

**TOWNSHIP OF DEERFIELD
COUNTY OF CUMBERLAND
REPORT OF AUDIT
FOR THE YEAR 2015**

TOWNSHIP OF DEERFIELD
TABLE OF CONTENTS

<u>Exhibit No.</u>		<u>Page No.</u>
 <u>PART 1</u>		
	Independent Auditor's Report	2
	Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	5
 <u>CURRENT FUND</u>		
A	Statements of Assets, Liabilities, Reserves and Fund Balances-- Regulatory Basis	7
A-1	Statements of Operations and Changes in Fund Balance-- Regulatory Basis	9
A-2	Statement of Revenues--Regulatory Basis	11
A-3	Statement of Expenditures--Regulatory Basis	14
 <u>TRUST FUND</u>		
B	Statements of Assets, Liabilities, Reserves and Fund Balances-- Regulatory Basis	21
 <u>GENERAL CAPITAL FUND</u>		
C	Statements of Assets, Liabilities, Reserves and Fund Balances-- Regulatory Basis	22
 <u>GENERAL FIXED ASSETS GROUP OF ACCOUNTS</u>		
D	Statement of General Fixed Assets Group of Accounts	23
	Notes to Financial Statements	24
 <u>SUPPLEMENTAL EXHIBITS</u>		
<u>CURRENT FUND</u>		
SA-1	Statement of Current Cash--Treasurer	47
SA-2	Statement of Current Cash--Collector	48
SA-3	Schedule of Change Funds	49

TOWNSHIP OF DEERFIELD
TABLE OF CONTENTS (CONT'D)

<u>Exhibit No.</u>		<u>Page No</u>
	<u>SUPPLEMENTAL EXHIBITS (CONT'D)</u>	
	<u>CURRENT FUND (CONT'D)</u>	
SA-4	Statement of Taxes Receivable and Analysis of Property Tax Levy	50
SA-5	Statement of Tax Title Liens	51
SA-6	Statement of Due from State of New Jersey--Veterans' and Senior Citizens' Deductions	51
SA-7	Statement of Deferred Charges	52
SA-8	Statement of Revenue Accounts Receivable	53
SA-9	Statement of Appropriation Reserves	54
SA-10	Statement of Payroll Deductions Payable	58
SA-11	Statement of Prepaid Taxes	59
SA-12	Statement of Tax Overpayments	59
SA-13	Statement of County Taxes Payable	60
SA-14	Statement of Amount Due to County for Added and Omitted Taxes	60
SA-15	Statement of Local District School Tax Payable	61
SA-16	Statement of Regional High School Tax Payable	61
SA-17	Federal, State and Other Grant Fund--Statement of Federal, State and Other Grants Receivable	62
SA-18	Federal, State and Other Grant Fund--Statement of Reserve for Federal, State and Other Grants--Unappropriated	63
SA-19	Federal, State and Other Grant Fund--Statement of Reserve for Federal, State and Other Grants--Appropriated	64
SA-20	Federal, State and Other Grant Fund--Statement of Due from Current Fund	65
	<u>TRUST FUND</u>	
SB-1	Statement of Trust Fund Cash--Treasurer	67
SB-2	Animal Control Fund--Statement of Reserve for Animal Control Expenditures	68
SB-3	Animal Control Fund--Statement of Due Current Fund	68
SB-4	Animal Control Fund--Statement of Due to State of New Jersey -- Department of Health--Dog License Fees	69
SB-5	Trust Other Fund--Statement of Due to Current Fund	70
SB-6	Trust Other Fund--Statement of Due to State of New Jersey--Sales Tax	70
SB-7	Trust Other Fund--Statement of Miscellaneous Trust Reserves	71
SB-8	Trust Other Fund--Statement of Miscellaneous Trust Escrows	72

TOWNSHIP OF DEERFIELD
TABLE OF CONTENTS (CONT'D)

<u>Exhibit No.</u>		<u>Page No</u>
	<u>GENERAL CAPITAL FUND</u>	
SC-1	Statement of General Capital Cash--Treasurer	74
SC-2	Analysis of General Capital Cash	75
SC-3	Statement of Deferred Charges to Future Taxation--Funded	76
SC-4	Schedule of Improvement Authorizations	77
SC-5	Statement of Due from/to Current Fund	78
SC-6	Statement of Capital Improvement Fund	78
SC-7	Statement of Reserve for Purchase of Emergency Vehicle	79
SC-8	Cumberland County Improvement Authority Loans Payable	80
	 <u>PART 2</u>	
	SCHEDULE OF FINDINGS AND RECOMMENDATIONS	
	Schedule of Financial Statement Findings	82
	Summary Schedule of Prior Year Audit Findings and Recommendations as Prepared by Management	83
	OFFICIALS IN OFFICE AND SURETY BONDS	84
	APPRECIATION	85

TOWNSHIP OF DEERFIELD
PART 1
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 Deerfield
Rosenhayn, New Jersey 08352

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

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

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

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

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

Opinion on Regulatory Basis of Accounting

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

Emphasis of Matter

Adoption of New Accounting Principles

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

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township’s basic financial statements. The supplemental financial statements 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 supplemental financial statements presented for the various funds 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 financial statements 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 May 25, 2016 on our consideration of the Township of Deerfield's, in the County of Cumberland, 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 Deerfield's internal control over financial reporting and compliance.

Respectfully submitted,

Bowman & Company LLP

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Carol A. McAllister

Carol A. McAllister
Certified Public Accountant
Registered Municipal Accountant

Voorhees, New Jersey
May 25, 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 Deerfield
Rosenhayn, New Jersey 08352

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 Deerfield, in the County of Cumberland, 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 May 25, 2016. That report indicated that the Township of Deerfield's financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America, but were prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. In addition, our report on the financial statements also included an emphasis of matter paragraph describing the adoption of new accounting principles.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township of Deerfield'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 an instance of noncompliance that is 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, and which is described in the accompanying *Schedule of Findings and Recommendations* as finding no.: 2015-001.

The Township of Deerfield's Response to Finding

The Township of Deerfield's response to the finding identified in our audit is described in the accompanying *Schedule of Findings and Recommendations*. 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

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Carol A. McAllister

Carol A. McAllister
Certified Public Accountant
Registered Municipal Accountant

Voorhees, New Jersey
May 25, 2016

TOWNSHIP OF DEERFIELD

CURRENT FUND

Statements of Assets, Liabilities, Reserves, and Fund Balances - Regulatory Basis

As of December 31, 2015 and 2014

	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
<u>ASSETS</u>			
Regular Fund:			
Cash:			
Treasurer	SA-1	\$ 2,936,353.53	\$ 2,729,147.96
Collector	SA-2	581,792.10	459,159.78
Change Fund	SA-3	325.00	325.00
Due from State of New Jersey (Ch.73, P.L.1976)	SA-6	16,032.42	17,327.96
		<u>3,534,503.05</u>	<u>3,205,960.70</u>
Receivables and Other Assets with			
Full Reserves:			
Delinquent Property Taxes Receivable	SA-4	189,464.08	186,672.54
Tax Title Liens Receivable	SA-5	197,818.69	150,611.62
Property Acquired for Taxes - Assessed Valuation	A	128,900.00	128,900.00
Revenue Accounts Receivable	SA-8	48,816.52	55,089.19
Due from General Capital Fund	SC-6	12,157.34	
Due from Trust Other Fund	SB-5	48,939.29	16,143.25
		<u>626,095.92</u>	<u>537,416.60</u>
Deferred Charges:			
Overexpenditure of Appropriation	SA-7		2,119.07
Expenditure without an Appropriation	SA-7		21,447.04
			<u>23,566.11</u>
		<u>4,160,598.97</u>	<u>3,766,943.41</u>
Federal, State and Other Grant Fund:			
Cash	SA-1	27,684.47	27,684.47
Due from Current Fund	SA-20	15,719.69	13,574.30
Federal, State and Other Grants Receivable	SA-17	4,677.99	63,157.69
		<u>48,082.15</u>	<u>104,416.46</u>
		<u>\$ 4,208,681.12</u>	<u>\$ 3,871,359.87</u>

(Continued)

TOWNSHIP OF DEERFIELD

CURRENT FUND

Statements of Assets, Liabilities, Reserves, and Fund Balances - Regulatory Basis

As of December 31, 2015 and 2014

	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Regular Fund:			
Appropriation Reserves	A-3;SA-9	\$ 172,722.53	\$ 101,068.34
Reserve for Encumbrances	A-3;SA-9	28,913.18	29,741.30
Accounts Payable	A	4,772.90	4,772.90
Payroll Deductions Payable	SA-10	3,895.95	8,474.71
Prepaid Taxes	SA-11	86,705.06	94,377.40
Tax Overpayments	SA-12	28,061.90	33,973.12
Reserve for Revaluation Program	A	18,423.98	18,423.98
Prepaid Payments in Lieu of Taxes (PILOT)	SA-1		3,000.00
Due to Federal, State and Other Grant Fund	SA-20	15,719.69	13,574.30
Due to General Capital Fund	SC-6		19,313.66
Due County for Added and Omitted Taxes	SA-14	7,224.57	8,290.42
Local District School Tax Payable	SA-15	1,319,670.53	1,298,762.55
Regional High School Tax Payable	SA-16	500,309.75	489,077.25
		<u>2,186,420.04</u>	<u>2,122,849.93</u>
Reserves for Receivables	A	626,095.92	537,416.60
Fund Balance	A-1	<u>1,348,083.01</u>	<u>1,106,676.88</u>
		<u>4,160,598.97</u>	<u>3,766,943.41</u>
Federal, State and Other Grant Fund:			
Reserve for:			
Federal, State and Other Grants Unappropriated	SA-18		6,141.51
Federal, State and Other Grants Appropriated	SA-19	48,082.15	33,534.47
Encumbrances	SA-19		64,740.48
		<u>48,082.15</u>	<u>104,416.46</u>
		<u>\$ 4,208,681.12</u>	<u>\$ 3,871,359.87</u>

