatory Basis
 As of December 31, 2015 and 2014

	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
ASSETS:			
Cash	SE-1	<u>\$ 20,922.42</u>	<u>\$ 20,909.12</u>
LIABILITIES AND RESERVES:			
Reserve for Public Assistance	SE-2	<u>\$ 20,922.42</u>	<u>\$ 20,909.12</u>

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

TOWNSHIP OF MIDDLE
GENERAL FIXED ASSETS ACCOUNT GROUP
Statement of General Fixed Assets Group of Accounts
For the Year Ended December 31, 2015

ASSETS:	<u>Balance</u> <u>12/31/14</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/15</u>
Land	\$ 1,048,535.00			\$ 1,048,535.00
Land Improvements	1,907,773.85			1,907,773.85
Buildings	7,753,363.27			7,753,363.27
Equipment	<u>5,945,872.99</u>	<u>\$ 920,916.00</u>	<u>\$ 198,109.00</u>	<u>6,668,679.99</u>
	<u>\$ 16,655,545.11</u>	<u>\$ 920,916.00</u>	<u>\$ 198,109.00</u>	<u>\$ 17,378,352.11</u>
 FUND BALANCE:				
Investment in General Fixed Assets	<u>\$ 16,655,545.11</u>	<u>\$ 920,916.00</u>	<u>\$ 198,109.00</u>	<u>\$ 17,378,352.11</u>

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

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Financial Reporting Entity – The Township of Middle (hereafter referred to as the "Township") is located in Cape May County, New Jersey. It is part of the Ocean City Metropolitan Statistical Area. The Township was formed as a precinct on April 2, 1723, and was incorporated by Township Act of 1798 of the New Jersey Legislature on February 21, 1798 as one of New Jersey's initial group of 104 Townships. The Township borders Dennis Township, Sea Isle City, Avalon Borough, Stone Harbor Borough, North Wildwood City, Wildwood City, West Wildwood Borough, Lower Township, the Atlantic Ocean, and the Delaware Bay. As of the 2010 United States Census, the population was 18,911.

The Township is represented by a three member Committee elected to three-year terms. These terms are staggered so that one member's term expires each year. The Mayor is appointed at the annual reorganization meeting by the members of the Committee. Executive and administrative responsibility rests with the Mayor, who is assisted by the other Committee members and the Township Administrator.

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

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

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

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

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

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

Sewer Utility Operating and Capital Funds - The sewer utility operating and capital funds account for the operations and acquisition of capital facilities of the municipally owned sewer operations.

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

Public Assistance Fund - The public assistance fund accounts for receipt and disbursement of funds that provide assistance to certain residents of the Township pursuant to Title 44 of New Jersey statutes.

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

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

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

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

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

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

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.

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

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

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

General Fixed Assets - Accounting for governmental fixed assets, as required by N.J.A.C. 5:30-5.6, differs in certain respects from accounting principles generally accepted in the United States of America. In accordance with the regulations, all local units, including municipalities, must maintain a general fixed assets reporting system that establishes and maintains a physical inventory of nonexpendable, tangible property as defined and limited by the U.S. Office of Management and *Budget's Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Part 200, §200.12), except that the useful life of such property is at least five years. The Township has adopted a capitalization threshold of \$5,000, the maximum amount allowed by the Circular. Generally, assets are valued at historical cost; however, assets acquired prior to December 31, 1985 are valued at actual historical cost or estimated historical cost. No depreciation of general fixed assets is recorded. Donated general fixed assets are recorded at their estimated fair market value on the acquisition date. Interest costs relative to the acquisition of general fixed assets are recorded as expenditures when paid. Public domain ("infrastructure") general fixed assets consisting of certain improvements such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. Expenditures for construction in progress are recorded in the capital funds until such time as the construction is completed and put into operation. The Township is required to maintain a subsidiary ledger detailing fixed assets records to control additions, retirements and transfers of fixed assets. In addition, a statement of general fixed assets, reflecting the activity for the year, must be included in the Township's basic financial statements.

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

Utility Fixed Assets - Property and equipment purchased by a utility fund are recorded in the utility capital account at cost and are adjusted for disposition and abandonment. The amounts shown do not represent replacement cost or current value. The reserve for amortization and deferred reserve for amortization accounts in the utility capital fund represent charges to operations for the cost of acquisition of property and equipment and improvements and contributed capital.

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

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

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

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

Fund Balance - Fund Balance included in the current fund and sewer utility operating fund represent amounts available for anticipation as revenue in future year's 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 are 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 Cape May, Township of Middle School District, and the Township of Middle Fire District No. 1, No. 2, No. 3 and No. 4. Unpaid property taxes are subject to tax sale in accordance with the statutes.

School Taxes - The municipality is responsible for levying, collecting and remitting school taxes for the Township of Middle School District. Operations is charged for the full amount required to be raised from taxation to operate the local school district for the period from July 1, 2015 to June 30, 2016, increased by the amount deferred at December 31, 2014 and decreased by the amount deferred at December 31, 2015.

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

Fire District Taxes - The municipality is responsible for levying, collecting, and remitting fire district taxes for Township of Middle Fire District No. 1, No. 2, No. 3 and No.4. Operations is charged for the full amount required to be raised from taxation to operate the Fire District for the period from January 1 to December 31.

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.

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

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

Appropriations for principal payments on outstanding general capital 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 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**Recently Issued and Adopted Accounting Pronouncements**

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

Note 2: CASH AND CASH EQUIVALENTS

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

As of December 31, 2015, the Township's bank balances of \$13,596,090.98 were exposed to custodial credit risk as follows:

Insured by FDIC and GUDPA	\$ 12,881,044.04
Uninsured and Uncollateralized	<u>715,046.94</u>
Total	<u>\$ 13,596,090.98</u>

Note 3: PROPERTY TAXES

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

Comparative Schedule of Tax Rates

	<u>Year Ended</u>				
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Tax Rate	<u>\$ 1.663</u>	<u>\$ 1.651</u>	<u>\$ 1.650</u>	<u>\$ 1.410</u>	<u>\$ 1.365</u>
Apportionment of Tax Rate:					
Municipal	\$.452	\$.455	\$.454	\$.391	\$.390
County	.251	.248	.259	.216	.208
Local School	.960	.948	.937	.803	.767

Assessed Valuation

<u>Year</u>	<u>Amount</u>
2015	\$ 2,725,641,739.00
2014	2,707,499,497.00
2013	2,688,271,256.00
2012	3,018,201,048.00
2011	3,159,783,058.00

Note 3: PROPERTY TAXES (CONT'D)

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

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2015	\$ 47,811,188.18	\$ 47,440,826.93	99.23%
2014	47,327,251.00	47,006,721.00	99.32%
2013	46,866,913.00	45,744,818.00	97.61%
2012	44,993,968.00	43,923,527.00	97.62%
2011	45,560,974.00	44,337,352.00	97.31%

Delinquent Taxes and Tax Title Liens

<u>Year</u>	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2015	\$ 628,401.23	\$ 103,949.96	\$ 732,351.19	1.53%
2014	571,431.00	23,817.00	595,248.00	1.26%
2013	426,043.00	1,004,218.00	1,430,261.00	3.05%
2012	316,033.00	772,158.00	1,088,191.00	2.42%
2011	257,362.00	860,896.00	1,118,258.00	2.45%

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

<u>Year</u>	<u>Number</u>
2015	581
2014	600
2013	370
2012	313
2011	277

Note 4: PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

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

<u>Year</u>	<u>Amount</u>
2015	\$ 2,629,223.47
2014	2,629,223.47
2013	2,629,223.47
2012	2,629,223.47
2011	2,696,023.47

Note 5: SEWER UTILITY SERVICE CHARGES

The following is a five-year comparison of sewer utility service charges (rents) for the current and previous four years:

<u>Year</u>	<u>Balance Beginning of Year</u>		<u>Levy</u>	<u>Total</u>	<u>Collections</u>
	<u>Receivable</u>	<u>Liens</u>			
2015	\$ 29,666.49	\$ 5,748.89	\$ 4,164,998.64	\$ 4,200,414.02	\$ 4,137,849.25
2014	262,217.07	1,408.72	3,985,525.42	4,249,151.21	4,215,081.88
2013	739,530.03	-	3,253,824.48	3,993,354.51	3,729,728.72
2012	541,812.54	-	3,896,525.31	4,438,337.85	3,698,807.82
2011	515,475.99	-	3,716,720.12	4,232,196.11	3,690,383.57

Note 6: FUND BALANCES APPROPRIATED

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

Current Fund

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
2015	\$ 2,023,082.98	\$ 1,641,000.00	81.11%
2014	2,231,661.18	1,757,500.00	78.75%
2013	1,698,104.83	1,377,000.00	81.09%
2012	1,650,543.68	1,255,000.00	76.04%
2011	1,741,827.60	1,211,000.00	69.52%

Sewer Utility Fund

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
2015	\$ 934,949.15	\$ 375,000.00	40.11%
2014	1,045,808.81	200,000.00	19.12%
2013	795,770.67	295,119.00	37.09%
2012	480,354.83	170,000.00	35.39%
2011	481,242.13	190,000.00	39.48%

Note 7: INTERFUND RECEIVABLES AND PAYABLES

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

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
Current	\$ 540,010.80	\$ 166,130.89
Federal and State Grant		461,336.07
Trust - Animal Control		2,349.19
Trust - Other		1,692.46
General Capital		74,633.08
Sewer Utility - Operating	166,130.89	
	<u>\$ 706,141.69</u>	<u>\$ 706,141.69</u>

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

Note 8: PENSION PLANS

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

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

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

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

Note 8: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Plan Descriptions (Cont'd)**

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

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

Vesting and Benefit Provisions

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

The following represents the membership tiers for PERS:

Tier Definition

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

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

Note 8: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Vesting and Benefit Provisions (Cont'd)**

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

The following represents the membership tiers for PFRS:

Tier Definition

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

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

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

Contributions

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

The Township's contractually required contribution rate for the year ended December 31, 2015 was 11.91% of the Township's covered-employee payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Note 8: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Contributions (Cont'd)**

Public Employees' Retirement System (Cont'd) – Based on the most recent PERS measurement date of June 30, 2015, the Township's contractually required contribution to the pension plan for the year ended December 31, 2015 is \$342,271.00, and is payable by April 1, 2016. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. Based on the PERS measurement date of June 30, 2014, the Township's contractually required contribution to the pension plan for the year ended December 31, 2014 was \$358,914.00, which was paid on April 1, 2015. Employee contributions to the plan during the year ended December 31, 2015 were \$204,563.35.

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

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

The Township's contractually required contribution rate for the year ended December 31, 2015 was 25.24% of the Township's covered-employee payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Based on the most recent PFRS measurement date of June 30, 2015, the Township's contractually required contribution to the pension plan for the year ended December 31, 2015 is \$991,577.00, and is payable by April 1, 2016. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. Based on the PFRS measurement date of June 30, 2014, the Township's contractually required contribution to the pension plan for the year ended December 31, 2014 was \$855,758.00, which was paid on April 1, 2015. Employee contributions to the plan during the year ended December 31, 2015 were \$394,172.10.

The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the Township, for the year ended December 31, 2015 was 2.36% of the Township's covered-employee payroll.

Note 8: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Contributions (Cont'd)**

Police and Firemen's Retirement System (Cont'd) - Based on the most recent PFRS measurement date of June 30, 2015, the State's contractually required contribution, on-behalf of the Township, to the pension plan for the year ended December 31, 2015 is \$92,757.00, and is payable by April 1, 2016. Based on the PFRS measurement date of June 30, 2014, the State's contractually required contribution, on-behalf of the Township, to the pension plan for the year ended December 31, 2014 was \$62,666.00, which was paid on April 1, 2015.

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

For the year ended December 31, 2015, employee contributions totaled \$9,963.22, and the Township's contributions were \$6,954.29. There were no forfeitures during the year.

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

Public Employees' Retirement System - At December 31, 2015, the Township's proportionate share of the PERS net pension liability was \$8,936,855.00. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2015. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2015 measurement date, the Township's proportion was .0398113689%, which was a decrease of .0037257829% from its proportion measured as of June 30, 2014.

At December 31, 2015, the Township's proportionate share of the PERS pension expense, calculated by the plan as of the June 30, 2015 measurement date is \$461,768.00. This expense is not recognized by the Township because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2015, the Township's contributions to PERS were \$358,914.00, and were paid on April 1, 2015.

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

Township's Proportionate Share of Net Pension Liability	\$ 20,318,877.00
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Township	<u>1,781,897.00</u>
	<u>\$ 22,100,774.00</u>

Note 8: PENSION PLANS (CONT'D)**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

Police and Firemen's Retirement System (Cont'd) - The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2015. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State of New Jersey, actuarially determined. For the June 30, 2015 measurement date, the Township's proportion was .12198757.09%, which was an increase of .0105707678% from its proportion measured as of June 30, 2014. Likewise, at June 30, 2015, the State of New Jersey's proportion, on-behalf of the Township, was .12198757.09%, which was an increase of .0105707678% from its proportion, on-behalf of the Township, measured as of June 30, 2014.

At December 31, 2015, the Township's proportionate share of the PFRS pension expense, calculated by the plan as of the June 30, 2015 measurement date is \$1,683,340.00. This expense is not recognized by the Township because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2015, the Township's contributions to PFRS were \$855,758.00, and were paid on April 1, 2015.

At December 31, 2015, the State's proportionate share of the PFRS pension expense, associated with the Township, calculated by the plan as of the June 30, 2015 measurement date is \$222,266.00. This on-behalf expense is not recognized by the Township because of the regulatory basis of accounting as described in note 1.

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

	Deferred Outflows of Resources			Deferred Inflows of Resources		
	PERS	PFRS	Total	PERS	PFRS	Total
Differences between Expected and Actual Experience	\$ 213,202.00	\$ -	\$ 213,202.00	\$ -	\$ 175,257.00	\$ 175,257.00
Changes of Assumptions	959,747.00	3,751,369.00	4,711,116.00	-	-	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	-	-	143,687.00	353,632.00	497,319.00
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions	3,978.00	1,159,512.00	1,163,490.00	591,820.00	1,358,982.00	1,950,802.00
Township Contributions Subsequent to the Measurement Date	171,136.00	495,789.00	666,925.00	-	-	-
	<u>\$ 1,348,063.00</u>	<u>\$ 5,406,670.00</u>	<u>\$ 6,754,733.00</u>	<u>\$ 735,507.00</u>	<u>\$ 1,887,871.00</u>	<u>\$ 2,623,378.00</u>

\$171,136.00 and \$495,789.00 for PERS and PFRS, respectively, included in deferred outflows of resources, will be included as a reduction of the net pension liability in the year ending December 31, 2016. These amounts were based on an estimated April 1, 2017 contractually required contribution, prorated from the pension plans measurement date of June 30, 2015 to the Township's year end of December 31, 2015.

