

**TOWNSHIP OF PISCATAWAY  
MIDDLESEX COUNTY  
NEW JERSEY**

**FINANCIAL STATEMENTS  
AND  
SUPPLEMENTARY DATA  
AND INFORMATION**

**FOR THE YEARS ENDED  
DECEMBER 31, 2015 AND 2014**

***HODULIK & MORRISON, P.A.***  
CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS  
HIGHLAND PARK, N.J.

**TOWNSHIP OF PISCATAWAY  
MIDDLESEX COUNTY, NEW JERSEY**

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MIDDLESEX COUNTY, NEW JERSEY**

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MIDDLESEX COUNTY, NEW JERSEY**

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**TOWNSHIP OF PISCATAWAY  
MIDDLESEX COUNTY, NEW JERSEY**



**PART I  
INDEPENDENT AUDITOR'S REPORT  
FINANCIAL STATEMENTS**

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members  
of the Township Council  
Township of Piscataway  
Middlesex County, New Jersey

Report on the Financial Statements

We have audited the accompanying balance sheets - regulatory basis of the various funds and Governmental Fixed Assets of the Township of Piscataway, County of Middlesex, New Jersey, as of and for the years ended December 31, 2015 and 2014, and the statements of operations and changes in fund balance - regulatory basis for the years then ended and the related statements of revenues - regulatory basis and statements of expenditures - regulatory basis of the various funds for the year ended December 31, 2015, and the related notes to the financial, which collectively comprise the basic financial statements of the Township, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

As described in Note 2, these financial statements were prepared in conformity with accounting practices prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, United States of America, that demonstrate compliance with the modified accrual basis, with certain exceptions, and the budget laws of New Jersey, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. These prescribed principles 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. Accordingly, the accompanying financial statements - regulatory basis are not intended to present financial position and results of operations in accordance with accounting principles generally accepted in the United States of America. The effect on the financial statements of the differences between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

#### Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matters discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to in the first paragraph do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial positions of the Township of Piscataway, County of Middlesex, New Jersey, as of December 31, 2015, the changes in its financial position, and, where applicable, its cash flows for the year then ended.

#### Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements - regulatory basis referred to in the first paragraph present fairly, in all material respects, the financial position - regulatory basis of the various funds and governmental fixed assets of the Township of Piscataway, County of Middlesex, 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 statements of revenues - regulatory basis and statements of expenditures - regulatory basis of the various funds for the year ended December 31, 2015, on the basis of accounting described in Note 2.

#### Emphasis of Matter

As discussed in Note 2 to the financial statements, during the year ending December 31, 2015, the provisions of Statement Number 68 of the Governmental Accounting Standards Board (GASB 68) became applicable to governmental entities reporting under accounting principles generally accepted in the United States of America. Under the regulatory basis of accounting, the Township does not present entity-wide financial statements and, accordingly, does not present on the face of its financial statements its proportionate share of the net pension liability of the defined benefit plans in which its employees are enrolled. Information relating to the Township's participation in cost-sharing, multiple employer defined benefit plans, as defined in GASB 68, including its proportionate share of the net pension liability of such plans based, upon a measurement date of June 30, 2015, is presented in notes to the financial statements.

#### Other Matters

#### Required Supplementary Information

Accounting principles generally accepted in the United States of America require that certain information, including the Notes thereto, (Required Supplementary Information – Part II), as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements is required by the Governmental Accounting Standards Board and is prescribed by the Division of Local Government Services, who considers it to be an essential part of financial reporting for placing the basic

financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### Other Information

Our audit was made for the purpose of forming an opinion on the financial statements of the Township of Piscataway, County of Middlesex, New Jersey. The information included in Part III - Supplementary Schedules and Part IV - Supplementary Data, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the financial statements of the Township of Piscataway, County of Middlesex, New Jersey. The information included in Part III - Supplementary Schedules are the responsibility of management and were derived from and related directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements, or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements - regulatory basis taken as a whole.

The schedules and information contained in Part IV - Supplementary Data have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

#### Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued a report dated September 6, 2016 on our consideration of the Township of Piscataway's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Township of Piscataway's internal control over financial reporting and compliance.

*Hodulik & Morrison, P.A.*

HODULIK & MORRISON, P.A.  
Certified Public Accountants  
Registered Municipal Accountants  
Public School Accountants



Andrew G. Hodulik  
Registered Municipal Accountant  
No. 406  
Highland Park, New Jersey  
September 6, 2016

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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

Honorable Mayor and Members  
of the Township Council  
Township of Piscataway  
Middlesex County, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements - regulatory basis of the Township of Piscataway, County of Middlesex, 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 of Piscataway's basic financial statements and have issued our report thereon date September 6, 2016. Our report was modified to reflect the departure from accounting principles generally accepted in the United States of America as disclosed in Note 2, that are embodied in the Other Comprehensive Basis of Accounting utilized for financial statement presentations, and was unqualified based upon that Other Comprehensive Basis of Accounting.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Township of Piscataway'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township of Piscataway's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township of Piscataway'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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

#### Compliance and Other Matters

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

We also noted other matters involving compliance and internal control over financial reporting that we have reported to management of the Township of Piscataway in the General Comments section of the Report of Audit.

#### Purpose of this Report

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



HODULIK & MORRISON, PA.  
Certified Public Accountants  
Registered Municipal Accountants  
Public School Accountants

Highland Park, New Jersey  
September 6, 2016

FINANCIAL STATEMENTS – REGULATORY BASIS

TOWNSHIP OF PISCATAWAY  
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS  
DECEMBER 31, 2015 AND 2014

ASSETS	BALANCE	BALANCE	LIABILITIES, RESERVES	BALANCE	BALANCE
	DEC. 31, 2015	DEC. 31, 2014	AND FUND BALANCE	DEC. 31, 2015	DEC. 31, 2014
A-4 \$	33,454,739.93	\$ 28,830,895.81	Liabilities:	A-3, A-9 \$	4,332,350.39
A Cash and Investments - Treasurer	535.00	535.00	Appropriation Reserves	A-3, A-9	2,753,852.03
A Cash - Change Fund			Reserve for Encumbrances	A-7	1,115,451.68
A Due from State of N.J., per Ch. 20, P.L. 1976	226,572.51	195,478.78	Prepaid Taxes	A-10	3,750,792.07
	33,681,847.44	29,026,909.59	Various Payables	A-10	3,749,801.30
			Various Reserves	A-14	627,252.50
			Tax Overpayments	A-12	67,154.77
			Interfunds Payable		15,325,913.35
Receivables With Offsetting Reserves:					
A-7 Taxes Receivable	1,769,496.38	1,608,618.99		Reserve	5,800,784.94
A-7 Tax Title Liens	621,161.51	596,653.18		A-1	14,300,996.24
A-7 Property Acquired for Taxes (At Assessed Valuation)	2,592,900.00	2,592,900.00	Reserve for Receivables		
A-8 Revenue Accounts Receivable	66,736.09	105,997.07	Fund Balance		
A-11 Interfunds Receivable	-	896,615.70			
Deferred Charges:					
A-19 Special Emergency	5,050,293.98	5,800,784.94			
	300,000.00	600,000.00			
<b>Total Current Fund</b>	<b>39,032,141.42</b>	<b>35,427,694.53</b>	<b>Total Current Fund</b>	<b>39,032,141.42</b>	<b>35,427,694.53</b>
State and Federal Grant Fund:			State and Federal Grant Fund:		
A-4 Cash and Investments - Treasurer	75,999.17	320,993.62	Reserve for State and Federal Grants:		
A-15 Grants Receivable	1,887,702.15	1,928,509.14	Appropriated	A-17	861,685.30
A-16 Interfund Receivable	-	67,154.77	Unappropriated	A-18	76,284.06
			Reserve for Encumbrances	A-17	218,688.17
			Interfunds Payable	A-16	1,160,000.00
<b>Total State and Federal Grant Fund</b>	<b>1,963,701.32</b>	<b>2,316,657.53</b>	<b>Total State and Federal Grant Fund</b>	<b>1,963,701.32</b>	<b>2,316,657.53</b>
<b>Grand Total</b>	<b>\$ 40,995,842.74</b>	<b>\$ 37,744,352.06</b>	<b>Grand Total</b>	<b>\$ 40,995,842.74</b>	<b>\$ 37,744,352.06</b>

Note: See Notes to Financial Statements

**TOWNSHIP OF PISCATAWAY  
MIDDLESEX COUNTY, NEW JERSEY**

**CURRENT FUND**

**COMPARATIVE STATEMENT OF OPERATIONS AND  
CHANGE IN FUND BALANCE - REGULATORY BASIS  
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

<u>REVENUE AND OTHER INCOME REALIZED</u>	<u>REF.</u>	<u>CY 2015</u>	<u>CY 2014</u>
Fund Balance Utilized	A-1, A-2	\$ 6,986,820.16	\$ 9,000,000.00
Miscellaneous Revenues Anticipated	A-2	10,295,259.86	13,109,902.18
Receipts from Delinquent Taxes	A-2	1,715,921.95	1,761,847.63
Non-Budget Revenue	A-2	1,804,051.66	1,467,298.81
Receipts from Current Taxes	A-7	164,418,522.85	157,879,217.17
Other Credits to Income:			
Unexpended Balances of Approp. Reserves	A-9	4,283,374.10	3,410,108.32
Accounts Payable Cancelled		-	1,403,902.56
Added/Omitted Cancelled			200,651.75
Interfunds Returned - Net	A-11	896,615.70	
Tax Overpayments Cancelled			329,072.44
Prior Year Senior Citizen Deduction Allowed	A-6	13,034.93	22,100.01
		<u>190,413,601.21</u>	<u>188,584,100.87</u>
Total Revenues			
<u>EXPENDITURES AND OTHER CHARGES</u>			
Budget Appropriations and Emergency Appropriations			
Within "CAP"			
Operations:			
Salaries and Wages	A-3	20,011,477.00	18,929,790.00
Other Expenses	A-3	17,747,964.28	17,770,726.50
Deferred Charges and Statutory Expend.	A-3	4,641,924.00	4,296,974.64
Appropriations Excluded from "CAP"			
Operations:			
Salaries and Wages	A-3	798,624.00	789,314.00
Other Expenses	A-3	5,355,355.76	6,745,755.07
Capital Improvements	A-3	2,025,000.00	1,785,000.00
Municipal Debt Service	A-3	10,267,048.75	9,595,167.50
Deferred Charges and Statutory Expend.	A-3	300,000.00	2,737,554.12
Special District Taxes	A-13	3,749,329.00	3,624,374.00
County Tax	A-13	22,948,302.71	22,258,200.97
County Open Space Fund	A-13	1,868,950.71	1,810,052.00
Due County for Added Taxes	A-13	672,713.43	237,003.77
Local District School Taxes	A-13	88,504,363.00	86,224,785.00
Tax Overpayments			
Tax Appeals	A-7	1,041,089.13	2,032,788.06
Interfunds Advanced - Net		-	887,895.30
Emergency Appropriation: Hurricane Sandy		-	1,090.89
Refund Current Years Revenue	A-4	8,442.51	
Refund Prior Years Revenue	A-4	255,142.29	3,195.93
		<u>180,195,726.57</u>	<u>179,729,667.75</u>
Total Expenditures			
Excess in Revenue		10,217,874.64	8,854,433.12
Adjustments to Income Before Fund Balance:			
Expenditures Included Above Which are by Statute			
Deferred Charges to Budgets of Succeeding Years		300,000.00	2,737,554.12
Statutory Excess to Fund Balance		10,517,874.64	11,591,987.24
<u>FUND BALANCE</u>			
Balance - January 1	A	<u>14,300,996.24</u>	<u>11,709,009.00</u>
		24,818,870.88	23,300,996.24
Decreased by:			
Utilization as Anticipated Revenue	A-1	<u>6,986,820.16</u>	<u>9,000,000.00</u>
Balance - December 31	A	<u>\$ 17,832,050.72</u>	<u>\$ 14,300,996.24</u>

Note: See Notes to Financial Statements

**TOWNSHIP OF PISCATAWAY  
MIDDLESEX COUNTY, NEW JERSEY**

**Exhibit A-2**

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

	<u>REF.</u>	ANTICIPATED CY 2015 <u>BUDGET</u>	APPROP. N.J.S.A. <u>40A:4-87</u>	<u>REALIZED</u>	<u>EXCESS OR (DEFICIT)</u>
Fund Balance Anticipated	A-1	\$ 6,986,820.16	\$ _____	\$ 6,986,820.16	\$ _____
Miscellaneous Revenues:					
Licenses:					
Alcoholic Beverages	A-8	50,000.00		58,650.00	8,650.00
Other	A-8	50,000.00		98,107.50	48,107.50
Fees and Permits	A-8	450,000.00		574,965.78	124,965.78
Fines and Costs:					
Municipal Court	A-8	850,000.00		977,353.35	127,353.35
Interest and Costs on Taxes	A-5	375,000.00		403,199.50	28,199.50
Interest on Investments and Deposits	A-8	35,000.00		86,773.35	51,773.35
Reserve for PCTV	A-10	14,000.00		14,000.00	-
Hotel and Motel Tax	A-8	260,000.00		420,616.54	160,616.54
Cable Franchise Fees	A-8	160,000.00		198,600.64	38,600.64
Library Fines and Fees	A-8	36,000.00		36,000.00	-
Consolidated Municipal Property Tax Relief Aid	A-8	508,362.00		508,362.00	-
Energy Receipts Taxes	A-8	5,350,217.00		5,350,217.00	-
Supplemental Energy Receipts Taxes with Appropriations (N.J.S.A. 40A:4-36 and N.J.A.C. 5:23-4.17):	A-8			-	-
Uniform Construction Code Fees	A-8	900,000.00		761,631.06	(138,368.94)
Uniform Fire Safety Act	A-8	55,000.00		84,352.38	29,352.38
Interlocal Services: Shared Services with Dunellen	A-8	100,000.00		102,000.00	2,000.00
Public and Private Revenues Offset with Approps.:					
Alcohol Education Rehabilitation Fund	A-12		2,887.72	2,887.72	-
Body Armor Fund	A-12		7,740.70	7,740.70	-
Bullet Proof Vest Program	A-12		8,543.61	8,543.61	-
Clean Communities Program	A-12	-	102,047.67	102,047.67	-
CED Program - Taser	A-12		11,574.95	11,574.95	-
Community Development Block Grant	A-12		220,487.00	220,487.00	-
Drunk Driving Enforcement Grant	A-12		12,274.11	12,274.11	-
Drive Sober or Pulled Over	A-12		5,000.00	5,000.00	-
Public and Private Revenues Offset with Approps. (cont'd.):					
Federal Emergency Management Grant	A-12		12,000.00	12,000.00	-
Middlesex County Cultural and Heritage Library	A-12	351.00		351.00	-
Multi-Jurisdictional Gang, Gun & Narcotics Task Force Program	A-12	6,000.00	6,000.00	12,000.00	-
Municipal Alliance on Alcoholism and Drug Abuse	A-12	44,620.00	44,620.00	89,240.00	-
Recycling Tonnage Grant	A-12	76,284.00		76,284.00	-
Safe and Secure Communities Program	A-12	60,000.00		60,000.00	-
Total Miscellaneous Revenues	A-1	<u>9,380,834.00</u>	<u>433,175.76</u>	<u>10,295,259.86</u>	<u>481,250.10</u>
Receipts from Delinquent Taxes	A-1,A-7	<u>1,500,000.00</u>		<u>1,715,921.95</u>	<u>215,921.95</u>
Subtotal General Revenues		<u>17,867,654.16</u>	<u>433,175.76</u>	<u>18,998,001.97</u>	<u>697,172.05</u>
Amount to be Raised by Taxes for Support of Municipal Budget:					
Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes	A-7	<u>45,248,384.03</u>		<u>49,076,684.16</u>	<u>3,828,300.13</u>
Budget Totals		<u>63,116,038.19</u>	<u>433,175.76</u>	<u>68,074,686.13</u>	<u>\$ 4,525,472.18</u>
Non-Budget Revenues	A-1,A-8			<u>1,804,051.66</u>	
		<u>\$ 63,116,038.19</u>	<u>\$ 433,175.76</u>	<u>\$ 69,878,737.79</u>	
	<u>Ref.</u>	A-3	A-3		