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

TOWNSHIP OF DEERFIELD
CURRENT FUND

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

	<u>2015</u>	<u>2014</u>
<u>Revenue and Other Income Realized:</u>		
Fund Balance Utilized	\$ 584,000.00	\$ 586,000.00
Miscellaneous Revenues Anticipated	986,073.71	1,177,289.30
Receipts from Delinquent Taxes	193,421.58	158,304.40
Receipts from Current Taxes	5,867,727.28	5,686,139.43
Nonbudget Revenues	462,829.75	127,583.70
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	102,933.58	91,093.83
Cancellation of Trust Reserve	2,914.18	
Cancellation of Tax Overpayments	1,290.99	
Refund of Prior Year Expenditures	236.15	
Reserves Liquidated:		
Animal Control Trust Fund		473.00
General Capital Fund		36,027.02
	<u>8,201,427.22</u>	<u>7,862,910.68</u>
<u>Expenditures:</u>		
Budget Appropriations:		
Appropriations Within "CAPS"		
Operations (Salaries and Wages)	399,139.00	386,830.00
Operations (Other Expenses)	649,205.00	669,410.40
Statutory Expenditures	109,066.11	83,000.00
Appropriations Excluded from "CAPS"		
Operations (Salaries and Wages)	75,842.00	71,492.00
Operations (Other Expenses)	145,863.51	323,102.43
Capital Improvements	58,300.00	30,000.00
Debt Service	10,000.00	10,000.00
Deferred Charges and Statutory Expenditures		5,646.00
County Taxes	2,180,882.52	2,120,301.72
Due County for Added and Omitted Taxes	7,224.57	8,290.42
Local District School Tax	2,639,341.00	2,597,525.00
Regional High School District Tax	1,055,204.00	978,154.00
Prior Year Senior Citizens Disallowed	1,000.00	1,750.00
Refund of a Prior Year Revenue		1,174.38
Reserves Created:		
Trust Other Fund	32,796.04	16,143.25
General Capital Fund	12,157.34	
	<u>7,376,021.09</u>	<u>7,302,819.60</u>
Excess in Revenue (Carried Forward)	<u>825,406.13</u>	<u>560,091.08</u>

(Continued)

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

	<u>2015</u>	<u>2014</u>
Excess in Revenue (Brought Forward)	\$ 825,406.13	\$ 560,091.08
Adjustments to Income before Fund Balance:		
Expenditures Included Above Which are by Statute		
Deferred Charges to Budget of Succeeding Year	<u> </u>	<u>2,119.07</u>
Statutory Excess to Fund Balance	825,406.13	562,210.15
<u>Fund Balance:</u>		
Fund Balance January 1	<u>1,106,676.88</u>	<u>1,130,466.73</u>
	1,932,083.01	1,692,676.88
Decreased by:		
Utilization as Anticipated Revenue	<u>584,000.00</u>	<u>586,000.00</u>
Fund Balance December 31	<u>\$ 1,348,083.01</u>	<u>\$ 1,106,676.88</u>

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

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

	Anticipated <u>Budget</u>	Special <u>N.J.S.A. 40A:4-87</u>	<u>Realized</u>	Excess or <u>(Deficit)</u>
Fund Balance Anticipated	\$ 584,000.00	\$ _____	\$ 584,000.00	\$ _____
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	3,750.00		4,126.15	376.15
Other	1,100.00		552.53	(547.47)
Energy Receipts Tax P.L. 1997, Chapters 162 & 167)	300,406.00		300,406.00	
Uniform Construction Code Fees	30,000.00		9,868.00	(20,132.00)
Shared Services Agreements Offset with Appropriations:				
Zoning Officer - Lawrence Township	7,492.00		4,994.08	(2,497.92)
Additional Revenue Offset with Appropriations:				
EMS/Ambulance Service	69,000.00		81,931.38	12,931.38
Public and Private Revenues Offset With Appropriations:				
Recycling Tonnage Grant	6,141.51		6,141.51	
Clean Communities Grant		6,227.00	6,227.00	
Other Special Items of Revenues:				
Host Benefit Fee (PL 1985 CH 38)	420,000.00		571,827.06	151,827.06
	<u>837,889.51</u>	<u>6,227.00</u>	<u>986,073.71</u>	<u>141,957.20</u>
Receipts from Delinquent Taxes	<u>130,000.00</u>		<u>193,421.58</u>	<u>63,421.58</u>
Subtotal General Revenues	1,551,889.51	6,227.00	1,763,495.29	205,378.78
Amount to be Raised by Taxes for				
Support to Municipal Budget -				
Local Tax for Municipal Purposes	<u>150,494.64</u>		<u>246,270.72</u>	<u>95,776.08</u>
Budget Totals	1,702,384.15	6,227.00	2,009,766.01	301,154.86
Nonbudget Revenues			<u>462,829.75</u>	<u>462,829.75</u>
	<u>\$ 1,702,384.15</u>	<u>\$ 6,227.00</u>	<u>\$ 2,472,595.76</u>	<u>\$ 763,984.61</u>

(Continued)

TOWNSHIP OF DEERFIELD
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	\$ 5,867,727.28
Allocated to:	
School and County	<u>5,882,652.09</u>
Balance (Deficit) for Support of Municipal Budget Revenues	(14,924.81)
Add:	
Appropriation: "Reserve for Uncollected Taxes"	<u>261,195.53</u>
Amount for Support of Municipal Budget Appropriations	<u>\$ 246,270.72</u>
<u>Receipts from Delinquent Taxes:</u>	
Delinquent Tax Collections	\$ 152,992.34
Tax Title Liens Collections	<u>40,429.24</u>
	<u>\$ 193,421.58</u>

(Continued)

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

Analysis of Non-Budget Revenue

Miscellaneous Revenue Not Anticipated:

Revenue Accounts Receivable:

Fees and Permits:

Housing Inspector	\$ 11,646.73
Miscellaneous Clerk Receipts	760.28
Planning Board Secretary	2,000.00
Municipal Court	33,070.77
Cable TV Franchise Fee	<u>15,933.63</u>

\$ 63,411.41

Tax Collector:

Return Check Charges	80.00
Tax Search Fees	<u>60.00</u>

140.00

Treasurer:

Interest on Bank Deposits	13,074.78
Property Lists	70.00
Administrative Cost of Senior Citizen and Veterans Program	720.00
Street Opening Permits	5,594.00
Election Account Receipts	875.00
Payments in Lieu of Taxes	5,500.00
Sale of Municipal Land	292,300.00
Other Miscellaneous	<u>2,756.00</u>

320,889.78

Applied Prepaid Payments in Lieu of Taxes	<u>3,000.00</u>
---	-----------------

323,889.78

Tax Collector:

Interest on Bank Deposits	1,610.49
Interest and Costs on Taxes	<u>34,429.52</u>

36,040.01

Interest Earned - Due from Other Funds:

Trust Other Funds - Interest Earned	377.55
General Capital Fund - Interest Earned	<u>1,471.00</u>

1,848.55

Due from Trust Other Funds:

Tax Sale Premium on Foreclosed Property	5,000.00
Deposit on Land Sale Deposited in Developers' Escrow	<u>32,500.00</u>

37,500.00

\$ 462,829.75

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

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

	Appropriations		Expended		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>
OPERATIONS WITHIN "CAPS"					
GENERAL GOVERNMENT					
Administrative and Executive					
Salaries and Wages	\$ 131,219.00	\$ 135,319.00	\$ 135,142.28	\$	\$ 176.72
Other Expenses:					
Miscellaneous Other Expenses	43,950.00	37,950.00	30,768.65	839.86	6,341.49
Municipal Clerk					
Salaries and Wages	54,000.00	55,800.00	55,738.12		61.88
Other Expenses	9,900.00	7,900.00	6,014.74	1,105.09	780.17
Election Expenses					
Salaries and Wages	500.00	500.00			500.00
Other Expenses	4,000.00	4,000.00	3,057.51		942.49
Financial Administration					
Salaries and Wages	18,540.00	19,340.00	19,253.15		86.85
Annual Audit	35,000.00	35,000.00	35,000.00		
Other Expenses	9,000.00	7,000.00	774.42	459.00	5,766.58
Collection of Taxes					
Salaries and Wages	19,120.00	19,720.00	19,666.27		53.73
Other Expenses	5,000.00	5,000.00	3,939.25		1,060.75
Tax Search Officer					
Salaries and Wages	300.00	300.00			300.00
Assessment of Taxes					
Salaries and Wages	16,480.00	17,180.00	17,113.88		66.12
Other Expenses	4,000.00	3,000.00	2,338.90	15.85	645.25
Tax Map Maintenance	4,000.00	4,000.00	2,519.65		1,480.35
Tax Appeals	3,000.00	900.00			900.00
Liquidation of Tax Title Liens and Foreclosed Property					
Other Expenses	1,000.00				
Legal Services and Costs:					
Other Expenses	31,000.00	28,000.00	22,445.78		5,554.22

(Continued)

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

	Appropriations		Expended		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>
<u>OPERATIONS WITHIN "CAPS" (CONT'D)</u>					
<u>GENERAL GOVERNMENT (CONT'D)</u>					
Engineering Services and Costs					
Other Expenses	\$ 5,000.00	\$ 10,000.00	\$ 7,347.17	\$ 849.63	\$ 1,803.20
Economic Development					
Other Expenses	500.00				
Historical Society					
Other Expenses	500.00				
Planning Board					
Salaries and Wages	11,450.00	13,950.00	13,529.41		420.59
Other Expenses	8,100.00	7,100.00	6,680.32	51.72	367.96
Affordable Housing					
Other Expenses	500.00				
Housing and Zoning Officer					
Salaries and Wages	14,900.00	14,900.00	13,540.75		1,359.25
Other Expenses	650.00	650.00	209.72		440.28
Flood Insurance Officer					
Salaries and Wages	100.00	100.00			100.00
Other Expenses	100.00	100.00			100.00
Insurance					
Liability Insurance	23,032.00	23,032.00	21,515.00		1,517.00
Workers Compensation	56,623.00	56,623.00	55,846.06		776.94
Group Health	102,000.00	97,000.00	91,541.54		5,458.46
Health Insurance Opt-out Payment	2,000.00	2,000.00	1,923.00		77.00
Disability and Life Insurance	1,000.00	1,000.00	988.20		11.80
Insurance - Fire Company	4,300.00	4,300.00	2,739.00		1,561.00
<u>PUBLIC SAFETY</u>					
Emergency Management					
Salaries and Wages	4,530.00	4,630.00	4,100.78		529.22
Other Expenses	7,500.00	7,500.00	119.14		7,380.86

(Continued)