Note 8: PENSION PLANS (CONT'D)**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

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

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

Note 8: PENSION PLANS (CONT'D)**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

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

Year Ending Dec 31,	<u>PERS</u>	<u>PFRS</u>	<u>Total</u>
2016	\$ 64,322.00	\$ 540,900.00	\$ 605,222.00
2017	64,322.00	540,900.00	605,222.00
2018	64,322.00	540,900.00	605,222.00
2019	185,763.00	898,452.00	1,084,215.00
2020	62,691.00	501,858.00	564,549.00
	<u>\$ 441,420.00</u>	<u>\$ 3,023,010.00</u>	<u>\$ 3,464,430.00</u>

Actuarial Assumptions

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

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

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

Note 8: PENSION PLANS (CONT'D)**Actuarial Assumptions (Cont'd)**

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

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

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

Note 8: PENSION PLANS (CONT'D)**Actuarial Assumptions**

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

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

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

	1% Decrease <u>(3.90%)</u>	Current Discount Rate <u>(4.90%)</u>	1% Increase <u>(5.90%)</u>
Township's Proportionate Share of the Net Pension Liability	\$ 11,107,417.00	\$ 8,936,855.00	\$ 7,117,071.00

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

	1% Decrease <u>(4.79%)</u>	Current Discount Rate <u>(5.79%)</u>	1% Increase <u>(6.79%)</u>
Township's Proportionate Share of the Net Pension Liability	\$ 26,786,731.00	\$ 20,318,877.00	\$ 15,044,920.00
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Township	2,349,106.00	1,781,897.00	1,319,389.00
	<u>\$ 29,135,837.00</u>	<u>\$ 22,100,774.00</u>	<u>\$ 16,364,309.00</u>

Note 8: PENSION PLANS (CONT'D)**Pension Plan Fiduciary Net Position**

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

Supplementary Pension Information

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

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

	<u>Measurement Date Ended June 30,</u>		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
Township's Proportion of the Net Pension Liability	0.0398113689%	0.0435371518%	0.0435069524%
Township's Proportionate Share of the Net Pension Liability	\$ 8,936,855.00	\$ 8,151,346.00	\$ 8,315,043.00
Township's Covered-Employee Payroll	\$ 2,743,376.00	\$ 2,891,364.00	\$ 2,922,284.00
Township's Proportionate Share of the Net Pension Liability as a Percentage of it's Covered-Employee Payroll	325.76%	281.92%	284.54%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	47.93%	52.08%	48.72%

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

	<u>Year Ended December 31,</u>		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
Township's Contractually Required Contribution	\$ 342,271.00	\$ 358,914.00	\$ 327,816.00
Township's Contribution in Relation to the Contractually Required Contribution	<u>(342,271.00)</u>	<u>(358,914.00)</u>	<u>(327,816.00)</u>
Township's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Township's Covered-Employee Payroll	\$ 2,872,963.00	\$ 2,764,505.00	2,867,349.00
Township's Contributions as a Percentage of it's Covered-Employee Payroll	11.91%	12.98%	11.43%

Note 8: PENSION PLANS (CONT'D)**Supplementary Pension Information (Cont'd)*****Schedule of the Township's Proportionate Share of the Net Pension Liability - Police and Firemen's Retirement System (PFRS) (Last Three Years)***

	<u>Measurement Date Ended June 30,</u>		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
Township's Proportion of the Net Pension Liability	0.1219875709%	0.1114168031%	0.1265420999%
Township's Proportionate Share of the Net Pension Liability	\$ 20,318,877.00	\$ 14,015,200.00	\$ 16,822,630.00
State's Proportionate Share of the Net Pension Liability associated with the Township	<u>1,781,897.00</u>	<u>1,509,202.00</u>	<u>1,568,074.00</u>
Total	<u>\$ 22,100,774.00</u>	<u>\$ 15,524,402.00</u>	<u>\$ 18,390,704.00</u>
Township's Covered-Employee Payroll	\$ 3,783,164.00	\$ 3,589,020.00	\$ 3,987,264.00
Township's Proportionate Share of the Net Pension Liability as a Percentage of it's Covered-Employee Payroll	537.09%	390.50%	421.91%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	56.31%	62.41%	58.70%

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

	<u>Year Ended December 31,</u>		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
Township's Contractually Required Contribution	\$ 991,577.00	\$ 855,758.00	\$ 923,223.00
Township's Contribution in Relation to the Contractually Required Contribution	<u>(991,577.00)</u>	<u>(855,758.00)</u>	<u>(923,223.00)</u>
Township's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Township's Covered-Employee Payroll	\$ 3,928,296.00	\$ 3,785,805.00	\$ 3,600,409.00
Township's Contributions as a Percentage of it's Covered-Employee Payroll	25.24%	22.60%	25.64%

Note 8: PENSION PLANS (CONT'D)**Other Notes to Supplementary Pension Information*****Public Employees' Retirement System (PERS)***

Changes in Benefit Terms - None

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

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

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

Police and Firemen's Retirement System (PFRS)

Changes in Benefit Terms - None

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

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

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

Plan Description - The Township provides postretirement health care benefits through a health plan for retirees, which includes a medical and prescription plan. The Township's plan provides an agent multiple-employer post-employment healthcare plan which covers the following retiree population: eligible retirees who retire from active employment with the Township who have at least twenty-five (25) years of service with the Township. Coverage is provided for the retirees and their family up to age sixty-five, providing the retirees annually certify that they have no other medical coverage. The plan is administered by the Township; therefore, premium payments are made directly to the insurance carriers.

Funding Policy - The contribution requirements of plan members and the Township are established and may be amended by the Township's governing body.

Retirees - The Township presently funds its current retiree postemployment benefit costs on a "pay-as-you-go" basis and as shown above, receives monthly contributions from retirees to offset a portion of the cost. The Township's contributions to the plan for the years ended December 31, 2015, 2014, and 2013 were estimated to be \$1,209,455.34, \$1,151,862.23, and \$1,097,011.65, respectively.

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**Funding Policy (Cont'd)**

Future Retirees - In accordance with Statement No. 45 of the Governmental Accounting Standards Board, the Township is required to disclose the *annual required contribution of the employer (ARC)*, an amount actuarially determined in accordance with the parameters of Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty (30) years. The ARC includes the costs of both current and future retirees. The current ARC was determined to be \$4,802,618.00 at an unfunded discount rate of 4.5%. As stated above, the Township has funded the cost of existing retirees in the amount of \$1,209,455.34, and has incurred the benefit costs for future eligible employees, but has not yet begun funding this outstanding liability.

Annual OPEB Cost - For year ended December 31, 2015, the Township's annual OPEB cost (expense) of \$4,929,772.04 for the plan was equal to the ARC plus certain adjustments because the Township's actual contributions in prior years differed from the ARC. The Township's annual required contribution (ARC), the interest on the net OPEB obligation, the adjustment to the ARC, the increase or decrease in the net OPEB obligation, the net OPEB obligation, and the percentage of annual OPEB cost contributed to the plan for years 2015, 2014, and 2013 are as follows:

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Annual Required Contribution (ARC)	\$ 4,802,618.00	\$ 4,802,618.00	\$ 4,632,253.00
Interest on the Net OPEB Obligation	490,451.30	322,405.89	161,436.60
Adjustment to the ARC	<u>(363,297.26)</u>	<u>(238,819.18)</u>	<u>(119,582.67)</u>
Annual OPEB Cost	4,929,772.04	4,886,204.71	4,674,106.93
Pay-as-You Go Cost (Existing Retirees)	<u>(1,209,455.34)</u>	<u>(1,151,862.23)</u>	<u>(1,097,011.65)</u>
Increase (Decrease) in the Net OPEB Obligation	3,720,316.70	3,734,342.48	3,577,095.28
Net OPEB Obligation, January 1	<u>10,898,917.76</u>	<u>7,164,575.28</u>	<u>3,587,480.00</u>
Net OPEB Obligation, December 31	<u>\$ 14,619,234.46</u>	<u>\$ 10,898,917.76</u>	<u>\$ 7,164,575.28</u>
Percentage of Annual OPEB Cost Contributed	24.53%	23.57%	23.47%

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

	<u>2014</u>	<u>2012</u>
Actuarial Accrued Liability (AAL)	\$ 68,694,440.00	\$ 65,019,260.00
Actuarial Value of Plan Assets	<u>-</u>	<u>-</u>
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$ 68,694,440.00</u>	<u>\$ 65,019,260.00</u>
Funded Ratio (Actuarial Value of Plan Assets / AAL)	0.0%	0.0%
Covered Payroll (Estimated Active Plan Members)	\$ 6,825,000.00	\$ 6,500,000.00
UAAL as a Percentage of Covered Payroll	1006.5%	1000.3%

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)

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

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

In the December 31, 2014 actuarial valuation, the projected unit credit actuarial cost method was used. Under this method, an actuarial accrued liability is determined as the actuarial present value of the portion of projected benefits which is allocated to service before the current plan year. In addition, a normal cost is determined as the actuarial present value of the portion of projected benefits which is allocated to service in the current plan year for each active participant under the assumed retirement age. The UAAL is being amortized (straight-line) for thirty (30) years on an open basis. The actuarial assumptions included the following:

- *Mortality.* RP 2000 Combined Healthy Male Mortality Rates set forward three years.
- *Turnover.* NJ State Pensions Ultimate Withdrawal Rates - prior to benefits eligibility.
- *Assumed Retirement Age.* At first eligibility after completing 25 years of service.
- *Full Attribution Period.* Service to assumed retirement age.
- *Annual Discount Rate.* Future costs have been discounted at the rate of 4.5% compounded annually for GASB 45 purposes.
- *Medical Trend.* 8% in 2014, reducing by 0.5% per annum, leveling at 5% per annum in 2020.
- *Medical Cost Aging Factor.* NJSHBP Medical Morbidity Rates.

Note 10: COMPENSATED ABSENCES

Township employees are entitled to fifteen sick leave days each year. Vacation days are earned based on years of service. Employees are entitled to 12 vacation days for the first year of employment, 14 days for 2 through 5 years of service, 17 days for 6 through 10 years of service, 20 days for 11 through 15 years of service, and 25 days for 16 through 20 years or more of service. Over 20 years is 30 days a year. Sick and vacation days accumulated through December 31, 1986 have been credited to the employees and will be reimbursed at 100% of the employees' daily rate of pay upon retirement. Beginning January 1, 1987, unused sick leave may be accumulated and carried forward to subsequent years, and at retirement the employee will be reimbursed for days not used, not to exceed the amount of \$12,000 (PBA \$12,500). Vacation days earned may be carried over for one year only, unless extended by the Township Administrator with the recommendation of the department head.

The Township has established a Compensated Absences Trust Fund to set aside funds for future payments of compensated absences. At December 31, 2015, the balance of the fund was \$108,677.79. It is estimated that, at December 31, 2015, accrued benefits for compensated absences are valued at \$1,196,065.22.

Note 11: DEFERRED COMPENSATION SALARY ACCOUNT

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

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

Note 12: LEASE OBLIGATIONS

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

Operating:
Copiers

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

<u>Year</u>	<u>Amount</u>
2016	\$ 5,100.00
2017	5,100.00
2018	5,100.00
2019	5,100.00

Rental payments under operating leases for the year 2015 were \$5,100.00.

Note 13: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

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

<u>Description</u>	<u>Balance December 31, 2015</u>	<u>2016 Budget Appropriation</u>
Current Fund:		
Special Emergency Authorization	\$ 34,000.00	\$ 17,000.00

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

Note 14: CAPITAL DEBT**General Improvement Bonds**

\$7,072,000 General Improvement Bonds dated July 6, 2006, due in annual installments to July 15, 2016, bearing interest at variable rates from 4.00% to 4.125% per annum.

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	<u>\$ 937,000.00</u>	<u>\$ 38,651.25</u>	<u>\$ 975,651.25</u>

General Debt - New Jersey Environmental Infrastructure Loans

\$177,597 New Jersey Environmental Infrastructure Trust Fund Loan dated December 7, 2004, due in semiannual installments through August 1, 2022, bearing interest at variable rates ranging from 3% to 5%.

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 19,004.92	\$ 3,962.50	\$ 22,967.42
2017	18,682.45	3,462.50	22,144.95
2018	18,359.98	2,962.50	21,322.48
2019	18,037.51	2,462.50	20,500.01
2020	17,715.05	1,962.50	19,677.55
2021-2025	<u>50,750.99</u>	<u>2,175.00</u>	<u>52,925.99</u>
	<u>\$ 142,550.90</u>	<u>\$ 16,987.50</u>	<u>\$ 159,538.40</u>

General Debt - New Jersey Green Acres Loans

\$215,345 Green Acres Loan dated November 16, 1999, due in semi-annual installments through August 19, 2019, bearing an interest rate of 2.00%.

\$340,000 Green Acres Loan dated November 3, 2004, due in semi-annual installments through August 24, 2024, bearing an interest rate of 2.00%.

\$455,700 Green Acres Loan, \$250,000 drawn down on December 21, 2004 and \$205,700 drawn down on December 24, 2006, due in semi-annual installments through July 5, 2024, and December 24, 2025, bearing an interest rate of 2.00%.

\$150,000 Green Acres Loan dated December 31, 2004, due in semi-annual installments through September 17, 2024, bearing an interest rate of 2.00%.

\$400,000 Green Acres Loan dated June 28, 2012, due in semi-annual installments through April 3, 2032, bearing an interest rate of 2.00%.

Note 14: CAPITAL DEBT (CONT'D)**General Debt - New Jersey Green Acres Loans (Cont'd)**

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 81,514.61	\$ 16,617.37	\$ 98,131.98
2017	83,153.04	14,979.07	98,132.11
2018	84,824.44	13,367.69	98,192.13
2019	86,529.40	11,602.71	98,132.11
2020	74,810.84	9,930.45	84,741.29
2021-2025	289,417.43	28,808.68	318,226.11
2026-2030	114,326.97	10,036.42	124,363.39
2031-2035	36,575.98	733.95	37,309.93
	<u>\$ 851,152.71</u>	<u>\$ 106,076.34</u>	<u>\$ 957,229.05</u>

Sewer Utility Improvement Bonds

\$4,365,000 Sewer Refunding Bonds dated February 3, 2010, due in annual installments on December 15 through December 15, 2031, bearing interest at various rates from 1.125%-2.75% through 2015 and 3%- 4.375% thereafter.

The Township issued \$10,350,000 Sewer Refunding Bonds dated April 30, 2013, due in annual installments on August 15 through August 15, 2042, bearing interest at varying rates from 2.00%-4.00%.

The following schedule represents the remaining debt service, through maturity, for the Utility Serial Bonds:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 455,000.00	\$ 475,565.18	\$ 930,565.18
2017	475,000.00	461,915.06	936,915.06
2018	485,000.00	463,665.06	948,665.06
2019	505,000.00	430,065.06	935,065.06
2020	520,000.00	409,765.06	929,765.06
2021-2025	2,955,000.00	1,716,995.30	4,671,995.30
2026-2030	3,455,000.00	1,110,276.54	4,565,276.54
2031-2035	2,150,000.00	459,687.92	2,609,687.92
2036-2040	1,250,000.00	247,387.62	1,497,387.62
2041-2045	605,000.00	43,949.54	648,949.54
	<u>\$ 12,855,000.00</u>	<u>\$ 5,819,272.34</u>	<u>\$ 18,674,272.34</u>

Note 14: CAPITAL DEBT (CONT'D)**Sewer Utility Debt – Rural Administration Bonds**

\$3,039,000 Rural Development Loan dated July 15, 2010, due in semi-annual installments through July 15, 2050, bearing an interest rate of 4.00%.