( ) Denotes Deficit

Note: See Notes to Financial Statements

**TOWNSHIP OF PISCATAWAY  
MIDDLESEX COUNTY, NEW JERSEY  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE CALENDAR YEAR ENDED DECEMBER 31, 2015**

	CY 2015 BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	EXPENDED		RESERVED	UNEXPENDED BALANCE CANCELLED
				ENCUMBERED			
<b>OPERATIONS WITHIN "CAPS"</b>							
<u>General Government:</u>							
Township Council							
Salaries and Wages	\$ 71,272.00	\$ 71,271.20	\$ 71,271.20	\$ -	\$ -	\$ 1,018.31	
Other Expenses	17,000.00	17,000.00	14,438.55	1,543.14			
Township Clerk							
Salaries and Wages	209,896.00	213,896.00	212,460.85	-	1,435.15		
Other Expenses	28,000.00	38,000.00	27,461.95	10,222.38	315.67		
Elections							
Salaries and Wages	20,000.00	13,000.00	2,137.50	-	10,862.50		
Other Expenses	15,000.00	22,000.00	20,788.72	-	1,211.28		
<u>Administration:</u>							
Dept. of Administration							
Salaries and Wages	427,644.00	427,644.00	427,340.00	-	304.00		
Other Expenses	133,000.00	133,000.00	51,709.12	6,816.64	74,474.24		
Division of Personnel							
Salaries and Wages	110,892.00	112,542.00	112,501.60	-	40.40		
Other Expenses	14,000.00	14,000.00	9,245.91	775.70	3,978.39		
Computer Center							
Salaries and Wages	71,728.00	71,728.00	69,367.55	-	2,360.45		
Other Expenses	282,000.00	257,000.00	42,908.65	7,609.23	206,482.12		
Division of Purchasing							
Salaries and Wages	40,000.00	40,000.00	20,040.37	-	19,959.63		
Other Expenses:	45,000.00	45,000.00	27,770.48	4,402.46	12,827.06		
Postage ( All Depts.)	67,000.00	69,000.00	63,319.31	4,892.77	787.92		
Duplicating ( All Depts.)	9,000.00	9,000.00	4,721.16	-	4,278.84		
Municipal Land Use (N.J.S.A. 40:55 D-1):							
Planning Board							
Salaries and Wages	7,064.00	7,064.00	7,054.04	-	9.96		
Other Expenses	65,000.00	65,000.00	30,464.91	1,200.00	33,335.09		
Zoning Board of Adjustment							
Salaries and Wages	7,064.00	7,064.00	7,053.08	-	10.92		
Other Expenses	65,000.00	65,000.00	48,283.42	12,551.41	4,165.17		

TOWNSHIP OF PISCATAWAY  
MIDDLESEX COUNTY, NEW JERSEY

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

	CY 2015 BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	EXPENDED		RESERVED	UNEXPENDED BALANCE CANCELLED
				ENCUMBERED	CANCELLED		
Administration (cont'd):							
Cable TV Studio							
Salaries and Wages	\$ 203,549.00	\$ 203,549.00	\$ 201,208.44	\$ -	\$ 2,340.56		
Other Expenses	12,000.00	12,000.00	8,071.86	1,865.64	2,062.50		
Celebration of Public Events							
Other Expenses	14,000.00	14,000.00	14,000.00	-	-		
<u>Finance and Revenue</u>							
Department of Finance							
Salaries and Wages	355,683.00	355,683.00	326,968.60	-	28,714.40		
Other Expenses	72,000.00	72,000.00	47,200.94	22,194.93	2,604.13		
Annual Audit	70,000.00	70,000.00	-	70,000.00	-		
Division of Assessment							
Salaries and Wages	200,154.00	202,154.00	201,386.77	-	767.23		
Other Expenses	192,000.00	212,000.00	192,891.56	10,258.82	8,849.62		
Division of Revenue							
Salaries and Wages	190,665.00	190,665.00	117,999.83	-	72,665.17		
Other Expenses	39,000.00	49,000.00	41,583.19	223.30	7,193.51		
Insurance							
Liability Insurance	1,577,600.00	1,195,600.00	1,078,318.50	39,826.32	77,455.18		
Worker's Compensation Insurance	5,000.00	5,000.00	5,000.00	-	-		
Health Insurance Waiver	135,000.00	135,000.00	95,875.00	-	39,125.00		
Employee Group Insurance	7,666,970.00	7,666,970.00	6,833,151.17	511,836.94	321,981.89		
<u>Municipal Court</u>							
Salaries and Wages	438,067.00	433,067.00	375,617.54	-	57,449.46		
Other Expenses	35,000.00	35,000.00	18,547.10	521.10	15,931.80		
Public Defender (P.L. 1997, Ch. 256)							
Other Expenses	32,000.00	32,000.00	20,000.00	-	12,000.00		
<u>Law</u>							
Department of Law							
Other Expenses	475,000.00	485,000.00	331,317.76	150,414.27	3,267.97		
Municipal Prosecutor							
Other Expenses	60,000.00	75,000.00	56,072.26	8,927.74	10,000.00		
<u>PUBLIC SAFETY:</u>							
Uniform Fire Safety Act (P.L. 1983 C. 383)							
Salaries and Wages	250,646.00	250,646.00	243,541.01	-	7,104.99		
Other Expenses	15,000.00	15,000.00	11,369.16	3,503.96	126.88		
Animal Control							
Salaries and Wages	10,461.00	18,461.00	7,283.76	-	11,177.24		
Other Expenses	20,000.00	20,000.00	6,764.00	1,236.00	12,000.00		

**TOWNSHIP OF PISCATAWAY  
MIDDLESEX COUNTY, NEW JERSEY  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE CALENDAR YEAR ENDED DECEMBER 31, 2015**

	CY 2015 BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	EXPENDED		RESERVED	UNEXPENDED BALANCE CANCELLED
				ENCUMBERED	CANCELLED		
<b>PUBLIC SAFETY (CONTD):</b>							
Division of Schools Crossing Guards	\$ 312,000.00	\$ 312,000.00	\$ 256,462.99	\$ -	\$ -	\$ 55,537.01	
Salaries and Wages	2,000.00	2,000.00	860.00	-	-	1,140.00	
Other Expenses							
Division of Police	12,140,398.00	11,995,398.00	11,385,422.45	-	-	609,975.55	
Salaries and Wages	355,000.00	405,000.00	301,240.21	5,382.83	-	98,376.96	
Other Expenses	96,000.00	96,000.00	34,858.00	9,429.00	-	51,713.00	
First Aid Organization - Contribution							
Office of Emergency Management	33,062.00	33,062.00	33,052.16	-	-	9.84	
Salaries and Wages	11,000.00	11,000.00	7,015.53	926.20	-	3,058.27	
Other Expenses							
<b>PUBLIC WORKS:</b>							
Department of Public Works	194,590.00	194,590.00	170,184.65	-	-	24,405.35	
Salaries and Wages	46,000.00	46,000.00	17,161.97	15,444.14	-	13,393.89	
Other Expenses							
Division of Engineering	515,318.00	515,318.00	373,607.11	-	-	141,710.89	
Salaries and Wages	53,000.00	53,000.00	19,926.21	875.46	-	32,198.33	
Other Expenses							
Division of Community Development and Planning	423,872.00	423,872.00	423,544.56	-	-	327.44	
Salaries and Wages	135,968.28	135,968.28	43,236.09	33,597.29	-	59,134.90	
Other Expenses							
Public Building and Grounds	182,081.00	182,081.00	166,223.37	-	-	15,857.63	
Salaries and Wages	370,000.00	370,000.00	259,366.08	105,794.04	-	4,839.88	
Other Expenses							
Division of Property Maintenance TRAFFIC	183,565.00	183,565.00	167,493.60	-	-	16,071.40	
Salaries and Wages	95,000.00	95,000.00	13,652.50	5,226.41	-	76,121.09	
Other Expenses							
Division of Property Maintenance FLEET	375,729.00	375,729.00	359,876.07	-	-	15,852.93	
Salaries and Wages	395,000.00	395,000.00	307,209.68	74,878.80	-	12,911.52	
Other Expenses							
Division of Streets and Road Maintenance	846,500.00	846,500.00	798,941.45	-	-	47,558.55	
Salaries and Wages	55,000.00	55,000.00	25,163.48	5,688.09	-	24,148.43	
Other Expenses							
Snow Removal	250,000.00	240,000.00	89,826.57	-	-	150,173.43	
Salaries and Wages	265,000.00	275,000.00	172,961.55	89,461.39	-	12,577.06	
Other Expenses	1,950,000.00	1,950,000.00	1,011,366.48	462,830.64	-	475,802.88	
All Utilities							
Division of Parks	626,889.00	581,239.80	536,770.44	-	-	44,469.36	
Salaries and Wages	200,000.00	200,000.00	159,712.01	30,230.59	-	10,057.40	
Other Expenses							
Shade Tree	900.00	900.00	330.00	-	-	570.00	
Other Expenses							

TOWNSHIP OF PISCATAWAY  
MIDDLESEX COUNTY, NEW JERSEY

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

	CY 2015 BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	EXPENDED		RESERVED	UNEXPENDED BALANCE CANCELLED
				ENCUMBERED			
<u>PUBLIC WORKS(CONT'D):</u>							
Division of Sanitation - Sewer System							
Other Expenses	\$ 32,500.00	\$ 32,500.00	\$ 1,800.00	\$ 700.00	\$ 30,000.00		
Solid Waste Collection	454,515.00	512,515.00	498,477.71	-	14,037.29		
Salaries and Wages	6,000.00	6,000.00	3,150.83	421.42	2,427.75		
Other Expenses							
Recycling Program	86,000.00	86,000.00	19,792.68	2,723.07	63,484.25		
Other Expenses	115,000.00	115,000.00	-	-	115,000.00		
Municipal Services Act							
<u>HEALTH AND WELFARE:</u>							
Division of Public Assistance							
Other Expenses	2,000.00	2,000.00	2,000.00	-	-		
Office on Aging	408,447.00	408,447.00	343,662.72	-	64,784.28		
Salaries and Wages	92,000.00	92,000.00	53,167.98	13,556.26	25,275.76		
Other Expenses							
<u>RECREATION AND EDUCATION</u>							
Department of Recreation							
Salaries and Wages	246,388.00	271,388.00	270,816.62	-	571.38		
Other Expenses	240,000.00	230,000.00	164,908.92	55,493.47	9,597.61		
Accumulated Leave Compensation	200,000.00	200,000.00	200,000.00	-	-		
Salary Adjustment	15,000.00	-	-	-	-		
Salaries and Wages							
Reserve for Tax Appeals	1,800,000.00	1,800,000.00	1,800,000.00	-	-		
Other Expenses							

TOWNSHIP OF PISCATAWAY  
MIDDLESEX COUNTY, NEW JERSEY

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

Uniform Construction Code	CY 2015 BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	EXPENDED		UNEXPENDED BALANCE CANCELLED
				ENCUMBERED	RESERVED	
Division of Inspections	\$ 514,216.00	\$ 514,216.00	\$ 488,632.76	\$ -	\$ 25,583.24	
Salaries and Wages	15,000.00	20,000.00	13,449.80	2,978.40	3,571.80	
Other Expenses						
Boards and Commissions	5,148.00	5,148.00	5,148.00	-	28,078.29	
Salaries and Wages	45,000.00	45,000.00	16,921.71	-	-	
Other Expenses						
Total Operations Within "CAPS"	38,166,441.28	37,759,441.28	32,521,901.76	1,786,460.25	3,451,079.27	
Contingent						
Total Operations Including Contingent Within "CAPS"	38,166,441.28	37,759,441.28	32,521,901.76	1,786,460.25	3,451,079.27	
DETAIL:						
Salaries and Wages	20,143,938.00	20,011,477.00	18,596,598.01	-	1,414,878.99	
Other Expenses (Including Contingent)	18,022,503.28	17,747,964.28	13,925,303.75	1,786,460.25	2,036,200.28	
STATUTORY EXPENDITURES:						
Contribution to:						
Social Security System (O.A.S.I.)	1,131,800.00	1,118,800.00	723,981.90	-	394,818.10	
Public Employees Retirement System	1,033,597.00	1,033,597.00	1,033,597.00	-	-	
Police and Firemen's Pension Fund	2,374,527.00	2,374,527.00	2,374,527.00	-	-	
State Unemployment Insurance	100,000.00	100,000.00	100,000.00	-	-	
Defined Contribution Retirement Program	10,000.00	15,000.00	10,447.87	-	4,552.13	
Total Deferred Charges and Statutory Expenditures Municipal Within "CAPS"	4,649,924.00	4,641,924.00	4,242,553.77	-	399,370.23	
Judgments						
Total General Appropriations for Municipal Purposes Within "CAPS"	42,816,365.28	42,401,365.28	36,764,455.53	1,786,460.25	3,850,449.50	