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

	Appropriations		Expended		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>
<u>OPERATIONS WITHIN "CAPS" (CONT'D)</u>					
<u>PUBLIC SAFETY (CONT'D)</u>					
First Aid Organization					
Other Expenses	\$ 33,300.00	\$ 33,300.00	\$ 25,642.88	\$ 2,862.85	\$ 4,794.27
Fire					
Other Expenses:					
Rosenhayn Fire Company					
Miscellaneous Other Expenses	50,000.00	52,000.00	38,714.84	6,489.50	6,795.66
Training	5,000.00	5,000.00	360.00	4,304.00	336.00
<u>STREETS AND ROADS</u>					
Road Repair and Maintenance					
Salaries and Wages	500.00	500.00			500.00
Other Expenses	7,000.00	7,000.00	4,960.44	200.00	1,839.56
Public Buildings and Grounds					
Salaries and Wages	80,700.00	88,400.00	84,314.21		4,085.79
Other Expenses	38,300.00	38,300.00	19,034.45	5,355.18	13,910.37
Snow Removal					
Other Expenses	4,500.00	4,500.00	4,500.00		
<u>HEALTH AND WELFARE</u>					
Senior Citizen Director					
Salaries and Wages	15,700.00	16,700.00	13,703.85		2,996.15
Other Expenses	850.00	850.00	398.39		451.61
Nutritional Center					
Other Expenses	950.00				
Dog Regulation					
Salaries and Wages	3,500.00	3,500.00	3,096.05		403.95
Other Expenses	6,000.00	6,200.00	5,850.00	250.00	100.00
Environmental Control Officer					
Salaries and Wages	1,000.00	450.00			450.00
Other Expenses	100.00	100.00			100.00

(Continued)

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

	Appropriations		Expended		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>
<u>OPERATIONS WITHIN "CAPS" (CONT'D)</u>					
<u>HEALTH AND WELFARE (CONT'D)</u>					
Infectious Control Officer					
Salaries and Wages	\$ 450.00	\$ 550.00	\$ 445.93	\$	\$ 104.07
<u>RECREATION AND EDUCATION</u>					
Board of Recreation Commissioners					
Salaries and Wages	1,800.00	1,900.00	1,900.00		
Other Expenses	20,000.00	20,000.00	16,050.72	289.90	3,659.38
<u>UTILITIES</u>					
Street Lighting	40,000.00	40,000.00	40,000.00		
Electric	33,500.00	33,500.00	28,041.18	1,754.09	3,704.73
Telephone	13,300.00	16,350.00	16,334.90		15.10
Gas/Fuel	17,000.00	17,500.00	9,278.82	291.86	7,929.32
Natural Gas	12,000.00	12,000.00	7,636.82	604.65	3,758.53
Telecommunications- Internet	3,000.00	3,000.00	811.87		2,188.13
<u>LANDFILL AND SOLID WASTE DISPOSAL COSTS</u>					
Landfill Post Closure Costs	4,000.00	4,000.00	3,533.00		467.00
Sanitary Landfill					
Other Expenses	6,000.00	6,000.00	2,810.00	3,190.00	
Recycling Coordinator					
Other Expenses	150.00	150.00			150.00
<u>UNCLASSIFIED</u>					
Celebration of a Public Event	500.00	300.00			300.00
Accumulated Absences	1,000.00	1,000.00	1,000.00		
Uniform Construction Code--Appropriation Offset by					
Dedicated Revenues (N.J.A.C. 5:23-4.17)					
Construction Code Official					
Other Expenses	1,000.00	1,000.00	706.78		293.22
Contingent	100.00	100.00			100.00
Sub-Code Officials					
Plumbing Inspector					
Salaries and Wages	6,180.00	2,380.00	2,293.40		86.60

(Continued)

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

	Appropriations		Expended		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>
<u>OPERATIONS WITHIN "CAPS" (CONT'D)</u>					
Uniform Construction Code--Appropriation Offset by Dedicated Revenues (N.J.A.C. 5:23-4.17) (Cont'd)					
Electrical Inspector					
Salaries and Wages	\$ 7,520.00	\$ 3,020.00	\$ 2,937.27	\$	\$ 82.73
Demolition Official					
Other Expenses	5,000.00	5,000.00			5,000.00
TOTAL OPERATIONS - WITHIN "CAPS"	<u>1,052,694.00</u>	<u>1,048,344.00</u>	<u>908,208.49</u>	<u>28,913.18</u>	<u>111,222.33</u>
TOTAL OPERATIONS - WITHIN "CAPS"					
Detail:					
Salaries and Wages	388,489.00	399,139.00	386,775.35		12,363.65
Other Expenses	664,205.00	649,205.00	521,433.14	28,913.18	98,858.68
<u>DEFERRED CHARGES AND STATUTORY EXPENDITURES</u>					
<u>- MUNICIPAL WITHIN "CAPS"</u>					
DEFERRED CHARGES					
Expenditure Without an Appropriation	21,447.04	21,447.04	21,447.04		
Overexpenditure of Appropriations	2,119.07	2,119.07	2,119.07		
STATUTORY EXPENDITURES:					
Contribution to:					
Pubic Employees' Retirement System	40,500.00	40,500.00	40,265.00		235.00
Social Security System (O.A.S.I.)	42,000.00	42,000.00	35,559.96		6,440.04
Defined Contribution Retirement Program	3,000.00	3,000.00	901.08		2,098.92
TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"	<u>109,066.11</u>	<u>109,066.11</u>	<u>100,292.15</u>		<u>8,773.96</u>
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"	<u>1,161,760.11</u>	<u>1,157,410.11</u>	<u>1,008,500.64</u>	<u>28,913.18</u>	<u>119,996.29</u>

(Continued)

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

	Appropriations		Expended		
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved
<u>OPERATIONS EXCLUDED FROM "CAPS":</u>					
Matching Funds for Grants	\$ 20,000.00	\$ 20,000.00	\$	\$	\$ 20,000.00
Length of Service Award Program (LOSAP)	7,000.00	7,000.00	5,600.00		1,400.00
Zoning Officer - Shared Services					
Salaries and Wages - Lawrence	7,492.00	7,492.00	7,492.00		
Shared Municipal Court - Other Expenses	72,000.00	72,000.00	68,261.65		3,738.35
Interlocal Service Agreement with Upper Deerfield Twp					
Construction Code Official	29,495.00	29,495.00	9,533.48		19,961.52
Additional Revenue Offset with Appropriations:					
EMS/Ambulance Service					
Salaries and Wages	64,000.00	68,350.00	64,694.60		3,655.40
Other Expenses	5,000.00	5,000.00	1,029.03		3,970.97
TOTAL OPERATIONS EXCLUDED FROM "CAPS"	204,987.00	209,337.00	156,610.76		52,726.24
<u>PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES:</u>					
Recycling Tonnage Grant	6,141.51	6,141.51	6,141.51		
Clean Communities (40A:4-87 \$6,227.00+)		6,227.00	6,227.00		
TOTAL PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES	6,141.51	12,368.51	12,368.51		
TOTAL OPERATIONS - EXCLUDED FROM "CAPS"	211,128.51	221,705.51	168,979.27		52,726.24
Detail:					
Salaries and Wages	71,492.00	75,842.00	72,186.60		3,655.40
Other Expenses	139,636.51	145,863.51	96,792.67		49,070.84
<u>CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"</u>					
Capital Improvement Fund	38,300.00	38,300.00	38,300.00		
Reserve for Purchase of Emergency Vehicle	20,000.00	20,000.00	20,000.00		
TOTAL CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"	58,300.00	58,300.00	58,300.00		

(Continued)

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

	Appropriations		Expended		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>
<u>MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"</u>					
Loan Repayments for Principal and Interest	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$	\$
TOTAL MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"	10,000.00	10,000.00	10,000.00		
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS"	279,428.51	290,005.51	237,279.27		52,726.24
SUBTOTAL GENERAL APPROPRIATIONS	1,441,188.62	1,447,415.62	1,245,779.91	28,913.18	172,722.53
RESERVE FOR UNCOLLECTED TAXES	261,195.53	261,195.53	261,195.53		
TOTAL GENERAL APPROPRIATIONS	<u>\$ 1,702,384.15</u>	<u>\$ 1,708,611.15</u>	<u>\$ 1,506,975.44</u>	<u>\$ 28,913.18</u>	<u>\$ 172,722.53</u>

Budget	\$ 1,702,384.15	
Appropriation by 40A:4-87	6,227.00	
Deferred Charge - Overexpenditure of Appropriation	\$ 2,119.07	
Deferred Charge - Expenditure Without an Appropriation	21,447.04	
Reserve for Federal, State and Other Grants Appropriated	12,368.51	
Reserve for Uncollected Taxes	261,195.53	
Disbursed	1,209,845.29	
	<u>\$ 1,708,611.15</u>	<u>\$ 1,506,975.44</u>

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

TOWNSHIP OF DEERFIELD

TRUST FUNDS

Statements of Assets, Liabilities, Reserves and Fund Balances - Regulatory Basis

As of December 31, 2015 and 2014

	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
<u>ASSETS</u>			
Animal Control Fund:			
Cash - Treasurer	SB-1	\$ <u>866.09</u>	\$ <u>1,185.36</u>
Other Funds:			
Cash - Treasurer	SB-1	<u>242,854.52</u>	<u>162,630.06</u>
		<u>242,854.52</u>	<u>162,630.06</u>
		\$ <u><u>243,720.61</u></u>	\$ <u><u>163,815.42</u></u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Animal Control Fund:			
Reserve for Animal Control Expenditures	SB-2	\$ <u>866.09</u>	\$ <u>1,185.36</u>
		<u>866.09</u>	<u>1,185.36</u>
Other Funds:			
Due to Current Fund	SB-5	48,939.29	16,143.25
Due to State of N.J.-Sales Tax	SB-6	94.50	57.75
Miscellaneous Trust Reserves:			
Unemployment Compensation	SB-7	20,212.92	20,173.12
Developers' Escrow	SB-7	22,157.44	19,130.91
Developers' Bid Bonds	SB-7	127.69	127.69
Fire Penalties and Fines	SB-7	41,559.13	32,318.13
Accumulated Absences	SB-7	17,688.85	16,688.85
Snow Removal	SB-7	10,587.49	3,291.16
Recreation Fund	SB-7	69,017.13	25,283.54
Miscellaneous Trust Escrows:			
Sanitary Landfill Escrow	SB-8	9,297.33	9,278.73
Security Deposit Tent Rentals	SB-8	272.75	322.75
Tax Sale Premiums	SB-8	2,900.00	16,900.00
Redemption of Tax Title Liens	SB-8	<u>2,914.18</u>	<u>2,914.18</u>
		<u>242,854.52</u>	<u>162,630.06</u>
		\$ <u><u>243,720.61</u></u>	\$ <u><u>163,815.42</u></u>

