

JUN 10 2016

TOWNSHIP OF SHAMONG
County of Burlington

Report of Audit of Financial Statements

For the Year Ended December 31, 2015

TOWNSHIP OF SHAMONG
COUNTY OF BURLINGTON

TABLE OF CONTENTS

PART I

	<u>Exhibits</u>	<u>Page</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>Financial Statements</u>		
<u>Current Fund:</u>		
Statement of Assets, Liabilities, Reserves and Fund Balance -Regulatory Basis	A	7
Statement of Operations and Changes in Fund Balance -Regulatory Basis	A-1	9
Statement of Revenues - Regulatory Basis	A-2	11
Statement of Expenditures - Regulatory Basis	A-3	13
 <u>Trust Fund</u>		
Statement of Assets, Liabilities, and Reserves - Regulatory Basis	B	19
 <u>General Capital Fund</u>		
Statement of Assets, Liabilities, Reserves and Fund Balance -Regulatory Basis	C	20
Statement of Changes in Fund Balance - Regulatory Basis	C-1	21
 <u>Public Assistance Fund:</u>		
Statement of Assets, Liabilities, and Reserves	D	22
 <u>General Fixed Assets Account Group</u>		
Statement of Changes in General Fixed Assets - Regulatory Basis	E	23
Notes to Financial Statements		24

Part I (Continued):

Current Fund

Statement of Cash - Treasurer	A-4	39
Schedule of Change Fund	A-5	40
Schedule of Due to State of New Jersey for Senior Citizens and Veterans Deductions	A-6	40
Schedule of Taxes Receivable and Analysis of Property Tax Levy	A-7	41
Schedule of Tax Liens Receivable	A-8	42
Schedule of Property Acquired for Taxes	A-9	42
Schedule of Revenue Accounts Receivable	A-10	43
Statement of 2014 Appropriation Reserves	A-11	44
Schedule of Tax Overpayments	A-12	45
Schedule of Prepaid Taxes	A-13	45
Schedule of Local District School Tax Payable	A-14	46
Schedule of Regional High School Tax Payable	A-15	47
Schedule of County Taxes Payable	A-16	48
Schedule of Due to State of New Jersey - UCC Fees	A-17	49
Schedule of Due to State of New Jersey for Marriage License Fees	A-18	49
Schedule of Federal and State Grants Receivable	A-19	50
Schedule of Reserve for Federal and State Grants - Unappropriated	A-20	51
Schedule of Reserve for Federal and State Grants - Appropriated	A-21	52

Trust Fund

Statement of Cash - Treasurer	B-1	54
Statement of Reserve for Animal Control Fund Expenditures	B-2	55

Trust - Other Funds

Statement of Reserve for Unemployment Compensation	B-3	56
Statement of Reserve for Recreation Escrows	B-4	56
Statement of Reserve for S.T.A.S.A. - Municipal Alliance	B-5	57
Statement of Reserve for Public Defender Fees	B-6	57
Statement of Reserve for Open Space Trust	B-7	58
Statement of Reserve for Tax Sale Premiums	B-8	58
Statement of Reserve for Multi-Escrows	B-9	59
Statement of Reserve for POAA	B-10	60
Statement of Reserve for Professional Escrows	B-11	60
Statement of Payroll Deductions Payable	B-12	60

Part I (Continued):

General Capital Fund

Schedule of Cash - Treasurer	C-2	62
Analysis of General Capital Cash and Investments	C-3	63
Schedule of Deferred Charges to Future Taxation - Funded	C-4	64
Schedule of Deferred Charges to Future Taxation - Unfunded	C-5	65
Schedule of Green Trust Loan Payable	C-6	66
Schedule of Bond Anticipation Notes Payable	C-7	67
Schedule of Improvement Authorizations	C-8	68
Statement of Capital Improvement Fund	C-9	69
Statement of Bonds and Notes Authorized But Not Issued	C-10	70

PART II

Schedule of Findings and Recommendations

Schedule of Findings and Questioned Costs	72
Schedule of Financial Statement Findings	73
Schedule of Federal Awards and State Financial Assistance Findings	74
Summary Schedule of Prior-Year Audit Findings	75
Officials in Office and Surety Bonds	76
Acknowledgement	77

TOWNSHIP OF SHAMONG

PART I

Report of Audit of Financial Statements

For the Year Ended December 31, 2015

INVERSO & STEWART, LLC

Certified Public Accountants

651 Route 73 North, Suite 402
Marlton, New Jersey 08053
(856) 983-2244
Fax (856) 983-6674
E-Mail: jscpas@concentric.net

-Member of-
American Institute of CPAs
New Jersey Society of CPAs

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Township Committee
Township of Shamong
County of Burlington
Shamong, New Jersey 08088

Report on the Financial Statements

I have audited the accompanying statements of assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Township of Shamong, in the County of Burlington, 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 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. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express opinions on these financial statements based on my audit. I conducted my 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 I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

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

As described in Note 1 of the financial statements, the financial statements are prepared by the Township 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 U.S. Generally Accepted Accounting Principles

In my opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township of Shamong, in the County of Burlington, 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 my 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 Shamong, in the County of Burlington, 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, expenditures - regulatory basis of the various funds, and general fixed assets, 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.

Other Information

My audits were 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 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 supplementary 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 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 my opinion, the information described in the previous paragraph is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated May 27, 2016 on my consideration of the Township of Shamong's, in the County of Burlington, State of New Jersey, internal control over financial reporting and my 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 my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township of Shamong's internal control over financial reporting.

Respectfully submitted,

INVERSO & STEWART, LLC

Certified Public Accountants



Robert P. Inverso
Certified Public Accountant
Registered Municipal Accountant

Marlton, New Jersey
May 27, 2016

INVERSO & STEWART, LLC

Certified Public Accountants

651 Route 73 North, Suite 402
Marlton, New Jersey 08053
(856) 983-2244
Fax (856) 983-6674
E-Mail: iscpas@concentric.net

-Member of-
American Institute of CPAs
New Jersey Society of CPAs

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 Shamong
County of Burlington
Shamong, New Jersey 08088

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 the *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 Shamong, in the County of Burlington, 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 27, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Township of Shamong's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control, accordingly, we do not express an opinion on the effectiveness of the Township of Shamong'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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Township'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.

My 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 my audit I did not identify any deficiencies in internal control that I 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 Shamong's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards or audit requirements as prescribed by the Division of Local Governments Services, Department of Community Affairs, State of New Jersey.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey in considering the Township 's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

INVERSO & STEWART, LLC
Certified Public Accountants



Robert P. Inverso
Certified Public Accountant
Registered Municipal Accountant

Marlton, New Jersey
May 27, 2016

TOWNSHIP OF SHAMONG
Current Fund
Statement of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis
For the Years Ended December 31, 2015 and 2014

	<u>REFERENCE</u>	<u>2015</u>	<u>2014</u>
<u>ASSETS</u>			
Regular Fund:			
Cash - Treasurer	A-4	\$ 7,074,960.17	\$ 7,128,736.85
Cash - Change Fund - Collector	A-5	160.00	160.00
Investments - Bond Anticipation Notes	C-7	<u>223,250.00</u>	<u> </u>
Total		<u>7,298,370.17</u>	<u>7,128,896.85</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-7	203,548.00	195,014.01
Tax Title Liens Receivable	A-8	106,718.91	76,665.47
Property Acquired for Taxes - Assessed Valuation	A-9	1,050,325.00	1,050,325.00
Revenue Accounts Receivable	A-10	1,836.60	1,854.03
Due from Animal Control Fund	B	8.02	4,191.21
Due from General Capital Fund	C	<u> </u>	<u>254.74</u>
Total		<u>1,362,436.53</u>	<u>1,328,304.46</u>
Total Regular Fund		<u>8,660,806.70</u>	<u>8,457,201.31</u>
Federal and State Grant Fund:			
Cash - Treasurer	A-4	126,835.13	18,087.98
Federal and State Grants Receivable	A-19	244,848.48	407,112.50
Due from Current Fund	A	8.17	283.00
Due from Trust - Other Fund	B	<u> </u>	<u>9,984.02</u>
Total Federal and State Grant Fund		<u>371,691.78</u>	<u>435,467.50</u>
Total Assets		<u>\$ 9,032,498.48</u>	<u>\$ 8,892,668.81</u>

TOWNSHIP OF SHAMONG
Current Fund
Statement of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis
For the Years Ended December 31, 2015 and 2014

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>REFERENCE</u>	<u>2015</u>	<u>2014</u>
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3	\$ 522,928.81	\$ 446,681.79
Encumbrances Payable	A-3	203,698.94	125,566.71
Tax Overpayments	A-12	13,792.83	20,832.89
Prepaid Taxes	A-13	125,529.88	80,095.29
Tax Title Lien Redemption Payable		7,568.09	7,568.09
Local District School Taxes Payable	A-14	3,260,066.00	3,151,591.48
Regional High School Taxes Payable	A-15	1,882,003.31	1,637,923.85
Due County for Added and Omitted Taxes	A-16	4,194.34	3,762.12
Due to Federal and State Grant Fund	A	8.17	283.00
Reserve for Large Animal Rescue		100.00	100.00
Due to Other Trust Fund	B	95,615.18	195,817.92
Due to General Capital Fund	C	9,120.00	37,620.00
Due to Public Assistance Fund	D	12,665.00	12,665.00
Due State of New Jersey - Veterans and Senior Citizens	A-6	2,196.58	2,250.00
Due State of New Jersey - DCA Fees	A-17	3,050.00	1,387.00
Due State of New Jersey - Marriage License Fees	A-18	100.00	150.00
Total Liabilities		6,142,637.13	5,724,295.14
Reserve for Receivables and Other Assets	A	1,362,436.53	1,328,304.46
Fund Balance	A-1	1,155,733.04	1,404,601.71
Total Regular Fund		8,660,806.70	8,457,201.31
Federal and State Grant Fund:			
Encumbrances Payable - Current Year	A-21	260,578.76	10,921.44
Encumbrances Payable - Prior Year		650.00	650.00
Due to General Capital Fund	C		7,396.63
Unappropriated Reserves	A-20		4,279.17
Appropriated Reserves	A-21	110,463.02	412,220.26
Total Federal and State Grant Fund		371,691.78	435,467.50
Total Liabilities, Reserves and Fund Balance		\$ 9,032,498.48	\$ 8,892,668.81