TOWNSHIP OF PISCATAWAY  
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE CALENDAR YEAR ENDED DECEMBER 31, 2015

	CY 2015 BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	EXPENDED		RESERVED	UNEXPENDED BALANCE CANCELLED
				ENCUMBERED	EXPENDED		
<b>OPERATIONS EXCLUDED FROM "CAPS"</b>							
911 Emergency Telecommunication Services	\$ 758,624.00	\$ 798,624.00	\$ 798,522.10	\$ -	\$ 101.90		
Salaries and Wages	482,000.00	482,000.00	444,598.07	15,730.54	21,671.39		
Other Expenses	2,557,000.00	2,557,000.00	2,442,378.90	108,541.04	6,080.06		
Maintenance of Free Public Library (NJSA 40:54-8)							
NJDES - Storm Water	60,000.00	60,000.00	51,054.30	5,535.20	3,410.50		
Other Expenses	18,425.00	18,425.00	18,425.00	-	-		
Supplemental Fire Services District Payment	700,000.00	700,000.00	431,885.06	68,114.94	200,000.00		
MCIA Recycling Program	400,000.00	400,000.00	135,048.94	44,951.06	220,000.00		
MCUA Solid Waste Agreement	60,000.00	60,000.00	-	60,000.00	-		
Edison Animal Control Contract	27,500.00	27,500.00	8,220.96	-	19,279.04		
UMDNJ Agreements	400,000.00	400,000.00	397,953.00	-	2,047.00		
Middlesex County Health Department							
<b>PUBLIC AND PRIVATE PROGRAMS</b>							
<b>OFFSET BY REVENUES</b>							
Alcohol Education Rehab Program		2,887.72	2,887.72	-	-		
Body Armor Fund Grant		7,740.70	7,740.70	-	-		
Bullet Proof Vest Grant		8,543.61	8,543.61	-	-		
Clean Communities Grant		102,047.67	102,047.67	-	-		
Community Development Block Grant-		220,487.00	220,487.00	-	-		
Drive Sober or Get Pulled Over		5,000.00	5,000.00	-	-		
Drunk Driving Enforcement		12,274.11	12,274.11	-	-		
Municipal Alliance on Alcoholism and Drug Abuse Grant	44,620.00	44,620.00	44,620.00	-	-		
CED Program-Tasers		11,574.95	11,574.95	-	-		
Middlesex County Cultural & Heritage	351.00	351.00	351.00	-	-		
Multi-jurisdictional Gang, Gun & Narcotic Task Force Progr	6,000.00	12,000.00	12,000.00	-	-		
Recycling Tonnage Grant	76,284.00	76,284.00	76,284.00	-	-		
Safe and Secure Communities Program	60,000.00	60,000.00	60,000.00	-	-		
EMPG-EMMA		12,000.00	12,000.00	-	-		
Matching Funds	30,000.00	30,000.00	30,000.00	-	-		
Total Operations Excluded from "CAPS"	5,680,804.00	6,153,979.76	5,378,517.09	302,872.78	472,589.89		
<b>DETAIL:</b>							
Salaries and Wages	758,624.00	798,624.00	798,522.10	-	101.90		
Other Expenses	4,922,180.00	5,355,355.76	4,579,994.99	302,872.78	472,487.99		

TOWNSHIP OF PISCATAWAY  
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE CALENDAR YEAR ENDED DECEMBER 31, 2015

	CY 2015 BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	EXPENDED		UNEXPENDED BALANCE CANCELLED
				ENCUMBERED	RESERVED	
<b>CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"</b>						
Down Payment on Improvements	\$ 1,000,000.00	\$ 1,350,000.00	\$ 1,350,000.00	\$ -	\$ 4,890.00	-
4-Wheel Vehicles for Code Enforcement	150,000.00	150,000.00	-	145,110.00	-	-
Land Acquisition	500,000.00	500,000.00	1,170.00	498,830.00	-	-
Equipment PCTV		25,000.00	-	20,579.00	4,421.00	-
<b>Total Capital Improvements Excl. from "CAPS"</b>	<b>1,650,000.00</b>	<b>2,025,000.00</b>	<b>1,351,170.00</b>	<b>664,519.00</b>	<b>9,311.00</b>	<b>-</b>
<b>MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"</b>						
Payment of Bond Principal	8,655,000.00	8,655,000.00	8,655,000.00	-	-	-
Interest on Bonds	1,612,048.75	1,612,048.75	1,612,048.75	-	-	-
<b>Total Municipal Debt Service - Excl. from "CAPS"</b>	<b>10,267,048.75</b>	<b>10,267,048.75</b>	<b>10,267,048.75</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>DEFERRED CHARGES - MUNICIPAL EXCLUDED FROM "CAPS"</b>						
Deferred Charges						
Emergency Authorizations - 5 yrs	300,000.00	300,000.00	300,000.00	-	-	-
<b>Total Deferred Charges - Municipal Excluded from "CAPS"</b>	<b>300,000.00</b>	<b>300,000.00</b>	<b>300,000.00</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total General Appropriations for Municipal Purposes Excluded from "CAPS"</b>	<b>17,897,852.75</b>	<b>18,746,028.51</b>	<b>17,296,735.84</b>	<b>967,391.78</b>	<b>481,900.89</b>	<b>-</b>

TOWNSHIP OF PISCATAWAY  
MIDDLESEX COUNTY, NEW JERSEY

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

	CY 2015 BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	EXPENDED	UNEXPENDED BALANCE CANCELLED
				ENCUMBERED	RESERVED
Subtotal General Appropriations	\$ 60,714,218.03	\$ 61,147,393.79	\$ 54,061,191.37	\$ 2,753,852.03	\$ 4,332,350.39
Reserve for Uncollected Taxes	2,401,820.16	2,401,820.16	2,401,820.16		
Total General Appropriations	\$ 63,116,038.19	\$ 63,549,213.95	\$ 56,463,011.53	\$ 2,753,852.03	\$ 4,332,350.39
REF.			A-1	A,A-1	A-1
Adopted Budget	\$ 63,116,038.19				
Approp. by N.J.S.A. 40A:4-87	433,175.76				
	\$ 63,549,213.95				
Disbursed			\$ 53,389,132.07		
Reserve for Uncollected Taxes			2,401,820.16		
Reserve for Tax Appeals			1,800,000.00		
Reserve for Library			(24,359.00)		
Emergency Authorization: Real Property Valua.			300,000.00		
Due To Trust Fund: Snow			30,000.00		
Due To Trust Fund: National Night Out			1,000.00		
Due To Trust Fund: Severance			200,000.00		
Due to Trust Fund: Public Defender			10,000.00		
General Capital Fund - Capital Improvement Fund			1,350,000.00		
Due to Senior Housing Utility			(458,181.00)		
Due to Unemployment Trust			100,000.00		
Due Sewer Utility Operating			(3,291,141.46)		
Due to State and Federal Grants Fund			654,740.76		
			\$ 56,463,011.53		

Note: See Notes to Financial Statements

TOWNSHIP OF PISCATAWAY  
MIDDLESEX COUNTY, NEW JERSEY

TRUST FUNDS  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS  
DECEMBER 31, 2015 AND 2014

ASSETS	REF.	BALANCE DEC. 31, 2015	BALANCE DEC. 31, 2014	LIABILITIES, RESERVES AND FUND BALANCE	REF.	BALANCE DEC. 31, 2015	BALANCE DEC. 31, 2014
<b>Animal Control Fund:</b>							
Cash and Investments - Treasurer	B-1	\$ 54,941.87	\$ 38,918.17	Due to State of New Jersey	B-1	\$ 54,990.47	\$ -
Due from State of New Jersey	B-1	48.60	37.20	Reserve for Animal Control Expenditures	B-1	-	38,955.37
Total Animal Control Fund		54,990.47	38,955.37	Total Animal Control Fund		54,990.47	38,955.37
<b>Self-Insurance Trust Fund:</b>							
Cash and Investments - Treasurer	B-1	-	41,568.68	Self-Insurance Trust Fund: Reserve for Self Insurance	B-1	-	41,568.68
Total Trust-Other Fund		-	41,568.68	Total Trust-Other Fund		-	41,568.68
<b>Other Trust Funds:</b>							
Cash and Investments - Treasurer	B-1	15,675,013.89	10,479,161.71	Payroll Liabilities	B-1	124,110.61	107,312.86
State and Federal Grants Receivable	B-1	-	6,000,000.00	Unemployment Insurance Trust Fund	B-1	489,474.88	437,521.63
Interfund Receivable	B-1	-	-	Miscellaneous Deposits	B-1	8,668,453.52	8,296,829.87
Total Escrow Trust Fund		15,675,013.89	16,479,161.71	Affordable Housing	B-1	690,672.67	393,969.04
				Interfund Payable	B-1	-	896,615.70
				Recreation Trust	B-1	56,127.99	62,682.31
				Schedule of Escrows	B-2	5,646,174.22	6,284,230.30
				Total Escrow Trust Fund		15,675,013.89	16,479,161.71
<b>Public Assistance Fund:</b>							
Cash and Investments - Treasurer	B-1	10,411.35	8,411.35	Public Assistance Fund: Reserve for Public Assistance	B-1	10,411.35	8,411.35
Total Public Assistance Fund		10,411.35	8,411.35	Total Public Assistance Fund		10,411.35	8,411.35
<b>Grand Total</b>		<b>\$ 15,740,415.71</b>	<b>\$ 16,568,097.11</b>			<b>\$ 15,740,415.71</b>	<b>\$ 16,568,097.11</b>

Note: See Notes to Financial Statements.

**TOWNSHIP OF PISCATAWAY  
MIDDLESEX COUNTY, NEW JERSEY**

**GENERAL CAPITAL FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS  
DECEMBER 31, 2015 AND 2014**

	<u>REF.</u>	<u>BALANCE DEC. 31, 2015</u>	<u>BALANCE DEC. 31, 2014</u>
<b><u>ASSETS</u></b>			
Cash, Cash Equivalents and Investments	C- 2	\$ 1,597,000.27	\$ 717,605.94
Due from Grant Fund	C- 10	931,000.00	1,160,000.00
Deferred Charges to Future Taxation:			
Funded	C- 4	49,103,000.00	47,958,000.00
Unfunded	C- 5	<u>46,920,079.74</u>	<u>42,745,579.74</u>
Total Assets		<u>\$ 98,551,080.01</u>	<u>\$ 92,581,185.68</u>
<b><u>LIABILITIES, RESERVES AND FUND BALANCE</u></b>			
General Serial Bonds	C-9	\$ 49,103,000.00	\$ 47,958,000.00
Improvement Authorizations:			
Funded	C- 8	3,866,760.45	2,640,443.36
Unfunded	C- 8	34,029,875.18	24,958,218.93
Reserve for Encumbrances	C- 8	3,552,286.18	5,287,827.06
Capital Improvement Fund	C- 6	501,499.30	325,999.30
Contributions - Off-Site Improvements	C- 7	1,737,960.49	1,797,412.53
Reserve for Preliminary Expenses	C-11	1,055,935.10	2,396,044.49
Reserve for Debt Service	C-16	49,485.78	19,141.98
Contributions - Tree Contributions	C-12	6,000.00	8,300.00
Reserve: Stelton Streetscape	C-13	20,250.00	20,250.00
Reserve: Community Center	C-14	2,995,000.00	5,000.00
Reserve: Good Faith Deposit		196,000.00	
Interfund: Sewer Capital Fund			6,000,000.00
Interfund: Other Trust Fund	C- 10		1,164,548.03
Fund Balance	C- 1	<u>1,437,027.53</u>	<u>1,164,548.03</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 98,551,080.01</u>	<u>\$ 92,581,185.68</u>
Bonds & Notes Authorized but not Issued	C-17	<u>\$ 46,920,079.74</u>	<u>\$ 42,745,579.74</u>
Note: See Notes to Financial Statements			

**TOWNSHIP OF PISCATAWAY  
MIDDLESEX COUNTY, NEW JERSEY**

**GENERAL CAPITAL FUND  
STATEMENT OF FUND BALANCE - REGULATORY BASIS  
FOR THE PERIOD ENDED DECEMBER 31, 2015**

	<u>REF.</u>	
Balance - December 31, 2014	C	\$ 1,164,548.03
Increased by:		
Premium on Sale of Serial Bonds	C-2	<u>820,479.50</u>
		2,805,507.03
Decreased by:		
Down payment on Improvement	C-8	<u>548,000.00</u>
Balance - December 31, 2015	C	<u><u>\$ 2,257,507.03</u></u>

Note: See Notes to Financial Statements

TOWNSHIP OF PISCATAWAY  
MIDDLESEX COUNTY, NEW JERSEY

Exhibit - D

SEWER UTILITY FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS  
DECEMBER 31, 2014 AND 2013

ASSETS	REF.	BALANCE DEC. 31, 2015	BALANCE DEC. 31, 2014	LIABILITIES, RESERVES AND FUND BALANCE	REF.	BALANCE DEC. 31, 2015	BALANCE DEC. 31, 2014
Operating Fund:							
Cash and Investments - Treasurer	D-5	\$ 6,478,379.91	\$ 3,875,928.59	Appropriation Reserves	D-4, D-11	\$ 1,343,585.12	\$ 963,554.08
Change Fund - Collector	D	100.00	100.00	Reserve for Encumbrances	D-4, D-11	1,500,292.20	76,028.82
Due from Sewer Capital Fund	D-21	<u>1,500,000.00</u>	<u>1,500,000.00</u>	Accrued Interest Payable	D-12	30,554.69	32,601.56
		<u>6,478,479.91</u>	<u>5,376,028.59</u>	Prepaid Sewer Charges	D-13	22,468.70	20,114.70
				Sewer Overpayments	D-14	8,667.25	5,893.72
				Accounts Payable	D-15	<u>121,788.53</u>	<u>69,266.57</u>
Receivables and Inventory With							
Offsetting Reserves:							
Sewer Lien Receivable	D-8	1,431.26					
Sewer Charges Receivable	D-8	<u>1,473,686.70</u>	<u>509,200.28</u>			3,027,356.49	1,167,459.45
		<u>1,475,117.96</u>	<u>509,200.28</u>	Reserve for Receivables	Reserve	1,475,117.96	509,200.28
				Fund Balance	D-1	<u>3,451,123.42</u>	<u>4,208,569.14</u>
		<u>7,953,597.87</u>	<u>5,885,228.87</u>			<u>7,953,597.87</u>	<u>5,885,228.87</u>
Total Operating Fund							
Capital Fund:							
Cash and Investments - Treasurer	D-5	2,065,358.29	3,906,953.51	Serial Bonds Payable	D-23	3,060,000.00	3,280,000.00
Fixed Capital	D-9	14,992,561.49	14,992,561.49	Reserve for Encumbrances	D-16	256,171.22	619,216.28
Fixed Capital Authorized and Uncompleted	D-10	<u>12,045,000.00</u>	<u>12,045,000.00</u>	Due to Sewer Operating Fund	D-22	-	1,500,000.00
				Improvement Authorizations:			
				Funded	D-16	3,771,864.31	3,775,414.47
				Unfunded	D-16	1,126,632.76	1,627,139.60
				Capital Improvement Fund	D-19	153,750.00	128,750.00
				Reserve for Amortization	D-20	16,909,061.52	16,188,554.68
				Deferred Reserve for Amortization	D-17	3,723,500.00	3,723,500.00
				Fund Balance	D-2	<u>101,939.97</u>	<u>101,939.97</u>
		<u>29,102,919.78</u>	<u>30,944,515.00</u>			<u>29,102,919.78</u>	<u>30,944,515.00</u>
Total Capital Fund							
		<u>\$ 37,056,517.65</u>	<u>\$ 36,829,743.87</u>	Total		<u>\$ 37,056,517.65</u>	<u>\$ 36,829,743.87</u>
Grand Total							

There were Bonds and Notes Authorized but Not Issued on December 31, 2015 in the amount of \$1,844,999.97 (Exhibit D-24).