\$1,150,000 Rural Development Loan dated July 15, 2010, due in semi-annual installments through July 15, 2050, bearing an interest rate of 4.00%.

\$1,815,000 Rural Development Loan dated December 15, 2011, due in semi-annual installments through December 15, 2051, bearing an interest rate of 2.25%.

\$3,663,000 Rural Development Loan dated December 15, 2011, due in semi-annual installments through December 15, 2051, bearing an interest rate of 3.75%.

\$100,000 Rural Development Loan dated April 24, 2013, due in semi-annual installments through April 24, 2053, bearing an interest rate of 3.50%.

\$794,400 Rural Development Loan dated April 24, 2013, due in semi-annual installments through April 24, 2053, bearing an interest rate of 2.75%.

The following schedule represents the remaining debt service, through maturity, for the New Jersey Rural Development Administration Bonds:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 144,665.03	\$ 350,414.96	\$ 495,079.99
2017	149,679.78	345,400.20	495,079.98
2018	154,875.62	340,204.37	495,079.99
2019	160,259.39	334,820.61	495,080.00
2020	165,838.04	329,241.95	495,079.99
2021-2025	920,214.68	1,555,185.37	2,475,400.05
2026-2030	1,093,430.59	1,381,942.41	2,475,373.00
2031-2035	1,022,107.05	958,212.96	1,980,320.01
2036-2040	1,495,555.43	979,844.60	2,475,400.03
2041-2045	1,782,351.83	693,048.16	2,475,399.99
2046-2050	2,126,236.71	349,163.31	2,475,400.02
2051-2055	788,310.09	32,486.61	820,796.70
	<u>\$ 10,003,524.24</u>	<u>\$ 7,649,965.51</u>	<u>\$ 17,653,489.75</u>

Note 14: CAPITAL DEBT (CONT'D)

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

	<u>2015</u>	<u>2014</u>	<u>2013</u>
<u>Issued</u>			
General:			
Bonds, Loans and Notes	\$ 5,963,703.61	\$ 7,497,939.00	\$ 7,756,993.00
Sewer Utility:			
Bonds, Loans and Notes	<u>22,858,524.24</u>	<u>24,443,349.00</u>	<u>25,013,502.00</u>
Total Issued	<u>28,822,227.85</u>	<u>31,941,288.00</u>	<u>32,770,495.00</u>
<u>Authorized but not Issued</u>			
General:			
Bonds, Loans and Notes	4,880,000.86	4,880,001.00	1.00
Sewer Utility:			
Bonds, Loans and Notes	<u>2,166,750.00</u>	<u>1,088,950.00</u>	<u>1,166,750.00</u>
Total Authorized but not Issued	<u>7,046,750.86</u>	<u>5,968,951.00</u>	<u>1,166,751.00</u>
Total Issued and Authorized but not Issued	<u>35,868,978.71</u>	<u>37,910,239.00</u>	<u>33,937,246.00</u>
<u>Deductions</u>			
General:			
Reserve for Payment of Bonds	26,192.78	26,193.00	26,193.00
Sewer Utility:			
Self-Liquidating	<u>25,025,274.24</u>	<u>25,532,299.00</u>	<u>26,180,252.00</u>
Total Deductions	<u>25,051,467.02</u>	<u>25,558,492.00</u>	<u>26,206,445.00</u>
Net Debt	<u>\$ 10,817,511.69</u>	<u>\$ 12,351,747.00</u>	<u>\$ 7,730,801.00</u>

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the annual debt statement and indicated a statutory net debt of .409%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
School Purposes	\$ 3,985,000.00	\$ 3,985,000.00	
Self-Liquidating	25,025,274.24	25,025,274.24	
General	<u>10,843,704.47</u>	<u>26,192.78</u>	\$ 10,817,511.69
	<u>\$ 39,853,978.71</u>	<u>\$ 29,036,467.02</u>	<u>\$ 10,817,511.69</u>

Net debt \$10,817,511.69 divided by the equalized valuation basis per N.J.S.A.40A:2-2, as amended, \$2,642,582,880.67, equals .409%.

Note 14: CAPITAL DEBT (CONT'D)**Summary of Statutory Debt Condition - Annual Debt Statement (Cont'd)****Borrowing Power Under N.J.S.A. 40A:2-6 as Amended**

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 92,490,400.82
Less: Net Debt	<u>10,817,511.69</u>
Remaining Borrowing Power	<u><u>\$ 81,672,889.13</u></u>

**Calculation of "Self-Liquidating Purpose,"
Sewer Utility Per N.J.S.A. 40:2-45**

Cash Receipts from Fees, Rents, Fund Balance Anticipated, Interest and Other Investment Income, and Other Charges for the Year	\$ 4,433,807.09
Deductions:	
Operating and Maintenance Costs	\$ 2,920,000.00
Debt Service	<u>1,431,671.60</u>
Total Deductions	<u>4,351,671.60</u>
Excess/(Deficit) in Revenue	<u><u>\$ 82,135.49</u></u>

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

Note 15: SCHOOL TAXES

Township of Middle School District Tax has been raised and the liability deferred by statutes, resulting in the school tax payable set forth in the current fund liabilities as follows:

	<u>Balance December 31,</u>	
	<u>2015</u>	<u>2014</u>
Balance of Tax	\$ 13,138,032.95	\$ 12,865,013.12
Deferred	<u>9,676,265.00</u>	<u>9,676,265.00</u>
	<u><u>\$ 3,461,767.95</u></u>	<u><u>\$ 3,188,748.12</u></u>

Note 16: CONCENTRATIONS

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

Note 17: RISK MANAGEMENT

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

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

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

The following is a summary of Township contributions, reimbursements to the State for benefits paid and the ending balance of the Township's trust fund for the current and previous two years:

<u>Year</u>	<u>Township Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2015	\$ 45,000.00	\$ 8,121.60	\$ 30,349.39	\$ 166,137.76
2014	45,000.00	13,482.02	53,009.10	143,365.55
2013	45,000.00	15,413.53	25,875.56	137,892.63

Joint Insurance Pool – The Township is a member of the Atlantic County Municipal Joint Insurance Fund. The Fund provides its members with the following coverage:

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

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

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

Atlantic County Municipal Joint Insurance Fund
P.O. Box 448
Marlton, New Jersey 08053

Note 18: CONTINGENCIES

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

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

SUPPLEMENTAL EXHIBITS

SUPPLEMENTAL EXHIBITS

CURRENT FUND

TOWNSHIP OF MIDDLE
CURRENT FUND
Statement of Current Fund Cash
For the Year Ended December 31, 2015

Balance December 31, 2014		\$	7,780,952.51
Increased by Receipts:			
Taxes Receivable	\$	46,574,668.41	
Tax Title Liens		122,590.34	
Prepaid Taxes		887,085.05	
Tax Overpayments		50,979.62	
Due State of NJ - Senior Citizens & Veterans' Deductions		218,966.44	
Revenue Accounts Receivable		6,449,089.41	
Miscellaneous Revenue Not Anticipated		620,320.53	
Due Federal and State Grant Fund		764,794.21	
Due Trust - Animal Control Fund - Received from		5,085.33	
Due Sewer Utility Operating Fund - Received for		193,980.63	
Due Sewer Utility Operating Fund - Received from		959.72	
Due Water District		9,584.47	
Prepaid Licenses and Fees		4,218.00	
Reserve for JIF Refunds and Incentives		1,889.99	
Reserve for Dredging Project		12,240.00	
		55,916,452.15	
			63,697,404.66
Decreased by Disbursements:			
Appropriations	19,161,038.37		
Appropriation Reserves	520,057.50		
Accounts Payable	7,961.60		
Tax Overpayments	37,861.79		
County Taxes Payable	6,877,116.75		
Local School Tax Payable	25,887,177.17		
Special District Taxes	2,371,227.52		
Due Federal and State Grant Fund	1,115,026.41		
Due Trust Other Funds - Disbursed to	2,702.46		
Due General Capital Fund - Disbursed for	74,633.08		
Due Sewer Utility Operating Fund - Disbursed to	92,833.91		
Due Sewer Utility Operating Fund - Disbursed for	200.00		
Due Water District	11,502.26		
Payroll Taxes Payable	161,606.56		
Refund of Prior Year Revenue	5,000.00		
		56,325,945.38	
Balance December 31, 2015		\$	7,371,459.28

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

	Balance Dec. 31, 2014	2015 Levy	Added, Omitted and Rollback Taxes	Collected 2014	2015	Due from State of New Jersey	Adjustments and Canceled	Transferred to Liens	Balance Dec. 31, 2015
Prior 2015	\$ 23,816.85	\$ 47,693,257.14	\$ 117,931.04	\$ 668,582.12	\$ 25,502.37	\$ (1,500.00)	\$ (15,939.87)	\$ 169,570.86	\$ 15,754.35
	\$ 23,816.85	\$ 47,693,257.14	\$ 117,931.04	\$ 668,582.12	\$ 46,549,166.04	\$ 223,078.77	\$ 112,594.78	\$ 169,570.86	\$ 88,195.61
					\$ 46,574,668.41	\$ 221,578.77	\$ 96,654.91	\$ 169,570.86	\$ 103,949.96

Analysis of Property Tax Levy

Tax Yield:

General Purpose	\$ 47,693,257.14
Added, Omitted and Rollback Taxes	117,931.04
	<u>\$ 47,811,188.18</u>

Tax Levy:

Local School Tax	\$ 26,160,197.00
Special District Taxes	2,371,227.52
County Taxes:	
County Tax	\$ 5,767,257.22
County Library Tax	782,454.80
County Open Space Tax	269,485.53
Due County Tax for Added, Omitted and Rollback Taxes	17,788.68
	<u>6,836,986.23</u>
Local Tax for Municipal Purposes	12,313,100.11
Add: Rounding	29,534.96
Add: Added, Omitted and Rollback Taxes	100,142.36
	<u>12,442,777.43</u>
	<u>\$ 47,811,188.18</u>

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

Balance December 31, 2014		\$ 571,431.40
Increased by:		
Transfers from Taxes Receivable	\$ 169,570.86	
Interest and Costs on Tax Sale / Adjustments	<u>9,989.31</u>	
		<u>179,560.17</u>
		750,991.57
Decreased by:		
Collected		<u>122,590.34</u>
Balance December 31, 2015		<u><u>\$ 628,401.23</u></u>

Exhibit SA-4

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

Balance December 31, 2014		\$ 2,210.62
Increased by:		
Receipts	<u>50,979.62</u>	
		53,190.24
Decreased by:		
Disbursements	<u>37,861.79</u>	
Balance December 31, 2015		<u><u>\$ 15,328.45</u></u>

Exhibit SA-5

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

Balance December 31, 2014		\$ 668,582.12
Increased by:		
Collections -- 2016 Taxes	<u>887,085.05</u>	
		1,555,667.17
Decreased by:		
Applied to 2015 Taxes Receivable	<u>668,582.12</u>	
Balance December 31, 2015		<u><u>\$ 887,085.05</u></u>

TOWNSHIP OF MIDDLE
CURRENT FUND
Statement of Due to/from State of New Jersey
Senior Citizens' and Veterans' Deductions
For the Year Ended December 31, 2015

Balance December 31, 2014		\$	346.37
Increased by:			
2015 Levy -- Deductions per Tax Billing	\$ 220,500.00		
2015 Senior Citizens' and Veterans' Deductions Granted by Tax Collector	3,000.00		
		\$ 223,500.00	
2015 Senior Citizens' and Veterans' Deductions Disallowed by Tax Collector		(421.23)	
			223,078.77
			223,425.14
Decreased by:			
Cash Received		218,966.44	
Prior Year Senior Citizens' and Veterans' Deductions (Allowed) Disallowed by Tax Collector		1,500.00	
			220,466.44
Balance December 31, 2015		\$	2,958.70

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

	Balance December 31, 2014		Transfers	Balance After Modification	Disbursed	Lapsed to Fund Balance
	Encumbered	Reserved				
<u>OPERATIONS -- WITHIN "CAPS"</u>						
<u>General Government Functions</u>						
General Administration:						
Salaries and Wages		\$ 11,487.16		\$ 11,487.16		\$ 11,487.16
Other Expenses	\$ 9,411.51	9,401.49		18,813.00	\$ 9,464.81	9,348.19
Human Resources (Personnel):						
Salaries and Wages		4,471.54		4,471.54		4,471.54
Other Expenses	906.33	352.11		1,258.44	434.13	824.31
Mayor and Committee:						
Salaries and Wages		179.94		179.94		179.94
Other Expenses	40.96	2,029.42		2,070.38	250.00	1,820.38
Township Clerk:						
Salaries and Wages		15,345.13		15,345.13		15,345.13
Other Expenses						
Codification or Ordinances		428.90		428.90		428.90
Miscellaneous Other Expenses	4,083.35	642.50		4,725.85	4,498.16	227.69
Financial Administration:						
Salaries and Wages		3,253.55		3,253.55		3,253.55
Other Expenses	13,363.64	2,869.13		16,232.77	15,332.77	900.00
Bond Registrar:						
Other Expenses		1,000.00		1,000.00		1,000.00
Information Technology:						
Other Expenses	1,413.18	2,000.00	\$ 3,500.00	6,913.18	6,417.00	496.18
Collection of Taxes						
Salaries and Wages		284.63		284.63		284.63
Other Expenses	331.72	13,099.89		13,431.61	6,254.25	7,177.36
Assessment of Taxes:						
Salaries and Wages		2,496.64		2,496.64		2,496.64
Other Expenses	3,094.60	18,483.86		21,578.46	15,092.85	6,485.61
Liquidation of Tax Title Liens and Foreclosed Property:						
Other Expenses		7,790.00		7,790.00		7,790.00
Legal Services and Costs:						
Other Expenses	78,284.09	3,327.74		81,611.83	25,812.86	55,798.97
Engineering Services and Costs:						
Other Expenses	10,995.80	2,295.29		13,291.09	5,622.50	7,668.59
Grants Administration:						
Salaries and Wages		2,689.83		2,689.83		2,689.83
Other Expenses	10,883.74			10,883.74		10,883.74
Records Management:						
Other Expenses		1,000.00		1,000.00		1,000.00
Municipal Court:						
Salaries and Wages		3,441.00		3,441.00		3,441.00
Other Expenses		745.97	1,000.00	1,745.97	1,329.85	416.12
Public Defender:						
Other Expenses	0.04			0.04		0.04
Municipal Prosecutor:						
Other Expenses	8,502.34			8,502.34	8,499.00	3.34
<u>Land Use Administration</u>						
Planning Board:						
Smart Growth Expense	13,850.00	10,000.00		23,850.00		23,850.00
Other Expenses		1.00		1.00		1.00
Zoning Board of Adjustments:						
Salaries and Wages		5,269.99		5,269.99		5,269.99
Other Expenses	23,000.00	6,269.55		29,269.55	22,022.70	7,246.85
<u>Insurance</u>						
Employee Group Health		231,528.49	5,000.00	236,528.49		236,528.49
<u>Public Safety Functions</u>						
Police:						
Salaries and Wages		134,029.25	(45,675.00)	88,354.25	(1,410.62)	89,764.87
Other Expenses	42,556.34	4,372.82	1,000.00	47,929.16	31,076.94	16,852.22
Police Radio & Communications:						
Salaries and Wages		32,878.28		32,878.28		32,878.28
Other Expenses	1,508.33			1,508.33	1,507.53	0.80
Rescue Squad:						
Salaries and Wages		15,842.82		15,842.82		15,842.82
Other Expenses	8,304.88	409.10		8,713.98	5,204.64	3,509.34
Emergency Management Services:						
Salaries and Wages		49.90		49.90		49.90
Other Expenses		425.69		425.69		425.69