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

TOWNSHIP OF SHAMONG
Current Fund
Statement of Operations and Changes in Fund Balance - Regulatory Basis
For the Years Ended December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Revenue and Other Income Realized:		
Fund Balance Utilized	\$ 1,200,000.00	\$ 1,200,000.00
Miscellaneous Revenue Anticipated	1,279,733.53	1,371,916.58
Receipts from Delinquent Taxes	177,025.97	140,314.14
Receipts from Current Taxes	17,538,159.81	16,468,708.16
Nonbudget Revenues	228,508.11	54,513.58
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	447,476.06	618,904.98
Cancellation of Prior Year Liability		59,806.46
Cancellation of Tax Overpayments	4,391.27	
Liquidation of Interfund Receivables	<u>4,720.78</u>	<u>88,664.63</u>
Total Revenue and Other Income Realized	<u>20,880,015.53</u>	<u>20,002,828.53</u>
Expenditures:		
Operations Within "CAPS":		
Salaries and Wages	576,016.00	555,450.00
Other Expenses	1,335,300.00	1,168,462.00
Deferred Charges and Statutory Expenditures Within "CAPS"	118,787.00	102,863.00
Operations Excluded from "CAPS":		
Salaries and Wages	106,000.00	103,300.00
Other Expenses	409,557.36	397,307.89
Capital Improvements Excluded from "CAPS"	2,000.00	50,000.00
Municipal Debt Service Excluded from "CAPS"	54,335.68	18,654.96
Deferred Charges and Statutory Expenditures Excluded from "CAPS"	9,120.00	75,370.00
County Taxes	2,935,687.64	2,653,597.36
Due County for Added Taxes	4,194.34	3,762.12
Local District School District Tax	9,285,085.00	9,068,136.00
Regional High School Tax	4,959,865.00	4,471,706.00
Municipal Open Space Tax	132,745.00	132,748.00
Municipal Open Space - Added Taxes	191.18	188.07
Interfunds Created		500.00
Subtotal	<u>19,928,884.20</u>	<u>18,802,045.40</u>
Less: Expenditures to be Raised by Future Taxes		
Total Expenditures	<u>19,928,884.20</u>	<u>18,802,045.40</u>
Statutory Excess to Fund Balance (Carried Forward)	951,131.33	1,200,783.13

TOWNSHIP OF SHAMONG
Current Fund
Statement of Operations and Changes in Fund Balance - Regulatory Basis
For the Years Ended December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Statutory Excess to Fund Balance (Brought Forward)	\$ 951,131.33	\$ 1,200,783.13
Fund Balance January 1	<u>1,404,601.71</u>	<u>1,403,818.58</u>
Total	2,355,733.04	2,604,601.71
Decreased by Utilization as Anticipated Revenue	<u>1,200,000.00</u>	<u>1,200,000.00</u>
Fund Balance December 31	<u><u>\$ 1,155,733.04</u></u>	<u><u>\$ 1,404,601.71</u></u>

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

TOWNSHIP OF SHAMONG
Current Fund
Statement of Revenues - Regulatory Basis
For the Year Ended December 31, 2015

	<u>BUDGET</u>	<u>SPECIAL NJS 40A:4-87</u>	<u>REALIZED</u>	<u>EXCESS (DEFICIT)</u>
Fund Balance Anticipated	\$ 1,200,000.00	\$ -	\$ 1,200,000.00	
Miscellaneous Revenues:				
Local Revenues:				
Licenses:				
Alcoholic Beverage	1,260.00		1,511.00	\$ 251.00
Fines and Costs:				
Municipal Court	25,000.00		36,455.43	11,455.43
Interest and Costs on Taxes	30,000.00		42,133.48	12,133.48
Interest on Investments and Deposits	1,251.00		10,990.44	
Mobile Home Fees	29,000.00		39,005.00	10,005.00
State Aid Without Offsetting Appropriations:				
Consolidated Municipal Property Tax Relief Aid	-		-	
Energy Receipts Tax	470,649.00		470,649.00	
Garden State Trust	112,346.00		112,346.00	
Uniform Construction Code Fees	75,000.00		86,351.00	11,351.00
Shared Service Agreements Offset with Appropriations				
Tax Assessor - Southampton Township	32,619.00		30,776.52	(1,842.48)
Tax Assessor - Tabernacle Township	31,465.00		34,788.23	3,323.23
Tax Assessor - Burlington Township	66,596.00		71,444.90	4,848.90
Construction Code - Southampton Township	75,000.00		48,000.00	(27,000.00)
Special Items Offset with Appropriations:				
Recycling Tonnage Grant	4,279.17		4,279.17	
Clean Communities Program	-	20,003.36	20,003.36	
Burlington County Memorial Park Grant	75,000.00		75,000.00	
New Jersey Department of Transportation	196,000.00		196,000.00	
Total	<u>1,225,465.17</u>	<u>20,003.36</u>	<u>1,279,733.53</u>	<u>24,525.56</u>
Receipts from Delinquent Taxes	172,500.00		177,025.97	4,525.97
Amount to be Raised by Taxes for Support of Municipal Budget -				
Local Tax for Municipal Purposes	<u>426,045.61</u>		<u>581,944.71</u>	<u>155,899.10</u>
Budget Totals	3,024,010.78	20,003.36	3,238,704.21	<u>\$ 184,950.63</u>
Nonbudget Revenues			<u>228,508.11</u>	
Total	<u>\$ 3,024,010.78</u>	<u>\$ 20,003.36</u>	<u>\$ 3,467,212.32</u>	

TOWNSHIP OF SHAMONG
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	\$ 17,538,159.81
Allocated to School and County Taxes	<u>17,317,768.16</u>
Balance for Support of Municipal Budget Appropriations	220,391.65
Add Appropriation - Reserve for Uncollected Taxes	<u>361,553.06</u>
Amount for Support of Municipal Budget Appropriations	<u>\$ 581,944.71</u>
Receipts from Delinquent Taxes:	
Delinquent Tax Collections	<u>\$ 177,025.97</u>
Miscellaneous Revenue:	
Cable Fees	\$ 19,640.35
Copies	2,676.35
Resale CO's	6,202.00
JIF Safety Grant	2,800.00
Land Use Fees	2,000.00
Recycling	0.00
Zoning Fees	2,390.00
Snow Plowing	85,238.00
Rentals	4,107.00
Road Opening Fees	2,200.00
Vets and Senior Citizen Administrative Fee	968.93
Refunds	14,832.16
Losap reimbursement	37,018.62
Storm reimbursement	32,864.86
Refund of Prior Years Expense	5,355.50
Miscellaneous	<u>10,214.34</u>
Total	<u>\$ 228,508.11</u>

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

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

	<u>Appropriations</u>		<u>Budget After</u>	<u>Paid or</u>	<u>Expended</u>	<u>Unexpended</u>
	<u>Budget</u>	<u>Budget Modification</u>	<u>Modification</u>	<u>Charged</u>	<u>Reserved</u>	<u>Balance</u>
						<u>Canceled</u>
GENERAL APPROPRIATIONS:						
Operations Within "CAPS":						
General Government:						
General Administration						
Salaries and Wages	\$ 55,500.00	\$ 55,500.00	\$ 55,500.00	\$ 53,919.84	\$ 1,580.16	\$ -
Other Expenses	21,000.00	21,000.00	21,000.00	6,243.19	14,756.81	
Mayor and Committee						
Salaries and Wages	15,000.00	15,000.00	15,000.00	14,022.24	977.76	
Other Expenses	4,000.00	4,000.00	4,000.00	771.70	3,228.30	
Municipal Clerk						
Salaries and Wages	117,000.00	117,000.00	117,000.00	101,827.44	15,172.56	
Other Expenses	24,500.00	24,500.00	24,500.00	13,285.33	11,214.67	
Financial Administration:						
Salaries and Wages	27,500.00	27,500.00	27,500.00	20,200.47	7,299.53	
Other Expenses	10,500.00	10,500.00	10,500.00	7,011.07	3,488.93	
Audit Services						
Other Expenses	21,200.00	21,200.00	21,200.00	20,200.00	1,000.00	
Revenue Administration (Tax Collection)						
Salaries and Wages	50,000.00	50,000.00	50,000.00	45,407.81	4,592.19	
Other Expenses	12,500.00	12,500.00	12,500.00	8,605.03	3,894.97	
Tax Assessment Administration						
Salaries and Wages	21,216.00	21,216.00	21,216.00	19,854.11	1,361.89	
Other Expenses	16,000.00	16,000.00	16,000.00	1,777.00	14,223.00	
Interest on Appeals	100.00	100.00	100.00		100.00	
Legal Services and Costs:						
Other Expenses	59,000.00	79,000.00	79,000.00	58,939.08	20,060.92	
Engineering Services and Costs:						
Other Expenses	66,500.00	66,500.00	66,500.00	65,208.67	1,291.33	
Municipal Land Use Law (N.J.S.A. 40:SSD-1):						
Joint Land Use Board						
Salaries and Wages	11,500.00	11,500.00	11,500.00	10,782.24	717.76	
Other Expenses	10,500.00	10,500.00	10,500.00	4,103.64	6,396.36	
Environmental Control						
Other Expenses	1,000.00	1,000.00	1,000.00		1,000.00	
Rent Control						
Salaries and Wages	1,500.00	1,500.00	1,500.00	930.29	569.71	
Other Expenses	5,000.00	5,000.00	5,000.00	0.00	5,000.00	
Insurance:						
Liability Insurance	22,500.00	22,500.00	22,500.00	14,730.24	7,769.76	
Workers Compensation	55,000.00	55,000.00	55,000.00	40,522.27	14,477.73	
Employee Group Insurance	157,000.00	157,000.00	157,000.00	107,574.14	49,425.86	
Other Insurance Premiums	17,500.00	17,500.00	17,500.00	5,111.76	12,388.24	

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

	<u>Appropriations</u>		<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Expended</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
GENERAL APPROPRIATIONS:							
Operations Within "CAPS":							
JIF Commissioner	\$ 2,300.00	\$ 2,300.00	\$ 2,300.00	\$ 2,164.20	\$ 135.80	\$ -	
Salaries and Wages	5,500.00	5,500.00	5,500.00	4,904.17	595.83		
Office of Emergency Management	17,000.00	17,000.00	17,000.00	362.00	16,638.00		
Salaries and Wages	49,000.00	49,000.00	49,000.00	49,000.00			
Other Expenses	35,000.00	35,000.00	35,000.00	35,000.00			
Aid to Volunteer Fire Companies	500.00	500.00	500.00	500.00			
Aid to Volunteer Ambulance Companies	500.00	500.00	500.00	500.00			
Municipal Prosecutor:							
Salaries and Wages	500.00	500.00	500.00	500.00			
Other Expenses	500.00	500.00	500.00	500.00			
Discovery Clerk	500.00	500.00	500.00	500.00			
Salaries and Wages							
Public Buildings and Grounds	199,500.00	203,000.00	203,000.00	198,729.94	4,270.06		
Streets and Roads Maintenance	589,000.00	563,900.00	563,900.00	366,121.73	127,778.27		70,000.00
Salaries and Wages	5,000.00	5,000.00	5,000.00	100.00	4,900.00		
Other Expenses	500.00	500.00	500.00		500.00		
Recycling Program:	15,500.00	16,500.00	16,500.00	12,066.09	4,433.91		
Building and Grounds							
Salaries and Wages	1,000.00	1,600.00	1,600.00	1,332.85	267.15		
Other Expenses							
War Memorial							
Health and Human Services	2,500.00	2,500.00	2,500.00	1,482.00	1,018.00		
Board of Health	1,000.00	1,000.00	1,000.00	340.90	659.10		
Salaries and Wages	10,500.00	10,500.00	10,500.00	3,496.00	7,004.00		
Other Expenses							
Animal Control							
Parks and Recreation							
Maintenance of Parks	1,000.00	1,000.00	1,000.00	1,850.00	1,000.00		
Salaries and Wages	7,000.00	7,000.00	7,000.00		5,150.00		
Other Expenses	13,000.00	13,000.00	13,000.00		13,000.00		
Maintenance of Lake							
Other Expenses	1,000.00	1,000.00	1,000.00				
Celebration of Public Events							
Other Expenses							