Note: See Notes to Financial Statements

**TOWNSHIP OF PISCATAWAY  
MIDDLESEX COUNTY, NEW JERSEY**

Exhibit - D-1

**SEWER UTILITY OPERATING FUND  
COMPARATIVE STATEMENT OF OPERATIONS AND  
CHANGE IN FUND BALANCE - REGULATORY BASIS  
FOR THE CALENDAR YEARS ENDED DECEMBER 31, 2015 AND 2014**

<u>REVENUE AND OTHER INCOME</u>		<u>CY 2015</u>	<u>CY 2014</u>
Fund Balance Utilized	D-1,D- 3	\$ 1,757,926.84	\$ 2,545,000.00
Sewer Charges	D- 3	9,380,225.82	9,867,162.47
Connection Fees	D- 3	36,180.00	216,560.00
Interest on Investments	D- 3	2,493.49	1,141.59
Interest on Delinquent Accounts	D- 3	68,531.19	78,865.98
Other Credits to Income:			
Miscellaneous Revenue	D- 3	685,779.74	317,108.49
Sewer Overpayment	D-14	-	14,799.51
Unexpnd. Balance of Appropriation Reserves			
Lapsed and Reserve for Encumb. Canceled	D-11	<u>920,724.01</u>	<u>1,551,110.91</u>
 Total Revenues		 <u>12,851,861.09</u>	 <u>14,591,748.95</u>
 <u>EXPENDITURES</u>			
Budget and Emergency Appropriations:			
Operating	D- 4	\$ 9,203,350.00	\$ 8,576,815.00
Capital Improvements	D- 4	1,525,000.00	1,525,000.00
Debt Service	D- 4	346,578.13	343,747.91
Deferred Charges and Statutory Expend.	D- 4	<u>776,451.84</u>	<u>1,472,541.25</u>
 Total Expenditures		 <u>11,851,379.97</u>	 <u>11,918,104.16</u>
 Excess/(Deficit) in Revenues		 1,000,481.12	 2,673,644.79
 <u>FUND BALANCE</u>			
Balance - January 1	D	<u>4,208,569.14</u>	<u>4,079,924.35</u>
		5,209,050.26	6,753,569.14
Decreased by:			
Utilized as Anticipated Revenue	D-1	<u>1,757,926.84</u>	<u>2,545,000.00</u>
Balance - December 31, 2015	D	<u>\$ 3,451,123.42</u>	<u>\$ 4,208,569.14</u>

Note: See Notes to Financial Statements

**TOWNSHIP OF PISCATAWAY  
MIDDLESEX COUNTY, NEW JERSEY**

**Exhibit D-2**

**SEWER UTILITY CAPITAL FUND  
STATEMENT OF FUND BALANCE - REGULATORY BASIS  
FOR THE CALENDAR YEAR ENDED DECEMBER 31, 2015**

	<u>REF</u>	
Balance December 31, 2014	D	\$ 101,939.97
Balance December 31, 2015	D	<u>\$ 101,939.97</u>

Note: See Notes to Financial Statements

**TOWNSHIP OF PISCATAWAY  
MIDDLESEX COUNTY, NEW JERSEY**

**SEWER UTILITY OPERATING FUND  
STATEMENT OF REVENUES - REGULATORY BASIS  
FOR THE CALENDAR YEAR ENDED DECEMBER 31, 2015**

	<u>REF.</u>	CY 2015 <u>BUDGET</u>	<u>REALIZED</u>	EXCESS OR <u>(DEFICIT)</u>
Fund Balance	D- 1	\$ 1,757,926.84	\$ 1,757,926.84	\$ -
Sewer Service Charges	D- 1,D-3	9,860,000.00	9,380,225.82	(479,774.18)
Sewer Connection Fees & Permits	D- 1,D-3	200,000.00	36,180.00	(163,820.00)
Miscellaneous	D- 1,D-3	500.00	2,493.49	1,993.49
Interest on Delinquencies	D- 1,D-3	<u>35,000.00</u>	<u>68,531.19</u>	<u>33,531.19</u>
 Total		 <u>\$ 11,853,426.84</u>	 <u>\$ 11,245,357.34</u>	 <u>\$ (608,069.50)</u>

Ref.                      D-4

Analysis of Realized Revenues:

Sewer Service Charges:

Prepays Applied	D-13	\$ 20,114.70
Collected	D- 8	<u>9,360,111.12</u>
	D- 3	<u>\$ 9,380,225.82</u>

Connection Fees:

Received by Collector		<u>\$ 36,180.00</u>
	D-3,D-6	<u>\$ 36,180.00</u>

Interest on Delinquent Accounts:

Collected		<u>\$ 68,531.19</u>
	D-3,D-6	<u>\$ 68,531.19</u>

Interest on Investments:

Collected	D-5	<u>\$ 2,493.49</u>
	D-3	<u>\$ 2,493.49</u>

Miscellaneous Revenue:

Received by Collector	D-6	\$ 220.00
Collected	D-5	<u>685,559.74</u>
	D-1	<u>\$ 685,779.74</u>

Note: See Notes to Financial Statements

TOWNSHIP OF PISCATAWAY  
MIDDLESEX COUNTY, NEW JERSEY

SEWER UTILITY OPERATING FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2015

	CY 2015 BUDGET	BUDGET AFTER MODIFICATION	EXPENDED		RESERVED	UNEXPENDED BALANCE CANCELLED
			PAID OR CHARGED	ENCUMBERED		
Operating:						
Salaries and Wages	\$ 1,565,200.00	\$ 1,565,200.00	\$ 1,332,066.42	\$ -	233,133.58	\$ -
Other Expenses	1,438,150.00	1,438,150.00	1,118,256.36	176,455.82	143,437.82	
Middlesex County Utilities Authority Service Charges - Contractual	6,200,000.00	6,200,000.00	5,232,986.28		967,013.72	
Capital Improvements:						
Down Payments on Improvements	25,000.00	25,000.00	25,000.00		-	
Capital Outlay	1,500,000.00	1,500,000.00	176,163.62	1,323,836.38	-	
Debt Service:						
Payment on Bond Principle	220,000.00	220,000.00	220,000.00			
Interest on Bonds	128,625.00	128,625.00	126,578.13			2,046.87
Deferred Charges and Statutory Expenditures:						
Public Employees' Retirement System	140,945.00	140,945.00	140,945.00			
Social Security System (O.A.S.I.)	135,000.00	135,000.00	135,000.00			
Unfunded Bond Ordinances	500,506.84	500,506.84	500,506.84			
<b>Total Sewer Utility Appropriations</b>	<b>\$ 11,853,426.84</b>	<b>\$ 11,853,426.84</b>	<b>\$ 9,007,502.65</b>	<b>\$ 1,500,292.20</b>	<b>\$ 1,343,585.12</b>	<b>\$ 2,046.87</b>
Ref.	D-3	D-3	D-1	D,D-1	D,D-1	
Cash Disbursements		\$	8,355,417.68			
Due to Sewer Capital			525,506.84			
Accrued Interest			126,578.13			
		\$	<u>9,007,502.65</u>			

Note: See Notes to Financial Statements

TOWNSHIP OF PISCATAWAY  
MIDDLESEX COUNTY, NEW JERSEY

SENIOR CITIZENS HOUSING UTILITY FUND  
BALANCE SHEET - REGULATORY BASIS  
DECEMBER 31, 2015 AND 2014

<u>ASSETS</u>	<u>REF.</u>	<u>BALANCE DEC.31, 2015</u>	<u>BALANCE DEC.31, 2014</u>	<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>REF.</u>	<u>BALANCE DEC.31, 2015</u>	<u>BALANCE DEC.31, 2014</u>
Operating Fund:							
Cash and Investments - Treasurer	E-5	\$ 1,260,255.89	\$ 1,197,856.85		E-4	\$ 320,181.52	\$ 176,292.17
Due from Senior Housing Capital	E-17	<u>30,884.09</u>	<u>30,884.09</u>	Operating Fund:	E-4	160,553.58	208,739.27
				Appropriation Reserves	E-7	5,709.66	7,700.00
				Reserve for Encumbrances	E-8	48,322.92	52,549.57
				Accounts Payable	E-9	<u>128,746.93</u>	<u>126,558.60</u>
				Accrued Interest on Bonds			
				Security Deposits			
				Fund Balance	E-1	663,514.61	571,839.61
						<u>596,741.28</u>	<u>656,901.33</u>
				Total Operating Fund		<u>1,260,255.89</u>	<u>1,228,740.94</u>
Capital Fund:							
Cash and Investments - Treasurer	E-5	598,803.22	706,303.21	Capital Fund:	E-12	1,935,000.00	2,175,000.00
Due from Affordable Housing Trust	E-15	10,351,052.26	10,351,052.26	Serial Bonds Payable	E-18		30,884.09
Fixed Capital	E-16	<u>2,283,000.00</u>	<u>2,283,000.00</u>	Due to Senior Housing Operating Improvement Authorizations:	E-11	210,981.68	23,063.05
Fixed Capital Authorized and Uncompleted				Funded	E-11		191,608.63
				Unfunded			
				Reserve for:	E-11	101,608.05	204,533.95
				Encumbrances	E-13	214,035.75	184,035.75
				Capital Improvement Fund	E-10	9,816,052.26	9,576,052.26
				Amortization	E-14	883,000.00	883,000.00
				Deferred Amortization	E-2	<u>72,177.74</u>	<u>72,177.74</u>
				Fund Balance			
				Total Capital Fund		<u>13,232,855.48</u>	<u>13,340,355.47</u>
						<u>\$ 14,493,111.37</u>	<u>\$ 14,569,096.41</u>

Note: See Notes to Financial Statements

TOWNSHIP OF PISCATAWAY  
MIDDLESEX COUNTY, NEW JERSEY

Exhibit E-1

SENIOR CITIZEN HOUSING UTILITY OPERATING FUND  
 STATEMENT OF OPERATIONS AND  
 CHANGE IN FUND BALANCE - REGULATORY BASIS  
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

<u>REVENUE AND OTHER INCOME</u>		<u>CY 2015</u>	<u>CY 2014</u>
Fund Balance Utilized	E- 3	\$ 319,181.00	253,700.00
Rental Income	E- 3	1,516,205.99	1,515,600.71
Interest on Investments	E- 3	372.99	85.25
Other Credits to Income:			
Non-Budget Revenue	E- 3	10,508.06	12,219.70
Accounts Payable Canceled			
Unexpend. Balance of Appropriation			
Reserves Lapsed	E- 7	<u>229,380.26</u>	<u>228,094.55</u>
 Total Revenues		 <u>2,075,648.30</u>	 <u>2,009,700.21</u>
 <u>EXPENDITURES</u>			
Budget and Emergency Appropriations:			
Operating	E- 4	\$ 1,237,000.00	1,199,672.89
Capital Improvements	E- 4	260,000.00	234,500.00
Debt Service	E- 4	312,683.35	214,256.11
Deferred Charges and Statutory Expend.	E- 4	5,271.00	5,271.00
Refund of Prior Year Revenue	E- 5	<u>1,673.00</u>	<u>899.00</u>
 Total Expenditures		 <u>1,816,627.35</u>	 <u>1,654,599.00</u>
 Excess/(Deficit) in Revenues		 259,020.95	 355,101.21
 Statutory Excess to Fund Balance		 259,020.95	 355,101.21
 <u>FUND BALANCE</u>			
Balance - January 1	E	<u>656,901.33</u>	<u>555,500.12</u>
		915,922.28	910,601.33
Decreased by:			
Utilized as Anticipated Revenue	E- 1	<u>319,181.00</u>	<u>253,700.00</u>
Balance - December 31	E	<u>\$ 596,741.28</u>	<u>656,901.33</u>

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Note: See Notes to Financial Statements

TOWNSHIP OF PISCATAWAY  
MIDDLESEX COUNTY, NEW JERSEY

SENIOR CITIZENS HOUSING UTILITY CAPITAL FUND  
 STATEMENT OF FUND BALANCE - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>REF.</u>	
Balance - December 31, 2014	E	\$ 72,177.74
Balance - December 31, 2015	E	<u>\$ 72,177.74</u>

Note: See Notes to Financial Statements

TOWNSHIP OF PISCATAWAY  
MIDDLESEX COUNTY, NEW JERSEY

SENIOR CITIZENS HOUSING UTILITY OPERATING FUND  
STATEMENT OF REVENUES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>REF.</u>	CY 2015 <u>BUDGET</u>	<u>REALIZED</u>	EXCESS OR <u>(DEFICIT)</u>
Fund Balance	E-1	\$ 319,181.00	\$ 319,181.00	\$
Rental Income	E-1,E-3	1,500,000.00	1,516,205.99	16,205.99
Interest on Investments	E-1,E-3	<u>                    </u>	<u>372.99</u>	<u>372.99</u>
		<u>1,819,181.00</u>	<u>1,835,759.98</u>	<u>16,578.98</u>
Non-Budget Revenues	E-1,E-3	<u>                    </u>	<u>10,508.06</u>	<u>10,508.06</u>
		<u>\$ 1,819,181.00</u>	<u>\$ 1,846,268.04</u>	<u>\$ 27,087.04</u>

Ref.                      E-4

Analysis of Realized Revenues:

Analysis of Rental Income:

Rental Income		\$ 1,496,957.99
Surcharge for Utilities:		
Aircondition Surcharge		<u>19,248.00</u>
	E-3,E-5	<u>\$ 1,516,205.99</u>

Analysis of Non-Budget Revenues:

Laundromat Income		\$ 8,546.81
Miscellaneous		676.25
Deposit Withheld		100.00
Late Fees		1,135.00
Replacement Key		25.00
Return Check Fees		<u>25.00</u>
	E-3,E-5	<u>\$ 10,508.06</u>

Analysis of Interest on Investments:

Senior Citizen Capital Fund	E-17	\$ 372.16
Senior Citizen Operating Fund	E-5	<u>0.83</u>
	E-3	<u>\$ 372.99</u>