(Continued)

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

	Balance December 31, 2014		Transfers	Balance After Modification	Disbursed	Lapsed to Fund Balance
	Encumbered	Reserved				
<u>Public Works</u>						
Road Repairs & Maintenance:						
Salaries and Wages		\$ 537.73		\$ 537.73	\$ (594.62)	\$ 1,132.35
Other Expenses	\$ 4,994.10	16,920.31	\$ 1,000.00	22,914.41	18,707.84	4,206.57
Motor Pool	60,262.02	756.00	28,000.00	89,018.02	82,309.96	6,708.06
Shade Tree Commission:						
Other Expenses		750.00		750.00		750.00
Recycling Contractual	58,112.24	56,939.16	1,175.00	116,226.40	116,224.48	1.92
Public Buildings and Grounds:						
Salaries and Wages		1.00		1.00		1.00
Other Expenses	7,850.23	145.73	5,000.00	12,995.96	11,892.31	1,103.65
<u>Health and Human Services</u>						
Board of Health:						
Salaries and Wages		48.89		48.89		48.89
Other Expenses		9.00		9.00		9.00
Animal Control:						
Salaries and Wages		4,462.04		4,462.04		4,462.04
Other Expenses	1,752.65	133.32		1,885.97	1,752.65	133.32
Animal Shelter Contractual		55.00		55.00		55.00
<u>Code Enforcement Administration</u>						
Code Enforcement Officer:						
Salaries and Wages		2,013.08		2,013.08		2,013.08
Demolition of Substandard Buildings	1,250.00	250.00		1,500.00		1,500.00
<u>Parks and Recreation</u>						
Recreation:						
Salaries and Wages		2,942.84		2,942.84		2,942.84
Other Expenses	659.75	4,760.58		5,420.33	1,928.54	3,491.79
Senior Center:						
Salaries and Wages		1,514.65		1,514.65		1,514.65
Other Expenses	2,018.12	341.36		2,359.48	1,832.14	527.34
Beach Restoration:						
Other Expenses		500.00		500.00		500.00
<u>Uniform Construction Code</u>						
Construction Officials:						
Salaries and Wages		5,622.86		5,622.86		5,622.86
Other Expenses	2,740.25	3,900.81		6,641.06	3,524.67	3,116.39
Fire Protection:						
Salaries and Wages		3,717.04		3,717.04		3,717.04
<u>Unclassified</u>						
Maintenance and Service Policies - Various Machines	6,199.14	1,720.13		7,919.27	4,786.57	3,132.70
<u>Landfill/Solid Waste Disposal Costs</u>						
Sanitary Landfill Contractual	37,411.83	371.84		37,783.67	37,411.83	371.84
<u>Utility Expenses and Bulk Purchases</u>						
Electricity	20,171.73	31,012.22		51,183.95	31,975.37	19,208.58
Telephone	3,535.62	14,484.23		18,019.85	6,719.75	11,300.10
Natural Gas	2,870.75	4,663.05		7,533.80	7,057.86	475.94
Fuel Oil		1,000.00		1,000.00		1,000.00
Gasoline	18,614.89	54,266.69		72,881.58	36,497.48	36,384.10
Street lighting		100.00		100.00		100.00
<u>Statutory Expenditures</u>						
Public Employees Retirement System		1,154.00		1,154.00		1,154.00
Social Security System (O.A.S.I.)		60,011.89		60,011.89		60,011.89
Defined Contribution Retirement Program	621.30	715.06		1,336.36	621.30	715.06
	<u>\$ 459,595.47</u>	<u>\$ 826,013.12</u>	<u>\$ -</u>	<u>\$ 1,285,608.59</u>	<u>\$ 520,057.50</u>	<u>\$ 765,551.09</u>

TOWNSHIP OF MIDDLE
CURRENT FUND

Statement of Revenue Accounts Receivable
For the Year Ended December 31, 2015

	Balance <u>Dec. 31, 2014</u>	Accrued in 2015	<u>Collected</u>	Due Utility <u>Operating Fund</u>	Charged / <u>Applied</u>	Balance <u>Dec. 31, 2015</u>
Miscellaneous Local Revenues						
Licenses:						
Alcoholic Beverages	\$	5,942.00	\$ 5,942.00			
Other		58,532.00	58,532.00			
Fees and Permits		185,572.32	185,572.32			
Registrar of Vital Statistics		62,297.00	62,297.00			
Trailer Tax		141,440.00	141,440.00			
Hotel/Motel Tax		46,017.12	46,017.12			
Fines and Costs: Municipal Court	\$ 12,496.65	216,489.81	220,692.84			
Interest and Costs on Taxes		258,724.70	234,508.78	\$ 24,215.92		\$ 8,293.62
Interest on Investments and Deposits		6,350.97	6,350.97			
Ambulance Fees		802,273.61	802,273.61			
Host Community Benefits		33,628.18	33,628.18			
Payment in Lieu of Taxes - Conifer		15,789.83	15,789.83			
Cable TV and Franchise Fee		113,027.14	113,027.14			
State Aid Without Offsetting Appropriations						
Energy Receipts Tax		3,519,743.00	3,519,743.00			
Gardent State Trust		47,481.00	47,481.00			
Dedicated Uniform Construction Code Fees						
Uniform Construction Code Fees		448,659.00	448,659.00			
Shared Service Agreements Offset with Appropriations						
Police Officer - Cape May County Technical School		75,006.40	75,006.40			
Middle Township Fire District #2 - JIF Insurance		37,564.00	37,564.00			

(Continued)

**TOWNSHIP OF MIDDLE
CURRENT FUND**

Statement of Revenue Accounts Receivable
For the Year Ended December 31, 2015

	Balance <u>Dec. 31, 2014</u>	Accrued in <u>2015</u>	Collected	Due Utility <u>Operating Fund</u>	Charged / <u>Applied</u>	Balance <u>Dec. 31, 2015</u>
Public and Private Revenues Offset with Appropriations						
Safe and Secure Communities	\$ 60,000.00				\$ 60,000.00	
Body Armor Fund	8,921.32				8,921.32	
Emergency Management Assistance	5,000.00				5,000.00	
Recycling Tonnage	44,066.06				44,066.06	
Click It or Ticket	3,409.44				3,409.44	
Drive Sober Or Get Pulled Over	7,596.96				7,596.96	
Clean Communities	55,313.25				55,313.25	
No Net Loss Reforestation Grant	382,500.00				382,500.00	
Other Special Items						
Borough of Woodbine - Municipal Court		67,564.22	\$ 67,564.22			
Sewer Utility - Indirect Costs		327,000.00	327,000.00			
	<u>\$ 12,496.65</u>	<u>\$ 7,035,909.33</u>	<u>\$ 6,449,089.41</u>	<u>\$ 24,215.92</u>	<u>\$ 566,807.03</u>	<u>\$ 8,293.62</u>

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

Balance December 31, 2014		\$	40,130.52
Increased by:			
County General Share of Levy	\$ 5,767,257.22		
County Library Share of Levy	782,454.80		
County Open Space Preservation Share of Levy	269,485.53		
Due County Tax for Added, Omitted and Rollback Taxes	17,788.68		
			6,836,986.23
			6,877,116.75
Decreased by:			
Payments		\$	6,877,116.75

Exhibit SA-10

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

Balance December 31, 2014			
School Tax Payable	\$ 3,188,748.12		
School Tax Deferred	9,676,265.00		
		\$	12,865,013.12
Increased by:			
Levy - School Year July 1, 2015 to June 30, 2016			26,160,197.00
			39,025,210.12
Decreased by:			
Payments			25,887,177.17
Balance December 31, 2015			
School Tax Payable	3,461,767.95		
School Tax Deferred	9,676,265.00		
		\$	13,138,032.95

TOWNSHIP OF MIDDLE
CURRENT FUND
Statement of Due to Water District
For the Year Ended December 31, 2015

Balance December 31, 2014		\$ 9,941.94
Increased by:		
Cash Receipts		<u>9,584.47</u>
		19,526.41
Decreased by:		
Cash Disbursements		<u>11,502.26</u>
Balance December 31, 2015		<u><u>\$ 8,024.15</u></u>

Exhibit SA-12

CURRENT FUND
Statement of Due from Federal & State Grant Fund
For the Year Ended December 31, 2015

Balance December 31, 2014		\$ 111,103.87
Increased by:		
Disbursed for Federal & State Grant Fund		<u>1,115,026.41</u>
		1,226,130.28
Decreased by:		
Collected for Federal & State Grant Fund - Grants Receivable	\$ 736,249.94	
Collected for Federal & State Grant Fund - Unappropriated Grants	<u>28,544.27</u>	
		<u>764,794.21</u>
Balance December 31, 2015		<u><u>\$ 461,336.07</u></u>

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

Program	Balance Dec. 31, 2014	Increased By:		Decreased By:	Balance Dec. 31, 2015
		Revenue Anticipated	From Unappropriated	Cash Received	
Federal Grants:					
Community Development Block Grants (Small Cities):					
Whitesboro Water Phase I - 2002	\$ 7,684.00				\$ 7,684.00
Whitesboro School Phase II - 2006	25.00				25.00
Whitesboro Sewer Connection Fees - 2006	202,375.00				202,375.00
Whitesboro School Phase III - 2008	20,711.00				20,711.00
Whitesboro Water - Phase III - 2011	60,330.00				60,330.00
ADA Improvements	50.00				50.00
ADA Improvements	241,000.00			\$ 155,470.04	85,529.96
Emergency Management Assistance 2014		\$ 5,000.00	\$ 5,000.00		
Bullet Proof Vest Partnership - 2013	300.00				300.00
Click It or Ticket 2014		3,409.44	3,409.44		
Drive Sober Or Get Pulled Over		7,596.96		2,895.60	4,701.36
FEMA:					
2013 Bennys Landing Road	803,979.45				803,979.45
Hazard Mitigation - Generator	100,000.00				100,000.00
Total Federal Grants	1,436,454.45	16,006.40	8,409.44	158,365.64	1,285,685.77
State Grants:					
Clean Communities 2015		55,313.25		55,313.25	
Recycling Tonnage 2014		44,066.06	44,066.06		
Transportation Trust Fund:					
2002 - Church Street	24,985.23				24,985.23
2006 - Boyd Street	3,610.88				3,610.88
2010 - Bennet Road	32,540.05				32,540.05
2011 - Bikepath Extension	95,750.00				95,750.00
2013 - Second Street	44,304.99			31,783.77	12,521.22
2013 - Bike Path - Phase 4	151,485.00			108,328.61	43,156.39
2014 - Bike Path - Phase 5	360,000.00			206,850.00	153,150.00
Reconstruction of Third Street	174,000.00			110,983.16	63,016.84
Body Armor Grant 2014		8,921.32	4,295.81	4,625.51	
Public Access Grant - 2013	10,000.00				10,000.00
Park/Recreation Upgrades Ockie Wisting Complex	626,000.00				626,000.00
Green Communities Grant	3,000.00				3,000.00
Sustainable New Jersey 2013	10,000.00				10,000.00
Safe and Secure 2015		60,000.00		60,000.00	
No Net Loss Reforestation Grant 2015		382,500.00			382,500.00
Total State Grants	1,535,676.15	550,800.63	48,361.87	577,884.30	1,460,230.61
Total Federal and State Grants	\$ 2,972,130.60	\$ 566,807.03	\$ 56,771.31	\$ 736,249.94	\$ 2,745,916.38

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

Program	Balance Dec. 31, 2014	Increased By:		Decreased By:		Balance Dec. 31, 2015
		Prior Year Encumbrances	Transferred from Budget Appropriation	Cash Disbursements		
Federal Grants:						
Community Development Block Grants (Small Cities):						
Whitesboro Water Phase I - 2002	\$ 9,924.00					\$ 9,924.00
Whitesboro Water Phase II - 2004	5,500.00					5,500.00
Whitesboro School Phase II - 2006	6,756.80					6,756.80
Whitesboro Sewer Connection Fees - 2006	192,675.00					192,675.00
Whitesboro School Phase III - 2008	11,471.72					11,471.72
Whitesboro Water - Phase III - 2011	852.50	\$ 698.34				1,550.84
ADA Improvements		49.35				49.35
ADA Improvements	206,920.00	16,392.25		\$ 167,709.85		55,602.40
Emergency Management Assistance 2010	694.24					694.24
Emergency Management Assistance 2011	2,262.00					2,262.00
Emergency Management Assistance 2012	3,934.00					3,934.00
Emergency Management Assistance 2013	5,000.00					5,000.00
Emergency Management Assistance 2014			\$ 5,000.00			5,000.00
Bullet Proof Vest Partnership - 2013	3,835.00				2,512.13	1,322.87
ISTEA Bike Path - 2006 - Goshen-Shellbay	22.60					22.60
Click It or Ticket 2014						3,409.44
Drive Sober Or Get Pulled Over						7,596.96
FEMA:						
Reeds Beach	24,460.13					24,460.13
2013 Bennys Landing Road	26,579.45	687,740.47			582,038.17	132,281.75
Hazard Mitigation - Generator	100,000.00					100,000.00
Total Federal Grants	600,887.44	704,880.41	16,006.40	752,260.15		569,514.10

(Continued)