TOWNSHIP OF SHAMONG
Current Fund

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

	<u>Appropriations</u>		<u>Budget After</u>	<u>Paid or</u>	<u>Expended</u>	<u>Unexpended</u>
	<u>Budget</u>	<u>Modification</u>	<u>Charged</u>	<u>Reserved</u>	<u>Balance</u>	<u>Canceled</u>
GENERAL APPROPRIATIONS:						
Operations Within "CAPS":						
Utility Expense and Bulk Purchase	\$ 32,000.00	\$ 32,000.00	\$ 25,540.33	\$ 6,459.67	\$ -	
Electricity	11,000.00	11,000.00	7,723.93	3,276.07		
Street Lights	8,000.00	8,000.00	5,335.68	2,664.32		
Telephone	9,500.00	9,500.00	7,825.78	1,674.22		
Natural Gas	2,500.00	2,500.00	1,794.80	705.20		
Telecommunications	22,000.00	22,000.00	14,402.11	7,597.89		
Gasoline/Diesel						
Uniform Construction Code Enforcement Function						
Construction Official						
Salaries and Wages	60,000.00	60,000.00	55,718.15	4,281.85		
Other Expenses	8,500.00	8,500.00	5,284.25	3,215.75		
Accumulated Sick Leave Compensation						
Salaries and Wages	30,000.00	30,000.00		30,000.00		
Municipal Court						
Salaries and Wages	500.00	500.00		500.00		
Other Expenses	31,000.00	31,000.00	29,729.31	1,270.69		
Public Defender						
Salaries and Wages	500.00	500.00		500.00		
Other Expenses	500.00	500.00	222.92	277.08		
Contingent	5,500.00	5,500.00		5,500.00		
Total Operations Including Contingent - Within "CAPS"	1,981,316.00	1,981,316.00	1,451,554.70	459,761.30	70,000.00	
Detail:						
Salaries and Wages	572,516.00	576,016.00	529,942.90	46,073.10		
Other Expenses	1,408,800.00	1,405,300.00	921,611.80	413,688.20		70,000.00
Deferred Charges and Statutory Expenditures -						
Municipal - Within "CAPS":						
STATUTORY EXPENDITURES:						
Contribution to:						
Public Employees' Retirement System	64,287.00	64,287.00	64,287.00			
Defined Contribution Retirement Plan	1,500.00	1,500.00	458.39	1,041.61		
Social Security System (O.A.S.I.)	53,000.00	53,000.00	50,314.66	2,685.34		
Total Deferred Charges and Statutory Expenditures -	118,787.00	118,787.00	115,060.05	3,726.95		
Municipal Within "CAPS"						
Total General Appropriations -	2,100,103.00	2,100,103.00	1,566,614.75	463,488.25	70,000.00	
For Municipal Purposes Within "CAPS"						

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

	Appropriations		Paid or Charged	Expended	Unexpended Balance Canceled
	Budget	Budget After Modification			
GENERAL APPROPRIATIONS:					
Operations Excluded from "CAPS":					
L.O.S.A.P.	\$ 30,000.00	\$ 30,000.00	\$ 18,890.00	\$ 11,110.00	\$ -
Interlocal Municipal Service Agreements:					
Shared Service - Agreements					
Construction Code, Building, and Zoning					
Salaries and Wages	72,000.00	72,000.00	39,666.74	32,333.26	
Other Expenses	3,000.00	3,000.00		3,000.00	
Tax Assessor					
Salaries and Wages	106,000.00	106,000.00	104,002.70	1,997.30	
Other Expenses	9,000.00	9,000.00		9,000.00	
Total Other Operations Excluded from "CAPS":	<u>220,000.00</u>	<u>220,000.00</u>	<u>162,559.44</u>	<u>57,440.56</u>	
GENERAL APPROPRIATIONS:					
Operations Excluded from "CAPS":					
Public and Private Programs Offset by Revenues:					
Clean Communities Program		20,003.36	20,003.36		
New Jersey Department of Transportation	196,000.00	196,000.00	196,000.00		
Burlington County Park Improvement	75,000.00	75,000.00	75,000.00		
Recycling Tonnage Grant	4,554.00	4,554.00	4,554.00		
Total Public and Private Programs Offset by Revenues	<u>275,554.00</u>	<u>295,557.36</u>	<u>295,557.36</u>		
Total Operations - Excluded From "CAPS"	<u>495,554.00</u>	<u>515,557.36</u>	<u>458,116.80</u>	<u>57,440.56</u>	
Detail:					
Salaries and Wages	106,000.00	106,000.00	104,002.70	1,997.30	
Other Expenses	389,554.00	409,557.36	354,114.10	55,443.26	
Capital Improvements - Excluded From "CAPS"					
Capital Improvement Fund					
Computer Hardware & Software	2,000.00	2,000.00		2,000.00	
Total Capital Improvements - Excluded From "CAPS"	<u>2,000.00</u>	<u>2,000.00</u>		<u>2,000.00</u>	

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

	Appropriations		Expended		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Municipal Debt Service - Excluded From "CAPS"					
Capital Lease Obligations	\$ 35,680.72	\$ 35,680.72	\$ 35,680.72	\$ -	\$ -
Green Trust Loan Program	20,000.00	20,000.00	18,654.96		1,345.04
Loan Repayments for Principal & Interest					
Total Municipal Debt Service - Excluded From "CAPS"	<u>55,680.72</u>	<u>55,680.72</u>	<u>54,335.68</u>		<u>1,345.04</u>
Deferred Charges - Municipal					
Deferred Charges	9,120.00	9,120.00	9,120.00		
Ordinance 2011-09					
Total Deferred Charges -Municipal - Excluded From "CAPS"	<u>9,120.00</u>	<u>9,120.00</u>	<u>9,120.00</u>		
Total General Appropriations for Municipal Purposes Excluded From "CAPS"	<u>562,354.72</u>	<u>582,358.08</u>	<u>521,572.48</u>	<u>59,440.56</u>	<u>1,345.04</u>
Subtotal General Appropriations Reserve for Uncollected Taxes	2,682,457.72	2,682,461.08	2,088,187.23	522,928.81	71,345.04
	<u>361,553.06</u>	<u>361,553.06</u>	<u>361,553.06</u>		
TOTAL GENERAL APPROPRIATIONS	<u>\$ 3,024,010.78</u>	<u>\$ 3,044,014.14</u>	<u>\$ 2,449,740.29</u>	<u>\$ 522,928.81</u>	<u>\$ 71,345.04</u>

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

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

Analysis of Budget After Modification:

Original Budget	\$ 3,024,010.78	
By Appropriation 40A:4-87	<u>20,003.36</u>	
		<u>\$ 3,044,014.14</u>

Analysis of Paid or Charged:

Reserve for Federal and State Grants - Appropriated	\$ 295,282.53	
Reserve for Uncollected Taxes	361,553.06	
Encumbrances Payable	203,698.94	
Deferred Charges	9,120.00	
Cash Disbursed	<u>1,580,085.76</u>	
 Total		 <u>\$ 2,449,740.29</u>

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

TOWNSHIP OF SHAMONG

Trust Fund

Statement of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis
For the Years Ended December 31, 2015 and 2014

	<u>REFERENCE</u>	<u>2015</u>	<u>2014</u>
<u>ASSETS</u>			
Animal Control Fund:			
Cash - Treasurer	B-1	\$ 5,326.93	\$ 6,772.21
Due from State of New Jersey		22.80	-
Total Animal Control Fund		<u>5,349.73</u>	<u>6,772.21</u>
Other Funds:			
Cash - Treasurer	B-1	751,642.10	575,538.41
Due from Current Fund	A	95,615.18	195,817.92
Total Other Funds		<u>847,257.28</u>	<u>771,356.33</u>
Total Assets		<u>\$ 852,607.01</u>	<u>\$ 778,128.54</u>
<u>LIABILITIES AND RESERVES</u>			
Animal Control Fund:			
Due to State of New Jersey		\$ -	\$ 19.80
Due to Current Fund	A	8.02	4,191.21
Prepaid License Fees		113.00	61.60
Reserve for Dog Fund Expenditures	B-2	5,228.71	2,499.60
Total Animal Control Fund		<u>5,349.73</u>	<u>6,772.21</u>
Other Funds:			
Due Federal & State Grant Fund	A		9,984.02
Payroll Deductions Payable	B-12	5,661.41	9,546.48
Reserve for :			
Unemployment Compensation Insurance	B-3	19,253.68	18,616.25
Recreation Escrow	B-4	7,395.06	7,371.82
S.T.A.S.A. - Municipal Alliance	B-5	7,639.87	7,627.17
Public Defender Fees	B-6	390.51	1,833.12
Open Space Trust	B-7	691,895.94	598,031.07
Tax Sale Premiums	B-8	42,300.00	32,800.00
Multi - Escrow	B-9	19,596.81	32,822.40
POAA	B-10	500.00	100.00
Planning Board Subdivision:			
Escrow for Professional Fees	B-11	52,624.00	52,624.00
Total Other Funds		<u>847,257.28</u>	<u>771,356.33</u>
Total Liabilities and Reserves		<u>\$ 852,607.01</u>	<u>\$ 778,128.54</u>

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

TOWNSHIP OF SHAMONG
General Capital Fund
Statement of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis
For the Years Ended December 31, 2015 and 2014

	<u>REFERENCE</u>	<u>2015</u>	<u>2014</u>
<u>ASSETS</u>			
Cash - Treasurer	C-2	\$ 250,392.54	\$ 217,380.65
Due from Current Fund	A	9,120.00	37,620.00
Due from Federal and State Grant Fund	A		7,396.63
Deferred Charges to Future Taxation:			
Funded	C-4	198,147.25	212,621.78
Unfunded	C-5	482,370.00	271,240.00
		<u>\$ 940,029.79</u>	<u>\$ 746,259.06</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Green Trust Loan Payable	C-6	\$ 198,147.25	\$ 212,621.78
Bond Anticipation Notes Payable	C-7	223,250.00	
Due to Current Fund	A		254.74
Improvement Authorizations:			
Funded	C-8	37,767.98	129,282.78
Unfunded	C-8	250,010.00	253,010.00
Capital Improvement Fund	C-9	138,747.00	150,497.00
Down Payment on Capital Improvements		200.00	200.00
Fund Balance	C-1	91,907.56	392.76
		<u>\$ 940,029.79</u>	<u>\$ 746,259.06</u>

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

TOWNSHIP OF SHAMONG
General Capital Fund
Statement of Fund Balance - Regulatory Basis
For the Year Ended December 31, 2015

Balance December 31, 2014	\$ 392.76
Increased by:	
Funded Improvement Authorizations Canceled	<u>91,514.80</u>
Balance December 31, 2015	<u>\$ 91,907.56</u>

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

TOWNSHIP OF SHAMONG
Public Assistance Fund
 Statement of Assets, Liabilities and Reserves
 For the Years Ended December 31, 2015 and 2014

	<u>REFERENCE</u>	<u>2015</u>	<u>2014</u>
<u>ASSETS</u>			
Due From Current Fund	A	<u>\$ 12,665.00</u>	<u>\$ 12,665.00</u>
Total		<u>\$ 12,665.00</u>	<u>\$ 12,665.00</u>
<u>LIABILITIES AND RESERVES</u>			
Reserve for Public Assistance		<u>\$ 12,665.00</u>	<u>\$ 12,665.00</u>

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

TOWNSHIP OF SHAMONG
GENERAL FIXED ASSETS ACCOUNT GROUP
 Statement of Changes in General Fixed Assets - Regulatory Basis
 For the Year Ended December 31, 2015

	Balance December 31, 2014	Additions	Retirements	Balance December 31, 2015
General Fixed Assets:				
Land and Land Improvements	\$ 535,922.40	\$ 235,000.00	\$ -	\$ 770,922.40
Building and Building Improvements	529,421.00			529,421.00
Machinery and Equipment	2,330,584.00	29,000.00		2,359,584.00
Total	\$ 3,395,927.40	\$ 264,000.00	\$ -	\$ 3,659,927.40
 Investment in General Fixed Assets	 <u>\$ 3,395,927.40</u>	 <u>\$ 264,000.00</u>	 <u>\$ -</u>	 <u>\$ 3,659,927.40</u>

**TOWNSHIP OF SHAMONG
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Financial Reporting Entity - The Township of Shamong (hereafter referred to as the "Township") is located in the southwest portion of the County of Burlington, State of New Jersey. The estimated population at July 1, 2012 according to the New Jersey Department of Labor and Workforce Development is 6,497.