Note: See Notes to Financial Statements

TOWNSHIP OF PISCATAWAY  
MIDDLESEX COUNTY, NEW JERSEY

SENIOR CITIZENS HOUSING UTILITY OPERATING FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2015

	CY 2015 BUDGET	BUDGET AFTER MODIFICATION	EXPENDED			RESERVED	UNEXPENDED BALANCE CANCELLED
			PAID OR CHARGED	ENCUMBERED			
Operating:							
Salaries and Wages	\$ 37,000.00	\$ 37,000.00	\$ 37,000.00	\$ -	\$ -	\$ -	\$ -
Other Expenses	1,200,000.00	1,200,000.00	945,244.90	116,447.58	138,307.52		
Debt Service:							
Payment on Bond Principle	240,000.00	240,000.00	240,000.00				
Interest on Bonds	76,910.00	76,910.00	72,683.35				4,226.65
Deferred Charges and Statutory Expenditures:							
Emergency Authorizations							
Statutory Expenditures:							
Social Security System (O.A.S.I.)	5,271.00	5,271.00	5,271.00				
Capital Improvements:							
Capital Improvement Fund	230,000.00	230,000.00	4,020.00	44,106.00	181,874.00		
Down Payments on Improvements	30,000.00	30,000.00	30,000.00				
Total Senior Citizen Housing Appropriations	\$ 1,819,181.00	\$ 1,819,181.00	\$ 1,334,219.25	\$ 160,553.58	\$ 320,181.52	\$ 4,226.65	
Ref	E-3	E-3	E-1	E,E-1	E,E-1		
Cash Disbursements			\$ 850,264.90				
Due to Current Fund -			381,271.00				
Accrued Interest on Bonds			72,683.35				
Due to Senior Citizen Housing Capital Fund -			30,000.00				
Capital Improvement Fund							
			\$ 1,334,219.25				

Note: See Notes to Financial Statements

TOWNSHIP OF PISCATAWAY  
MIDDLESEX COUNTY, NEW JERSEY

Exhibit - F

STATEMENT OF GOVERNMENTAL FIXED ASSETS  
REGULATORY BASIS  
DECEMBER 31, 2015

	<u>BALANCE</u> <u>DEC. 31, 2015</u>	<u>BALANCE</u> <u>DEC. 31, 2014</u>
Governmental Fixed Assets:		
Land	\$ 26,221,400.00	\$ 26,181,100.00
Buildings and Improvements	17,110,200.00	17,110,000.00
Machinery and Equipments	<u>21,868,521.00</u>	<u>20,605,587.00</u>
Total Governmental Fixed Assets	<u>65,200,121.00</u>	<u>63,896,687.00</u>
Investments in Governmental Fixed Assets	<u>65,200,121.00</u>	<u>63,896,687.00</u>

Notes: See Notes to Financial Statements

**TOWNSHIP OF PISCATAWAY**  
**MIDDLESEX COUNTY, NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS – REGULATORY BASIS**  
**THE YEAR ENDED DECEMBER 31, 2015 AND 2014**

Note 1: FORM OF GOVERNMENT

The Township is managed under a Mayor-Council form of government authorized under Plan F of the "Faulkner Act of 1950". This form of government adopted in 1967 by Township voters provides for the direct election of the Mayor and seven Council members for four-year terms. This form of government provides for the administrative function of government under the Mayor, supported by a Business Administrator and various department heads and for the legislative function under the Township Council.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Except as noted below, the financial statements of the Township of Piscataway include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Township of Piscataway, as required by the provisions of N.J.S.A. 40A: 5-5. Accordingly, the financial statements of the Township of Piscataway do not include the operations of the municipal library, first aid organizations, fire districts or local school district.

B. Description of Funds

The accounting policies of the Township of Piscataway conform to the accounting principles applicable to municipalities, which have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Township of Piscataway accounts for its financial transactions through the following separate funds:

Current Fund - resources and expenditures for governmental operations of a general nature, including fiscal activity of Federal and State Grant Programs, except as otherwise noted.

Trust Fund - The records of receipts, custodianship and disbursement of monies in accordance with the purpose for which each reserve was created. Pursuant to the provisions of N.J.S.A. 40A: 4-39, the financial transactions of the following funds and accounts are also reported within the Trust Fund:

Animal Control Trust Fund  
Unemployment Compensation Insurance Trust Fund  
Dedicated Law Enforcement Trust Fund  
Workmen's Compensation Self-Insurance Fund  
Developer's Escrow Fund  
Disposal of Forfeited Property (P.L. 1985, Ch. 135)

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

B. Description of Funds (Cont'd.)

General Capital Fund - resources, including Federal and State Grants in aid of construction, and expenditures for the acquisition of general capital facilities, other than those acquired through the Current Fund, including the status of bonds and notes authorized for said purposes.

Sewer Utility Fund and Senior Citizens Housing Utility Fund - resources and expenditures for the operations and acquisition of capital facilities of the municipally owned Sewer Utility and Senior Citizens Housing Facility.

Governmental Fixed Assets - the Governmental Fixed Asset system is used to account for fixed assets used in governmental fund type operations for control purposes. Infrastructure assets such as roads, sidewalks, etc. are not capitalized. All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available or any other reasonable basis, provided such basis is adequately disclosed in the financial statements. Donated fixed assets are valued at their estimated fair value on the date of donation. No depreciation is recorded on governmental fixed assets.

The Governmental Accounting Standards Board (GASB) is the accepted standards-setting body for establishing governmental accounting and financial reporting principles. GASB's Codification of Governmental Accounting and Financial Reporting Standards and subsequent GASB pronouncements are recognized as U.S. generally accepted accounting principles (GAAP) for state and local governments. GAAP provides for the issuance of entity-wide financial statements along with the presentation of separate fund financial statements that differ from the organization of funds prescribed under the regulatory basis of accounting utilized by the Township. The resultant presentation of financial position and results of operations in the form of financial statements is not intended to present the basic financial statement presentation.

C. Basis of Accounting and Measurement Focus

The basis of accounting as prescribed by the Division of Local Government Services for its operating funds is generally a modified cash basis for revenue recognition and a modified accrual basis for expenditures. The operating funds utilize a "current financial resources" measurement focus. The accounting principles and practices prescribed for municipalities by the Division differ in certain respects from generally accepted accounting principles (GAAP) applicable to local government units. The most significant is the reporting of entity-wide financial statements, which are not presented in the accounting principles prescribed by the Division. The more significant differences are as follows:

## Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

C. Basis of Accounting and Measurement Focus (Cont'd.)

Revenues - Revenues are recorded as received in cash except for statutory reimbursements and grant funds, which are due from other governmental units. State and Federal grants, entitlements and shared revenues received for operating purposes are realized as revenues when anticipated in the Township budget. Receivables for property taxes and sewer utility consumer charges are recorded with offsetting reserves within the Current Fund and Sewer Utility Fund, respectively. Except for rental income receivable in the Senior Citizen Housing Utility, which is not recognized in the financial statements, other amounts that are due to the Township which are susceptible to accrual are recorded as receivables with offsetting reserves. These reserves are liquidated and revenues are recorded as realized upon receipt of cash. GAAP requires the recognition of revenues for general operations in the accounting period in which they become available and measurable, with the exception of Sewer Utility consumer charges and Senior Citizen Housing Utility rent, which should be recognized in the period they are earned and become measurable.

Expenditures - For purposes of financial reporting, expenditures are recorded as "paid or charged" or "appropriation reserves". Paid or charged refers to the Township "budgetary" basis of accounting. Generally, these expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with the encumbrance accounting system. Reserves for unliquidated encumbrances at the close of the year are reported as a cash liability. Encumbrances do not constitute expenditures under GAAP. Appropriation reserves refer to unexpended appropriation balances at the close of the year. Appropriation reserves are automatically created and recorded as a cash liability, except for amounts, which may be cancelled 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 and not recorded in the preceding fiscal year. Lapsed appropriation reserves are recorded as income. Generally, unexpended balances of budget appropriations are not recorded as expenditures under GAAP.

For the purposes of calculating the results of Current Fund operations, the regulatory basis of accounting utilized by the Township requires that certain expenditures be deferred and raised as items of appropriation in budgets of succeeding years. These deferred charges include the two general categories of overexpenditures and emergency appropriations. Overexpenditures occur when expenditures recorded as "paid or charged" exceed available appropriation balances. Emergency appropriations occur when, subsequent to the adoption of a balanced budget, the governing body authorizes the establishment of additional appropriations based on unforeseen circumstances or for other special purposes as defined by statute. Overexpenditures and emergency appropriations are deducted from total expenditures in the calculation of operating results and are established as assets for Deferred Charges on the balance sheet of the affected Fund. GAAP does not permit the deferral of overexpenditures to succeeding budgets. In addition, GAAP does not recognize expenditures based on the authorization of an appropriation. Instead the authorization of special purpose expenditures, such as the preparation of tax maps or revaluation of assessable real property, would represent the designation of fund balance. The status of deferred charges at December 31, 2015 is set forth in Note 7.

New Jersey statutes require municipalities to provide annual funding to Free Public Libraries through the Current Fund Budget. Amounts paid on behalf of the Free Public Library or transferred to the custody of the Library's management are recorded as budgetary expenditures of the Township, notwithstanding the fact that the Library is recognized as a separate entity for financial reporting purposes. Under GAAP, the Library would be recognized, as a "component unit" of the Township, and discrete reporting of the Library's financial position and operating results would be incorporated in the Township's financial statements.

## Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

C. Basis of Accounting and Measurement Focus (Cont'd.)

Compensated Absences - The Township has adopted a written policy which sets forth the terms under which an employee may accumulate earned, but unused, vacation and sick leave, establishes the limits on such accumulations and specifies the conditions under which the right to receive payment for such accumulations vests with the employee. The Township records expenditures for payments of earned and unused vacation and sick leave in the accounting period in which the payments are made. GAAP requires that expenditures be recorded in the governmental (Current) fund in an amount that would normally be liquidated with available financial resources, and that expenditures be recorded in the enterprise (Sewer Utility and Senior Citizens Housing Utility) fund on a full accrual basis.

Foreclosed Property - Foreclosed property is recorded in the Current Fund at the assessed valuation established by the last revaluation program in 1975 and is fully reserved. Additions since 1975 are recorded on the basis of the latest assessed value. GAAP requires such property to be recorded in the statement of governmental fixed assets at the lower of cost or fair market value.

Self-Insurance Reserves - Charges to self-insurance reserves are recorded when payments of claims and related expenses are made. Increases to self-insurance reserves are recorded from budgetary appropriations in the accounting period in which budgetary expenditures are recorded. Earnings on investments and miscellaneous reimbursements are credited to reserves when received in cash. GAAP requires that liabilities for incurred claims be recorded as determined actuarially, and that operating transfers to self-insurance funds not exceed the amount determined.

Interfunds - Interfund receivables in the Current Fund are recorded with offsetting reserves, which are created by charges to operations. Income is recognized in the year receivables are liquidated. GAAP does not require the establishment of an offsetting reserve. Interfund receivables in the other funds are not offset by reserves.

Inventories of Supplies - The cost of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various balance sheets. Although the expenditure method of accounting for purchases of supplies is in accordance with GAAP, the cost of inventory on hand at the close of the year should be reported on the balance sheet with an offsetting reserve for conformity with GAAP.

Sale of Municipal Assets - Cash proceeds from the sale of Township owned property may be realized as revenue or reserved until utilized as an item of revenue in a subsequent year budget. The Township has reserved amounts of proceeds from property sales totaling \$421,475.06 at December 31, 2015 and \$381,475.06 at December 31, 2014. GAAP requires that revenue be recognized in the accounting period that the terms of the sales contracts become legally enforceable.

Governmental Fixed Assets - Property and equipment purchased by the Current and the General Capital Funds are recorded as expenditures at the time of purchase and are not capitalized. Property and equipment purchased by the Sewer Utility Fund and the Senior Housing Utility are recorded in their respective capital accounts at cost and are adjusted for dispositions and abandonment. Contributions in aid of construction are not capitalized. The balances in the Reserve for Amortization and Deferred Reserve for amortization accounts in the Utility Funds represent charges to operations for the costs of acquisitions of property, equipment and improvements, and costs funded from sources other than bonded debt of the utility.

## Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

C. Basis of Accounting and Measurement Focus (Cont'd.)

The utility does not record depreciation on fixed assets. GAAP does not require the establishment of a reserve for amortization for utility fixed assets, but does require the recognition of depreciation of these assets as an operating expense of the utility.

Fixed Capital - Sewer Utility and Senior Citizens Housing Utility - Capital acquisitions, including utility infrastructure costs of the Utilities are recorded at cost upon purchase or project completion in the Fixed Capital Account of the Utilities. Fixed Capital accounts are adjusted for dispositions or abandonment. The accounts include Moveable Fixed Assets of the Utilities but are not specifically identified and are considered as duplicated in the Fixed Asset Group of Accounts. The condition is considered as insignificant on its effect on the financial statements taken as a whole. Utility improvements that may have been constructed by developers and transferred to the Township are not recorded as additions to Fixed Capital. Fixed Capital of the Utilities is offset by accumulations in Amortization Reserve Accounts. The balances in the Reserve for Amortization and Deferred Reserve for Amortization accounts in the Utilities represent charges to operations for the costs of acquisitions of property, equipment and improvement and costs funded from sources other than bonded debt of the utilities.

The utilities do not record depreciation on fixed assets. GAAP does not require the establishment of a reserve for amortization for utility fixed assets, but does require the recognition of depreciation of these assets as an operating expense of the utility.

Disclosures About Fair Value of Financial Instruments

The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value:

Cash and cash equivalents and short-term investments - The carrying amount approximates fair value because of the short maturity of those investments.

Long-term debt - The Township's long-term debt is stated at face value. The debt is not traded and it is not practicable to determine its fair value without incurring excessive cost. Additional information pertinent to the Township's long-term debt is disclosed in Note 3 to the financial statements.

Disclosures About Pension Liabilities - The Township has included information relating to its allocated shares of the net pension liabilities of the state sponsored, cost-sharing, multiple employer defined benefit pension plans in which it participates in Note 12 and the accompanying required supplementary information. As the Township does not present entity-wide financial statements, it does not present on the face of its financial statements its proportionate share of the net pension liability of the defined benefit plans in which its employees are enrolled. GAAP requires the recognition of the net pension liability and associated deferred inflows and deferred outflows of financial resources in the entity-wide financial statements.

## Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICES (CONT'D.)

C. Basis of Accounting and Measurement (Cont'd.)Recent Accounting Standards

GASB issued Statement No. 72, “Fair Value Measurement and Application” in February 2015. This statement provides guidance for determining the fair value measurement for financial reporting purposes. This statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value instruments.

GASB issued Statement No. 73, “Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68” in June 2015. This Statement is to improve the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency.

GASB issued Statement No. 74, “Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans” in June 2015. This Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency.

GASB issued Statement No. 75, “Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions” in June 2015. This Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency.

GASB issued Statement No. 76, “The hierarchy of generally accepted accounting principles for state and local governments”, in June 2015. This Statement is to identify—in the context of the current governmental financial reporting environment—the hierarchy of generally accepted accounting principles (GAAP). The “GAAP hierarchy” consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and non-authoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP.

## Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

C. Basis of Accounting and Measurement Focus (Cont'd.)

GASB issued Statement No. 77, "Tax abatement disclosures" in August 2015. Financial statements prepared by state and local governments in conformity with generally accepted accounting principles provide citizens and taxpayers, legislative and oversight bodies, municipal bond analysts, and others with information they need to evaluate the financial health of governments, make decisions, and assess accountability. This information is intended, among other things, to assist these users of financial statements in assessing (1) whether a government's current-year revenues were sufficient to pay for current-year services (known as interperiod equity), (2) whether a government complied with finance-related legal and contractual obligations, (3) where a government's financial resources come from and how it uses them, and (4) a government's financial position and economic condition and how they have changed over time.