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

Program	Balance Dec. 31, 2014	Increased By:		Decreased By:		Balance Dec. 31, 2015
		Prior Year Encumbrances	Transferred from Budget Appropriation	Cash Disbursements		
State Grants:						
Drunk Driving Enforcement Fund 2011	\$ 4,394.32	\$ 669.75	\$	\$ 669.75	\$	1,857.77
Drunk Driving Enforcement Fund 2012	7,551.98			2,536.55		7,551.98
Drunk Driving Enforcement Fund 2013						
Clean Communities 2012		6.98		6.98		
Clean Communities 2013	32,003.98	92.42		29,347.18		2,749.22
Clean Communities 2014	45,303.09			5,706.58		39,596.51
Clean Communities 2015			\$ 55,313.25			55,313.25
Recycling Tonnage 2010	9,598.42	8,489.79		18,088.21		38,401.06
Recycling Tonnage 2011	38,401.06					
Recycling Tonnage 2012	26,732.12			26,732.12		
Recycling Tonnage 2013	43,114.88			26,661.93		16,452.95
Recycling Tonnage 2014			44,066.06			44,066.06
Transportation Trust Fund:						
2002 - Church Street	12,537.53					12,537.53
2010 - Bennet Road	19,260.87					19,260.87
2011 - Main Street Sidewalk		4,361.83				4,361.83
2011 - Bikepath Extension		1,622.21				1,622.21
2013 - Second Street	5,988.73	1,990.13		1,952.84		6,026.02
2013 - Bike Path - Phase 4	101,812.64	9,097.79		6,921.92		103,988.51
2014 - Bike Path - Phase 5	310,125.00	9,452.83		11,132.17		308,445.66
Reconstruction of Third Street	10,002.46	149,265.70		148,112.47		11,155.69
Statewide Livable Communities Grant (MLK)	283.16					283.16
Employee Health and Wellness Initiative - 2014	195.15					195.15
Alcohol Education & Rehabilitation - 2010	341.82					341.82
Alcohol Education & Rehabilitation - 2011	2,157.39					2,157.39
Alcohol Education & Rehabilitation - 2012	2,967.97					2,967.97

(Continued)

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

Program	Balance Dec. 31, 2014	Increased By:		Decreased By:		Balance Dec. 31, 2015
		Prior Year Encumbrances	Transferred from Budget Appropriation	Cash Disbursements		
State Grants: (Cont'd)						
Alcohol Education & Rehabilitation - 2013	\$ 3,602.45				\$ 3,602.45	
Alcohol Education & Rehabilitation - 2014	1,122.52			750.00	372.52	
Body Armor Grant 2013	248.37			248.37		
Body Armor Grant 2014			\$ 8,921.32		8,921.32	
Stormwater Management 2006	737.39				737.39	
Stormwater Management 2008	6,014.00				6,014.00	
Public Access Grant 2013		\$ 2,617.50		1,321.25	1,296.25	
Park/Recreation Upgrades Ockie Wisting Complex	611,800.00	9,542.87		9,542.87	611,800.00	
Green Communities Grant	3,000.00				3,000.00	
Sustainable New Jersey 2013	721.72				721.72	
Safe and Secure 2015			60,000.00	60,000.00		
No Net Loss Reforestation Grant 2015			382,500.00	13,035.07	369,464.93	
Total State Grants	1,300,019.02	197,209.80	550,800.63	362,766.26	1,685,263.19	
Other Grants:						
Clean Air Cool Planet 2011	1,258.75				1,258.75	
Total Other Grants	1,258.75	-	-	-	1,258.75	
Total Federal, State and Other Grants	\$ 1,902,165.21	\$ 902,090.21	\$ 566,807.03	\$ 1,115,026.41	\$ 2,256,036.04	

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

	Balance <u>Dec. 31, 2014</u>	<u>Received</u>	Realized as Miscellaneous Revenue in <u>Budget</u>	Balance <u>Dec. 31, 2015</u>
<u>Federal Grants:</u>				
Emergency Management Assistance	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00
Click it or Ticket	3,409.44	1,700.28	3,409.44	1,700.28
<u>State Grants:</u>				
Recycling Tonnage Grant	44,066.06		44,066.06	
Body Armor Fund	4,295.81	4,002.75	4,295.81	4,002.75
Alcohol Education & Rehabilitation		707.20		707.20
Drunk Driving Enforcement Fund		8,430.29		8,430.29
Costal Zone Management Administration		8,703.75		8,703.75
	<u>\$ 56,771.31</u>	<u>\$ 28,544.27</u>	<u>\$ 56,771.31</u>	<u>\$ 28,544.27</u>

SUPPLEMENTAL EXHIBITS

TRUST FUNDS

TOWNSHIP OF MIDDLE
TRUST FUNDS
 Statement of Trust Cash
 For the Year Ended December 31, 2015

	<u>Animal Control</u>	<u>Tax Collector</u>	<u>Other Funds</u>
	<u>Chief Financial Officer</u>	<u>Chief Financial Officer</u>	<u>Chief Financial Officer</u>
Balance December 31, 2014	\$ 18,317.23	\$ 436,024.10	\$ 2,284,726.26
Increased by Receipts:			
Reserve for Animal Control Fund Expenditures	\$ 10,685.50		
Due Current Fund	14.64		2,702.46
Due from State of NJ - Burial Permits			5.00
Due to State of New Jersey - Construction Code Fees			30,614.00
Due to State of New Jersey - Marriage Licenses			2,775.00
Loans Receivable - UDAG			11,859.06
Reserve for:			
Developer's Escrow			142,525.55
Sewer Escrows			3,000.00
Unemployment Compensation			53,121.60
Street Openings			7,500.00
Special Law Enforcement - Forfeited Funds			8,081.73
Housing Rehabilitation			97,919.00
Urban Aid			5,658.53
Recreation Dedicated Trust			186,131.74
Subdivisions - Map Changes			200.00
POAA Fines Trust			37.00
Police Extra Duty Work			222,423.93
COAH			50,135.57
Municipal Alliance			10,827.39
Accumulated Absences			100,018.88
Payroll			9,443,941.30
Tax Title Liens Redemption			
	<u>10,700.14</u>	<u>1,041,437.68</u>	<u>10,379,477.74</u>
	29,017.37	1,477,461.78	12,664,204.00

(Continued)

TOWNSHIP OF MIDDLE
TRUST FUNDS
 Statement of Trust Cash
 For the Year Ended December 31, 2015

	Animal Control	Tax Collector	Other Funds
	<u>Chief Financial Officer</u>	<u>Tax Collector</u>	<u>Chief Financial Officer</u>
Decreased by Disbursements:			
Due State Department of Health	\$ 2,296.80		
Reserve for Animal Control Fund Expenditures	883.55		
Due Current Fund	5,085.33		
Due to State of New Jersey - Construction Code Fees			\$ 20,767.00
Due to State of New Jersey - Marriage Licenses			3,935.00
Reserve for:			
Developer's Escrow			253,595.64
Sewer Escrows			5,237.50
Unemployment Compensation			30,349.39
Street Openings			2,500.00
Housing Rehabilitation			61,924.00
Recreation Dedicated Trust			166,128.37
Police Extra Duty Work			336,254.57
Snow Removal			12,960.15
Municipal Alliance			11,752.84
Accumulated Absences			20,507.30
Payroll			9,343,140.26
Tax Sale Premiums	\$ 62,800.00		
Tax Title Liens Redemption	1,085,899.29		
	\$ 8,265.68	\$ 1,148,699.29	\$ 10,269,052.02
Balance December 31, 2015	\$ 20,751.69	\$ 328,762.49	\$ 2,395,151.98

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

Balance December 31, 2014		\$ 13,212.10
Increased by:		
Receipts		10,685.50
		23,897.60
Decreased by:		
Transferred to Due to State of New Jersey	\$ 2,311.00	
Expenditures Under R.S.4:19- 15.11	883.55	
Prepaid Licenses	2,646.00	
Excess Reserve Due to Current Fund	2,334.55	
		8,175.10
Balance December 31, 2015		\$ 15,722.50

License Fees Collected

<u>Year</u>		<u>Amount</u>
2014	\$	9,751.00
2013		5,971.50
		\$ 15,722.50

Exhibit SB-3

TRUST -- ANIMAL CONTROL FUND
Statement of Due to Current Fund
For the Year Ended December 31, 2015

Balance December 31, 2014		\$ 5,085.33
Increased by:		
Receipts - Interest on Deposits	\$ 14.64	
Excess Reserve Due to Current Fund	2,334.55	
		2,349.19
		7,434.52
Decreased by:		
Disbursed to Current Fund		5,085.33
Balance December 31, 2015		\$ 2,349.19

TOWNSHIP OF MIDDLE
TRUST -- ANIMAL CONTROL FUND
Statement of Due to State of New Jersey
For the Year Ended December 31, 2015

Balance December 31, 2014	\$	19.80
Increased by:		
Transferred from Reserve for Animal Control Fund Expenditures		2,311.00
		2,330.80
Decreased by:		
Payments		2,296.80
Balance December 31, 2015	\$	34.00

Exhibit SB-5

TRUST -- OTHER FUNDS
Statement of Due Current Fund
For the Year Ended December 31, 2015

Balance December 31, 2014 (Due from)	\$	1,010.00
Decreased by:		
Received from Current Fund		2,702.46
Balance December 31, 2015 (Due to)	\$	1,692.46
<u>Analysis of Balance Dec. 31, 2015</u>		
Payroll	\$	1,692.46

TOWNSHIP OF MIDDLE
TRUST -- OTHER FUNDS
 Statement of Changes in Reserves
 For the Year Ended December 31, 2015

Reserve for:	Balance Dec. 31, 2014	Increased by		Decreased by		Balance Dec. 31, 2015
		Interest Earnings	Receipts	Re-Programmed Funds	Expenditures	
Community Development Block Grant	\$ 2,676.80					\$ 2,676.80
Developer's Escrow	825,802.22		\$ 142,525.55		\$ 253,595.64	714,732.13
Sewer Escrows	136,071.46		3,000.00		5,237.50	133,833.96
Unemployment Compensation	143,365.55	\$ 84.51	53,037.09		30,349.39	166,137.76
Street Openings	10,770.00		7,500.00		2,500.00	15,770.00
Special Law Enforcement - Forfeited Funds	14,919.41	12.04	8,069.69			23,001.14
Smart Growth Plan	33,013.31					33,013.31
Housing Rehabilitation	75,349.46		97,919.00		61,924.00	111,344.46
Urban Aid	469,459.88	303.16	5,355.37	\$ (11,859.06)		486,977.47
Recreation Dedicated Trust	99,019.67	79.37	186,052.37		166,128.37	119,023.04
Subdivisions - Map Changes	5,557.50		200.00			5,757.50
POAA Fines Trust	170.00		37.00			207.00
Police Extra Duty Work	140,213.49		222,423.93		336,254.57	26,382.85
Snow Removal	74,818.82				12,960.15	61,858.67
COAH	212,025.98	135.57	50,000.00			262,161.55
Municipal Alliance	6,564.42		10,827.39		11,752.84	5,638.97
Donations - Bus Shelters	836.08					836.08
Accumulated Absences	29,166.21	18.88	100,000.00		20,507.30	108,677.79
Payroll			9,443,941.30		9,343,140.26	100,801.04
Loans Receivable - UDAG	235,772.27			11,859.06		223,913.21
Tax Sale Premiums	354,800.00				62,800.00	292,000.00
Tax Title Liens Redemption	81,224.10		1,041,437.68		1,085,899.29	36,762.49
	\$ 2,951,596.63	\$ 633.53	\$ 11,372,326.37	\$ -	\$ 11,393,049.31	\$ 2,931,507.22

TOWNSHIP OF MIDDLE
TRUST -- OTHER FUNDS
Statement of Due to State of New Jersey - Construction Code Fees
For the Year Ended December 31, 2015

Balance December 31, 2014	\$	4,256.00
Increased by:		
Receipts		<u>30,614.00</u>
		34,870.00
Decreased by:		
Disbursements		<u>20,767.00</u>
Balance December 31, 2015	\$	<u><u>14,103.00</u></u>

Exhibit SB-8

TRUST -- OTHER FUNDS
Statement of Due to State of New Jersey - Marriage Licenses/Burial Permits
For the Year Ended December 31, 2015

Balance December 31, 2014	\$	1,685.00
Increased by:		
Receipts		<u>2,775.00</u>
		4,460.00
Decreased by:		
Disbursements		<u>3,935.00</u>
Balance December 31, 2015	\$	<u><u>525.00</u></u>

Exhibit SB-9

TRUST -- OTHER FUNDS
Statement of Loans Receivable - UDAG
For the Year Ended December 31, 2015

Balance December 31, 2014	\$	235,772.27
Decreased by:		
Receipts		<u>11,859.06</u>
Balance December 31, 2015	\$	<u><u>223,913.21</u></u>

SUPPLEMENTAL EXHIBITS

GENERAL CAPITAL FUND

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

Balance December 31, 2014		\$ 3,063,697.71
Decreased by Disbursements:		
Improvement Authorizations	\$ 1,873,713.25	
Due to Sewer Utility Capital Fund	<u>108,750.00</u>	
		<u>1,982,463.25</u>
Balance December 31, 2015		<u>\$ 1,081,234.46</u>

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

	Balance Dec. 31, 2014	Miscellaneous		Disbursements		Transfers		Balance Dec. 31, 2015
		Receipts	Improvement Authorizations	Miscellaneous	To	From		
Fund Balance	\$ 127,364.84							\$ 101,031.56
Capital Improvement Fund	699,484.44							109,484.44
Contracts Payable	708,130.41							74,633.08
Due to Current Fund				\$ 108,750.00	\$ 74,633.08			
Due to Sewer Utility Capital Fund	108,750.00							
Reserve for Payment of Bonds and Notes	26,192.78							26,192.78
Improvement Authorizations								
General Improvements:								
<u>Ordinance Number</u>								
874-93	328.73						328.73	6,948.69
1126-03, 1304-08	14,783.19						7,834.50	62,520.17
1169-04	61,997.17				523.00			154,180.67
1180-05	153,440.67				740.00			14,218.85
1299-08	14,218.85						45,000.00	
1312-08	45,000.00							57,325.58
1325-09	57,325.58							13,166.81
1340-10	13,166.81							91,084.27
1359-10	3,881.53							904.48
1360-10	45,054.48		\$ 297,960.08		385,162.82		44,000.00	101,222.93
1374-11	104,630.63		150.00				3,407.70	50,000.00
1393-11	50,000.00							36,441.96
1409-12	93,618.96		57,177.00				14,903.34	
1429-12	14,903.34						23,737.00	
1452-13	23,737.00							187,700.00
1461-13	187,700.00							148,965.00
1466-14	129,000.00		10,510.00		30,475.00			(688,836.78)
1478-14	(50,314.70)		771,559.59		207,670.59		74,633.08	282,942.20
1485-14	420,053.00		220,669.80		83,559.00			156,217.43
1503-15			515,686.78		671,904.21			83,640.34
1518-15					83,640.34			
Local Improvements:								
<u>Ordinance Number</u>								
1470-14	11,250.00							11,250.00
	\$ 3,063,697.71	\$ -	\$ 1,873,713.25	\$ 108,750.00	\$ 1,538,308.04	\$ 1,538,308.04	\$ 1,538,308.04	\$ 1,081,234.46

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

Balance December 31, 2014		\$ 2,974,939.45
Decreased by:		
Budget Appropriations:		
Serial Bonds	\$ 945,000.00	
NJ EIT Loans Payable	19,327.39	
Green Acres Loans Payable	<u>79,908.45</u>	
		<u>1,044,235.84</u>
Balance December 31, 2015		<u><u>\$ 1,930,703.61</u></u>