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

TOWNSHIP OF DEERFIELD
GENERAL CAPITAL FUND

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

	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
<u>ASSETS</u>			
Cash	SC-1	\$ 246,904.57	\$ 179,299.02
Due from Current Fund	SC-5		19,313.66
Deferred Charges to Future Taxation:			
Funded	SC-3	<u>30,000.00</u>	<u>40,000.00</u>
		<u>\$ 276,904.57</u>	<u>\$ 238,612.68</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Cumberland County Improvement Authority -			
Loans Payable	SC-8	\$ 30,000.00	\$ 40,000.00
Improvement Authorizations:			
Funded	SC-4	118,258.37	60,971.16
Reserve for Encumbrances	SC-4	4,970.00	1,135.00
Due to Current Fund	SC-5	12,157.34	
Capital Improvement Fund	SC-6	51,011.01	95,998.67
Reserve for Purchase of Emergency Vehicle	SC-7	60,000.00	40,000.00
Fund Balance	C	<u>507.85</u>	<u>507.85</u>
		<u>\$ 276,904.57</u>	<u>\$ 238,612.68</u>

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

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

	Balance <u>December 31, 2014</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>December 31, 2015</u>
General Fixed Assets:				
Land	\$ 448,900.00	\$	\$ 42,900.00	\$ 406,000.00
Buildings and Improvements	1,259,710.00	17,263.32	282,800.00	994,173.32
Machinery and Equipment	<u>1,409,337.03</u>	<u> </u>	<u>15,000.00</u>	<u>1,394,337.03</u>
Total General Fixed Assets	<u>\$ 3,117,947.03</u>	<u>\$ 17,263.32</u>	<u>\$ 340,700.00</u>	<u>\$ 2,794,510.35</u>
 Total Investment in General Fixed Assets	 <u>\$ 3,117,947.03</u>	 <u>\$ 17,263.32</u>	 <u>\$ 340,700.00</u>	 <u>\$ 2,794,510.35</u>

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

TOWNSHIP OF DEERFIELD
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 Deerfield was incorporated in 1798. The Township is located in Cumberland County and is primarily a rural farming area approximately 16.8 square miles in land area. The Township provides its citizens the following services: public improvements, planning and zoning, construction and housing code enforcement, recreational activities, as well as, general administrative services. The population according to the 2010 census is 3,119.

A Township Committee consisting of five members represents the Township's governmental structure. Members of the Township Committee are elected every three years. Among the members of the Township Committee, the mayor is appointed at the annual reorganization meeting. Executive responsibility rests with the Mayor, who is assisted by the Township Committee. The Township Administrator handles the daily administrative tasks.

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.

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.

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

Budgets and Budgetary Accounting - The Township must adopt an annual budget for its current fund in accordance with N.J.S.A. 40A:4 et seq. N.J.S.A. 40A:4-5 requires the governing body to introduce and approve the annual municipal budget no later than February 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.

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.

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

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

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

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

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

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

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

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

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

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

School Taxes - The Township is responsible for levying, collecting, and remitting school taxes for the Township of Deerfield School District and the Cumberland Regional High School District. Operations is charged for the full amount required to be raised from taxation to operate the local and regional school districts for the period from July 1, 2015 to June 30, 2016.

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

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

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

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

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

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

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 \$4,034,457.27 were exposed to custodial credit risk as follows:

Insured by FDIC and GUDPA	<u>\$ 4,034,457.27</u>
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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:

	<u>Year Ended</u>				
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Tax Rate	<u>\$ 3.187</u>	<u>\$ 3.093</u>	<u>\$ 2.992</u>	<u>\$ 2.967</u>	<u>\$ 3.075</u>
Apportionment of Tax Rate:					
Municipal	\$.080	\$.081	\$.081	\$.070	\$.050
County	1.089	1.058	1.033	1.032	1.091
County	.054	.053	.053	.043	.044
County	.011	.011	.012	.012	.012
Local School	1.395	1.373	1.326	1.338	1.336
Regional School	.558	.517	.487	.472	.542

Assessed Valuation

<u>Year</u>	<u>Amount</u>
2015	\$ 189,208,919.00
2014	189,201,358.00
2013	187,959,971.00
2012	189,386,599.00
2011	187,619,461.00

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2015	\$ 6,050,029.32	\$ 5,867,727.28	96.99%
2014	5,874,807.37	5,686,139.43	96.79%
2013	5,664,301.47	5,478,516.74	96.72%
2012	5,635,021.87	5,448,577.84	96.69%
2011	5,798,002.56	5,563,197.20	95.95%

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	\$ 197,818.69	\$ 189,464.08	\$ 387,282.77	6.40%
2014	150,611.62	186,672.54	337,284.16	5.74%
2013	128,735.47	156,320.25	285,055.72	5.03%
2012	104,987.57	152,016.01	257,003.58	4.56%
2011	66,616.74	212,519.18	279,135.92	4.81%

Note 3: PROPERTY TAXES (CONT'D)

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	59
2014	51
2013	32
2012	29
2011	27

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	\$ 128,900.00
2014	128,900.00
2013	128,900.00
2012	128,900.00
2011	95,400.00

Note 5: FUND BALANCES APPROPRIATED

The following schedules detail 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:

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
2015	\$ 1,348,083.01	\$ 500,000.00	37.09%
2014	1,106,676.88	584,000.00	52.77%
2013	1,130,466.73	586,000.00	51.84%
2012	1,229,933.31	597,500.00	48.58%
2011	1,212,810.66	627,333.00	51.73%

Note 6: INTERFUND RECEIVABLES AND PAYABLES

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

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
Current	\$ 61,096.63	\$ 15,719.69
Federal, State and Other Grant	15,719.69	
Trust - Other		48,939.29
General Capital		12,157.34
	<u>\$ 76,816.32</u>	<u>\$ 76,816.32</u>

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

Note 7: PENSION PLANS

A substantial number of the Township's employees participate in the following defined benefit pension plan: the Public Employees' Retirement System ("PERS"), which is 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 7: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Plan Descriptions (Cont'd)**

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

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

Contributions

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

The Township's contractually required contribution rate for the year ended December 31, 2015 was 14.81% of the Township's covered-employee payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PERS measurement date of June 30, 2015, the Township's contractually required contribution to the pension plan for the year ended December 31, 2015 is \$39,831.00, 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 \$40,265.00, which was paid on April 1, 2015. Employee contributions to the plan during the year ended December 31, 2015 were \$18,787.78.

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 \$2,013.17, and the Township's contributions were \$901.08. There were no forfeitures during the year.

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

Public Employees' Retirement System - At December 31, 2015, the Township's proportionate share of the PERS net pension liability was \$1,040,006.00. 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 .0046329564%, which was a decrease of .0002512872% 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 \$77,797.00. 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 \$40,265.00, and were paid on April 1, 2015.

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
	<u>PERS</u>	<u>PERS</u>
Differences between Expected and Actual Experience	\$ 24,811.00	\$ -
Changes of Assumptions	111,688.00	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	16,721.00
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions	80,053.00	39,915.00
Township Contributions Subsequent to the Measurement Date	19,916.00	-
	<u>\$ 236,468.00</u>	<u>\$ 56,636.00</u>

\$19,916.00 included in deferred outflows of resources, will be included as a reduction of the net pension liability in the year ending December 31, 2016. The amount was based on an estimated April 1, 2017 contractually required contribution, prorated from the pension plan's measurement date of June 30, 2015 to the Township's year end of December 31, 2015.

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

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

	PERS	
	<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	-
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	-
June 30, 2015	5.72	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2014	-	5.00
June 30, 2015	-	5.00
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
June 30, 2015	5.72	5.72

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

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

<u>Year Ending Dec 31,</u>	<u>PERS</u>
2016	\$ 31,476.00
2017	31,476.00
2018	31,475.00
2019	45,100.00
2020	20,389.00
	<u>\$ 159,916.00</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>
Inflation	3.04%
Salary Increases:	
2012-2021	2.15% - 4.40% Based on Age
Thereafter	3.15% - 5.40% Based on Age
Investment Rate of Return	7.90%
Mortality Rate Table	RP-2000
Period of Actuarial Experience	
Study upon which Actuarial Assumptions were Based	July 1, 2008 - June 30, 2011

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

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

For PERS, 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 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>	

Discount Rate - The discount rate used to measure the total pension liability at June 30, 2015 was 4.90% for PERS. For PERS, the single blended discount rate was 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 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. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033 for PERS, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liabilities.

Note 7: PENSION PLANS (CONT'D)**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:

	PERS		
	1% Decrease (3.90%)	Current Discount Rate (4.90%)	1% Increase (5.90%)
Township's Proportionate Share of the Net Pension Liability	<u>\$ 1,292,600.00</u>	<u>\$ 1,040,006.00</u>	<u>\$ 828,233.00</u>

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 Pension Plan. 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	0.0046329564%	0.0048842436%	0.0042766919%
Township's Proportionate Share of the Net Pension Liability	\$ 1,040,006.00	\$ 914,464.00	\$ 817,361.00
Township's Covered-Employee Payroll	\$ 291,600.00	\$ 320,140.00	\$ 295,008.00
Township's Proportionate Share of the Net Pension Liability as a Percentage of it's Covered-Employee Payroll	356.66%	285.65%	277.06%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	47.93%	52.08%	48.72%

Note 7: PENSION PLANS (CONT'D)**Supplementary Pension Information (Cont'd)*****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	\$ 39,831.00	\$ 40,265.00	\$ 32,224.00
Township's Contribution in Relation to the Contractually Required Contribution	<u>(39,831.00)</u>	<u>(40,265.00)</u>	<u>(32,224.00)</u>
Township's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Township's Covered-Employee Payroll	\$ 268,860.00	\$ 293,435.00	331,347.00
Township's Contributions as a Percentage of it's Covered-Employee Payroll	14.81%	13.72%	9.73%

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

Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

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

The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the SHBP. In 2005, the Township authorized participation in the SHBP's post-retirement benefit program through resolution number 2005-141. Upon retirement, full-time employees with a minimum of twenty-five years of service with the Township are entitled to paid health benefits for themselves and their spouse for a period of up to 15 years or until the employee attains the age of 65 and is eligible for enrollment in Medicare. Currently, the Township pays 100% of the cost for each eligible employee for a period of five years after retirement.

Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

Plan Description (Cont'd) - After the five year period, health benefit premiums are paid on a 80/20 split of the retiree's current health plan, with the Township paying 80% of the health benefit premium and the retiree paying 20% of the health benefit premium for a maximum period of ten years or upon the retiree receiving Medicare, whichever is sooner.

The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295 or by visiting their website at www.state.nj.us/treasury/pensions/.

Funding Policy - Participating employers are contractually required to contribute based on the amount of premiums attributable to their retirees. Post-retirement medical benefits under the plan have been funded on a pay-as-you-go basis since 1994. Prior to 1994, medical benefits were funded on an actuarial basis.