GASB issued Statement No. 78, "Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans" in December 2015. The objective of this Statement is to address a practice issue regarding the scope and applicability of Statement No. 68, Accounting and Financial Reporting for Pensions. This issue is associated with pensions provided through certain multiple-employer defined benefit pension plans and to state or local governmental employers whose employees are provided with such pensions.

GASB issued Statement No. 79, "Certain External Investment Pools and Pool Participants" in December 2015. This Statement addresses accounting and financial reporting for certain external investment pools and pool participants. Specifically, it establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. An external investment pool qualifies for that reporting if it meets all of the applicable criteria established in this Statement. The specific criteria address (1) how the external investment pool transacts with participants; (2) requirements for portfolio maturity, quality, diversification, and liquidity; and (3) calculation and requirements of a shadow price. Significant noncompliance prevents the external investment pool from measuring all of its investments at amortized cost for financial reporting purposes. Professional judgment is required to determine if instances of noncompliance with the criteria established by this Statement during the reporting period, individually or in the aggregate, were significant.

The Township does not prepare its financial statements in accordance with generally accepted accounting principles. Unless these new standards are incorporated into the other comprehensive basis of accounting that is utilized by the Township through legislation or rulemaking they will not become part of the standards followed by the Township for financial reporting. The Division of Local Government Services has adopted rules which require full disclosure in the Notes to Financial Statements of OPEB related matters, as set forth in GASB Statement No. 45, based upon the GASB implementation schedule. See Note 17 for a description of matters relating to GASB 45.

Use of Estimates – The preparation of financial statements requires management of the Township to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

C. Basis of Accounting and Measurement Focus (Cont'd.)

Comparative Data - Comparative data for the prior year has been presented in order to provide an understanding of changes on the Township's financial position and operations. However, comparative data has not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read.

Governmental Fixed Assets – N.J.A.C. 5:30-5.6 established a mandate for fixed asset accounting by municipalities, effective December 31, 1985. The Township has complied with the mandate, formerly known as Technical Accounting Directive No. 85-2. Fixed assets used in governmental operations are accounted for in the reporting of Governmental Fixed Assets. Public domain (infrastructure) governmental fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available, except for land, which is valued at estimated market value. No depreciation is provided for in the financial statements. Expenditures for construction in progress are recorded in the Capital Funds until such time as construction is completed and put into operation. Fixed assets acquired through grants in aid or contributed capital is not accounted for separately.



NOTES TO FINANCIAL STATEMENTS

Note 3: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION (CONT'D.)

	<u>CY 2015</u>	<u>CY 2014</u>
\$6,050,000 General Improvement Refunding Bonds of 2011, due in annual installments of \$545,000 to \$975,000 through February 2017, interest at 3.000% to 4.000%.	\$ 2,145,000.00	\$ 3,320,000.00
\$3,595,000 General Improvement Refunding Bonds of 2012, due in annual installments of \$860,000 to \$960,000 through March 2017, interest at 3.000% to 4.000%.	1,880,000.00	2,735,000.00
\$5,884,000 General Improvement Refunding Bonds of 2012, due in annual installments of \$600,000 to \$1,034,000 through December 2019, interest at 2.000% to 3.000%.	3,734,000.00	4,534,000.00
\$8,100,000 General Improvement Bonds of 2014, due in annual installments of \$500,000 to \$1,000,000 through December 2024, interest at 2.000% to 3.000%.	7,600,000.00	8,100,000.00
\$9,800,000 General Improvement Bonds of 2016, due in annual installments of \$700,000 to \$1,400,000 through December 2025, interest at 2.000% to 4.000%.	<u>9,800,000.00</u>	
Total General Capital Debt	<u>\$ 49,103,000.00</u>	<u>\$ 47,958,000.00</u>
<u>Sewer Utility Debt:</u>		
\$380,000 Sewer Utility Bond Bonds of 2004, due in annual intallments of \$25,000 to \$40,000 through August 2017, interest at 3.125% to 3.750%.	\$ 80,000.00	\$ 110,000.00
\$2,146,000 Sewer Utility Bond Bonds of 2007, due in annual intallments of \$60,000 to \$120,000 through November 2033, interest at 3.500% to 6.000%.	1,630,000.00	1,700,000.00
\$1,200,000 Sewer Utility Bond Bonds of 2009, due in annual intallments of \$50,000 to \$100,000 through March 2025, interest at 3.000% to 4.500%.	850,000.00	920,000.00
\$700,000 Sewer Utility Bond Bonds of 2011, due in annual intallments of \$50,000 to \$100,000 through February 2021, interest at 2.000% to 4.000%.	<u>500,000.00</u>	<u>550,000.00</u>
Total Sewer Utility Debt	<u>\$ 3,060,000.00</u>	<u>\$ 3,280,000.00</u>
<u>Senior Citizen Housing Utility Debt:</u>		
\$2,204,500 Senior Citizen Housing Refunding Bonds of 2001, due in annual intallments of \$79,500 to \$180,000 through August 2019, interest at 3.5% to 5.0%.	\$ 635,000.00	\$ 775,000.00
\$8,100,000 General Improvement Bonds of 2014, due in annual installments of \$500,000 to \$1,000,000 through December 2024, interest at 2.000% to 3.000%.	<u>1,300,000.00</u>	<u>1,400,000.00</u>
Total Sewer Utility Debt	<u>\$ 1,935,000.00</u>	<u>\$ 2,175,000.00</u>
Total Debt for Capital Projects outstanding at December 31	<u>\$ 54,098,000.00</u>	<u>\$ 53,413,000.00</u>

NOTES TO THE FINANCIAL STATEMENTS

Note 3: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION (CONTD)

B. Summary of Statutory Debt Condition - Annual Debt Statement 2015

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:

<u>2015</u>	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$ 22,105,000.00	\$ 22,105,000.00	-
Sewer Utility Debt	4,095,000.00	4,095,000.00	-
Senior Citizen Housing Utility Debt	1,935,000.00	1,935,000.00	-
General Debt	96,023,079.74		96,023,079.74
	<u>\$ 124,158,079.74</u>	<u>\$ 28,135,000.00</u>	<u>\$ 96,023,079.74</u>

Net Debt \$90,703,579.74 Divided By Average Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended 6,373,829,247.67 = 1.507%

Average Equalized Valuation Basis

2013 Equalized Value of Real Property	6,030,554,734.00
2014 Equalized Value of Real Property	6,300,934,890.00
2015 Equalized Value of Real Property	<u>6,789,998,119.00</u>
Average Equalized Valuation	<u>\$6,373,829,247.67</u>

<u>2014</u>	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$ 24,740,000.00	\$ 24,740,000.00	-
Sewer Utility Debt	5,625,506.81	5,625,506.81	-
Senior Citizen Housing Utility Debt	2,175,000.00	2,175,000.00	-
General Debt	90,703,579.74		90,703,579.74
	<u>\$ 123,244,086.55</u>	<u>\$ 32,540,506.81</u>	<u>\$ 90,703,579.74</u>

Net Debt \$90,703,579.74 Divided By Average Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended 6,161,758,472.33 = 1.472%

Average Equalized Valuation Basis

2012 Equalized Value of Real Property	6,153,785,793.00
2013 Equalized Value of Real Property	6,030,554,734.00
2014 Equalized Value of Real Property	<u>6,300,934,890.00</u>
Average Equalized Valuation	<u>\$6,161,758,472.33</u>

Note 3: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION (CONT'D.)

B. SUMMARY OF STATUTORY DEBT CONDITION  
ANNUAL DEBT STATEMENT (CONT'D.)

	<u>2015</u>	<u>2014</u>
<u>Borrowing Power Under N.J.S.A. 40A:2-6 As Amended</u>		
3 1/2% of Equalized Valuation Basis Municipal Net Debt	\$223,084,023.67 <u>96,023,079.74</u>	\$215,661,546.53 <u>90,703,579.74</u>
Remaining Borrowing Power	<u>\$127,060,943.93</u>	<u>\$124,957,966.79</u>
<u>Calculation of "Self-Liquidating Purpose" Sewer Utility Per N.J.S.A. 40A:2-45</u>		
Cash Receipts from Fees, Rents or Other Charges for Year	\$11,931,033.02	\$13,040,211.68
Deductions:		
Operating and Maintenance Cost	\$9,979,697.78	\$10,048,929.89
Debt Service per Sewer Account	<u>346,578.13</u>	<u>343,747.91</u>
Total Deductions	<u>10,326,275.91</u>	<u>10,392,677.80</u>
Excess/(Deficit) in Revenues	<u>\$1,604,757.11</u>	<u>\$2,647,533.88</u>
<u>Deduction of Self-Liquidating Utility Debt for Statutory Net Debt - Sewer Utility Per N.J.S.A. 40A:2-48</u>		
The difference between the excess/(deficit) in revenues for debt statement purposes and the excess/(deficit) in revenues on a cash basis for the Sewer Utility Fund is as follows:		
Excess/(Deficit) in Revenues - Cash Basis (D-1)	\$1,000,481.12	\$2,673,644.79
Add: Capital Improvements	1,525,000.00	1,525,000.00
Refund of Prior Year Revenue	<u>2,525,481.12</u>	<u>\$4,198,644.79</u>
Less: Reserves Lapsed	<u>920,724.01</u>	<u>1,551,110.91</u>
Excess/(Deficit) in Revenue per Debt Statement	<u>\$1,604,757.11</u>	<u>\$2,647,533.88</u>

Note 3: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION (CONT'D.)

B. SUMMARY OF STATUTORY DEBT CONDITION  
ANNUAL DEBT STATEMENT (CONT'D.)

	<u>2015</u>	<u>2014</u>
Calculation of "Self-Liquidating Purpose" <u>Senior Citizen Housing Utility Per N.J.S.A. 40A:2-45</u>		
Cash Receipts from Fees, Rents or Other Charges for Year	\$1,846,268.04	\$1,781,605.66
Deductions:		
Operating and Maintenance Cost	\$1,242,271.00	\$ 1,204,943.89
Debt Service per Housing Account	<u>312,683.35</u>	<u>215,155.11</u>
Total Deductions	<u>1,554,954.35</u>	<u>1,420,099.00</u>
Excess/(Deficit) in Revenues	<u>\$291,313.69</u>	<u>\$361,506.66</u>
Calculation of "Self-Liquidating Purpose" <u>Senior Citizen Housing Utility Per N.J.S.A. 40A:2-45 (Cont'd.)</u>		
The difference between the excess in revenues for debt statement purposes and the excess in revenues on a cash basis for the Senior Citizen Housing Utility Fund is as follows:		
Excess in Revenues - Cash Basis (E-1)	\$259,020.95	\$355,101.21
Add: Capital Improvement	260,000.00	234,500.00
Refund of Prior Year Revenue	<u>1,673.00</u>	<u>-</u>
	520,693.95	589,601.21
Less: Reserves Lapsed/Accounts Payable Canceled	<u>229,380.26</u>	<u>228,094.55</u>
Excess in Revenue per Debt Statement	<u>\$291,313.69</u>	<u>\$361,506.66</u>

Note 3: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION (CONT'D.)

C. SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND INTEREST FOR BONDED DEBT ISSUED AND OUTSTANDING

Year	General		Senior Housing		Sewer Utility		Total
	Principal	Interest	Principal	Interest	Principal	Interest	
2016	\$9,540,000.00	\$1,602,148.06	\$235,000.00	\$68,750.00	\$255,000.00	\$120,400.00	\$11,821,298.06
2017	9,135,000.00	1,277,730.00	285,000.00	59,125.00	265,000.00	110,850.00	11,132,705.00
2018	7,545,000.00	991,130.00	285,000.00	47,375.00	235,000.00	101,100.00	9,204,605.00
2019	6,509,000.00	741,980.00	330,000.00	35,250.00	235,000.00	91,500.00	7,942,730.00
Subtotal	32,729,000.00	4,612,988.06	1,135,000.00	210,500.00	990,000.00	423,850.00	40,101,338.06
2020	4,150,000.00	508,460.00	150,000.00	21,750.00	260,000.00	81,400.00	5,171,610.00
2021	4,499,000.00	363,980.00	150,000.00	17,250.00	280,000.00	70,800.00	5,381,030.00
2022	2,025,000.00	264,000.00	150,000.00	12,750.00	180,000.00	61,543.75	2,693,293.75
2023	2,100,000.00	193,000.00	175,000.00	7,875.00	180,000.00	54,175.00	2,710,050.00
2024	2,200,000.00	119,000.00	175,000.00	2,625.00	200,000.00	46,475.00	2,743,100.00
Subtotal	14,974,000.00	1,448,440.00	800,000.00	62,250.00	1,100,000.00	314,393.75	18,699,083.75
2025	1,400,000.00	56,000.00			200,000.00	38,037.50	1,694,037.50
2026					100,000.00	31,787.50	131,787.50
2027					100,000.00	27,787.50	127,787.50
2028					110,000.00	23,662.50	133,662.50
2029					110,000.00	19,125.00	129,125.00
Subtotal	1,400,000.00	56,000.00	-	-	620,000.00	140,400.00	2,216,400.00
2030					110,000.00	14,587.50	124,587.50
2031					120,000.00	10,050.00	130,050.00
2032					120,000.00	5,100.00	125,100.00
Subtotal	-	-	-	-	350,000.00	29,737.50	379,737.50
	\$49,103,000.00	\$6,117,428.06	\$1,935,000.00	\$272,750.00	\$3,060,000.00	\$908,381.25	\$61,396,559.31
	\$8,655,000.00	\$1,612,048.75	240,000.00	\$76,910.00	\$220,000.00	\$128,625.00	\$61,396,559.31

NOTES TO FINANCIAL STATEMENTS

Note 4: GOVERNMENTAL FIXED ASSETS

The Township's governmental fixed assets are reported as follows:

	Balance <u>Dec. 31, 2014</u>	Increase (Decrease)	Balance <u>Dec. 31, 2015</u>
Governmental Fixed Assets			
Land	\$26,181,100.00	\$40,300.00	\$26,221,400.00
Building and Improvements	17,110,200.00	-0-	17,110,200.00
Machinery and Equipment	<u>20,605,587.00</u>	<u>1,262,934.00</u>	<u>21,868,521.00</u>
Total Governmental Fixed Assets	<u>\$63,896,887.00</u>	<u>\$1,303,234.00</u>	<u>\$65,200,121.00</u>

Note 5: DEFERRED COMPENSATION TRUST FUND

The Township of Piscataway, County of Middlesex Deferred Compensation Plan was established pursuant to section 457 of the Internal Revenue Code and P.L. 1977, C. 381; P.L. 1978, C. 39; P.L. 1980, C. 78; and P.L. 1997, C. 116 of the Statutes of New Jersey. The Plan is an arrangement whereby a public employer may establish a plan and permit its employees to voluntarily authorize a portion of their current salary to be withheld and invested in one or more of the types of investments permitted under the governing regulations. The Township of Piscataway, County of Middlesex has engaged a private contractor to administer the plan.