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

Ordinance Number	Improvement Description	Balance Dec. 31, 2014	Budget Appropriation	Balance Dec. 31, 2015	Expenditures	Analysis of Balance Dec. 31, 2015	
						Financed by Bond Anticipation Notes	Unexpended Improvement Authorization
<u>General Improvements</u>							
1325-09	Various Capital Improvements	\$ 1,093,983.00	\$ 118,544.00	\$ 975,439.00		\$ 975,439.00	
1359-10	Road and Drainage Improvements	3,429,017.86	371,456.00	3,057,561.86		3,057,561.00	
1478-14	Road and Drainage Improvements	3,800,000.00		3,800,000.00	\$ 1,225,333.25		\$ 2,574,667.61
<u>Local Improvements</u>							
1470-14	Sterback Harbor Dredge Project	1,080,000.00		1,080,000.00			1,080,000.00
		\$ 9,403,000.86	\$ 490,000.00	\$ 8,913,000.86	\$ 1,225,333.25	\$ 4,033,000.00	\$ 3,654,667.61
						\$ 3,712,336.69	
						Improvement Authorizations -- Unfunded	
						Less: Unexpended Proceed of Bond Anticipation Notes	
						Ordinance Numbers:	
						\$ 57,325.58	
						1325-09	
						343.50	57,669.08
						\$ 3,654,667.61	\$ 3,654,667.61

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

Balance December 31, 2014	\$	699,484.44
Decreased by:		
Appropriation to Finance Improvement Authorizations		590,000.00
Balance December 31, 2015	\$	109,484.44

Exhibit SC-6

GENERAL CAPITAL FUND
Statement of Due to Sewer Utility Capital Fund
For the Year Ended December 31, 2015

Balance December 31, 2014	\$	108,750.00
Decreased by:		
Cash Disbursements		108,750.00

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

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Maturities of Bonds Outstanding December 31, Date</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2014</u>	<u>Paid By Budget Appropriation</u>	<u>Balance Dec. 31, 2015</u>
Various Capital Improvements	7/6/2006	\$ 7,072,000.00	07/15/16	4.125%	\$ 1,882,000.00	\$ 945,000.00	\$ 937,000.00

TOWNSHIP OF MIDDLE
GENERAL CAPITAL FUND
 Statement of NJ EIT Loans Payable
 For the Year Ended December 31, 2015

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Maturity of Loans Outstanding December 31,</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2014</u>	<u>Paid By Budget Appropriation</u>	<u>Balance Dec. 31, 2015</u>
			<u>Date</u>	<u>Amount</u>				
1107-02 and 1139-03 Land Acquisition - Fort Apache Recreation Area	12/07/04	\$ 177,597.00	08/01/16	\$ 10,000.00	5.00%			
			08/01/17	10,000.00	5.00%			
			08/01/18	10,000.00	5.00%			
			08/01/19	10,000.00	5.00%			
			08/01/20	10,000.00	5.00%			
			08/01/21	15,000.00	5.00%			
			08/01/22	15,000.00	4.75%	\$ 90,000.00	\$ 10,000.00	\$ 80,000.00
Land Acquisition - Fort Apache Recreation Area	12/07/04	177,597.00	02/01/16	1,277.78	none			
			08/01/16	7,727.14	none			
			02/01/17	1,116.54	none			
			08/01/17	7,565.91	none			
			02/01/18	955.31	none			
			08/01/18	7,404.67	none			
			02/01/19	794.07	none			
			08/01/19	7,243.44	none			
		02/01/20	632.84	none				
		08/01/20	7,082.21	none				
		02/01/21	471.60	none				
		08/01/21	10,145.65	none				
		02/01/22	229.75	none				
		08/01/22	9,903.99	none		71,878.29	9,327.39	62,550.90
						\$ 161,878.29	\$ 19,327.39	\$ 142,550.90

TOWNSHIP OF MIDDLE
GENERAL CAPITAL FUND

Statement of Green Acres Loans Payable
 For the Year Ended December 31, 2015

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Maturity of Loans</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2014</u>	<u>Paid By Budget Appropriation</u>	<u>Balance Dec. 31, 2015</u>	
			<u>Outstanding Date</u>	<u>December 31, Amount</u>					
987-97 & 1029-98 Goshen Sports Complex	11/16/99	\$ 215,345.00	02/19/16	\$ 6,183.11	2.00%				
			08/19/16	6,244.94	2.00%				
			02/19/17	6,307.39	2.00%				
			08/19/17	6,370.46	2.00%				
			02/19/18	6,434.17	2.00%				
			08/19/18	6,498.51	2.00%				
			02/19/19	6,563.49	2.00%				
			08/19/19	6,629.13	2.00%	\$ 63,414.37	\$ 12,183.17	\$ 51,231.20	
	1070-00 Davies Complex	11/03/04	340,000.00	02/08/16	8,837.66	2.00%			
				08/08/16	8,926.03	2.00%			
			02/08/17	9,015.29	2.00%				
			08/08/17	9,105.45	2.00%				
			02/08/18	9,196.50	2.00%				
			08/08/18	9,288.47	2.00%				
			02/08/19	9,381.35	2.00%				
			08/08/19	9,475.16	2.00%				
			02/08/20	9,569.91	2.00%				
			08/08/20	9,665.61	2.00%				
		02/08/21	9,762.27	2.00%					
		08/08/21	9,859.89	2.00%					
		02/08/22	9,958.49	2.00%					
		08/08/22	10,058.08	2.00%					
		02/08/23	10,158.66	2.00%					
		08/08/23	10,260.24	2.00%					
		02/08/24	10,362.85	2.00%					
		08/08/24	10,466.57	2.00%	\$ 190,762.15	17,413.67	173,348.48		

(Continued)

TOWNSHIP OF MIDDLE
GENERAL CAPITAL FUND
 Statement of Green Acres Loans Payable
 For the Year Ended December 31, 2015

Purpose	Date of Issue	Amount of Original Issue	Maturity of Loans		Interest Rate	Balance Dec. 31, 2014	Paid By Budget Appropriation	Balance Dec. 31, 2015	
			Outstanding Date	December 31, Amount					
1107-02 Park Acquisition Fort Apache I	12/21/04	\$ 250,000.00	01/05/16	\$ 6,941.94	2.00%				
			07/05/16	7,011.36	2.00%				
			01/05/17	7,081.47	2.00%				
			07/05/17	7,152.28	2.00%				
			01/05/18	7,223.81	2.00%				
			07/05/18	7,296.04	2.00%				
			01/05/19	7,369.01	2.00%				
			07/05/19	7,442.70	2.00%				
			01/05/20	7,517.12	2.00%				
			07/05/20	7,592.29	2.00%				
			01/05/21	7,668.22	2.00%				
			07/05/21	7,744.90	2.00%				
			01/05/22	7,822.35	2.00%				
			07/05/22	7,900.57	2.00%				
			01/05/23	7,979.58	2.00%				
			07/05/23	8,059.37	2.00%				
			01/05/24	8,139.97	2.00%				
			07/05/24	8,221.28	2.00%	\$	\$ 149,842.62	\$ 136,164.26	
	1094-01 Shellbay Avenue Park	12/31/04	150,000.00	03/17/16	3,990.48	2.00%			
				09/17/16	4,030.39	2.00%			
				03/17/17	4,070.69	2.00%			
				09/17/17	4,111.40	2.00%			
				03/17/18	4,152.51	2.00%			
				09/17/18	4,194.04	2.00%			
			03/17/19	4,235.98	2.00%				
			09/17/19	4,278.34	2.00%				
			03/17/20	4,321.12	2.00%				
			09/17/20	4,364.33	2.00%				
			03/17/21	4,407.97	2.00%				
			09/17/21	4,452.05	2.00%				
		03/17/22	4,496.58	2.00%					
		09/17/22	4,541.53	2.00%					
		03/17/23	4,586.96	2.00%					
		09/17/23	3,091.43	2.00%	\$	\$ 75,188.63	\$ 7,862.83		

67,325.80
(Continued)

TOWNSHIP OF MIDDLE
GENERAL CAPITAL FUND
 Statement of Green Acres Loans Payable
 For the Year Ended December 31, 2015

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Maturity of Loans</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2014</u>	<u>Paid By Budget Appropriation</u>	<u>Balance Dec. 31, 2015</u>
			<u>Outstanding Date</u>	<u>December 31, Amount</u>				
1107-02 Park Acquisition Fort Apache II	12/24/05	\$ 205,700.00	06/24/16	\$ 5,645.69	2.00%			
			12/24/16	5,702.14	2.00%			
			06/24/17	5,759.17	2.00%			
			12/24/17	5,816.75	2.00%			
			06/24/18	5,874.92	2.00%			
			12/24/18	5,933.67	2.00%			
			06/24/19	5,993.01	2.00%			
			12/24/19	6,052.94	2.00%			
			06/24/20	6,113.47	2.00%			
			12/24/20	6,174.60	2.00%			
			06/24/21	6,236.35	2.00%			
			12/24/21	6,298.71	2.00%			
		06/24/22	3,383.87	2.00%		\$ 86,109.52	\$ 11,124.23	\$ 74,985.29
1299-08 Goshen Sports Complex	06/28/12	400,000.00	04/03/16	8,955.66	2.00%			
			10/03/16	9,045.22	2.00%			
			04/03/17	9,135.67	2.00%			
			10/03/17	9,227.03	2.00%			
			04/03/18	9,319.30	2.00%			
			10/03/18	9,412.49	2.00%			
			04/03/19	9,506.61	2.00%			
			10/03/19	9,601.68	2.00%			
			04/03/20	9,697.70	2.00%			
			10/03/20	9,794.68	2.00%			
			04/03/21	9,892.62	2.00%			
			10/03/21	9,991.55	2.00%			
		04/03/22	10,091.46	2.00%				
		10/03/22	10,192.38	2.00%				
		04/03/23	10,294.30	2.00%				
		10/03/23	10,397.24	2.00%				
		04/03/24	10,501.22	2.00%				
		10/03/24	10,606.23	2.00%				
		04/03/25	10,712.29	2.00%				

(Continued)

TOWNSHIP OF MIDDLE
GENERAL CAPITAL FUND
 Statement of Green Acres Loans Payable
 For the Year Ended December 31, 2015

Purpose	Date of Issue	Amount of Original Issue	Maturity of Loans		Interest Rate	Balance Dec. 31, 2014	Paid By Budget Appropriation	Balance Dec. 31, 2015
			Outstanding Date	December 31, Amount				
	10/03/25		\$	10,819.42	2.00%			
	04/03/26			10,927.61	2.00%			
	10/03/26			11,036.89	2.00%			
	04/03/27			11,147.25	2.00%			
	10/03/27			11,258.73	2.00%			
	04/03/28			11,371.32	2.00%			
	10/03/28			11,485.03	2.00%			
	04/03/29			11,599.88	2.00%			
	10/03/29			11,715.88	2.00%			
	04/03/30			11,833.04	2.00%			
	10/03/30			11,951.36	2.00%			
	04/03/31			12,070.88	2.00%			
	10/03/31			12,191.59	2.00%			
	04/03/32			12,313.47	2.00%			
						\$ 365,743.87	\$ 17,646.19	\$ 348,097.68
						\$ 931,061.16	\$ 79,908.45	\$ 851,152.71

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

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Original Note Issue</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2014</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance Dec. 31, 2015</u>
1325-09	Various Capital Improvements	11/17/2011	11/13/14 11/12/15	11/12/15 11/10/16	1.00% 0.68%	\$ 1,093,983.00	\$ 975,439.00	\$ 1,093,983.00	\$ 975,439.00
1359-10	Road and Drainage Improvements	11/17/2011	11/13/14 11/12/15	11/12/15 11/10/16	1.00% 0.68%	2,497,274.00	2,125,818.00	2,497,274.00	2,125,818.00
		11/15/2013	11/13/14 11/12/15	11/12/15 11/10/16	1.00% 0.68%	931,743.00	931,743.00	931,743.00	931,743.00
						<u>\$ 4,523,000.00</u>	<u>\$ 4,033,000.00</u>	<u>\$ 4,523,000.00</u>	<u>\$ 4,033,000.00</u>
	Renewals						\$ 4,033,000.00	\$ 4,033,000.00	
	Paid by Budget Appropriation							490,000.00	
							<u>\$ 4,033,000.00</u>	<u>\$ 4,523,000.00</u>	<u>\$ 4,523,000.00</u>

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

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance</u> <u>Dec. 31, 2014</u>	<u>Authorizations</u>	<u>Issued</u>	<u>Balance</u> <u>Dec. 31, 2015</u>
	<u>General Improvements</u>				
1359-10	Road and Drainage Improvements	\$ 0.86			\$ 0.86
1478-14	Road and Drainage Improvements	3,800,000.00			3,800,000.00
	<u>Local Improvements</u>				
1470-14	Sterback Harbor Dredge Project	1,080,000.00			1,080,000.00
		<u>\$ 4,880,000.86</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,880,000.86</u>

SUPPLEMENTAL EXHIBITS

SEWER UTILITY FUND

TOWNSHIP OF MIDDLE
SEWER UTILITY FUND
 Statement of Sewer Utility Cash
 For the Year Ended December 31, 2015

	Operating	Capital
Balance December 31, 2014	\$ 1,768,791.87	\$ 1,340,584.09
Increased by Receipts:		
Sewer Rents Receivable	\$ 3,679,613.10	
Sewer Liens Receivable	4,199.75	
Miscellaneous Revenue	91,397.21	
Prepaid Sewer Rents	441,217.76	
Due Current Fund - Received from	92,833.91	
Due Current Fund - Received for	24,215.92	
Due General Capital Fund - Received from	\$ 108,750.00	
Grants Receivable - USDA	<u>7,600.00</u>	
	4,333,477.65	116,350.00
Decreased by Disbursements:		
Budget Appropriations	6,102,269.52	1,456,934.09
Appropriation Reserves	3,374,199.46	
Accrued Interest on Bonds and Notes	42,318.51	
Due from Current Fund - Disbursed to	853,742.32	
Bond Anticipation Notes	959.72	
Improvement Authorizations		1,000,000.00
	4,271,220.01	49,091.37
Balance December 31, 2015	\$ 1,831,049.51	\$ 407,842.72

TOWNSHIP OF MIDDLE
SEWER UTILITY CAPITAL FUND
 Analysis of Sewer Utility Capital Cash
 For the Year Ended December 31, 2015

	Balance		Receipts		Disbursements		Transfers		Balance Dec. 31, 2015
	Dec. 31, 2014		Miscellaneous	Improvement Authorizations	Miscellaneous	From	To		
Fund Balance	\$ 114,856.65								\$ 114,856.65
Due General Capital Fund	(108,750.00)	\$ 108,750.00							
Contracts Payable	204,114.85					\$ 204,114.85			
Reserve for the Payment of Bonds, Loans and Notes	248,155.02								248,155.02
Improvement Authorizations:									
Ordinance									
Number									
1137-03	Whitesboro/Edgewood Sewer Project - Phase I	87,393.88		\$ (2,203.81)					89,597.69
1223-06, 1267-07	Various Sewer Capital Improvements	251,070.87					\$ 36,813.07		287,883.94
1294-08	Satt Blvd. Sanitary Sewer	3,037.67					0.01		3,037.68
1308-08	Whitesboro/Edgewood Sewer Project - Phase I Supplement	2,203.81		2,203.81					
1364-10	Various Sewer Capital Improvements	(169,622.83)		7,495.00					(177,117.83)
1417-12	Grassy Sound Connection to Sewer System	783,124.17	7,600.00	31,382.42	\$ 1,000,000.00		115,043.58		(125,614.67)
1453-13	Various Sewer Capital Improvements	(75,000.00)		10,213.95			52,258.19		(32,955.76)
		\$ 1,340,584.09	\$ 116,350.00	\$ 49,091.37	\$ 1,000,000.00	\$ 204,114.85	\$ 204,114.85	\$ 204,114.85	\$ 407,842.72