Contributions to pay for the health premiums of participating retirees in the SHBP are billed to the Township on a monthly basis. The Township funds these benefits on a pay-as-you-go basis and, therefore, does not record accrued expenses related to these benefits. The Township's contributions to SHBP for the years ended December 31, 2015, 2014, and 2013, were \$0.00, \$27,717.12, and \$29,471.88, respectively, which equaled the required contributions each year. There were no retired participants eligible at December 31, 2015.

Note 9: COMPENSATED ABSENCES

Under the existing policy of the Township, full-time employees are entitled to fifteen paid sick leave days each year. Unused sick leave may be accumulated and carried forward to the subsequent year. Vacation days not used during the year may not be accumulated and carried forward. The Township also allows for employees to accumulate overtime as comp time but unused amounts are used prior to termination or retirement.

The Township of Deerfield compensates employees for one-half of the unused sick leave upon termination or retirement. The current policy provides one compensated day for every two days accumulated. There is a maximum pay-out of \$13,000.00. Time is paid at the rate of pay upon termination or retirement.

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 \$17,688.85. It is estimated that, at December 31, 2015, accrued benefits for compensated absences are valued at \$37,578.94.

Note 10: DEFERRED COMPENSATION SALARY ACCOUNT

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

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

Note 11: LENGTH OF SERVICE AWARDS PROGRAM

The Township's Length of Service Awards Program (LOSAP) was created by a Township Ordinance adopted on August 30, 2000 pursuant to Section 457 (e)(11)(13) of the Internal Service Code of 1986, as amended, except for provisions added by reason of the Length of Service Award Program as enacted into federal law in 1997. The voters of the Township of Deerfield approved the adoption of the LOSAP at the general election held on November 7, 2000, and the first year of eligibility for entrance into the LOSAP by qualified volunteers was calendar year 2002. The LOSAP provides tax deferred income benefits to active volunteer firefighters and emergency medical personnel.

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 LOSAP, the balances and activities of the LOSAP are not reported in the Township's financial statements.

As required by N.J.A.C. 5:30-14.49, the Township must have an annual review of its LOSAP performed in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

Note 12: SANITARY LANDFILL ESCROW CLOSURE FUND

The Township of Deerfield operated a municipal landfill until 1986 at which time the Cumberland County Improvement Authority selected the site as the Cumberland County Solid Waste complex in the Township of Deerfield (Host Community). The Sanitary Landfill Facility Closure and Contingency Fund Act of 1981 was enacted to provide funding, during the life of the landfill, of costs associated with the closure of sanitary landfills. The Act requires the owner or operator of every sanitary landfill to establish an escrow account for closure and deposit, on a monthly basis, an amount equal to \$1.00 per ton of solid waste accepted for disposal. No withdrawals may be made from the fund without written approval from the State Department of Environmental Protection and Energy. This escrow account has a balance of \$9,297.33 as of December 31, 2015.

On December 30, 1998, the Township of Deerfield received notification of approval from the State of New Jersey Department of Environmental Protection relative to the Sanitary Landfill Closure/Post-Closure Plan. The total costs associated with closure and post-closure care was projected to be approximately \$663,695.00 at that time. The Township so far has expended about \$300,000.00 on closure costs. Any funding needed for any closure and post closure costs other than amounts funded by the Sanitary Landfill Facility Closure and Contingency Fund Escrow would need to be appropriated through the Township budget, a capital ordinance or other funding source. The Township did not expend any funds during 2015 for post-closure costs.

Note 13: CAPITAL DEBT

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	\$ 30,000.00	\$ 40,000.00	\$ -
<u>Authorized but not Issued</u>			
General:			
Bonds, Loans and Notes	-	-	-
Total Issued and Authorized but not Issued	30,000.00	40,000.00	-
Net Debt	<u>\$ 30,000.00</u>	<u>\$ 40,000.00</u>	<u>\$ -</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 .015%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
School Purposes	\$ 2,107,539.83	\$ 2,107,539.83	
General	30,000.00		\$ 30,000.00
	<u>\$ 2,137,539.83</u>	<u>\$ 2,107,539.83</u>	<u>\$ 30,000.00</u>

Net debt \$30,000.00 divided by the equalized valuation basis per N.J.S.A.40A:2-2, as amended, \$197,011,180.33, equals .015%.

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 6,895,391.31
Less: Net Debt	<u>30,000.00</u>
Remaining Borrowing Power	<u>\$ 6,865,391.31</u>

Note 14: RISK MANAGEMENT

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

Note 14: RISK MANAGEMENT (CONT'D)

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>Interest Earnings</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2015	\$ -	\$ -	\$ 39.80	\$ -	\$ 20,212.92
2014	-	-	43.50	3,957.00	20,173.12
2013	-	1,059.67	26.14	-	24,086.62

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
 Public Employee Liability

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

The Fund provides the Township with the following coverage:

Crime and Public Employee Dishonesty
 Casualty – General Liability
 Property - Blanket Building and Grounds
 Automobile Liability
 Workers' Compensation and Employer's Liability

Contributions to the Fund, are payable in an annual premium and is based on actuarial assumptions determined by the Fund's actuary. The Township's agreement with the Fund provides that the Fund will be self-sustaining through member premiums and will reinsure through the Municipal Excess Liability Joint Insurance Fund for claims in excess of \$50,000.00 to \$300,000.00 based on the line of coverage for each insured event.

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

Atlantic County Municipal Joint Insurance Fund
 6000 Sagemore Drive, Suite 6203
 PO Box 488
 Marlton, New Jersey 08053

Note 15: 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.

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: SUBSEQUENT EVENTS

Tax Appeals - As of December 31, 2015, several tax appeals were on file against the Township. Based upon information provided by the tax assessor, if such appeals are not settled in favor of the Township, the estimated impact of the tax refunds could be material.

SUPPLEMENTAL EXHIBITS

SUPPLEMENTAL EXHIBITS

CURRENT FUND

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

	Current Fund	Federal, State and Other Grant Fund
Balance Dec. 31, 2014	\$ 2,729,147.96	\$ 27,684.47
Increased by Receipts:		
Collector	\$ 5,771,814.00	\$
Homestead Rebate	159,505.75	
Miscellaneous Revenue Not Anticipated	320,889.78	
Energy Receipts Tax	300,406.00	
Due from State of New Jersey (CH.73, P.L. 1976)	36,000.00	
Revenue Accounts Receivable	736,710.61	
2014 Appropriation Reserves Refunds	6,946.83	
Payroll Funds	526,538.89	
Refund of Prior Year Expenditures	236.15	
Trust Other Fund	7,995.69	
Federal, State and Other Grants Receivable	64,706.70	
Federal, State and Other Grants Unappropriated		
	<u>7,931,750.40</u>	
	10,660,898.36	27,684.47
Decreased by Disbursements:		
2015 Appropriations	1,209,845.29	
2014 Appropriation Reserves	34,822.89	
County Taxes	2,180,882.52	
Due County for Added and Omitted Taxes	8,290.42	
Local District School Tax	2,618,433.02	
Regional High School Tax	1,043,971.50	
Refund Tax Overpayment	4,620.23	
Payroll Funds	531,117.65	
General Capital Fund	30,000.00	
Reserve for Federal, State and Other Grants		
- Appropriated	<u>62,561.31</u>	
	<u>7,724,544.83</u>	
Balance Dec. 31, 2015	<u>\$ 2,936,353.53</u>	<u>\$ 27,684.47</u>

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

Balance Dec. 31, 2014		\$	459,159.78
Increased by:			
Taxes Receivable	\$	5,731,132.01	
Tax Title Liens		40,429.24	
Revenue Accounts Receivable		140.00	
Prepaid Taxes		86,705.06	
Miscellaneous Revenue Not Anticipated		<u>36,040.01</u>	
			<u>5,894,446.32</u>
			6,353,606.10
Decreased by:			
Payments to Treasurer			<u>5,771,814.00</u>
Balance Dec. 31, 2015		\$	<u><u>581,792.10</u></u>

TOWNSHIP OF DEERFIELD
CURRENT FUND
Schedule of Change Funds
As of December 31, 2015

<u>Office</u>	<u>Amount</u>
Municipal Clerk	\$ 25.00
Municipal Court Administrator	50.00
Tax Collector	200.00
Construction Code Official	<u>50.00</u>
	\$ <u><u>325.00</u></u>

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

<u>Year</u>	<u>Balance</u> <u>Dec. 31, 2014</u>	<u>2015 Levy</u>	<u>Added/Rollback</u> <u>Taxes</u>	<u>Collections</u>		<u>Canceled</u>	<u>To Tax</u> <u>Title Liens</u>	<u>Balance</u> <u>Dec. 31, 2015</u>
				<u>2014</u>	<u>2015</u>			
Arrears	\$ 8,987.03	\$	\$	\$	\$ 7,096.87	\$	\$	\$ 1,890.16
2012	2,630.47		213.59				2,630.47	213.59
2013	7,650.03				5.39		5,490.32	2,154.32
2014	<u>167,405.01</u>		<u>1,000.00</u>		<u>145,890.08</u>	<u>70.52</u>	<u>18,027.59</u>	<u>4,416.82</u>
	186,672.54		1,213.59		152,992.34	70.52	26,148.38	8,674.89
2015		<u>6,050,029.32</u>	<u>44,703.05</u>	<u>94,377.40</u>	<u>5,773,349.88</u>	<u>2,144.11</u>	<u>44,071.79</u>	<u>180,789.19</u>
	<u>\$ 186,672.54</u>	<u>\$ 6,050,029.32</u>	<u>\$ 45,916.64</u>	<u>\$ 94,377.40</u>	<u>\$ 5,926,342.22</u>	<u>\$ 2,214.63</u>	<u>\$ 70,220.17</u>	<u>\$ 189,464.08</u>
Taxes Receivable					\$ 5,731,132.01			
Homestead Rebate					159,505.75			
Senior Citizens and Veterans					<u>35,704.46</u>			
					<u>\$ 5,926,342.22</u>			
<u>Analysis of 2015 Property Tax Levy</u>								
<u>Tax Yield:</u>								
General Property Tax					\$ 6,027,820.77			
Added & Omitted Taxes (54:4-63.1 et. seq.)					<u>22,208.55</u>			
						\$ <u>6,050,029.32</u>		
<u>Tax Levy:</u>								
Local School District Tax					\$ 2,639,341.00			
Regional High School Tax					1,055,204.00			
County Taxes:								
County Tax					\$ 2,060,278.86			
Local Health Service Tax					100,610.91			
Open Space Preservation Trust Fund Tax					19,992.75			
Due County for Added & Omitted Taxes					<u>7,224.57</u>			
Total County Taxes						2,188,107.09		
Local Tax for Municipal Purposes					150,494.64			
Add: Additional Tax Levied					<u>16,882.59</u>			
						<u>167,377.23</u>		
						\$ 6,050,029.32		