Note 5: ASSESSMENT AND COLLECTION OF PROPERTY TAXES

New Jersey statutes require that taxable valuation of real property be prepared by the Township Tax Assessor as of October 1, in each year and filed with the County Board of Taxation by January 10th of the following year. Upon the filing of certified adopted budgets by the Township, Local School District, County and Fire Districts, the tax rate is struck by the board based on the certified amounts in each of the taxing districts for collection to fund the budgets. Pursuant to statute, this process is to be completed on or before May 3, with a completed duplicate of the tax rolls to be delivered to the Township Tax Collector on or before May 13th.

Note 6: ASSESSMENT AND COLLECTION OF PROPERTY TAXES

Tax bills are prepared and mailed by the Collector of Taxes of the Township annually and set forth the final tax for the tax year. The bill contains a credit for preliminary amounts billed previously with the balance payable in equal installments on August 1st and November 1st of the tax year. In addition, the property owner receives a preliminary bill for the succeeding year based on one half of the prior year's tax. The preliminary payments are due and payable on February 1st and May 1st. The NJ Statutes allow a grace period of 10 days for each payment period and the Township granted this option to taxpayers.

Taxes become delinquent if not paid on the installment dates and become subject to interest penalties of 8% to 18% of the amounts delinquent, and if a delinquency (including interest) is in excess of \$10,000.00 and remains in arrears after December 31, an additional flat penalty of 6% shall be charged against the delinquency. If taxes are delinquent on or after April 1st of the succeeding year, the delinquent amount is subject to "Tax Sale" which places a tax lien on the property allowing the holder to enforce the tax lien by collection or foreclosure. New Jersey property tax laws establish a tax lien on real estate as of January 1st of the current tax year even though the amount due is not known.

NOTES TO FINANCIAL STATEMENTS

Note 7: FUND BALANCE APPROPRIATED

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

	<u>FUND BALANCE DECEMBER 31, 2015</u>	<u>UTILIZED IN SUCCEEDING BUDGET</u>
Current Fund	\$17,832,050.72	\$9,265,682.60
Sewer Utility Fund	3,451,123.42	2,992,709.84
Senior Citizens Utility Fund	596,741.28	347,323.00

	<u>FUND BALANCE DECEMBER 31, 2014</u>	<u>UTILIZED IN SUCCEEDING BUDGET</u>
Current Fund	\$14,300,996.24	\$6,986,820.16
Sewer Utility Fund	4,208,569.14	1,757,926.84
Senior Citizens Utility Fund	656,901.33	319,181.00

Note 8: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2015 the following deferred charges are shown on the balance sheet of the various funds:

	<u>Balance December 31, 2014</u>	<u>Amount Raised in 2015</u>	<u>Balance December 31, 2015</u>
Current Fund:			
Revaluation of Real Property	\$600,000.00	(\$300,000.00)	\$300,000.00
Total	<u>\$600,000.00</u>	<u>(\$300,000.00)</u>	<u>\$300,000.00</u>

Note 9: LEASES

The Township did not enter into operating lease agreements providing for facilities and equipment during CY 2015, and accordingly no future minimum annual rental payments disclosed.

Note 10: INTERFUNDS

The following interfund balances remained on the balance sheet date at December 31, 2015:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
State and Federal Grant Fund	\$ 0.00	\$931,000.00
General Capital Fund	<u>931,000.00</u>	<u>0.00</u>
Total	<u>\$931,000.00</u>	<u>\$931,000.00</u>

These interfund balances are not an indication that the respective fund cannot meet its obligation. The interfund amounts are reflective of year-end closing journals and adjustments. The balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. Transfers are used to (1) move revenues from the funds New Jersey Statute or budget required to collect to fund the appropriation and the statute or budget to expend them.

Note 11: DEPOSITS AND INVESTMENTS

State statutes set forth deposit requirements and investments that may be purchased by local units and the Township deposits and invests its funds pursuant to its policies and an adopted cash management plan.

Deposits

New Jersey statutes permit the deposit of public funds in institutions located in New Jersey, which are insured by the Federal Deposit Insurance Corporation (FDIC) or by any other agencies of the United States that insures deposits or the State of New Jersey Cash Management Fund. New Jersey statutes require public depositories to maintain collateral for deposit of public funds that exceed insurance limits to protect deposits from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey.

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 Act. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five (5) percent of the average daily balance of collected public funds; or if the public funds deposited exceed 75 percent of the capital funds of the depository, the depository must provide collateral having a market value equal to 100 percent of the amount exceeding 75 percent, to secure the deposits of governmental units.

All collateral must be deposited with the Federal Reserve Bank, the Federal Home Loan Bank Board or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

Note 11: DEPOSITS AND INVESTMENTS (CONT'D.)

The cash and cash equivalents and investments of the Township on deposit and on-hand consisted of the following at December 31, 2015 and December 31, 2014:

	<u>2015</u>	<u>2014</u>
Cash (Demand Accts.)	\$63,926,569.51	\$52,552,215.08
Investments (CD's)	0.00	0.00
NJ Cash Management Fund	752,374.52	751,608.40
Change Funds (On-Hand)	<u>635.00</u>	<u>635.00</u>
Total	<u>\$64,679,579.03</u>	<u>\$53,304,458.48</u>

Based upon GASB criteria, the Township considers change funds, cash in banks, investments in certificates of deposit and State of New Jersey Cash Management Fund as cash and cash equivalents. At year-end for 2015, the carrying amount of the Township's deposits was \$66,461,630.41 and the bank balance was \$64,678,944.03. Of the bank balance, \$1,000,000.00 was covered by Federal depository insurance and \$62,926,569.51 was covered under the provisions of NJGUDPA.

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the Township's deposits may not be returned. The government does not have a specific deposit policy for custodial risk other than those policies that adhere to the requirements of statute. As of December 31, 2015, based upon the insured balances provided by the FDIC and NJGUDPA coverage, no amount of the Township's bank balance was considered exposed to custodial risk.

Investments

New Jersey statutes establish the following securities as eligible for the investment of Township funds:

1. Bonds or other obligations of the United States of America or obligations guaranteed by the United States;
2. Government money market mutual funds;
3. Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided such obligation bear a fixed rate of interest not dependent on any index or other external factor;
4. Bonds or other obligations of the Township or bonds or other obligations of school districts of which the Township is a part and within which the school district is located;
5. Bonds or other obligations having a maturity date of not more than 397 days from the date of purchase that are approved by the Division of Investment of the Department of Treasury for investment by local units;
6. Local government investment pools;
7. Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1997, c. 281 (C.52:18A-90.4); or

## Note 11: DEPOSITS AND INVESTMENTS (CONT'D.)

8. Agreements for the repurchase of fully collateralized securities, if:
  - a. the underlying securities are permitted investments pursuant to paragraphs (1) and (3);
  - b. the custody of collateral is transferred to a third party;
  - c. the maturity of the agreement is more than 30 days; and
  - d. the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C.19:9-41) and for which a master repurchase agreement providing for the custody and security of the collateral is executed.

New Jersey Cash Management Fund – All investments in the Fund are governed by the regulations of the Investment Council, which prescribe specific standards designed to insure the quality of investments and to minimize the risks related to investments. In all the years of the Division of Investment's existence, the Division has never suffered a default of principal or interest on any short-term security held by it due to the bankruptcy of a securities issuer; nevertheless, the possibility always exists, and for this reason a reserve is being accumulated as additional protection for the "Other Than State" participants. In addition to the Council regulations, the Division sets further standards for specific investments and monitors the credit of all eligible securities issuers on a regular basis.

As of December 31, 2015, the Township had \$752,374.52 on deposit with the New Jersey Cash Management Fund. Based upon the existing deposit and investment practices, the Township is generally not exposed to credit risks, custodial credit risks, concentration of credit risks and interest rate risks for its investments nor is it exposed to foreign currency risks for its deposits and investments.

## Note 12: PENSION PLANS

Description of Plans - The State of New Jersey, Division of Pension and Benefits (the Division) was created and exists pursuant to N.J.S.A. 52:18A to oversee and administer the pension trust and other postemployment benefit plans sponsored by the State of New Jersey (the State). According to the State of New Jersey Administrative Code, all obligations of the Systems will be assumed by the State of New Jersey should the plans terminate. Each defined benefit pension plan's designated purpose is to provide retirement, death and disability benefits to its members. The authority to amend the provision of plan rests with new legislation passed by the State of New Jersey. Pension reforms enacted pursuant to Chapter 78, P.L. 2011 included provisions creating special Pension Plan Design Committees for the Public Employees Retirement System (PERS) and the Police and Firemen's Retirement System (PFRS), once a Target Funded Ratio (TFR) is met, that will have the discretionary authority to modify certain plan design features, including member contribution rate; formula for calculation of final compensation or final salary; fraction used to calculate a retirement allowance; age at which a member may be eligible and the benefits for service or early retirement; and benefits provided for disability retirement. The committee will also have the authority to reactivate the cost of living adjustment (COLA) on pensions. However, modifications can only be made to the extent that the resulting impact does not cause the funded ratio to drop below the TFR in any one year of a projection period.

The Division issues a publicly available financial report that includes the financial statements and required supplementary information for each of the plans. This report may be accessed via the Division of Pensions and Benefits website, at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions), or may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625.

Note 12: PENSION PLANS (CONT'D.)

A. Public Employees' Retirement System (PERS) - The Public Employee Retirement System is a cost-sharing, multiple employer defined benefit pension plan as defined in GASB Statement No. 68. The Plan is administered by The New Jersey Division of Pensions and Benefits (Division). The more significant aspects of the PERS Plan are as follows:

*Plan Membership and Contributing Employers-* Substantially all full-time employees of the State of New Jersey or any county, municipality, school district or public agency are enrolled in PERS, provided the employee is not required to be a member of another state-administered retirement system or other state pension fund or other jurisdiction's pension fund. Membership and contributing employers of the defined benefit pension plans consisted of the following at June 30, 2015:

Inactive plan members or beneficiaries currently receiving benefits	166,637
Inactive plan members entitled to but not yet receiving benefits	703
Active plan members	<u>259,161</u>
 Total	 <u>426,501</u>

Contributing Employers – 1,710.

*Significant Legislation* – Chapter 19, P.L. 2009, effective March 17, 2009, provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State Fiscal Year 2009. Such an employer will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of PERS, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

Pursuant to the provision of Chapter 78, P.L. 2011, COLA increases were suspended for all current and future retirees of PERS.

*Payrolls and Covered Wages:*

For the year ended December 31, 2015 the Township's total payroll for all employees was \$24,795,119. Total PERS covered payroll was \$10,085,179. Covered payroll refers to all compensation paid by the Township to active employees covered by the Plan. However, due to systems limitations, covered payroll includes only "pensionable" payroll as reported to PERS.

## Note 12: PENSION PLANS (CONT'D.)

A. Public Employees' Retirement System (PERS) (Cont'd.)

*Specific Contribution Requirements and benefit provisions* – The contribution policy is set by N.J.S.A 43:15 and requires contributions by active members and contributing employers. Members contribute at a uniform rate. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in July 2012. The member contribution rate was 6.92% in State fiscal year 2015 and increased to 7.06% for State fiscal year 2016, commencing July 1, 2015. The phase-in of the additional incremental member contribution rate will take place in July of each subsequent State fiscal year. Employers' contribution amounts are based on an actuarially determined rate. The annual employer contributions include funding for basic retirement allowances and noncontributory death benefits. The Township's cash basis contributions to the Plan for the years ended December 31, 2015 and 2014 were \$1,174,543 and \$1,078,553, respectively. Township Contributions are due and payable on April 1<sup>st</sup> in the calendar year subsequent to the plan year for which the contribution requirements were calculated. Township payments to PERS for the years ending December 31, 2014 and 2015 consisted of the following:

	<u>2015</u>	<u>2014</u>
Normal Cost	\$ 185,753	\$ 185,753
Amortization of Accrued Liability	<u>857,969</u>	<u>816,684</u>
Total Pension	1,043,445	1,002,437
NCGI Premiums	<u>70,672</u>	<u>17,048</u>
Total Regular Billing	1,114,117	1,019,485
Additional Billings:		
Chapter 19	<u>60,426</u>	<u>59,068</u>
Total PERS Payment	<u>\$ 1,174,543</u>	<u>\$ 1,078,553</u>

The Township recognizes liabilities to PERS and records expenditures for same in the fiscal period that bills become due.

Where applicable, Ch. 19, P.L. 2009 billings reflect the recoupment of the 50% deferral of normal and accrued liability costs due on April 1, 2009. The law set a fifteen-year repayment schedule for the deferred amount, with additional annual adjustments to reflect the return on investment of actuarial net assets of the plan on deferred principal balances. The Township is a participant in the Ch. 19, P.L. 2009 program.

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

Note 12. PENSION PLANS (CONT'D.)

A. Public Employees' Retirement System (PERS) (Cont'd.)

The following represents the membership tiers for PERS:

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

A service retirement benefit of 1/55<sup>th</sup> of final average salary for each year of service credit is available to tier 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60<sup>th</sup> of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tier 1 and 2 members before reaching age 60, to tier 3 and 4 members before age 62 and tier 5 members with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age of his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

*Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions* – The regulatory basis of accounting which is basis for the preparation of the Township’s basic financial statements does not require or permit the inclusion of entity-wide, full accrual basis financial statements. Accordingly, the Township does not recognize pension liabilities for any current or prior period until the fiscal period in which such payments will become due and payable.

At June 30, 2015, the PERS reported a net pension liability of \$22,447,996,119 for its Local (Non-State) Employer Member Group. The Township’s proportionate share of the net pension liability for the Local Employer Member Group that is attributable to the Township was \$32,619,933 or 0.145313%. At June 30, 2014, the PERS reported a net pension liability of \$18,722,735,003 for its Local Employer Member Group. The Township’s proportionate share of the net pension liability for the Local Employer Member Group that was attributable to the Township was \$25,302,865 or 0.135145%.

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

Inflation	3.04%
Salary Increases (2012-2021)	2.15-4.40% Based on age
Thereafter	3.15-5.40% Based on age
Investment rate of return	7.90%

Note 12: PENSION PLANS (CONT'D.)

A. Public Employees' Retirement System (PERS) (Cont'd.)

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

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 experiences 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.

In accordance with State statute, the long-term expected rate of return on plan investments (7.90% at June 30, 2015) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries.

The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2015 are summarized in the following table:

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

Note 12: PENSION PLANS (CONT'D.)