TOWNSHIP OF MIDDLE
SEWER UTILITY OPERATING FUND
 Statement of Due from Current Fund
 For the Year Ended December 31, 2015

Balance December 31, 2014		\$ 88,440.37
Increased by:		
Revenue Collected by Current Fund		
Sewer Rents Receivable	\$ 420.00	
Interest on Delinquent Accounts	<u>4,560.63</u>	
	\$ 4,980.63	
Reserve for Dewatering Project (ACE) - Collected by Current Fund	<u>189,000.00</u>	
	\$ 193,980.63	
Disbursed to Current Fund	<u>959.72</u>	<u>194,940.35</u>
		283,380.72
Decreased by:		
Received for Current Fund	24,215.92	
Disbursed by Current Fund for Sewer Operating Fund	200.00	
Received from Current Fund	<u>92,833.91</u>	<u>117,249.83</u>
Balance December 31, 2015		<u><u>\$ 166,130.89</u></u>

TOWNSHIP OF MIDDLE
SEWER UTILITY OPERATING FUND
Statement of Sewer Rents Receivable
For the Year Ended December 31, 2015

Balance December 31, 2014		\$ 29,666.49
Increased by:		
Sewer Rents Levied - Net of Adjustments		4,164,998.64
		4,194,665.13
Decreased by:		
Prepaid Sewer Rents Applied	\$ 424,969.88	
Overpayments Applied	28,646.52	
Collected by Current Fund	420.00	
Collections - Cash Receipts	3,679,613.10	
		4,133,649.50
Balance December 31, 2015		\$ 61,015.63

Exhibit SD-5

SEWER UTILITY OPERATING FUND
Statement of Sewer Liens Receivable
For the Year Ended December 31, 2015

Balance December 31, 2014		\$ 5,748.89
Decreased by:		
Collections - Cash Receipts		4,199.75
Balance December 31, 2015		\$ 1,549.14

TOWNSHIP OF MIDDLE
SEWER UTILITY OPERATING FUND
Statement of Accrued Interest on Bonds and Notes
For the Year Ended December 31, 2015

Balance December 31, 2014		\$ 228,167.35
Increased by:		
Charged to Budget Appropriation - Interest on Bonds	\$ 838,189.50	
Charged to Budget Appropriation - Interest on Notes	8,657.15	
		846,846.65
		1,075,014.00
Decreased by:		
Cash Disbursements		853,742.32
Balance December 31, 2015		\$ 221,271.68

Analysis of Accrued Interest December 31, 2015

	<u>Principal Outstanding Dec. 31, 2015</u>	<u>Interest Rate</u>	<u>From</u>	<u>To</u>	<u>Days</u>	<u>Amount</u>
Serial Bonds						
\$ 3,295,000.00	various		12/15/15	12/31/15	16	\$ 5,802.86
9,560,000.00	various		08/16/15	12/31/15	137	129,303.18
Rural Development Bonds						
2,866,957.99	4.00%		07/13/15	12/31/15	172	54,188.66
1,084,892.95	4.00%		07/13/15	12/31/15	172	20,505.67
1,697,480.31	2.25%		12/15/15	12/31/15	15	1,573.90
3,491,150.50	3.75%		12/15/15	12/31/15	15	5,394.98
96,981.17	3.50%		10/25/15	12/31/15	67	624.78
766,061.32	2.75%		10/25/15	12/31/15	67	3,877.66
						\$ 221,271.68

TOWNSHIP OF MIDDLE
SEWER UTILITY OPERATING FUND
 Statement of Appropriation Reserves
 For the Year Ended December 31, 2015

	Balance Dec. 31, 2014	Balance After Transfers	Paid or Charged	Lapsed to Fund Balance
	<u>Encumbrances</u>	<u>Reserved</u>		
Operating:				
S&W	\$ 18,683.99	\$ 6,340.39	\$ 2,283.80	\$ 4,056.59
OE		25,725.97	39,859.99	4,549.97
CMCMUA User Charges		254.00		254.00
Capital Improvements				
Capital Outlay		50,000.00		50,000.00
Statutory Expenditures:				
Social Security System		489.04	174.72	314.32
	<u>\$ 18,683.99</u>	<u>\$ 82,809.40</u>	<u>\$ 42,318.51</u>	<u>\$ 59,174.88</u>

TOWNSHIP OF MIDDLE
 SEWER UTILITY OPERATING FUND
 Statement of Sewer Rents Overpayments
 For the Year Ended December 31, 2015

Balance December 31, 2014	\$ 38,962.84
Decreased by:	
Applied to Sewer Rents Receivable	28,646.52
Balance December 31, 2015	\$ 10,316.32

SEWER UTILITY OPERATING FUND
 Statement of Prepaid Sewer Rents
 For the Year Ended December 31, 2015

Balance December 31, 2014	\$ 424,969.88
Increased by:	
Cash Receipts	441,217.76
	866,187.64
Decreased by:	
Applied to Sewer Rents Receivable	424,969.88
Balance December 31, 2015	\$ 441,217.76

TOWNSHIP OF MIDDLE
SEWER UTILITY CAPITAL FUND
Statement of Fixed Capital
For the Year Ended December 31, 2015

<u>Account</u>	<u>Balance</u> <u>Dec. 31, 2014</u>	<u>Transferred from</u> <u>Fixed Capital</u> <u>Authorized</u> <u>and Uncompleted</u>	<u>Balance</u> <u>Dec. 31, 2015</u>
Rio Grande East Sewerline	\$ 2,500,000.00		\$ 2,500,000.00
Del Haven, Stone Harbor Sewerline	5,993,248.56		5,993,248.56
Installation of Avalon Manor Sewer System	1,100,000.00		1,100,000.00
Rio Grande West	3,879,524.49		3,879,524.49
Court House South Sewerline	2,604,483.37		2,604,483.37
Court House North I Sewerline	2,186,996.44		2,186,996.44
Court House North II Sewerline	2,525,765.89		2,525,765.89
Green Creek Sewerline	2,648,078.11		2,648,078.11
Green Creek Sewer Project - Supplement		\$ 450,000.00	450,000.00
Court House Central Sewerline	3,195,488.65		3,195,488.65
Whitesboro/Edgewood Sewer Project Phase II		2,650,000.00	2,650,000.00
Vehicles	49,668.00		49,668.00
Sewer Vac Truck	429,800.00		429,800.00
Pump Stations	167,114.87		167,114.87
Water Reuse Project	12,430.13		12,430.13
Satt Blvd Project	812,429.73	(812,429.73)	
	<u>\$ 28,105,028.24</u>	<u>\$ 2,287,570.27</u>	<u>\$ 30,392,598.51</u>

TOWNSHIP OF MIDDLE
SEWER UTILITY CAPITAL FUND
 Statement of Fixed Capital Authorized and Uncompleted
 For the Year Ended December 31, 2015

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2014</u>	<u>Transferred to Fixed Capital</u>	<u>Balance Dec. 31, 2015</u>
1137-03	Whitesboro/Edgewood Sewer Project Phase I	\$ 4,355,000.00		\$ 4,355,000.00
1156-04	Whitesboro/Edgewood Sewer Project Phase II	2,650,000.00	\$ (2,650,000.00)	
1308-08	Whitesboro/Edgewood Sewer Project Phase I - Supplement	2,740,000.00		2,740,000.00
1173-04	Green Creek Sewer Project - Supplement	450,000.00	(450,000.00)	
1223-06/1267-07	Shellbay, Shunpike, Crest Haven, Goshen Sewer Project	4,246,000.00		4,246,000.00
1223-06/1267-07	Water Reuse Project	400,000.00		400,000.00
1364-10	Shellbay, Shunpike, Crest Haven, Goshen Sewer Project Supplement	1,176,400.00		1,176,400.00
1417-12	Grassy Sounds Connection to Sewer System	1,705,150.00		1,705,150.00
1453-13	Various Sewer Improvements Bennet Rd. Pkwy Sewer, GIS Mapping	165,000.00		165,000.00
1294-08	Satt Blvd Project		812,429.73	812,429.73
		<u>\$ 17,887,550.00</u>	<u>\$ (2,287,570.27)</u>	<u>\$ 15,599,979.73</u>

TOWNSHIP OF MIDDLE
SEWER UTILITY CAPITAL FUND
 Statement of Improvement Authorizations
 For the Year Ended December 31, 2015

Improvement Description	Ordinance Number	Amount	Balance Dec. 31, 2014		Increased by: Prior Year Encumbrances	Decreased by:		Balance Dec. 31, 2015	
			Funded	Unfunded		Cash Disbursed	Current Year Encumbrances	Funded	Unfunded
Whitesboro/Edgewood Sewer Project - Phase I	1137-03	\$ 4,355,000.00	\$ 87,393.88					\$ 89,597.69	
Various Sewer Capital Improvements	1223-06, 1267-07	4,646,000.00	251,070.87		\$ 36,813.07	\$ 11,500.77		276,383.17	
Satt Blvd. Sanitary Sewer	1294-08	812,429.73	3,037.67		0.01			3,037.68	
Whitesboro/Edgewood Sewer Project - Phase I Supplement	1308-08	2,740,000.00	2,203.81				2,203.81		
Various Sewer Capital Improvements	1364-10	1,176,400.00		\$ 126,977.17			7,495.00		\$ 117,852.77
Grassy Sound Connection to Sewer System	1417-12	1,705,150.00	45,582.50	1,450,291.67	115,043.58		31,382.42	32,051.95	1,450,291.67
Various Sewer Capital Improvements	1453-13	165,000.00		90,000.00	52,258.19		10,213.95		90,000.00
			<u>\$ 389,288.73</u>	<u>\$ 1,667,268.84</u>	<u>\$ 204,114.85</u>	<u>\$ 49,091.37</u>	<u>\$ 152,366.12</u>	<u>\$ 401,070.49</u>	<u>\$ 1,658,144.44</u>

TOWNSHIP OF MIDDLE
SEWER UTILITY CAPITAL FUND
 Statement of Reserve for Amortization
 For the Year Ended December 31, 2015

Balance December 31, 2014	\$ 17,804,326.94
Increased by:	
General Serial Bonds	\$ 445,000.00
Rural Development Administration Bonds	14,072.71
Transferred from Reserve for Deferred Amortization	2,211,135.64
	2,670,208.35
Balance December 31, 2015	\$ 20,474,535.29

Exhibit SD-14

SEWER UTILITY CAPITAL FUND
 Statement of Deferred Reserve for Amortization
 For the Year Ended December 31, 2015

Balance December 31, 2014	\$ 2,578,152.09
Increased by:	
Rural Development Administration Bonds	125,752.26
	2,703,904.35
Decreased by:	
Transferred to Reserve for Amortization	2,211,135.64
Balance December 31, 2015	\$ 492,768.71
<u>Analysis of Balance</u>	
Ordinance	
1137-03	\$ 172,042.01
1308-08	117,519.69
1223-06/1267-07	174,868.33
1364-10	28,338.68
	\$ 492,768.71

TOWNSHIP OF MIDDLE
SEWER UTILITY CAPITAL FUND
Statement of General Serial Bonds
For the Year Ended December 31, 2015

Purpose	Date of Issue	Original Issue	Maturity of Bonds		Interest Rate	Balance Dec. 31, 2014	Paid by Budget Appropriation	Balance Dec. 31, 2015
			Outstanding Date	December 31, Amount				
Various Sewer Capital Improvements	12/15/09	\$ 4,365,000.00	12/15/16	\$ 165,000.00	Variable			
			12/15/17	170,000.00				
			12/15/18	170,000.00				
			12/15/19	185,000.00				
			12/15/20	185,000.00				
			12/15/21	190,000.00				
			12/15/22	200,000.00				
			12/15/23	210,000.00				
			12/15/24	215,000.00				
			12/15/25	230,000.00				
			12/15/26	230,000.00				
			12/15/27	245,000.00				
			12/15/28	260,000.00				
			12/15/29	265,000.00				
			12/15/30	185,000.00				
			12/15/31	190,000.00		\$ 3,455,000.00	\$ 160,000.00	\$ 3,295,000.00
Various Sewer Capital Improvements	04/30/13	10,350,000.00	08/15/16	290,000.00	3.000%			
			08/15/17	305,000.00	3.000%			
			08/15/18	315,000.00	4.000%			
			08/15/19	320,000.00	4.000%			
			08/15/20	335,000.00	4.000%			
			08/15/21	360,000.00	4.000%			
			08/15/22	360,000.00	4.000%			
			08/15/23	390,000.00	4.000%			
			08/15/24	390,000.00	4.000%			
			08/15/25	410,000.00	4.000%			
			08/15/26	435,000.00	3.000%			
			08/15/27	435,000.00	3.000%			
			08/15/28	455,000.00	3.125%			
			08/15/29	465,000.00	3.250%			
			08/15/30	480,000.00	3.375%			
			08/15/31	495,000.00	3.375%			
			08/15/32	515,000.00	3.375%			
			08/15/33	530,000.00	3.625%			
			08/15/34	420,000.00	3.625%			
			08/15/35	365,000.00	3.625%			
			08/15/36	250,000.00	3.625%			
			08/15/37	205,000.00	3.875%			
			08/15/38	215,000.00	3.875%			
08/15/39	215,000.00	3.875%						
08/15/40	225,000.00	3.875%						
08/15/41	235,000.00	3.875%						
08/15/42	145,000.00	3.875%	9,845,000.00	285,000.00	9,560,000.00			
						<u>\$ 13,300,000.00</u>	<u>\$ 445,000.00</u>	<u>\$ 12,855,000.00</u>
Reserve for Amortization							<u>\$ 445,000.00</u>	

TOWNSHIP OF MIDDLE
SEWER UTILITY CAPITAL FUND
Statement of Rural Development Administration Bonds
For the Year Ended December 31, 2015