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

Balance Dec. 31, 2014		\$ 150,611.62
Increased by:		
Transfers from Taxes Receivable	70,220.17	
Prior Year Adjustment to Reestablish Balance	10,963.70	
Interest and Costs on Taxes	<u>6,452.44</u>	
		<u>87,636.31</u>
		238,247.93
Decreased by:		
Collections - Tax Collector		<u>40,429.24</u>
Balance Dec. 31, 2015		<u><u>\$ 197,818.69</u></u>

Exhibit SA-6

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

Balance Dec. 31, 2014		\$ 17,327.96
Increased by:		
Deductions per Tax Billing:		
Senior Citizens	12,750.00	
Veterans	<u>23,250.00</u>	
	36,000.00	
Deductions Allowed by Collector - 2015 Taxes	<u>750.00</u>	
	36,750.00	
Deductions Disallowed by Collector - 2015 Taxes	<u>(1,045.54)</u>	
		<u>35,704.46</u>
		53,032.42
Decreased by:		
Senior Citizens Deductions Disallowed by Tax Collector - 2014 Taxes	1,000.00	
Collection	<u>36,000.00</u>	
		<u>37,000.00</u>
Balance Dec. 31, 2015		<u><u>\$ 16,032.42</u></u>

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

	Balance <u>Dec. 31, 2014</u>	Raised in <u>2015 Budget</u>
Overexpenditure of Appropriations	\$ 2,119.07	\$ 2,119.07
Expenditure without an Appropriation	<u>21,447.04</u>	<u>21,447.04</u>
	\$ <u><u>23,566.11</u></u>	\$ <u><u>23,566.11</u></u>

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

	Balance <u>Dec. 31, 2014</u>	Accrued <u>In 2015</u>	<u>Collected</u>		Balance <u>Dec. 31, 2015</u>
			<u>Treasurer</u>	<u>Collector</u>	
Township Clerk:					
Licenses:					
Alcoholic Beverages	\$	\$ 4,126.15	\$ 4,126.15	\$	\$
Other	150.00	402.53	552.53		
Miscellaneous Fees	33.00	727.28	760.28		
Tax Collector:					
Tax Searches		60.00		60.00	
Return Check Fees		80.00		80.00	
Construction Code Official:					
Fees and Permits	2,517.00	7,351.00	9,868.00		
Municipal Court:					
Fines and Costs	3,478.34	32,165.53	33,070.77		2,573.10
Housing Inspector:					
Fees and Permits	60.00	11,721.76	11,646.73		135.03
Planning Board Secretary:					
Fees and Permits		2,000.00	2,000.00		
Shared Services - Zoning Officer		4,994.08	4,994.08		
EMS/Ambulance Service		81,931.38	81,931.38		
Cable TV Franchise Fee		15,933.63	15,933.63		
Host Benefit Fee (Ch. 38, PL 1985)	48,850.85	569,084.60	571,827.06		46,108.39
	<u>\$ 55,089.19</u>	<u>\$ 730,577.94</u>	<u>\$ 736,710.61</u>	<u>\$ 140.00</u>	<u>\$ 48,816.52</u>

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

	<u>Balance Dec. 31, 2014</u>		<u>Balance After</u>	<u>Disbursed</u>	<u>Refund</u>	<u>Balance</u>
	<u>Reserved</u>	<u>Encumbered</u>	<u>Transfers</u>			<u>Lapsed</u>
<u>General Government</u>						
Administrative and Executive						
Salaries and Wages	\$ 728.40	\$	\$ 728.40	\$	\$	\$ 728.40
Other Expenses						
Miscellaneous Other Expenses	5,210.71	1,889.97	4,190.68	1,993.97		2,196.71
Municipal Clerk						
Salaries and Wages	488.21		488.21			488.21
Other Expenses	245.77	1,300.00	1,545.77	1,349.22		196.55
Election Expenses						
Election Salaries	500.00		500.00			500.00
Financial Administration						
Salaries and Wages	769.18		769.18			769.18
Other Expenses	3,076.70	14.75	3,091.45	129.43		2,962.02
Collection of Taxes						
Salaries and Wages	578.53		578.53			578.53
Other Expenses	2,257.62		2,257.62	121.93		2,135.69
Tax Search Officer						
Salaries and Wages	300.00		300.00			300.00
Assessment of Taxes						
Salaries and Wages	0.12		0.12			0.12
Other Expenses	490.89	32.44	1,523.33	1,032.44		490.89
Tax Map Maintenance	1,942.27		1,942.27	501.08		1,441.19
Legal Services and Costs						
Other Expenses	2,543.67	1,250.00	3,793.67	1,250.00		2,543.67
Engineering Services and Costs						
Other Expenses	712.15	454.01	3,076.16	2,364.01		712.15
Historical Society						
Other Expenses	446.26		446.26			446.26
Planning Board						
Salaries and Wages	41.98		41.98			41.98
Other Expenses	740.23	617.04	1,357.27	738.96		618.31
Housing and Zoning Officer						
Salaries and Wages	438.84		438.84			438.84
Other Expenses	126.42		126.42			126.42

(Continued)

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

	Balance Dec. 31, 2014		Balance After			Balance
	<u>Reserved</u>	<u>Encumbered</u>	<u>Transfers</u>	<u>Disbursed</u>	<u>Refund</u>	<u>Lapsed</u>
<u>General Government (Cont'd)</u>						
Flood Insurance Officer						
Salaries and Wages	\$ 100.00	\$	\$ 100.00	\$	\$	100.00
Other Expenses	100.00		100.00			100.00
Insurance						
Disability and Life Insurance	245.00	140.25	385.25			385.25
Workers Compensation	855.00		855.00			855.00
Group Health	4,263.65		4,263.65		6,946.83	11,210.48
Health Insurance Opt-out Payment	807.74		807.74			807.74
<u>Public Safety</u>						
Emergency Management						
Salaries and Wages	618.95		618.95			618.95
Other Expenses	382.66		382.66			382.66
First Aid Organization						
Other Expenses	1,068.49	3,748.21	4,816.70	3,748.21		1,068.49
Fire						
Other Expenses						
Rosenhayn Fire Company						
Miscellaneous Other Expenses	847.24	11,031.76	11,879.00	11,165.96		713.04
Training	95.40		95.40			95.40
<u>Streets and Roads</u>						
Road Repair and Maintenance						
Other Expenses	1,646.95	224.00	1,870.95	224.00		1,646.95
Public Buildings and Grounds						
Salaries and Wages	718.26		718.26			718.26
Miscellaneous Other Expense	6,108.99	2,946.27	9,055.26	1,896.27		7,158.99
Snow Removal						
Other Expenses	4,500.00		4,500.00	4,500.00		

(Continued)

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

	Balance Dec. 31, 2014		Balance After			Balance
	<u>Reserved</u>	<u>Encumbered</u>	<u>Transfers</u>	<u>Disbursed</u>	<u>Refund</u>	<u>Lapsed</u>
<u>Health and Welfare</u>						
Senior Citizen Director						
Salaries and Wages	\$ 2,409.58	\$	\$ 2,409.58	\$	\$	\$ 2,409.58
Dog Regulation						
Salaries and Wages	500.10		500.10			500.10
Other Expenses	500.00		500.00			500.00
Sheltering	1,124.88	620.00	1,744.88	620.00		1,124.88
Infectious Control Officer						
Salaries and Wages	3.54		3.54			3.54
<u>Recreation and Education</u>						
Board of Recreation Commissioners						
Salaries & Wages	82.05		82.05			82.05
Other Expenses	1,417.97	346.70	1,764.67	518.05		1,246.62
<u>Utilities</u>						
Street Lighting	4,625.65		4,625.65			4,625.65
Electric	10,509.64		10,509.64			10,509.64
Telephone	454.63	1,661.50	2,116.13	1,138.07		978.06
Gas/Fuel	3,750.61	421.70	4,172.31	526.24		3,646.07
Natural Gas	800.14		800.14			800.14
Telecommunications - Internet	923.98	1,301.40	2,225.38			2,225.38
<u>Landfill and Solid Waste Disposal Costs</u>						
Landfill Post Closure Costs		736.25	736.25			736.25
Sanitary Landfill						
Other Expenses	1,200.00	950.00	2,150.00	950.00		1,200.00
Electrical Inspector						
Salaries and Wages	56.97		56.97			56.97
<u>Uniform Construction Code - Appropriation Offset by</u>						
<u>Dedicated Revenues (N.J.A.C. 5:23-4.17)</u>						
Construction Code Official						
Other Expenses	213.84		213.84			213.84
Plumbing Inspector						
Salaries & Wages	352.92		352.92			352.92
Demolition Official						
Other Expenses	5,000.00		5,000.00			5,000.00
Contingent	100.00		100.00			100.00

(Continued)

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

	<u>Balance Dec. 31, 2014</u>		<u>Balance After</u>	<u>Disbursed</u>	<u>Refund</u>	<u>Balance</u>
	<u>Reserved</u>	<u>Encumbered</u>	<u>Transfers</u>			<u>Lapsed</u>
<u>DEFERRED CHARGES AND STATUTORY EXPENDITURES</u>						
- <u>MUNICIPAL WITHIN "CAPS"</u>						
STATUTORY EXPENDITURES:						
Contribution to:						
Public Employees' Retirement System	\$ 4,554.58	\$	\$ 4,554.58	\$	\$	\$ 4,554.58
Social Security System (O.A.S.I.)	7,339.31		7,339.31			7,339.31
Defined Contribution Retirement Program	861.17	55.05	916.22	55.05		861.17
Total Within "CAPS"	<u>90,777.84</u>	<u>29,741.30</u>	<u>120,519.14</u>	<u>34,822.89</u>	<u>6,946.83</u>	<u>92,643.08</u>
<u>Operations Excluded from "CAPS"</u>						
Matching Funds for Grants						
Shared Municipal Court - Other Expenses	5,551.79		5,551.79			5,551.79
Interlocal Service Agreement - Upper Deerfield Township						
Construction Code Official	34.60		34.60			34.60
Lenth of Service Award Program(LOSAP)	2,100.00		2,100.00			2,100.00
Zoning Officer - Shared Services						
Salaries and Wages - Lawrence	176.51		176.51			176.51
Additional Revenue Offset with Appropriations:						
EMS/Ambulance Service						
Salaries and Wages	2,427.60		2,427.60			2,427.60
Total Excluded from "CAPS"	<u>10,290.50</u>		<u>10,290.50</u>			<u>10,290.50</u>
	<u>\$ 101,068.34</u>	<u>\$ 29,741.30</u>	<u>\$ 130,809.64</u>	<u>\$ 34,822.89</u>	<u>\$ 6,946.83</u>	<u>\$ 102,933.58</u>