The Township was incorporated in 1852 and is governed by a Committee form of government which consists of five members elected at large by the voters. The Committee members serve three year terms that are staggered. Two members are elected in two successive years and one member is elected in the third year. The Mayor is selected annually by the Committee and acts as the Chief Executive Officer of the Township. The legislative powers rest with the Township Committee. The Township Administrator/Clerk and Chief Financial Officer are appointed by the Township Committee and monitor the daily administrative and financial responsibilities, including but not limited to, staffing and personnel issues and budget preparation and implementation.

Criteria for determining if other entities are potential component units which should be reported within the basic financial statements are identified and described in the Governmental Accounting Standards Board's (GASB) Codification of Governmental Accounting and Financial Reporting Standards, Section 2100 and 2600. The application of these criteria provides for identification of any entities for which the Township is financially accountable and other organizations that the nature and significance of their relationship with the Township are such that exclusion would cause the basic financial statements to be misleading or incomplete.

Based on the application of these criteria, there were no organizations that are considered to be component units.

Basis of Accounting, Measurement Focus and Basis of 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" 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.

Budgets and Budgetary Accounting - The Township must adopt an annual budget for its Current Fund in accordance with N.J.S.A. 40A:4et 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 Township. 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 the adopted budgets, if any, are detailed in the statements of revenues and expenditures.

TOWNSHIP OF SHAMONG
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 financial statements.

Cash, Cash Equivalents and Investments - Cash and cash equivalents, for all funds, 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 utilities 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 balances.

General Fixed Assets - Accounting for Governmental Fixed Assets, as required by N.J.A.C. 5:30-5.6, differs in certain respects from accounting principles generally accepted in the United States of America. In accordance with the regulations, all local units, including municipalities, must maintain a general fixed assets reporting system that establishes and maintains a physical inventory of nonexpendable, tangible property as defined and limited by the U.S. Office of Management and Budget Circular A-87 (Attachment B, Section 19), except that the useful life of such property is at least five years. The Township has adopted a capitalization threshold of \$5,000 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. 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 basic financial statements.

**TOWNSHIP OF SHAMONG
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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. No depreciation of general fixed assets is recorded.

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 Township until such liens are collected. Upon their collection, such liens are recorded as a liability due to the governmental unit net of the costs of the initial sale. The related costs of sale are recognized as revenue when received.

Fund Balance - Fund Balance included in the Current Fund represents amounts available for anticipation as revenue in future years' budgets, with certain restrictions.

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

Compensated Absences and Postemployment Benefits - Compensated absences for vacation, sick leave and other 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.

Revenues - Revenues are recorded when received in cash except for certain amounts which are due from other governmental units. Revenue from Federal and State grants are realized when anticipated as such in the budget. Receivables for property taxes are recorded with offsetting reserves on the statement of assets, liabilities, reserves and fund balance of the 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 annual budget, but also the amounts required in support of the budgets of the Shamong Township School District, Lenape Regional High School District, and the County of Burlington. 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 Shamong Township School District and the Lenape Regional High School District. Operations is charged for the full amount required to be raised from taxation to operate the local school district for the period from January 1 to December 31 and for the regional high school district the share of the amount required to be raised by taxation for the period from July 1 to June 30, increased by the amount deferred at December 31, 2014 and decreased by the amount deferred at December 31, 2015.

TOWNSHIP OF SHAMONG
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Reserve for Uncollected Taxes - The inclusion of the "Reserve for Uncollected Taxes" appropriation in the 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. Outstanding encumbrances are offset by an account entitled "Reserve for Encumbrances". The reserve is classified as a cash liability under New Jersey municipal accounting. At December 31, this reserve represents the portion of appropriation reserves that has been encumbered and is subject to the same statutory provisions as appropriation reserves.

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

Long-Term Debt - Long-Term Debt, relative to the acquisition of capital assets, is recorded as a liability in the General 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.

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

Comparative Data - Comparative total data for the prior year have been presented in the accompanying statements of assets, liabilities, reserves and fund balance and statement of operations in order to provide an understanding of changes in the financial position. However, comparative (i.e., presentation of prior year totals by fund type) data has not been presented in the statement of revenues - regulatory basis and the statement of expenditures - regulatory basis since their inclusion would make the statements unduly complex and difficult to read.

NOTE 2. CASH AND CASH EQUIVALENTS

Custodial Credit Risk Related to Deposits - Custodial credit risk refers to the risk that, in the event of a bank failure, the Municipality's deposits may not be recovered. Although the Municipality 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 Unit. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the municipality in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings or funds that may pass to the Municipality relative to the happening of a future condition. Such funds are shown as uninsured and uncollateralized. Of the Municipality's amount on deposit of \$8,212,291 as of December 31, 2015, \$267,083 was insured under FDIC and the remaining balance of \$7,945,208 was collateralized under GUDPA.

**TOWNSHIP OF SHAMONG
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015**

NOTE 3. PROPERTY TAXES

The following is a comparison of certain statistical information relative to property taxes and property tax collections for the current and previous four years ending December 31.

<u>Comparative Schedule of Tax Rates</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Total Tax Rate	\$ 2.673	\$ 2.509	\$ 2.430	* \$ 2.441	\$ 3.963
Apportionment of Tax Rate:					
Municipal Open Space	.020	.020	.019	.020	.020
Municipal Local Purpose	.064	.048	.039	.025	.040
County	.443	.401	.403	.423	.700
Regional School	.747	.673	.632	.632	1.034
Local School	1.399	1.367	1.337	1.341	2.169

* Revaluation

<u>Assessed Valuation</u>	<u>Amount</u>
2015	\$ 663,723,231
2014	663,739,219
2013	736,249,815
2012	* 665,524,537
2011	411,731,745

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2015	\$ 17,766,718	\$ 17,538,160	98.71%
2014	16,677,587	16,468,708	98.75
2013	16,188,741	16,012,822	98.91
2012	16,298,677	16,025,068	98.32
2011	16,384,072	16,129,746	98.45

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	\$ 106,719	\$ 203,548	\$ 310,267	1.75%
2014	76,665	188,861	265,526	1.59
2013	71,673	147,516	219,189	1.35
2012	68,222	236,683	304,905	1.87
2011	79,258	229,285	308,543	1.88

The following comparison is made of the number of tax title liens receivable on December 31, of the current year and previous four years.

<u>Year</u>	<u>Number</u>
2015	16
2014	12
2013	11
2012	8
2011	11

TOWNSHIP OF SHAMONG
 NOTES TO BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2015

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	\$ 1,050,325
2014	1,050,325
2013	1,033,025
2012	1,028,025
2011	1,006,625

NOTE 5. FUND BALANCES APPROPRIATED

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

<u>Year</u>	<u>Balance December 31</u>	<u>Utilized In Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
<u>Current Fund</u>			
2015	\$ 1,155,733	\$ 1,100,000	95.18%
2014	1,404,602	1,200,000	85.43
2013	1,403,819	1,200,000	85.48
2012	1,486,984	1,200,000	80.70
2011	1,571,638	1,263,920	80.42

NOTE 6. INTERFUND RECEIVABLES AND PAYABLES

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

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Current Fund	\$ 8	\$ 117,408
Federal & State Grant Fund	8	
Trust Fund:		
Animal Control Fund		8
Other Funds	95,615	
General Capital Fund	9,120	
Public Assistance Fund	12,665	
	<u>\$ 117,416</u>	<u>\$ 117,416</u>

**TOWNSHIP OF SHAMONG
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015**

NOTE 7. PENSION PLANS

Substantially all of the employees participate in one of the following pension plans which have been established by State statute, and are administered by the New Jersey Division of Pensions and Benefits (Division): the Public Employees' Retirement System (PERS) or the Defined Contribution Retirement Program (DCRP). 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 the State of New Jersey, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey, 08625-0295.

Significant Legislation

P.L. 2011, c.78, effective June 28, 2011, made various changes to the manner in which PERS operates and to the benefit provisions of the system.

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

- For new members of PERS hired on or after June 28, 2011 (Tier 5 members), the years of creditable service needed for early retirement benefits increased from 25 to 30 years and the early retirement age from age 55 to 65 for Tier 5 members
- The eligible age to qualify for a service retirement in the PERS increased from age 62 to 65 for Tier 5 members
- It increases in active member contribution rates for PERS active members from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years. For fiscal year 2012, the member contribution rates will increase in 2011. The phase-in of the additional incremental member contribution rates for PERS members will take place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by law.
- New employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4 year period for those employed prior to Chapter 78's effective date with a minimum contribution required to be at least 1.5% of salary
- In addition, this new legislation changes the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay.)

Public Employees' Retirement System (PERS)

The Public Employees' Retirement System is a cost-sharing multiple-employer defined benefit pension plan which was established on January 1, 1955. The PERS provides retirement, death and disability, and medical benefits to certain qualified members. Vesting and benefit provisions are established by N.J.S.A. 43:15A and 43:3B.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 62, P.L. 1994, plan members enrolled in the Public Employees' Retirement System were required to contribute 5% of their annual covered salary. Effective July 1, 2008, however, 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. For employees enrolled in the retirement system prior to July 1, 2008, the increase is effective with the payroll period that begins immediately after July 1, 2008.

Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate was increased to 6.5%. An additional 1.0% increase is being phased-in over seven years beginning on July 1, 2012 and increases each subsequent July 1. The State Treasurer has the right under the current law to make temporary reductions in rates based on the existence of surplus pension assets in the retirement system; however, statute also requires the return to the normal rate when such surplus pension assets no longer exist.

**TOWNSHIP OF SHAMONG
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015**

NOTE 7. PENSION PLANS (CONTINUED)

Public Employees' Retirement System (PERS) (Continued)

The Township is billed annually for its normal contribution plus any accrued liability. The Township's contributions, equal to the required contribution for each fiscal year, were as follows:

Year	Public Employee's Retirement System				
	Township Contributions				
	Normal Contribution	Pension Percentage of Covered Payrolls	Accrued Liability	Non-Contributory Life Insurance	Employee Contributions
2015	\$ 10,702	1.86%	\$ 49,507	\$ 4,078	\$ 40,295
2014	9,085	1.76%	39,944	834	35,306
2013	14,661	2.91%	35,055	2,959	34,863

At June 30, 2015, the Township's net pension liability for PERS was \$1,500,386.