Purpose	Date of Issue	Original Issue	Maturity of Bonds		Interest Rate	Balance Dec. 31, 2014	Paid by Budget Appropriation	Balance Dec. 31, 2015
			Outstanding Date	December 31, Amount				
1137-03 Whitesboro Phase I Sewerline	07/15/10	\$ 3,039,000	2016	\$ 38,688.74	4.00%			
			2017	40,251.76	4.00%			
			2018	41,877.93	4.00%			
			2019	43,569.80	4.00%			
			2020	45,330.02	4.00%			
			2021-2050	2,657,239.74	4.00%	\$ 2,904,144.40	\$ 37,186.41	\$ 2,866,957.99
1156-04 Whitesboro Phase II Sewerline	07/15/10	1,150,000	2016	14,641.24	4.00%			
			2017	15,232.75	4.00%			
			2018	15,848.15	4.00%			
			2019	16,488.42	4.00%			
			2020	17,154.55	4.00%			
			2021-2050	1,005,527.84	4.00%	1,098,965.66	14,072.71	1,084,892.95
1308-08 Whitesboro Phase I Sewerline Supplement	12/15/11	1,815,000	2016	31,060.43	2.25%			
			2017	31,763.22	2.25%			
			2018	32,481.91	2.25%			
			2019	33,216.87	2.25%			
			2020	33,968.45	2.25%			
			2021-2050	1,534,989.43	2.25%	1,727,853.50	30,373.19	1,697,480.31
1223-06 (a) Shellbay, Shunpike Crest Haven, Goshen Sewerline	12/15/11	3,663,000	2016	47,103.35	3.75%			
			2017	48,886.28	3.75%			
			2018	50,736.71	3.75%			
			2019	52,657.17	3.75%			
			2020	54,650.33	3.75%			
			2021-2050	3,237,116.66	3.75%	3,536,535.94	45,385.44	3,491,150.50
1223-06 (b) Water Reuse	04/24/13	100,000	2016	1,282.79	3.50%			
			2017	1,328.08	3.50%			
			2018	1,374.97	3.50%			
			2019	1,423.51	3.50%			
			2020	1,473.77	3.50%			
			2021-2050	90,098.05	3.50%	98,220.21	1,239.04	96,981.17
1364-10 SSGC Phase II	04/24/13	794,400	2016	11,888.49	2.75%			
			2017	12,217.67	2.75%			
			2018	12,555.97	2.75%			
			2019	12,903.63	2.75%			
			2020	13,260.92	2.75%			
			2021-2050	703,234.64	2.75%	777,629.50	11,568.18	766,061.32
						<u>\$ 10,143,349.21</u>	<u>\$ 139,824.97</u>	<u>\$ 10,003,524.24</u>
Reserve for Amortization							\$ 14,072.71	
Reserve for Deferred Amortization							<u>125,752.26</u>	
							<u>\$ 139,824.97</u>	

TOWNSHIP OF MIDDLE
SEWER UTILITY CAPITAL FUND
 Statement of Bond Anticipation Notes
 For the Year Ended December 31, 2015

Ordinance Number	Improvement Description	Date of Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance	
						Dec. 31, 2014	Dec. 31, 2015
1417-12	Grassy Sound Connection to Sewer System	12/27/12	11/13/14	11/12/15	1.00%	\$ 1,000,000.00	\$ -
Bonds and Notes Authorized but Not Issued						\$ 1,000,000.00	

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

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance</u> <u>Dec. 31, 2014</u>	<u>Notes Not</u> <u>Renewed</u>	<u>Adjustment to</u> <u>Prior Year Balance</u>	<u>Balance</u> <u>Dec. 31, 2015</u>
1364-10	Various Sewer Capital Improvements	\$ 296,600.00			\$ 296,600.00
1417-12	Grassy Sound Connection to Sewer System	627,350.00	\$ 1,000,000.00	\$ 77,800.00	1,705,150.00
1453-13	Various Sewer Capital Improvements	165,000.00			165,000.00
		<u>\$ 1,088,950.00</u>	<u>\$ 1,000,000.00</u>	<u>\$ 77,800.00</u>	<u>\$ 2,166,750.00</u>

SUPPLEMENTAL EXHIBITS
PUBLIC ASSISTANCE FUND

TOWNSHIP OF MIDDLE
PUBLIC ASSISTANCE FUND
Statement of Cash
For the Year Ended December 31, 2015

Balance December 31, 2014	\$	20,909.12
Increased by:		
Interest Earned on Deposits		13.30
Balance December 31, 2015	\$	20,922.42

Exhibit SE-2

PUBLIC ASSISTANCE FUND
Statement of Reserve for Public Assistance
For the Year Ended December 31, 2015

Balance December 31, 2014	\$	20,909.12
Increased by:		
Interest Earned on Deposits		13.30
Balance December 31, 2015	\$	20,922.42

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

REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Township Committee
Township of Middle
Cape May Court House, NJ 08210

Report on Compliance for Each Major Federal Program

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

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance of the Township of Middle's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; and Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). The Uniform Guidance requires that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Township of Middle's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Major Federal Program

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

Report on Internal Control Over Compliance

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Michael J. Welding
Certified Public Accountant
Registered Municipal Accountant

Woodbury, New Jersey
June 28, 2016

TOWNSHIP OF MIDDLE
 Schedule of Expenditures of Federal Awards
 For the Year Ended December 31, 2015

Federal Grantor / Pass-through Grantor Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Grant Period		Expendeds	Pass-Through to Subrecipients	(Memo Only)	
			From	To			Cash Received	Accumulated Expenditures
<u>U.S. Department of Housing and Urban Development</u>								
Pass-through program from:								
State of NJ Department of Community Affairs								
Community Development Block Grants/State's Program	14.228	100-022-8020-078	01/01/13	completion	\$ 167,709.85	\$ -	\$ 155,470.04	\$ 185,397.60
Community Development Block Grants/State's Program	14.228	100-022-8020-078	01/01/13	04/30/15	76,919.00	-	76,919.00	200,000.00
Total U.S. Department of Housing and Urban Development					244,628.85	-	232,389.04	385,397.60
<u>U.S. Department of Justice</u>								
Pass-through program from:								
State of NJ Department of Law and Public Safety								
Bulletproof Vest Partnership	16.607	Unknown	10/01/13	09/30/14	2,512.13	-	-	2,512.13
Total U.S. Department of Justice					2,512.13	-	-	2,512.13
<u>U.S. Department of Homeland Security</u>								
Pass-through program from:								
State of NJ Department of Law and Public Safety								
Disaster Grants - Public Assistance Grants								
DR1867PA Ida Noreaster	97.036	100-066-1200-A42	01/01/10	completion	202,147.74	-	202,147.74	202,147.74
DR4086 Public Assistance - Hurricane Sandy	97.036	100-066-1200-A92	01/01/13	completion	40,325.43	-	40,325.43	40,325.43
DR4086 Public Assistance - Hurricane Sandy (Benny Landing Road)	97.036	100-066-1200-A92	01/01/13	completion	582,038.17	-	-	671,697.70
Total U.S. Department of Homeland Security					824,511.34	-	242,473.17	914,170.87
Total Expenditures of Federal Awards					\$ 1,071,652.32	\$ -	\$ 474,862.21	\$ 1,302,080.60

The accompanying Notes to Financial Statements and the Schedule of Expenditures of Federal Awards are integral parts of this schedule.

TOWNSHIP OF MIDDLE
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2015

Note 1: BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes federal award activity of the Township of Middle (hereafter referred to as the "Township") under programs of the federal government and state government for the year ended December 31, 2015. The Township is defined in note 1 to the financial statements. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because these schedules present only a selected portion of the operations of the Township, it is not intended to and does not present the financial position and changes in operations of the Township.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are reported on the modified accrual basis of accounting as promulgated by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. This basis of accounting is described in note 1 to the financial statements. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governments*, or the cost principles contained in Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowed or are limited as to reimbursement. The Township has elected not to use the 10-percent de minimis indirect cost rate allowed under Uniform Guidance.

Note 3: RELATIONSHIP TO FINANCIAL STATEMENTS

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

<u>Fund</u>	<u>Federal</u>
Current	\$ 752,260.15
Trust - Other	<u>76,919.00</u>
	<u>\$ 829,179.15</u>

Note 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

Note 5: OTHER INFORMATION

\$242,473.17 of the \$824,511.34 Disaster Grants – Public Assistance Grants were spent prior to January 1, 2015.

Note 6: MAJOR PROGRAMS

Major programs are identified in the *Summary of Auditor's Results* section of the *Schedule of Findings and Questioned Costs*.

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

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

Section 1- Summary of Auditor's Results

Financial Statements

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	___ yes <u>X</u> no
Significant deficiency(ies) identified?	<u>X</u> yes ___ none reported
Noncompliance material to financial statements noted?	___ yes <u>X</u> no

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	___ yes <u>X</u> no
Significant deficiency(ies) identified?	___ yes <u>X</u> none reported
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Section 516 of Title 2 U.S. Code of Federal Regulations Part 200, <i>Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards</i> (Uniform Guidance)?	
	___ yes <u>X</u> no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
97.036	Disaster Grants - Public Assistance Grants

Dollar threshold used to determine Type A programs	\$750,000.00
Auditee qualified as low-risk auditee?	___ yes <u>X</u> no

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

Section 1- Summary of Auditor's Results (Cont'd)

State Financial Assistance - Not Applicable

Internal control over major programs:

Material weakness(es) identified? _____ yes _____ no

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

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

Any audit findings disclosed that are required to be reported in accordance with New Jersey Circular 15-08-OMB? _____ yes _____ no

Identification of major programs:

GMIS Number(s)

Name of State Program

Dollar threshold used to determine Type A programs _____

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

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

Section 2 - Schedule of Financial Statement Findings

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

Finding No. 2015-001

Criteria or Specific Requirement

The New Jersey Administrative Code (N.J.A.C.) section 5:30-5.6 requires municipalities to maintain a fixed asset ledger.

Condition

The fixed asset ledger was not updated on a timely basis for the year 2015.

Context

An updated fixed asset ledger was not timely provided for examination during the audit.

Effect

The lack of an updated fixed asset ledger impairs the ability of the Township to maintain control over its fixed assets. It is also a matter of non-compliance with N.J.A.C. section 5:30-5.6.

Cause

Failure to update the fixed asset ledger on a timely basis.

Recommendation

That the fixed asset ledger is maintained in accordance with the New Jersey Administrative Code section 5:30-5.6.

View of Responsible Officials and Planned Corrective Action

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

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

Section 2 - Schedule of Financial Statement Findings (Cont'd)

Finding No. 2015-002

Criteria or Specific Requirement

Effective internal control policies and procedures require proper separation of duties and/or other compensating controls to ensure accurate posting of transactions and proper safeguarding of assets.

Condition

Documentation that Recreation Department cash receipts are monitored for completeness could not be provided for examination.

Context

Finance Department could not provide written procedures and policies for monitoring the Recreation Department cash receipts for completeness.

Effect

Errors could exist and would not be detected on a timely basis.

Cause

Internal control policies and procedures have not been developed and implemented to monitor the Recreation Department cash receipts for completeness.

Recommendation

That internal control policies and procedures be developed by the Finance Department to monitor the Recreation Department cash receipts for completeness.

View of Responsible Officials and Planned Corrective Action

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

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

Section 2 - Schedule of Financial Statement Findings (Cont'd)

Finding No. 2015-003

Criteria or Specific Requirement

A strong system of internal accounting controls dictates that bank accounts are reconciled on a timely basis.

Condition

The current fund bank account was not always reconciled on a timely basis and some of the monthly reconciliations did not agree to the general ledger.

Context

Examination of current fund bank account reconciliations showed differences when compared to the general ledger.

Effect

Material errors could occur and would not be detected on a timely basis.

The 2015 Annual Financial Statement was not filed by the statutory due date because of late bank reconciliations.

Cause

Unknown

Recommendation

That the current fund bank accounts are reconciled on a timely basis and the current fund reconciliation agrees to the general ledger.

View of Responsible Officials and Planned Corrective Action

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

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

Section 2 - Schedule of Financial Statement Findings (Cont'd)

Finding No. 2015-004

Criteria or Specific Requirement

Internal controls require grant awards to be monitored to determine compliance with the terms of the grant agreement.

Condition

Grant receivables and appropriated reserves should be reviewed for proper disposition.

Context

Examinations of grant receivables and appropriated reserves show some balances have not changed for many years, and that in some cases reimbursements from grantor are less than the cash disbursements.

Effect

Older grant receivables could be uncollectible and / or older grant appropriated reserves could be due to grantor.

Cause

Failure to fully monitor grant awards to closing.

Recommendation

That grant receivables and appropriated reserves be reviewed for proper disposition.

View of Responsible Officials and Planned Corrective Action

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

Section 3 - Schedule of Federal Award Findings and Questioned Costs

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

None

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

This section identifies the status of prior year findings related to the financial statements and Federal Awards and State Financial Assistance that are required to be reported in accordance with *Government Auditing Standards*, OMB A-133 and State of New Jersey Circular 04-04-OMB.

FINANCIAL STATEMENT FINDINGS

Finding No. 2014-001

Condition

The Township's general ledgers had incorrect balances, and four months bank reconciliations were not completed as of year end.

Current Status

A similar condition exists and is current year finding 2015-003.

Planned Corrective Action

Bank reconciliation will be prepared timely and in agreement with general ledger.

Finding No. 2014-002

Condition

The Township did not ensure that all vendors W-9 forms indicating their type of entity, and applicable computerized checkmarks were reviewed and completed to properly identify all vendors required to get a year end form 1099.

Current Status

This condition has been resolved.

Finding No. 2014-003

Condition

There was \$170,751 in asset additions not initially identified and \$409,081 of asset disposals not recorded. In addition, there were equipment assets that the Township could not allocate values to due to prior recorded assets not having sufficient identification numbers recorded, in order to properly match up with and delete.

Current Status

A similar condition exists and is current year finding 2015-001.

Planned Corrective Action

Fixed asset ledger will be properly maintained.

TOWNSHIP OF MIDDLE
Summary Schedule of Prior Year Audit Findings
and Questioned Costs as Prepared by Management (Cont'd)

FINANCIAL STATEMENT FINDINGS (CONT'D)

Finding No. 2014-004

Condition

That the Township ensures billings and maintenance of their Urban Development Action Grant loans and related receivables.

Current Status

This condition has been resolved.

Finding No. 2014-005

Condition

That the Municipal Court reviews all tickets assigned to officers but not issued over six months old and appropriate action taken.

Current Status

This condition has been resolved.

Finding No. 2014-006

Condition

That all receipts be identified, support maintained and properly posted.

Current Status

This condition has been resolved.

Finding No. 2014-007

Condition

The Township thoroughly review budget account balances to prevent overexpenditures.

Current Status

This condition has been resolved.

FEDERAL AWARDS

None

STATE FINANCIAL ASSISTANCE PROGRAMS

None

TOWNSHIP OF MIDDLE
Officials in Office and Surety Bonds

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

<u>Name</u>	<u>Title</u>
Tim Donohue	Mayor
Daniel Lockwood	Committee member
Michael Clark	Committee member
Constance A. Mahon	Administrator
Kimberly Krauss	Municipal Clerk
Sandra Beasley	Tax Collector
John Clifford	Chief Financial Officer
Deborah Becker	Court Administrator
Suzanne Stocker	Registrar of Vital Statistics
Marcus Karavan	Municipal Attorney
Remington & Vernick	Municipal Engineer

All employees are covered under a Blanket Surety Bond in the amount of \$1,000,000.

APPRECIATION

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

Respectfully submitted,

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Michael J. Welding
Certified Public Accountant
Registered Municipal Accountant