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

Balance Dec. 31, 2014		\$	8,474.71
Increased by:			
Payroll Deposits	\$	449,812.85	
Employer Contributions		<u>76,726.04</u>	
			<u>526,538.89</u>
			535,013.60
Decreased by:			
Net Payroll		327,624.28	
Payroll Agencies		<u>203,493.37</u>	
			<u>531,117.65</u>
Balance Dec. 31, 2015		\$	<u><u>3,895.95</u></u>

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

Balance Dec. 31, 2014 (2015 Taxes)	\$ 94,377.40
Increased by:	
Collection (2016 Taxes)	<u>86,705.06</u>
	181,082.46
Decreased by:	
Applied to 2015 Taxes	<u>94,377.40</u>
Balance Dec. 31, 2015 (2016 Taxes)	<u><u>\$ 86,705.06</u></u>

Exhibit SA-12

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

Balance Dec. 31, 2014	\$ 33,973.12
Decreased by:	
Refunds	\$ 4,620.23
Other Adjustments to Overpayments	<u>1,290.99</u>
	<u>5,911.22</u>
Balance Dec. 31, 2015	<u><u>\$ 28,061.90</u></u>

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

2015 Levy -		
County General	\$ 2,060,278.86	
County Health Tax	100,610.91	
County Open Space	<u>19,992.75</u>	
		\$ 2,180,882.52
Decreased by:		
Disbursements		<u><u>\$ 2,180,882.52</u></u>

Exhibit SA-14

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

Balance Dec. 31, 2014		
Rollback Assessment	\$ 2,279.92	
Added Assessment	<u>6,010.50</u>	
		\$ 8,290.42
Increased by:		
County Share of Added and Omitted Taxes		<u>7,224.57</u>
		15,514.99
Decreased by:		
Disbursements		<u>8,290.42</u>
Balance Dec. 31, 2015		
Rollback Assessment	880.60	
Added Assessment	<u>6,343.97</u>	
		<u><u>\$ 7,224.57</u></u>

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

Balance Dec. 31, 2014	\$ 1,298,762.55
Increased by:	
Levy--School Year July 1, 2015 to June 30, 2016	<u>2,639,341.00</u>
	3,938,103.55
Decreased by:	
Payments	<u>2,618,433.02</u>
Balance Dec. 31, 2015	\$ <u><u>1,319,670.53</u></u>

Exhibit SA-16

TOWNSHIP OF DEERFIELD
CURRENT FUND
Statement of Regional High School Tax Payable
For the Year Ended December 31, 2015

Balance Dec. 31, 2014	\$ 489,077.25
Increased by:	
Levy--School Year July 1, 2015 to June 30, 2016	<u>1,055,204.00</u>
	1,544,281.25
Decreased by:	
Payments	<u>1,043,971.50</u>
Balance Dec. 31, 2015	\$ <u><u>500,309.75</u></u>

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

<u>Program</u>	<u>Balance Dec. 31, 2014</u>	<u>Accrued</u>	<u>Received</u>	<u>Balance Dec. 31, 2015</u>
Federal Grants:				
New Jersey Transportation Trust Fund				
Irving Avenue	\$ 3,014.94	\$	\$	\$ 3,014.94
Cedar Street	60,142.75		58,479.70	1,663.05
Total Federal Grants	63,157.69		58,479.70	4,677.99
State Grants:				
Recycling Grant		6,141.51	6,141.51	
Clean Communities Program		6,227.00	6,227.00	
Total State Grants		12,368.51	12,368.51	
Grand Total	\$ 63,157.69	\$ 12,368.51	\$ 70,848.21	\$ 4,677.99
		Transferred from Unappropriated	\$ 6,141.51	
		Cash Received	64,706.70	
			\$ 70,848.21	

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

<u>Program</u>	Balance <u>Dec. 31, 2014</u>	Realized as Revenue in <u>2015 Budget</u>
State Grants:		
Recycling Grant	\$ <u>6,141.51</u>	\$ <u>6,141.51</u>
Grand Total	\$ <u><u>6,141.51</u></u>	\$ <u><u>6,141.51</u></u>

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

<u>Program</u>	<u>Balance</u> <u>Dec. 31, 2014</u>		<u>Transferred</u> <u>from</u> <u>2015 Budget</u> <u>Appropriation</u>	<u>Disbursed</u>	<u>Balance</u> <u>Dec. 31, 2015</u>
	<u>Reserved</u>	<u>Encumbered</u>			
Federal Grants:					
NJ Transportation Trust Fund:					
Irving Avenue	\$ 3,014.94	\$	\$	\$	\$ 3,014.94
Cedar Street		64,740.48		60,484.56	4,255.92
Cedar Street - Matching Funds	50.00				50.00
Stormwater Grant	5,000.00				5,000.00
Total Federal Grants	8,064.94	64,740.48		60,484.56	12,320.86
State Grants:					
2012 Clean Communities Program	2,068.83				2,068.83
2013 Clean Communities Program	4,604.09				4,604.09
2014 Clean Communities Program	2,785.06				2,785.06
2015 Clean Communities Program			6,227.00	2,076.75	4,150.25
Recycling Tonnage Grant	16,011.55		6,141.51		22,153.06
Total State Grants	25,469.53		12,368.51	2,076.75	35,761.29
Grand Total	\$ 33,534.47	\$ 64,740.48	\$ 12,368.51	\$ 62,561.31	\$ 48,082.15

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

Balance Dec. 31, 2014		\$	13,574.30
Increased by:			
Federal and State Grants Appropriated	\$	12,368.51	
Grant Cash Received in Current Fund - Grant Receivable		<u>64,706.70</u>	
			<u>77,075.21</u>
			90,649.51
Decreased by:			
Expenditures Paid by the Current Fund		62,561.31	
Grants Anticipated as Revenue in Current Fund		<u>12,368.51</u>	
			<u>74,929.82</u>
Balance Dec. 31, 2015		\$	<u><u>15,719.69</u></u>

SUPPLEMENTAL EXHIBITS

TRUST FUND

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

	<u>Animal Control</u>	<u>Other Trust</u>
Balance Dec. 31, 2014	\$ 1,185.36	\$ 162,630.06
Increased by Receipts:		
Reserve for Animal Control	\$ 545.00	\$
Current Fund	2.61	40,505.96
Due to State of N.J.-- Dog License Fees	120.60	
Reserve for Miscellaneous Trust Reserves:		
Unemployment Compensation		39.80
Developers' Escrow		13,141.59
Fire Penalties and Fines		9,190.45
Accumulated Absences		1,000.00
Snow Removal		7,296.33
Recreation Fund		181,955.03
Reserve for Miscellaneous Trust Escrows:		
Sanitary Landfill Escrow		18.60
Security Deposit Tent Rentals		300.00
Redemption of Tax Title Liens		54,370.81
Due to State of N.J.--Sales Tax		36.75
	<u>668.21</u>	<u>307,855.32</u>
	1,853.57	470,485.38
Decreased by Disbursements:		
Reserve for Animal Control	864.27	
Current Fund - Interest	2.61	7,636.13
Due to State of N.J.-- Dog License Fees	120.60	
Reserve for Miscellaneous Trust Reserves:		
Developers' Escrow		10,115.06
Fire Penalties and Fines		7,937.42
Recreation Fund		138,221.44
Reserve for Miscellaneous Trust Escrows:		
Security Deposit Tent Rentals		350.00
Tax Sale Premiums		9,000.00
Redemption of Tax Title Liens		54,370.81
	<u>987.48</u>	<u>227,630.86</u>
Balance Dec. 31, 2015	\$ <u><u>866.09</u></u>	\$ <u><u>242,854.52</u></u>

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

Balance Dec. 31, 2014	\$ 1,185.36
Increased by:	
Dog License Fees Collected	<u>545.00</u>
	1,730.36
Decreased by:	
Disbursements	<u>864.27</u>
Balance Dec. 31, 2015	\$ <u><u>866.09</u></u>

Dog License Fees Collected

<u>Year</u>	<u>Amount</u>
2013	\$ 610.00
2014	<u>598.00</u>
	\$ <u><u>1,208.00</u></u>

TOWNSHIP OF DEERFIELD
ANIMAL CONTROL FUND
Statement of Due Current Fund
For the Year Ended December 31, 2015

Accrued in 2015:	
Interest Earned - Due to Current Fund	\$ 2.61
Decreased by:	
Interest Turned Over to Current Fund	\$ <u><u>2.61</u></u>

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

Accrued in 2015:

Receipts in Clerk's Account	\$ 120.60
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Decreased by:

Disbursements in Clerk's Account	\$ <u>120.60</u>
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TOWNSHIP OF DEERFIELD
TRUST OTHER FUND
Statement of Due to Current Fund
For the Year Ended December 31, 2015

Balance Dec. 31, 2014		\$	16,143.25
Increased by:			
Interest Earned - Trust Other Accounts	\$	377.55	
Receipt - MRNA - Land Sale Collected by Developers' Escrow		32,500.00	
Receipt - Current Taxes Collected by Tax Title Lien		<u>7,628.41</u>	
	\$	40,505.96	
Tax Sale Premium Due Current Fund		5,000.00	
Cancellation of Reserve Tax Title Lien		<u>2,914.18</u>	
			<u>48,420.14</u>
			64,563.39
Decreased by:			
Disbursed to Current Fund:			
Interest Earned		7.72	
Current Taxes Collected by Tax Title Lien		<u>7,628.41</u>	
			7,636.13
Fire Penalties and Fines - Collected in Current Fund		<u>7,987.97</u>	
			<u>15,624.10</u>
Balance Dec. 31, 2015		\$	<u><u>48,939.29</u></u>
<u>Analysis of Balance as of Dec. 31, 2015</u>			
Recreation		\$	39,049.54
Developers Escrow			32,632.46
Fire Penalty			(28,689.72)
Snow Removal			21.84
Tax Title Lien Redemption			2,138.29
Tax Sale Premium			5,000.00
Unemployment Trust			(282.74)
Accumulated Absences			<u>(930.38)</u>
		\$	<u><u>48,939.29</u></u>