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

- Inflation rate: 3.04%
- Salary Increases:
 - 2012-2021: 2.15-4.40% based on age
 - Thereafter: 3.15-5.40% based on age
- Investment Rate of Return: 7.90%

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for 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.

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Long-Term Expected Rate of Return - 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.

**TOWNSHIP OF SHAMONG
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015**

NOTE 7. PENSION PLANS (CONTINUED)

Public Employees' Retirement System (PERS) (Continued)

Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	05.00%	01.04%
U.S. Treasuries	01.75%	01.64%
Investment Grade Credit	10.00%	01.79%
Mortgages	02.10%	01.62%
High Yield Bonds	02.00%	04.03%
Inflation Indexed Bonds	01.50%	03.25%
Broad US Equities	27.25%	08.52%
Developed Foreign Equities	12.00%	06.88%
Emerging Market Equities	06.40%	10.00%
Private Equity	09.25%	12.41%
Hedge Funds/Absolute Ret	12.00%	04.72%
Real Estate (Property)	02.00%	06.83%
Commodities	01.00%	05.32%
Global Debt ex US	03.50%	-0.40%
REIT	04.25%	5.12%

Discount rate. The discount rate used to measure the State's total pension liability was 4.90% as of June 30, 2015. This 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 3.8% 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 rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of recommended contributions.

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

Sensitivity of the Township's proportionate share of the net pension liability to changes in the discount rate. The following presents the Township's proportionate share of the net pension liability measured as of June 30, 2015, calculated using the discount rate of 4.90%, as well as what the Township's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.90%) or 1 percentage point higher (5.90%) than the current rate:

	<u>1% Decrease (3.90%)</u>	<u>Current Discount Rate (4.90%)</u>	<u>1% Increase (5.90%)</u>
Tonwship's proportionate share of the net pension liability	\$ 1,864,796	\$ 1,500,386	\$ 1,194,867

Pension Plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Division of Pensions and Benefits financial report.

**TOWNSHIP OF SHAMONG
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015**

NOTE 7. PENSION PLANS (CONTINUED)

Defined Contribution Retirement Program (DCRP)

The Defined Contribution Retirement Program was established in 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), and expanded under the provisions of Chapter 89, P.L. 2008 and Chapter 1, P.L. 2010. The Defined Contribution Retirement Program Board oversees the DCRP, which is administered by Prudential Financial on behalf of the Divisions of Pensions and Benefits. The DCRP provides eligible members, and their beneficiaries, with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by N.J.S.A. 43:15C-1 et. seq.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. Pursuant to the provisions of Chapter 78 P.L. 2011, the active member contribution rate was increased to 6.5% plus an additional 1.0% phased-in over seven years beginning in the first year. The phase-in of the additional incremental member contribution amount will take place in July of each subsequent year. The State Treasurer has the right under the current law to make temporary reductions in rates based on the existence of surplus pension assets in the retirement system; however, state statute also requires the return to the normal rate when such surplus pension assets no longer exist. The employee contributions along with the Township's contribution for each pay period are transmitted to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period.

The Township's contributions, equal to the required contribution for each fiscal year, were as follows:

<u>Year</u>	<u>Total Liability</u>	<u>Paid by District</u>
2015	\$ 450	\$ 450
2014	336	336
2013	309	309

Related Party Investments – The Division of Pensions and Benefits does not invest in securities issued by the Township.

NOTE 8. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

The financial statements of the Township are not prepared in accordance with Governmental Standards Board Statement No. 45. The following information is provided in accordance with the requirements of the Statement.

Plan Description – The Township contributes to the State Health Benefits Program (“SHBP”), a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by the State of New Jersey Division of Pension 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.

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. The defined benefit postemployment healthcare plan provides post employment health care benefits, at its cost, to certain retired employees for a period not to exceed (7) seven years from the date of retirement.

A Township employee will receive paid health insurance benefits upon retirement from the Township provided they 1) retire from the Township with at least twenty-five years of service in the New Jersey Public Employees Retirement System, and 2) retire from the Township with at least twenty years of service with the Township. The post retirement health care benefits shall be provided to eligible employees at one hundred percent (100%) and at eighty percent (80%) for dependents and/or surviving spouse. The employee, the dependent and/or surviving spouse shall be responsible for paying the remaining twenty percent (20%) of the cost for dependent and/or surviving spouse cost.

**TOWNSHIP OF SHAMONG
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015**

NOTE 8. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

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 SHBP. That report may be obtained by writing to the State of New Jersey, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625.

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. During the year 2015 and 2014, there was one retired employee who received this benefit resulting in the payments of \$13,642.90 and \$14,680.32, in related to health care premiums.

NOTE 9. COMPENSATED ABSENCES

The Township does not record accrued expenses related to compensated absences. However, it is estimated that, at December 31, 2015, accrued benefits for compensated absences are valued at \$78,870.

NOTE 10. 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; employee health and accident claims; and natural disasters.

Joint Insurance Pool - The Township is a member of the Burlington County Municipal Joint Insurance Fund. The Fund offers the following lines of coverage to its members: general liability, automobile liability, property, fidelity and performance, boiler and machinery, workers' compensation, police professional, public officials and employment practices liability.

Annual contributions to the Fund are based on actuarial assumptions determined by the Fund's actuary. The Township is jointly and personally liable for claims insured by the Fund and its members during the period of its membership, including liability for supplemental assessments, if necessary. The Fund's Board of Trustees may authorize refunds to its members in any fund year for which contributions exceed the amount necessary to fund all obligations for that year.

The Fund publishes its own financial report for December 31, 2015, which can be obtained by writing to:

Burlington County Municipal Joint Insurance Fund
P.O. Box 489
Marlton, New Jersey 08053.

NOTE 11. 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.

**TOWNSHIP OF SHAMONG
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015**

NOTE 11. NEW JERSEY UNEMPLOYMENT COMPENSATION INSURANCE (CONTINUED)

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

<u>Year</u>	<u>Interest Earned</u>	<u>Current Fund Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2015	\$ 18	\$ -	\$ 1,905	\$ 368	\$ 20,171
2014	18		917	19	18,616
2013	17		981		17,700

NOTE 12. SCHOOL TAXES

Local District School Tax and Regional High School Tax has been raised and liabilities deferred by statute, resulting in the school taxes payable set forth in the Current Fund Liabilities as follows:

	<u>Local District School Tax Balance Dec. 31,</u>		<u>Regional High School Tax Balance Dec. 31,</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Balance of Tax	\$ 4,655,300.00	\$ 4,546,825.48	\$ 2,481,665.31	\$ 2,237,585.85
Deferred	<u>1,395,234.00</u>	<u>1,395,234.00</u>	<u>599,662.00</u>	<u>599,662.00</u>
Tax Payable	<u>\$ 3,260,066.00</u>	<u>\$ 3,151,591.48</u>	<u>\$ 1,882,003.31</u>	<u>\$ 1,637,923.85</u>

NOTE 13. CAPITAL DEBT

Summary of Municipal Debt

	<u>Year 2015</u>	<u>Year 2014</u>	<u>Year 2013</u>
Issued:			
General:			
Green Trust Loan	<u>\$ 198,147</u>	<u>\$ 212,622</u>	<u>\$ 226,811</u>
Total Issued	<u>198,147</u>	<u>212,622</u>	<u>226,811</u>
Authorized but not Issued			
General:			
Bonds and Notes	<u>259,120</u>	<u>271,240</u>	<u>294,610</u>
Total Authorized but not Issued	<u>259,120</u>	<u>271,240</u>	<u>294,610</u>
Net Debt	<u>\$ 457,267</u>	<u>\$ 483,862</u>	<u>\$ 521,421</u>

**TOWNSHIP OF SHAMONG
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015**

NOTE 13. CAPITAL DEBT (CONTINUED)

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of .097%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$ 3,554,000	\$ 3,554,000	\$ -
Regional High School District	2,628,571	2,628,571	
General Debt	680,517		680,517
Total	\$ 6,863,088	\$ 6,182,571	\$ 680,517

Net Debt, \$680,517 divided by Equalized Valuation Basis per N.J.S.A. 40A:2-2, as amended, \$700,673,350 equals .097%.

Equalized Valuation Basis:

2013	\$ 697,429,291
2014	709,193,300
2015	695,397,460
Average	\$ 700,673,350

Borrowing Power under N.J.S.A. 40A:2-6 as amended

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 24,523,567
Net Debt	680,517
Remaining Borrowing Power	\$ 23,843,050

The foregoing debt information is in agreement with the Annual Debt Statement filed by the Chief Financial Officer.

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

Green Trust Loan Payable

The Township has received \$300,000.00 in loan proceeds from the State of New Jersey Green Trust Loan Program. The loan has a stated interest rate of 2.00% with a final maturity on July 29, 2027. The repayment schedule of this debt is as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 14,766	\$ 3,889	\$ 18,655
2017	15,062	3,593	18,655
2018	15,365	3,290	18,655
2019	15,674	2,981	18,655
2020	15,989	2,666	18,655
2021-2025	84,896	8,379	93,275
2026-2027	36,395	914	37,309
Total	\$ 198,147	\$ 25,712	\$ 223,859

SUPPLEMENTAL EXHIBITS

CURRENT FUND

TOWNSHIP OF SHAMONG
Current Fund
Statement of Cash - Treasurer
For the Year Ended December 31, 2015

	<u>CURRENT FUND</u>	<u>FEDERAL AND STATE GRANT FUND</u>
Balance December 31, 2014	\$ 7,128,736.85	\$ 18,087.98
Receipts:		
Taxes Receivable	\$ 17,582,157.94	\$ -
Tax Title Liens Receivable	971.73	
Prepaid Taxes	125,529.88	
Tax Overpayments	6,344.34	
Revenue Accounts Receivable	984,451.00	
Tax Sale Premiums	9,500.00	
Due State of New Jersey:		
Marriage License Fees	775.00	
UCC Fees	6,038.00	
Due from State of New Jersey for Senior Citizens and Veterans Deductions	48,446.58	
Due from Animal Control Fund	4,191.21	
Due to Other Trust Fund	28,298.24	
Due from General Capital Fund	254.74	
Miscellaneous Revenues Not Anticipated	228,508.11	
Budget Refunds	9,459.33	
Contra	200.00	
Matching Grant Funds		274.83
Due to Trust Other Fund		9,984.02
Federal and State Grants Receivable		453,267.38
Total Receipts	<u>19,035,126.10</u>	<u>463,526.23</u>
Sub-Total	<u>26,163,862.95</u>	<u>481,614.21</u>
Disbursements:		
2015 Appropriations	1,580,085.76	
2014 Appropriation Reserves/Encumbrances Payable	124,772.44	
County Taxes	2,939,449.76	
Local School Taxes Payable	9,176,610.48	
Regional High School Taxes Payable	4,715,785.54	
Tax Overpayments	5,532.31	
Due State of New Jersey:		
Marriage License Fees	825.00	
UCC Fees	4,375.00	
Due to Other Trust Fund	270,937.16	
Due to Capital Fund	37,620.00	
Investment in Bond Anticipation Note	223,250.00	
Budget Refunds	9,459.33	
Contra	200.00	
Due to Capital Fund		7,396.63
Federal and State Appropriated Reserves		347,382.45
Total Disbursements	<u>19,088,902.78</u>	<u>354,779.08</u>
Balance December 31, 2015	<u>\$ 7,074,960.17</u>	<u>\$ 126,835.13</u>

TOWNSHIP OF SHAMONG
Current Fund
 Schedule of Change Fund
 For the Year Ended December 31, 2015

<u>Analysis by Office</u>		
Tax Collector		\$ 20.00
Construction Code		20.00
Municipal Clerk		20.00
Municipal Court		100.00
Total		\$ 160.00

EXHIBIT A-6

Schedule of Due to State of New Jersey
 for Senior Citizens and Veterans Deductions
 For the Year Ended December 31, 2015

Balance Due from /(to) December 31, 2014		\$ (2,250.00)
Increased by:		
Senior Citizen Deductions per Duplicate	\$ 3,000.00	
Veterans Deductions per Duplicate	45,250.00	
Veteran and Senior Citizen Deductions Allowed by Collector	1,500.00	
Subtotal	49,750.00	
Less - Disallowed Senior Citizens	750.00	
Less - Disallowed Veterans	500.00	48,500.00
Subtotal		46,250.00
Decreased by:		
Collected		48,446.58
Balance Due from /(to) December 31, 2015		\$ (2,196.58)

TOWNSHIP OF SHAMONG
Current Fund
Schedule of Taxes Receivable and Analysis of Property Tax Levy
For the Year Ended December 31, 2015

Year	Balance Dec. 31, 2014	2015 Levy	Added Taxes	COLLECTIONS BY CASH 2014	2015	State Share of 2015 Senior Citizens and Veterans Deductions Allowed	Overpayments Applied	Transferred to Tax Title Lien	Canceled	Balance Dec. 31, 2015
2012	\$ 4,389.85	\$ -	\$ -	\$ -	\$ 1,853.70	\$ -	\$ -	\$ -	\$ -	\$ 2,536.15
2013	1,763.62									1,763.62
2014	188,860.54		43.15		174,200.54			11,398.40	870.61	2,434.14
Subtotal	195,014.01		43.15	80,095.29	176,054.24	48,500.00	3,460.82	11,398.40	870.61	6,733.91
2015		17,766,718.47		80,095.29	17,406,103.70	48,500.00	3,460.82	17,291.66	14,452.91	196,814.09
Total	\$ 147,515.78	\$ 17,766,718.47	\$ 43.15	\$ 80,095.29	\$ 17,582,157.94	\$ 48,500.00	\$ 3,460.82	\$ 28,690.06	\$ 15,323.52	\$ 203,548.00

Analysis of Property Tax Levy

Tax Yield:	
General Purpose Tax	\$ 17,741,323.17
Added Taxes	25,395.30
Total	<u>\$ 17,766,718.47</u>
Tax Levy:	
Local District School Tax (Abstract)	\$ 9,285,085.00
Regional High School Tax (Abstract)	4,959,865.00
Municipal Open Space Tax	132,745.00
Municipal Open Space Tax Added Taxes	191.18
County Tax (Abstract)	\$ 2,425,403.24
County Library Tax (Abstract)	225,975.74
County Open Space Tax (Abstract)	284,308.66
County Added Taxes	4,194.34
Local Tax for Municipal Purposes	426,045.61
Additional Tax Levies	22,904.70
Total	<u>\$ 17,766,718.47</u>

TOWNSHIP OF SHAMONG
Current Fund
 Schedule of Tax Title Liens Receivable
 For the Year Ended December 31, 2015

Balance December 31, 2014		\$ 76,665.47
Increased by:		
Interest and Costs from Tax Sale	\$ 2,335.11	
Transfers from Taxes Receivable	<u>28,690.06</u>	<u>31,025.17</u>
		107,690.64
Decreased by:		
Collected		<u>971.73</u>
Balance December 31, 2015		<u><u>\$ 106,718.91</u></u>

EXHIBIT A-9

Schedule of Property Acquired for Taxes
 For the Year Ended December 31, 2015

Balance December 31, 2014 and 2015		<u><u>\$ 1,050,325.00</u></u>
------------------------------------	--	-------------------------------

TOWNSHIP OF SHAMONG
Current Fund
Schedule of Revenue Accounts Receivable
For the Year Ended December 31, 2015

	Balance <u>Dec. 31, 2014</u>	Accrued in <u>2015</u>	Collected By <u>Treasurer</u>	Balance <u>Dec. 31, 2015</u>
Alcoholic Beverage Licenses		\$ 1,511.00	\$ 1,511.00	
Municipal Court - Fines and Costs	\$ 2,109.51	36,182.52	36,455.43	\$ 1,836.60
Interest and Costs on Taxes		42,133.48	42,133.48	
Interest on Investments and Deposits		10,990.44	10,990.44	
Mobile Home Fees		39,005.00	39,005.00	
Energy Receipts Tax		470,649.00	470,649.00	
Garden State Preservation Trust		112,346.00	112,346.00	
Uniform Construction Code		86,351.00	86,351.00	
Shared Service Agreements:				
Tax Assessor - Southampton Township		30,776.52	30,776.52	
Tax Assessor - Tabernacle Township		34,788.23	34,788.23	
Tax Assessor - Burlington Township		71,444.90	71,444.90	
Construction Code, Building and Zoning Southampton Township		48,000.00	48,000.00	
Total	<u>\$ 2,109.51</u>	<u>\$ 984,178.09</u>	<u>\$ 984,451.00</u>	<u>\$ 1,836.60</u>

TOWNSHIP OF SHAMONG
Current Fund
Statement of 2014 Appropriation Reserves
For the Year Ended December 31, 2015

	BALANCE <u>12/31/14</u>	Balance After <u>Transfers</u>	Reserve for <u>Encumbrances</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Operations Within "CAPS":					
General Government Functions:					
Salaries and Wages - No Change	\$ 53,844.73	\$ 53,844.73	\$ -	\$ -	\$ 53,844.73
Other Expenses					
General Administration	16,746.98	16,746.98	1,415.14	1,415.14	16,746.98
Mayor and Committee	2,351.05	2,351.05			2,351.05
Municipal Clerk	13,756.50	13,756.50	264.31	264.31	13,756.50
Financial Administration	3,651.17	3,651.17	215.02	523.96	3,342.23
Audit Services	1,000.00	1,000.00			1,000.00
Revenue Administration (Tax Collection)	1,962.91	1,962.91	151.36	151.36	1,962.91
Tax Assessment Administration	2,333.74	2,333.74	1,583.60	1,563.99	2,353.35
Interest on Appeals	100.00	100.00			100.00
Legal Services & Costs	24,280.20	24,280.20		1,035.00	23,245.20
Engineering Services & Costs	19,584.04	19,584.04	25,316.31	30,340.22	14,560.13
Joint Land Use Administration (Planning Board)	8,181.12	8,181.12	102.16	102.16	8,181.12
Environmental Control	1,000.00	1,000.00			1,000.00
Rent Control	4,244.10	4,244.10	14.32		4,258.42
Liability Insurance	6,929.28	6,929.28			6,929.28
Workers Compensation	15,932.76	15,932.76	181.96	707.41	15,407.31
Employee Group Insurance	38,404.28	38,404.28			38,404.28
Other Insurance Premiums	12,314.82	12,314.82		40.50	12,274.32
Office of Emergency Management	16,899.50	16,899.50			16,899.50
Municipal Prosecutor	3,000.00	3,000.00			3,000.00
Streets & Roads Maintenance	97,950.66	97,950.66	85,777.82	80,865.08	102,863.40
Recycling Program	4,900.00	4,900.00			4,900.00
Buildings & Grounds	2,688.42	2,688.42	2,645.51	447.16	4,886.77
War Memorial	880.00	880.00			880.00
Board of Health	512.40	512.40			512.40
Animal Control	2,340.75	2,340.75	1,982.50	345.00	3,978.25
Maintenance of Parks	4,250.36	4,250.36	1,250.00	1,250.00	4,250.36
Maintenance of Lake	12,500.00	12,500.00			12,500.00
Celebration of Public Events	1,000.00	1,000.00			1,000.00
Electricity	6,447.78	6,447.78		59.34	6,388.44
Street Lights	2,714.38	2,714.38		566.65	2,147.73
Telephone	2,180.27	2,180.27			2,180.27
Natural Gas	2,405.25	2,405.25			2,405.25
Telecommunications	1,750.00	1,750.00			1,750.00
Gasoline/Diesel	193.30	193.30		193.30	
Construction Official	5,844.93	5,844.93			5,844.93
Public Defender	100.00	100.00			100.00
Municipal Court			4,666.70	4,666.66	0.04
Contingent	5,000.00	5,000.00		235.20	4,764.80
Total Operations Including Contingent	<u>400,175.68</u>	<u>400,175.68</u>	<u>125,566.71</u>	<u>124,772.44</u>	<u>400,969.95</u>
Deferred Charges and Statutory Expenditures-					
 Municipal - Within "CAPS"					
Defined Contribution Retirement Plan	663.72	663.72			663.72
Social Security System (O.A.S.I.)	6,642.39	6,642.39			6,642.39
Total General Appropriations	<u>407,481.79</u>	<u>407,481.79</u>	<u>125,566.71</u>	<u>124,772.44</u>	<u>408,276.06</u>
GENERAL APPROPRIATIONS:					
 Operations Excluded from "CAPS"					
L.O.S.A.P.	30,000.00	30,000.00			30,000.00
interlocal Municipal Service Agreements:					
Tax Assessor - Other Expenses	9,200.00	9,200.00			9,200.00
Total Other Operations Excluded From "CAPS":	<u>39,200.00</u>	<u>39,200.00</u>			<u>39,200.00</u>
Total General Appropriations	<u>\$ 446,681.79</u>	<u>\$ 446,681.79</u>	<u>\$ 125,566.71</u>	<u>\$ 124,772.44</u>	<u>\$ 447,476.06</u>
Cash Disbursed				\$ 124,772.44	
Encumbrances Payable					
				<u>\$ 124,772.44</u>	

TOWNSHIP OF SHAMONG
Current Fund
 Schedule of Tax Overpayments
 For the Year Ended December 31, 2015

Balance December 31, 2014		\$ 20,832.89
Increased by:		
Collected		6,344.34
Subtotal		27,177.23
Decreased by:		
Refunds	\$ 5,532.31	
Overpayments Applied	3,460.82	
Canceled	4,391.27	13,384.40
Balance December 31, 2015		\$ 13,792.83

EXHIBIT A-13

Schedule of Prepaid Taxes
 For the Year Ended December 31, 2015

Balance December 31, 2014		\$ 80,095.29
Increased by:		
Collected		125,529.88
Subtotal		205,625.17
Decreased by:		
Applied to 2015 Taxes		80,095.29
Balance December 31, 2015		\$ 125,529.88

TOWNSHIP OF SHAMONG
Current Fund
Schedule of Local District School Taxes Payable
For the Year Ended December 31, 2015

<hr/>		
Balance December 31, 2014		
School Tax Payable	\$ 3,151,591.48	
School Tax Deferred	<u>1,395,234.00</u>	\$ 4,546,825.48
Increased by:		
Levy: School Year July 1, 2015 to June 30, 2016		<u>9,285,085.00</u>
Subtotal		13,831,910.48
Decreased by:		
Payments		<u>9,176,610.48</u>
Balance December 31, 2015		
School Tax Payable	3,260,066.00	
School Tax Deferred	<u>1,395,234.00</u>	<u>\$ 4,655,300.00</u>
 2015 Liability for Local District School Tax:		
Tax Paid		\$ 9,176,610.48
Tax Payable December 31, 2015		<u>3,260,066.00</u>
Subtotal		12,436,676.48
Less:		
Tax Payable December 31, 2014		<u>3,151,591.48</u>
Amount Charged to 2015 Operations		<u>\$ 9,285,085.00</u>