Exhibit SB-6

TOWNSHIP OF DEERFIELD
TRUST OTHER FUND
Statement of Due to State of New Jersey--Sales Tax
For the Year Ended December 31, 2015

Balance Dec. 31, 2014		\$	57.75
Increased by:			
Sales Tax Collected			<u>36.75</u>
Balance Dec. 31, 2015		\$	<u><u>94.50</u></u>

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

		Receipts				
	Balance <u>Dec. 31, 2014</u>	2014 Budget <u>Appropriation</u>	2015 Budget <u>Appropriation</u>	Fees, Fines <u>and Other</u>	<u>Disbursements</u>	Balance <u>Dec. 31, 2015</u>
Reserve for Unemployment Compensation	\$ 20,173.12	\$	\$	\$ 39.80	\$	\$ 20,212.92
Reserve for Developers' Escrow	19,130.91			13,141.59	10,115.06	22,157.44
Reserve for Developers' Bid Bonds	127.69					127.69
Reserve for Fire Penalties and Fines	32,318.13			17,178.42	7,937.42	41,559.13
Reserve for Accumulated Absences	16,688.85		1,000.00			17,688.85
Reserve for Snow Removal	3,291.16	4,500.00	2,796.33			10,587.49
Reserve for Recreation Fund	25,283.54			181,955.03	138,221.44	69,017.13
	<u>\$ 117,013.40</u>	<u>\$ 4,500.00</u>	<u>\$ 3,796.33</u>	<u>\$ 212,314.84</u>	<u>\$ 156,273.92</u>	<u>\$ 181,350.65</u>
Cash Received	\$	4,500.00	\$ 3,796.33	\$ 204,326.87		
Due Current Fund				7,987.97		
		<u>\$ 4,500.00</u>	<u>\$ 3,796.33</u>	<u>\$ 212,314.84</u>		

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

	Balance <u>Dec. 31, 2014</u>	<u>Receipts</u>	<u>Disbursements</u>	Balance <u>Dec. 31, 2015</u>
Reserve for Sanitary Landfill Escrow	\$ 9,278.73	\$ 18.60	\$	\$ 9,297.33
Reserve for Security Deposit Tent Rentals	322.75	300.00	350.00	272.75
Reserve for Tax Sale Premiums	16,900.00		14,000.00	2,900.00
Reserve for Redemption of Tax Title Liens	<u>2,914.18</u>	<u>54,370.81</u>	<u>57,284.99</u>	
	<u>\$ 29,415.66</u>	<u>\$ 54,689.41</u>	<u>\$ 71,634.99</u>	<u>\$ 12,470.08</u>
		Cash Received	\$ 54,689.41	
		Due Current Fund	63,720.81	
			<u>7,914.18</u>	
		<u>\$ 54,689.41</u>	<u>71,634.99</u>	

SUPPLEMENTAL EXHIBITS

GENERAL CAPITAL FUND

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

Balance Dec. 31, 2014		\$	179,299.02
Increased by Receipts:			
Interest Earned - Due to Current Fund	\$	1,547.33	
Receipt from the Current Fund		<u>88,300.00</u>	
			<u>89,847.33</u>
			269,146.35
Decreased by Disbursements:			
Current Fund		76.33	
Improvement Authorizations		<u>22,165.45</u>	
			<u>22,241.78</u>
Balance Dec. 31, 2015		\$	<u><u>246,904.57</u></u>

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

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

Balance Dec. 31, 2014	\$ 40,000.00
Decreased by:	
2015 Budget Appropriation to Pay CCIA Loan	<u>10,000.00</u>
Balance Dec. 31, 2015	<u><u>\$ 30,000.00</u></u>

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

Ordinance Number	Improvement Description	Ordinance Date	Amount	Dec. 31, 2014 Funded	2015	Prior Year Encumbrances	Current Year Encumbrances	Paid or Charged	Authorizations Canceled	Dec. 31, 2015 Funded	
					Authorizations Capital Improvement Fund						
General Improvements:											
2012-5	Reduce right of way widths for Willow Street and Poplar Street	06/26/12	\$ 14,000.00	\$ 60.00	\$	\$	\$	\$	60.00	\$	
2014-1	Purchase of Fire Hose	02/19/14	10,000.00	1,040.50						1,040.50	
2014-4	Various Improvements and Equipment	04/16/14	40,000.00	99.60		1,135.00		1,135.00	99.60		
2014-5	Installation of Storm Drain and Ditch on Maxon Avenue	05/07/14	15,000.00	3,634.00					3,634.00		
2014-6	Purchase of Fire Gear and Stretchers	05/21/14	20,000.00	150.98					150.98		
2014-7	Reconstruction and Renovation of Stage and Roof Canopy	06/18/14	52,500.00	52,500.00						52,500.00	
2014-14	Purchase of Public Works Truck	11/05/14	25,000.00	3,486.08				718.32	2,767.76		
2015-2	Various Improvements to the Municipal Building and Grounds	05/06/15	30,000.00			30,000.00	4,970.00	17,263.32		7,766.68	
2015-6	Purchase and Installation of New Well in Carmel	10/21/15	60,000.00			60,000.00		3,048.81		56,951.19	
				<u>\$ 60,971.16</u>	<u>\$</u>	<u>90,000.00</u>	<u>\$ 1,135.00</u>	<u>\$ 4,970.00</u>	<u>\$ 22,165.45</u>	<u>\$ 6,712.34</u>	<u>\$ 118,258.37</u>
Disbursed \$								<u>22,165.45</u>			

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

Balance Dec. 31, 2014 (Due from)		\$ (19,313.66)
Decreased by:		
Interest Earned	\$ 1,547.33	
Receipt from the Current Fund	<u>88,300.00</u>	
		<u>89,847.33</u>
		70,533.67
Increased by:		
Disbursement to the Current Fund	76.33	
2015 Budget Appropriation:		
Capital Improvement Fund	38,300.00	
Reserve for Purchase of Emergency Vehicle	<u>20,000.00</u>	
		<u>58,376.33</u>
Balance Dec. 31, 2015 (Due to)		<u><u>\$ 12,157.34</u></u>

Exhibit SC-6

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

Balance Dec. 31, 2014		\$ 95,998.67
Increased by:		
Due from Current Fund:		
2015 Budget Appropriation	\$ 38,300.00	
Cancellations of Improvement Authorizations	<u>6,712.34</u>	
		<u>45,012.34</u>
		141,011.01
Decreased by:		
Appropriation to Finance Improvement Authorizations		<u>90,000.00</u>
Balance Dec. 31, 2015		<u><u>\$ 51,011.01</u></u>

TOWNSHIP OF DEERFIELD
GENERAL CAPITAL FUND
Statement of Reserve for Purchase of Emergency Vehicle
For the Year Ended December 31, 2015

Balance Dec. 31, 2014	\$ 40,000.00
Increased by:	
Due from Current Fund:	
2015 Budget Appropriation	<u>20,000.00</u>
Balance Dec. 31, 2015	<u><u>\$ 60,000.00</u></u>

TOWNSHIP OF DEERFIELD
GENERAL CAPITAL FUND
 Cumberland County Improvement Authority Loans Payable
 For the Year Ended December 31, 2015

<u>Ord. Number</u>	<u>Improvement Description</u>	<u>Date of Issue</u>	<u>Maturities of Notes Outstanding December 31, 2015</u>		<u>Interest Rate</u>		<u>Balance</u>	<u>Paid by</u>	<u>Balance</u>
			<u>Date</u>	<u>Amount</u>			<u>Dec. 31, 2014</u>	<u>Budget Appropriation</u>	<u>Dec. 31, 2015</u>
2014-7	Reconstruction and Renovation of Stage and Roof Canopy	10/9/13	11/1/14-18	\$ 50,000.00	0%	(B) \$	<u>40,000.00</u>	<u>\$ 10,000.00</u>	<u>\$ 30,000.00</u>

(B) No interest will be charged on the outstanding principal balance for the term of the loan

PART II
SCHEDULE OF FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2015

TOWNSHIP OF DEERFIELD
Schedule of Findings and Recommendations
For the Year Ended December 31, 2015

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

Local Finance Notice 2011-20R, Chapter 78, Section 39 of the Laws of 2011 details the formula for calculating the employee health benefit contribution. The formula is based on: type of coverage, base salary, and cost of coverage (premium).

Condition

Employee contributions to the State Health Benefits Plan were not properly calculated based on the health benefit contribution formula.

Context

All six of the employees receiving State Health Benefits through the Township of Deerfield during 2015 were not contributing the proper amount per the health benefit contribution formula.

Effect

The Township was not in compliance with laws and regulations.

Cause

The 2015 employee contribution was not properly calculated and withheld.

Recommendation

That the Township establishes controls to verify that employee contributions to the State Health Benefits Plan are properly calculated on an annual basis and that the correct amount is withheld from the pay of each covered employee.

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 DEERFIELD
Summary Schedule of Prior Year Audit Findings
and Recommendations as Prepared by Management

This section identifies the status of prior year findings related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*.

FINANCIAL STATEMENT FINDINGS

Finding No. 2014-001

Condition

The Township over-expended two current fund budget appropriations.

Current Status

This finding has been resolved.

TOWNSHIP OF DEERFIELD
 Officials in Office and Surety Bonds

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

<u>Name</u>	<u>Title</u>	<u>Amount of</u>
Cosmo J. Laurella	Mayor	
John Stanzione	Deputy Mayor	
Rudy Danna, Jr.	Committeeperson	
Frank Spatola, Jr.	Committeeperson	
Joseph V. Sparacio	Committeeperson	
Karen Seifrit	Township Administrator/Clerk, Registrar of Vital Statistics and Dog Registrar	(A)
Lorraine Boyer	Chief Financial Officer	(A)
Maria Schiano Branson	Tax Collector and Tax Search Officer	(A)
Lisa Perella	Assessor	(A)
Cheryl L. Tramontana	Deputy Registrar of Vital Statistics and Administrative Secretary	(A)
Christopher Williams	Fire Marshall	(A)
Jeryl Goff	Building Inspector	(A)
Anthony Lamanteer	Zoning / Housing Officer	(A)
Brenda Closser	Land Use Board Secretary and Administrative Secretary	(A)
Michael L. Testa	Solicitor	

(A) \$1,000,000.00 in coverage is provided by Atlantic County and Municipal Excess Liability Joint Insurance Funds with a \$1,000.00 deductible.

All of the bonds were examined and were properly executed.

APPRECIATION

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

Respectfully submitted,

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

A handwritten signature in cursive script, reading "Carol A. McAllister".

Carol A. McAllister
Certified Public Accountant
Registered Municipal Accountant