TOWNSHIP OF SHAMONG
Current Fund
 Schedule of Regional High School Taxes Payable
 For the Year Ended December 31, 2015

<hr/>		
Balance December 31, 2014		
School Tax Payable	\$ 1,637,923.85	
School Tax Deferred	<u>599,662.00</u>	\$ 2,237,585.85
Increased by:		
Levy: School Year July 1, 2015 to June 30, 2016		<u>4,959,865.00</u>
Subtotal		7,197,450.85
Decreased by:		
Payments		<u>4,715,785.54</u>
Balance December 31, 2015		
School Tax Payable	1,882,003.31	
School Tax Deferred	<u>599,662.00</u>	<u>\$ 2,481,665.31</u>
2015 Liability for Regional High School Tax:		
Tax Paid		\$ 4,715,785.54
Tax Payable December 31, 2015		<u>1,882,003.31</u>
Subtotal		6,597,788.85
Less:		
Tax Payable December 31, 2014		<u>1,637,923.85</u>
Amount Charged to 2015 Operations		<u>\$ 4,959,865.00</u>

TOWNSHIP OF SHAMONG
Current Fund
 Schedule of County Taxes Payable
 For the Year Ended December 31, 2015

Balance December 31, 2014		\$ 3,762.12
Increased by:		
2015 Levy:		
General County	\$ 2,425,403.24	
County Library	225,975.74	
County Open Space	284,308.66	
Added and Omitted Taxes	<u>4,194.34</u>	
Subtotal		<u>2,939,881.98</u>
		2,943,644.10
Decreased by:		
Payments		<u>2,939,449.76</u>
Balance December 31, 2015		<u><u>\$ 4,194.34</u></u>

TOWNSHIP OF SHAMONG
Current Fund
 Schedule of Due to State of NJ - UCC Fees
 For the Year Ended December 31, 2015

Balance December 31, 2014	\$	1,387.00
Increased by:		
State Portion of UCC Fees		6,038.00
		7,425.00
Decreased by:		
Disbursements		4,375.00
		4,375.00
Balance December 31, 2015	\$	3,050.00

EXHIBIT A-18

Schedule of Due to State of New Jersey
 for Marriage License Fees
 For the Year Ended December 31, 2015

Balance December 31, 2014	\$	150.00
Increased by:		
State Portion of 2015 Marriage Licenses Fees		775.00
		775.00
Subtotal		925.00
Decreased by:		
Disbursed to State of New Jersey		825.00
		825.00
Balance December 31, 2015	\$	100.00

TOWNSHIP OF SHAMONG
Federal and State Grant Fund
 Schedule of Federal and State Grants Receivable
 For the Year Ended December 31, 2015

	Balance Dec. 31, 2014	Accrued	Received	Transferred From Unappropriated Reserves	Balance Dec. 31, 2015
State Grants:					
Clean Communities	\$ -	\$ 20,003.36	\$ 20,003.36	\$ -	\$ -
Recycling Tonnage Grant		4,279.17		4,279.17	
NJDOT Tabernacle/Tuckerton Road	196,000.00		126,481.59		69,518.41
NJDOT Forked Neck Road		196,000.00	146,790.00		49,210.00
Burlington County Memorial Park Grant	126,000.00	75,000.00	126,000.00		75,000.00
Subtotal - State Grants	<u>322,000.00</u>	<u>295,282.53</u>	<u>419,274.95</u>	<u>4,279.17</u>	<u>193,728.41</u>
Federal Grants:					
NJTTF - Old Indian Mills Road Phase 3	85,112.50		33,992.43		51,120.07
Subtotal - Federal Grants	<u>85,112.50</u>		<u>33,992.43</u>		<u>51,120.07</u>
Total	<u>\$ 407,112.50</u>	<u>\$ 295,282.53</u>	<u>\$ 453,267.38</u>	<u>\$ 4,279.17</u>	<u>\$ 244,848.48</u>

TOWNSHIP OF SHAMONG
Federal and State Grant Fund
 Schedule of Reserve For Federal and State Grants - Unappropriated
 For the Year Ended December 31, 2015

	<u>Balance Dec. 31, 2014</u>	<u>Federal and State Grant Receivable</u>	<u>Realized as Revenue In 2015</u>	<u>Balance Dec. 31, 2015</u>
State Grants:				
Recycling Tonnage Grant	\$ 4,279.17	\$ -	\$ 4,279.17	\$ -
Total	<u>\$ 4,279.17</u>	<u>\$ -</u>	<u>\$ 4,279.17</u>	<u>\$ -</u>

TRUST FUND

TOWNSHIP OF SHAMONG
Trust Fund

Statement of Cash - Treasurer
For the Year Ended December 31, 2015

	Animal Control	Total Other Trust Funds	Recreation Fund	S.T.A.S.A. Municipal Alliance	Public Defender	Open Space Trust	Multi - Escrow Account	Unemployment Compensation	Payroll Fund
Balance December 31, 2014	\$ 6,772.21	\$ 575,538.41	\$ 29,930.63	\$ 14,715.19	\$ 7,172.55	\$ 463,048.04	\$ 32,822.40	\$ 17,698.96	\$ 10,150.64
Receipts:									
Dog License Fees:									
Municipal Licenses	3,257.20								
State Registration Fees	736.80								
Prepaid Licenses	113.00								
Municipal Alliance		2,886.05		2,886.05					
Unemployment Compensation		917.29						917.29	
Public Defender Fees		2,798.00			2,798.00				
Open Space Trust		267,728.03				267,728.03			
Multi Escrows		17,402.70					17,402.70		
Net Payroll		423,725.25							423,725.25
Payroll Deductions		301,881.75							301,881.75
Due to Current Fund		313.13							313.13
Interest Earned	8.02	604.23	23.24	22.65	7.39	507.51	25.34	18.10	
Total Receipts	4,115.02	1,018,256.43	23.24	2,908.70	2,805.39	268,235.54	17,428.04	935.39	725,920.13
Disbursements:									
Expenditures Under RS4:19-15.11	589.69								
State Registration Fees	779.40								
Due from State of New Jersey									
Unemployment Claims		367.79						367.79	
Open Space Trust		39,578.82				39,578.82			
Multi Escrows		30,653.63					30,653.63		
Public Defender Fees		4,248.00			4,248.00				
Net Payroll		423,725.25							423,725.25
Payroll Deductions Payable		305,696.99							305,696.99
Due to Current Fund	4,191.21	37,882.26	22,558.81	9,984.02	5,339.43				
Total Disbursements	5,560.30	842,152.74	22,558.81	9,984.02	9,587.43	39,578.82	30,653.63	367.79	729,422.24
Balance December 31, 2015	\$ 5,326.93	\$ 751,642.10	\$ 7,395.06	\$ 7,639.87	\$ 390.51	\$ 691,704.76	\$ 19,596.81	\$ 18,266.56	\$ 6,648.53

TOWNSHIP OF SHAMONG
Trust Fund
 Statement of Reserve for Animal Control Expenditures
 For the Year Ended December 31, 2015

Balance (Deficit) December 31, 2014		\$ 2,499.60
Increased by:		
2015 Dog License Fees Collected	\$ 3,257.20	
Prepaid Applied	61.60	
		3,318.80
Total		5,818.40
Decreased by:		
Expenditures Under R.S. 4:19-15.11:		
Cash disbursed	589.69	
Statutory Excess - Due to Current Fund		
		589.69
Balance (Deficit) December 31, 2015		\$ 5,228.71

LICENSE FEES COLLECTED

<u>Year</u>	<u>Amount</u>
2013	\$ 1,382.40
2014	3,971.60
	\$ 5,354.00

TOWNSHIP OF SHAMONG
Trust - Other Funds
 Statement of Reserve for Unemployment Compensation
 For the Year Ended December 31, 2015

Balance December 31, 2014		\$ 18,616.25
Increased by:		
Employee Withholdings	\$ 987.12	
Interest Earned	18.10	1,005.22
Subtotal		19,621.47
Decreased by:		
Claims Paid		367.79
Balance December 31, 2015		\$ 19,253.68

EXHIBIT B-4

Statement of Reserve for Recreation Escrows
 For the Year Ended December 31, 2015

Balance December 31, 2014		\$ 7,371.82
Increased by:		
Interest Earned		23.24
Balance December 31, 2015		\$ 7,395.06

TOWNSHIP OF SHAMONG
Trust - Other Funds
Schedule of Reserve for S.T.A.S.A. - Municipal Alliance
For the Year Ended December 31, 2015

Balance December 31, 2014		\$ 7,627.17
Increased by:		
Interest Earned		22.65
Subtotal		7,649.82
Decreased by:		
Due to Current Fund		9.95
Balance December 31, 2015		\$ 7,639.87

EXHIBIT B-6

Statement of Reserve for Public Defender Fees
For the Year Ended December 31, 2015

Balance December 31, 2014		\$ 1,833.12
Increased by:		
Public Defender Fees	\$ 2,798.00	
Interest Earned	7.39	2,805.39
Subtotal		4,638.51
Decreased by:		
Cash Disbursements		4,248.00
Balance December 31, 2015		\$ 390.51

TOWNSHIP OF SHAMONG
Trust - Other Funds
Statement of Reserve for Open Space Trust
For the Year Ended December 31, 2015

Balance December 31, 2014		\$ 598,031.07
Increased by:		
Open Space Tax Levy	\$ 132,745.00	
Added Taxes	191.18	
Interest Earned	507.51	133,443.69
Subtotal		731,474.76
Decreased by:		
Cash Disbursements		39,578.82
Balance December 31, 2015		\$ 691,895.94

EXHIBIT B-8

Statement of Reserve for Tax Sale Premiums
For the Year Ended December 31, 2015

Balance December 31, 2014		\$ 32,800.00
Increased by:		
Tax Sale Premiums		9,500.00
Subtotal		42,300.00
Decreased by:		
Disbursements		
Balance December 31, 2015		\$ 42,300.00

TOWNSHIP OF SHAMONG
Trust - Other Funds
Statement of Reserve for Multi - Escrows
For the Year Ended December 31, 2015

Balance December 31, 2014		\$ 32,822.40
Increased by:		
Escrow Deposits	\$ 17,402.70	
Interest Earned	<u>25.34</u>	<u>17,428.04</u>
Subtotal		50,250.44
Decreased by:		
Disbursements		<u>30,653.63</u>
Balance December 31, 2015		<u><u>\$ 19,596.81</u></u>

TOWNSHIP OF SHAMONG
Trust - Other Funds
Statement of Reserve for POAA
For the Year Ended December 31, 2015

Balance December 31, 2014	\$ 100.00
Increased by:	
Due from Current Fund	400.00
Balance December 31, 2015	\$ 500.00

EXHIBIT B-11

Statement of Reserve for Professional Escrows
For the Year Ended December 31, 2015

Balance December 31, 2014 and 2015	\$ 52,624.00
------------------------------------	--------------

EXHIBIT B-12

Statement of Payroll Deductions Payable
For the Year Ended December 31, 2015

Balance December 31, 2014	\$ 9,546.48
Increased by:	
Payroll Deductions Withheld	301,881.75
	311,428.23
Decreased by:	
Payroll Deductions Disbursed	305,766.82
Balance December 31, 2015	\$ 5,661.41

GENERAL CAPITAL FUND

TOWNSHIP OF SHAMONG
General Capital Fund
 Schedule of Cash - Treasurer
 For the Year Ended December 31, 2015

Balance December 31, 2014		\$ 217,380.65
Receipts:		
Due From Current Fund	\$ 37,620.00	
Due From Federal and State Grant Fund	7,396.63	
Bond Anticipation Notes	223,250.00	
Due To Current Fund	232.27	
Total Receipts	268,498.90	268,498.90
Subtotal		485,879.55
Disbursements:		
Due to Current Fund	487.01	
Improvement Authorizations	235,000.00	
	235,487.01	235,487.01
Balance December 31, 2015		\$ 250,392.54

TOWNSHIP OF SHAMONG
General Capital Fund
 Analysis of General Capital Cash and Investments
 For the Year Ended December 31, 2015

Capital Improvement Fund	\$ 138,747.00
Due From Current Fund	(9,120.00)
Down Payment on Capital Improvements	200.00
Fund Balance	91,907.56
Improvement Authorizations:	
Ordinance	
<u>Number</u>	
2011-07 Improvements to Municipal Building	37,767.98
2011-09 Acquisition of F450 Truck	(9,110.00)
Total	\$ 250,392.54

TOWNSHIP OF SHAMONG
General Capital Fund
Statement of Deferred Charges to Future Taxation - Funded
For the Year Ended December 31, 2015

Balance December 31, 2014	\$ 212,621.78
Decreased By:	
Green Trust Loan Principal Paid	<u>14,474.53</u>
Balance December 31, 2015	<u>\$ 198,147.25</u>

TOWNSHIP OF SHAMONG
 General Capital Fund
 Schedule of Deferred Charges to Future Taxation - Unfunded
 For the Year Ended December 31, 2015

Ordinance Number	Improvement Description	Balance Dec. 31, 2014	2015 Authorizations	Funded By Budget Appropriation	Canceled	Balance Dec. 31, 2015	ANALYSIS OF BALANCE		
							Funded by Bond Anticipation Notes	Expenditures	Unexpended Improvement Authorizations
2006-05	Acquisition of Property	\$ 3,000.00	\$ -	\$ -	\$ 3,000.00	\$ -	\$ -	\$ -	\$ -
2011-08	Various Road and Related Improvements	250,000.00				250,000.00			250,000.00
2011-09	Sewer Utility Equipment and Improvements	18,240.00		9,120.00		9,120.00		9,110.00	10.00
2015-09	Acquisition of Real Property		223,250.00			223,250.00			
	Total	\$ 271,240.00	\$ 223,250.00	\$ 9,120.00	\$ 3,000.00	\$ 482,370.00	\$ -	\$ 9,110.00	\$ 250,010.00
									Improvement Authorizations Unfunded
									\$ 250,010.00

TOWNSHIP OF SHAMONG
General Capital Fund
 Statement of 1989 Green Trust Loan Payable
 For the Year Ended December 31, 2015

Purpose	Date of Issue	Original Issue	Maturities of Loan Outstanding December 31, 2015	Interest Rate	Balance	
					Dec. 31, 2014	Dec. 31, 2015
Dingletown II Recreation Area	05/01/94	\$ 3,000,000.00	\$ 7,346.01	2.00%	\$ 212,621.78	\$ 198,147.25
	07/29/16		7,419.47	2.00%		
	01/29/17		7,493.66	2.00%		
	07/29/17		7,568.60	2.00%		
	01/29/18		7,644.28	2.00%		
	07/29/18		7,720.73	2.00%		
	01/29/19		7,797.93	2.00%		
	07/29/19		7,875.91	2.00%		
	01/29/20		7,954.67	2.00%		
	07/29/20		8,034.22	2.00%		
	01/29/21		8,114.56	2.00%		
	07/29/21		8,195.71	2.00%		
	01/29/22		8,277.66	2.00%		
	07/29/22		8,360.44	2.00%		
	01/29/23		8,444.04	2.00%		
	07/29/23		8,528.49	2.00%		
	01/29/24		8,613.77	2.00%		
	07/29/24		8,699.91	2.00%		
	01/29/25		8,786.91	2.00%		
	07/29/25		8,874.78	2.00%		
	01/29/26		8,963.52	2.00%		
	07/29/26		9,053.16	2.00%		
	01/29/27		9,143.69	2.00%		
	07/29/27		9,235.13	2.00%		
					\$ -	\$ 14,474.53
					\$ 212,621.78	\$ 198,147.25

TOWNSHIP OF SHAMONG
 General Capital Fund
 Schedule of Bond Anticipation Notes Payable
 For the Year Ended December 31, 2015

Improvement Description	Date of Issue of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2014	Increased	Decreased	Balance Dec. 31, 2015
Dingletown II Recreation Area	11/30/2015	11/30/2015	11/30/2016	0.00%	\$ -	\$ 223,250.00	-	\$ 223,250.00
			Issued for Cash			\$ 223,250.00		

TOWNSHIP OF SHAMONG
 General Capital Fund
 Schedule of Improvement Authorizations
 For the Year Ended December 31, 2015

Ordinance Number	Improvement Description	Date	Ordinance Amount	Balance December 31, 2014		Capital Improvement Fund	Deferred Charges To Future Taxation - Unfunded	Paid or Charged	Balance December 31, 2015	
				Funded	Unfunded				Funded	Unfunded
2004-05	Acquisition of Ambulance	05/04/04	135,000.00	\$ 3,519.00	\$ -	\$ -	\$ -	\$ 3,519.00	\$ -	\$ -
2006-05	Acquisition of Property	06/07/06	175,000.00		3,000.00			3,000.00		
2010-09	Stoney Creek Recreation Center	08/03/10	340,000.00	87,995.80	250,000.00			87,995.80		250,000.00
2011-07	Improvements to Municipal Building	07/05/11	150,000.00	37,767.98					37,767.98	
2011-09	Acquisition of F450 Truck	10/04/11	48,000.00		10.00					10.00
2015-09	Acquisition of Real Property	11/10/15	235,000.00			11,750.00	223,250.00	235,000.00		
Σ	Total			\$ 129,282.78	\$ 253,010.00	\$ 11,750.00	\$ 223,250.00	\$ 235,000.00	\$ 94,514.80	\$ 250,010.00
	Cash Disbursed							<u>\$ 235,000.00</u>		
	Deferred Charges Unfunded Fund Balance							\$ 3,000.00		
								91,514.80		
								<u>\$ 94,514.80</u>		

TOWNSHIP OF SHAMONG
General Capital Fund
Schedule of Capital Improvement Fund
For the Year Ended December 31, 2015

Balance December 31, 2014	\$ 150,497.00
Decreased by:	
Appropriated to Finance Improvement Authorizations	<u>11,750.00</u>
Balance December 31, 2015	<u><u>\$ 138,747.00</u></u>

TOWNSHIP OF SHAMONG
General Capital Fund
Statement of Bonds and Notes Authorized But Not Issued
For the Year Ended December 31, 2015

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2014</u>	<u>2015 Authorizations</u>	<u>Bond Anticipation Notes Issued</u>	<u>Authorization Funded</u>	<u>Canceled</u>	<u>Balance Dec. 31, 2015</u>
2006-05	Acquisition of a Property	\$ 3,000.00	-	-	-	\$ 3,000.00	-
2010-09	Stoney Creek Recreation Center	250,000.00					250,000.00
2011-09	Acquisition of F-450 Truck	18,240.00			9,120.00		9,120.00
2015-09	Acquisition of Real Property		223,250.00	223,250.00			
	Total	<u>\$ 271,240.00</u>	<u>\$ 223,250.00</u>	<u>\$ 223,250.00</u>	<u>\$ 9,120.00</u>	<u>\$ 3,000.00</u>	<u>\$ 259,120.00</u>

TOWNSHIP OF SHAMONG

PART II

Schedule of Findings and Recommendations

For the Year Ended December 31, 2015

TOWNSHIP OF SHAMONG
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2015

Section 1 -- Summary of Auditor's Results

Financial Statement Section

Type of auditor's report issued:	<u>Unmodified</u>		
Internal control over financial reporting:			
1) Material weaknesses identified?	<u> </u> yes	<u> X </u> no	
2) Significant deficiencies identified that are not considered to be material weaknesses?	<u> </u> yes	<u> X </u> none reported	
Noncompliance material to financial statements noted?	<u> </u> yes	<u> X </u> no	

Federal Awards

NOT APPLICABLE

State Awards

NOT APPLICABLE

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

Schedule of Financial Statement Findings

This section identifies the reportable conditions, 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 requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

No findings identified.

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

Schedule of Federal Awards and State Financial Assistance
Findings and Questioned Costs

This section identifies audit findings required to be reported by section .510(a) of Circular A-133 and New Jersey OMB's Circular 15-08.

FEDERAL AWARDS

A federal single audit was not required.

STATE AWARDS

A state single audit was not required.

TOWNSHIP OF SHAMONG
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 and federal and state grant awards that are required to be reported in accordance with Government Auditing Standards and New Jersey OMB's Circular 15-08.

FINANCIAL STATEMENT FINDINGS

There were no financial statement findings in the prior year.

FEDERAL AWARDS

A federal single audit was not required.

STATE AWARDS

A state single audit was not required.

TOWNSHIP OF SHAMONG

OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office at December 31, 2015:

<u>Name</u>	<u>Title</u>	<u>Amount of Coverage</u>	<u>Name Of Surety</u>
Kenneth Long	Mayor	*	(A)
Timothy Gimbel	Deputy Mayor	*	(A)
Michael DiCroce	Committeeman	*	(A)
Sean Gray	Committeeman	*	(A)
Martin Mozitis	Committeeman	*	(A)
Christina Chambers	Chief Financial Officer	\$1,000,000.00	(A)
Susan Onorato	Administrator/Municipal Clerk	*	(A)
Kathryn Taylor	Tax Collector	\$1,000,000.00	(A)
Barbara Valenzano	Deputy Clerk	\$1,000,000.00	(A)
Terry Bodine	Court Administrator	\$1,000,000.00	(A)
Richard Andronici	Magistrate	*	(A)
John Holroyd	Electrical Sub-Code Official	*	(A)
Edward Toussaint	Building Sub-Code Official	*	(A)
	Construction Official	*	(A)
Patricia Coucoules	Construction Control Person	*	(A)
John Holroyd	Plumbing Sub-Code Official	*	(A)
John Holroyd	Fire Sub-Code Official	*	(A)
Douglas Heinold	Solicitor		
Dante Guzzi	Engineer		

(A) All Officials & Employees are covered under Blanket Coverage with the Burlington County Joint Insurance Fund.

ACKNOWLEDGMENT

I express my appreciation for the assistance and courtesies extended to the audit team by the Township Officials during the course of the audit.

Respectfully submitted,

INVERSO & STEWART, LLC

A handwritten signature in black ink, appearing to read 'R P Inverso', written over the printed name.

Robert P. Inverso
Certified Public Accountant
Registered Municipal Accountant

May 27, 2016