A. Public Employees' Retirement System (PERS) (Cont'd.)

*Discount Rate* – The discount rate used to measure the pension liabilities of PERS was 4.90%. 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 3.80% as of June 30, 2015, based on the Bond Buyer GO 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 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 Net Pension Liability* – the following presents the net pension liability of PERS participating employers as of June 30, 2015, calculated using the discount rates as disclosed above as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage rate higher than the current rate:

	<u>At 1% Decrease</u> <u>(3.90%)</u>	<u>At current discount rate</u> <u>(4.90%)</u>	<u>At 1% increase</u> <u>(5.90%)</u>
State	\$27,802,122,942	\$23,722,135,537	\$20,314,768,782
Local	<u>27,900,112,533</u>	<u>22,447,996,119</u>	<u>17,876,981,108</u>
PERS Plan Total	<u>\$55,702,235,457</u>	<u>\$46,170,131,656</u>	<u>\$38,191,749,890</u>

*Components of Net Pension Liability* – The components of the net pension liability for PERS, including the State of New Jersey, at June 30, 2015 is as follows:

	<u>State</u>	<u>Local</u>	<u>Total</u>
Total Pension Liability	\$31,614,118,524	\$43,109,580,038	\$74,723,698,562
Plan Fiduciary Net Position	<u>7,891,982,987</u>	<u>20,661,583,919</u>	<u>28,553,566,906</u>
Net Pension Liability	<u>\$23,722,135,537</u>	<u>\$22,447,996,119</u>	<u>\$46,170,161,656</u>

Note 12: PENSION PLANS (CONT'D.)

B. Police and Firemen's Retirement System (PFRS) - The Police and Firemen's Retirement System is a cost-sharing, multiple employer defined benefit pension plan as defined in GASB Statement No. 68. The Plan is administered by The New Jersey Division of Pensions and Benefits (Division). The more significant aspects of the PFRS Plan are as follows:

*Plan Membership and Contributing Employers*- Substantially all full-time county and municipal police or firemen and state firemen or officer employees with police powers appointed after June 30, 1944 are enrolled in PFRS. Membership and contributing employers of the defined benefit pension plans consisted of the following at June 30, 2015:

Inactive plan members or beneficiaries currently receiving benefits	44,252
Inactive plan members entitled to but not yet receiving benefits	51
Active plan members	<u>40,359</u>
 Total	 <u>84,662</u>

Contributing Employers – 585.

Pursuant to the provision of Chapter 78, P.L. 2011, COLA increases were suspended for all current and future retirees of PFRS.

For the year ended December 31, 2015 the Township's total payroll for all employees was \$24,795,119. Total PFRS covered payroll was \$9,856,374. Covered payroll refers to all compensation paid by the Township to active employees covered by the Plan. However, due to systems limitations, covered payroll includes only "pensionable" payroll as reported to PFRS.

Specific Contribution Requirements and benefit provisions – The contribution policy is set by N.J.S.A 43:16A and requires contributions by active members and contributing employers. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contributions rate increased from 8.5% of annual compensation to 10.0% in October 2011. Employers' contributions are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability. The annual employer contributions include funding for basic retirement allowances and noncontributory death benefits. The Township's cash basis contributions to the Plan for the years ended December 31, 2014 and 2015 were \$2,117,848 and \$2,374,527, respectively. Township Contributions are due and payable on April 1<sup>st</sup> in the calendar year subsequent to the plan year for which the contribution requirements were calculated. Township payments to PFRS for the years ending December 31, 2014 and 2015 consisted of the following:

	<u>2015</u>	<u>2014</u>
Normal Cost	\$ 724,182	\$ 769,593
Amortization of Accrued Liability	<u>1,192,120</u>	<u>1,373,327</u>
 Total Pension	 1,916,302	 2,142,920
NCGI Premiums	<u>73,134</u>	<u>100,637</u>
Total Regular Billing	1,989,436	2,243,557
 Additional Billings:		
Chapter 19	<u>128,412</u>	<u>130,970</u>
 Total PERS Payment	 <u>\$ 2,117,848</u>	 <u>\$ 2,374,527</u>

Note 12: PENSION PLANS (CONT'D.)

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

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

The following represents the membership tiers for PFRS:

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

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

*Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions* – The regulatory basis of accounting which is basis for the preparation of the Township's basic financial statements does not require or permit the inclusion of entity-wide, full accrual basis financial statements. Accordingly, the Township does not recognize pension liabilities for any current or prior period until fiscal period in which such payments will become due and payable.

At June 30, 2015, the PFRS reported a net pension liability of \$16,656,514,197 for its Non-State, Non-Special Funding Situation Employer Member Group. The Township's proportionate share of the net pension liability for the Non-State, Non-Special Funding Situation Employer Member Group was \$51,070,190 or 0.306608%. At June 30, 2014, the PFRS reported a net pension liability of \$12,579,072,492 for its Non-State, Non-Special Funding Situation Employer Member Group. The Township's proportionate of the net pension liability for the Non-State Non-Special Funding Situation Employer Member Group was \$36,743,917 or 0.292104%.

*Actuarial Assumptions*- The total pension liability in the June 30, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.04%
Salary Increases (2012-2021)	2.60-9.48% Based on age
Thereafter	3.60-10.48% Based on age
Investment rate of return	7.90%

## Note 12: PENSION PLANS (CONT'D.)

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

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

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2015 are summarized in the following table:

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

Note 12: PENSION PLANS (CONT'D.)

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

*Discount Rate* – The discount rate used to measure the pension liabilities of PFRS was 5.79%. 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 3.80% as of June 30, 2015, based on the Bond Buyer GO 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount 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. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2045. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2045, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

*Sensitivity of Net Pension Liability* – the following presents the net pension liability of PFRS calculated using the discount rates as disclosed above as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage rate higher than the current rate:

	<u>At 1% Decrease</u> <u>(4.79%)</u>	<u>At current discount rate</u> <u>(5.79%)*</u>	<u>At 1% increase</u> <u>(6.79%)</u>
State	\$ 5,169,538,395	\$ 4,293,672,366	\$ 3,581,810,627
Local	<u>23,884,266,996</u>	<u>18,117,234,618</u>	<u>13,414,734,988</u>
PFRS Plan Total	<u>\$29,053,805,391</u>	<u>\$22,410,906,984</u>	<u>\$16,996,545,615</u>

\*- Local Share includes \$1,460,720,421 of Special Funding Situation allocated to the State of NJ as a non-employer.

*Components of Net Pension Liability* – The components of the net pension liability for PFRS, including the State of New Jersey, at June 30, 2015 is as follows:

	<u>State</u>	<u>Local</u>	<u>Total</u>
Total Pension Liability	\$ 6,053,301,057	\$41,464,464,848	\$47,517,765,905
Plan Fiduciary Net Position	<u>1,759,628,691</u>	<u>23,347,230,230</u>	<u>25,106,858,921</u>
Net Pension Liability	<u>\$ 4,293,672,366</u>	<u>\$18,117,234,618</u>	<u>\$22,410,906,984</u>

Note 12: PENSION PLANS (CONT'D.)

C. Defined Contribution Retirement System (DCRP)

The Defined Contribution Retirement Plan (DCRP) is a multiple employer defined contribution plan as defined in GASB Statement No. 68. The Plan is administered by The New Jersey Division of Pensions and Benefits (Division). The more significant aspects of the DCRP are as follows:

*Plan Membership and Contributing Employers-* Enrollment in the DCRP is required for state or local officials, elected or appointed on or after July 1, 2007; employees enrolled in TPAF or PERS on or after July 1, 2007, who earn salary in excess of established “maximum compensation” limits; employees otherwise eligible to enroll in TPAF or PERS on or after November 2, 2008, who do not earn the minimum annual salary for tier 3 enrollment but who earn salary of at least \$5,000 annually; and employees otherwise eligible to enroll in TPAF or PERS after May 21, 2010, who do not work the minimum number of hours per week required for tier 4 or tier 5 enrollment, but who earn salary of at least \$5,000 annually. At June 30, 2015, the membership in the DCRP, based on the information within the Division’s database, was 36,808.

*Contribution Requirement and Benefit Provisions -* State and local government employers contribute 3% of the employees base salary. Active members contribute 5.5% of base salary.

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

For the year ended December 31, 2015 the Township’s total payroll for all employees was \$24,795,119. Total DCRP covered payroll was \$292,749. Covered payroll refers to all compensation paid by the Township to active employees covered by the Plan. Township and employee contributions to the DCRP for the year ended December 31, 2015 were \$10,448 and \$15,581, respectively.

Note 13: POST EMPLOYMENT BENEFIT PLANS OTHER THAN PENSION PLANS & POST RETIREMENT HEALTH CARE BENEFITS

The Township of Piscataway provides its retirees with health benefits, which are fully funded by the Township. These benefits are negotiated for through each bargaining unit's contract. In order to receive fully paid health benefits, retirees must have been enrolled in the Public Employees Retirement Fund for 25 years. Retirees receive the same type of health insurance coverage that they were receiving prior to retirement. There are approximately 194 retirees enrolled in health benefits programs, which are fully funded by the Township. The annual costs are determined by the provider, per approved schedules in accordance with the insured individual’s age and plan status. This represents billings to the Township on an experience basis. The amount paid by the Township for retirees’ health benefits was \$2,964,900 and \$2,992,525 for CY 2015 and CY 2014 respectively.

NOTES TO FINANCIAL STATEMENTS

Note 13: POST EMPLOYMENT BENEFIT PLANS OTHER THAN PENSION PLANS & POST RETIREMENT HEALTH CARE BENEFITS (CONT'D.)

The contribution requirements of plan members and the participating agencies are established and may be amended by the MCJHIF Commissioners. The Township's annual postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. The following table shows the components of the Township's annual OPEB cost for the year, any amounts contributed to the plan and the Township's net OPEB obligation. For 2015 and 2014, the Township's annual OPEB cost (expense) of \$8,025,700 was greater than the ARC of \$8,018,600.

	<u>2015 Total</u>	<u>2013 Total</u>
Net OPEB obligation – beginning of year	\$27,317,800	\$19,572,800
Annual required contribution (ARC)	8,018,600	6,451,100
Less: Contributions	<u>2,964,900</u>	<u>2,389,300</u>
Net OPEB obligation – end of year	<u>\$32,378,600</u>	<u>\$23,639,700</u>

The funded status of the plan for the Township as of January 1, 2015 and 2013, is as follows:

	<u>2015 Total</u>	<u>2013 Total</u>
Actuarial accrued liability (AAL)	\$106,905,000	\$85,931,300
Actuarial value of plan assets	<u>-0-</u>	<u>-0-</u>
Unfunded actuarial accrued liability (UAAL)	<u>\$106,905,000</u>	<u>\$85,931,300</u>
Funded ratio (actuarial value of plan assets/AAL)	0.00%	0.00%
Covered payroll (active plan members)	\$18,069,200	\$16,873,000
UAAL as a percentage of covered payroll	592%	509%

The projection of future benefits for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the health-care cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress presented as required supplementary information following the notes to the financial statements, presents trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

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

Note 13: POST EMPLOYMENT BENEFIT PLANS OTHER THAN PENSION PLANS & POST RETIREMENT HEALTH CARE BENEFITS (CONT'D.)

In the January 1, 2015 and 2013 actuarial valuation, the projected unit credit method was used. A rate of 4.00% was utilized as the discount rate and the amount of increase in the normal cost amount. The unfunded accrued liability is being amortized as a level dollar amount using an open period of thirty (30) years.

Note 14: RISK MANAGEMENT

The Township, together with other governmental units, is a member of the Central Jersey Joint Insurance Fund (the Fund). The Fund, which is organized and operated pursuant to the regulatory authority of the Departments of Insurance and Community Affairs, State of New Jersey, provides for a pooling of risks, subject to established limits and deductibles. The Fund's governing board based upon actuarial and budgetary requirements calculates payments to the Fund. Each participant in the Fund is jointly and severably obligated for any deficiency in the amount available to pay all claims. The Joint Insurance fund insures against property damage, general liability, auto liability, equipment liability, public official liability, and law enforcement liability and workers compensation. While additional assessments or premiums can be levied by the Fund to assure payment of the Fund's obligations, no such additional premiums have been necessary as of December 31, 2015. The Fund will be self-sustaining through member premiums, reported as an expenditure in the Township's financial statements. The Fund contracts for excess liability insurance for property damage, general liability, auto liability, equipment liability, public official liability, law enforcement liability and workers' compensation. The Township continues to carry commercial insurance for other risks of loss, principally employee health insurance.

At December 31, 2015, the Fund reported for all years combined, total assets of \$19,628,462.01, liabilities and reserves of \$14,818,348.20, which includes case reserves of \$9,080,135.52 and IBNR of \$5,552,180.00 and a fund balance for all years of \$4,810,113.81 and at December 31, 2014, the Fund reported for all years combined, total assets of 18,081,923.04, liabilities and reserves of \$13,729,120.77, which includes case reserves of \$8,057,406.86 and IBNR of \$5,064,453.00 and a fund balance for all years of \$4,352,802.27.

Self-Insurance – Worker's Compensation

The Township maintains a self-insurance risk management program for claims relating to Worker's Compensation for program periods beginning in 1985 and terminating with the state fiscal year ended June 30, 1998. The Township continued to engage an outside claims service bureau to serve as Fund Administrator. The Administrator for estimated benefits and expenses for reported claims establish reserves. The status of the Township's self-insurance cash reserves, as compared to the reserve requirements established by the Fund Administrator for claims reported at the close of the year, is as follows:

Note 14: RISK MANAGEMENT (Cont'd.)

Self-Insurance – Worker’s Compensation (Cont’d.)

	<u>Estimated Reserve Requirement For Reported Claims</u>	<u>Cash Reserves</u>
<u>CY 2015</u>		
Worker’s Compensation – Self-Insurance (All Program Years)	\$ <u>0.00</u>	<u>\$0.00</u>
<u>CY 2014</u>		
Worker’s Compensation – Self-Insurance (All Program Years)	\$ <u>0.00</u>	<u>\$41,568.68</u>

The Township has procured reinsurance coverage which limits the Township risk retention on a per occurrence and aggregate basis.

The following is an analysis of changes in cash reserves for the fiscal year ended December 31, 2015 and December 31, 2014:

<u>CY 2015</u>				
<u>Cash Reserve Dec. 31, 2014</u>	<u>Township Appropriation</u>	<u>Refunds, Subrogation &amp; Interest Earnings</u>	<u>Claims &amp; Fees Paid</u>	<u>Cash Reserve Dec. 31, 2015</u>
<u>\$41,568.68</u>	<u>\$5,000.00</u>	<u>\$0.00</u>	<u>\$46,568.68</u>	<u>\$0.00</u>

The following is an analysis of changes in the estimated reserve requirement for claims reported for all program years as at December 31, 2015:

<u>Estimated Reserve Requirement Dec. 31, 2014</u>	<u>Estimated Reserves For Prior Period Adjustment</u>	<u>Net Claims/ Fees Paid</u>	<u>Estimated Reserve Requirement Dec. 31, 2015</u>
<u>\$0.00</u>	<u>\$(0.00)</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>

Note 14: RISK MANAGEMENT (CONT'D):

Self-Insurance – Worker’s Compensation (Cont’d)

<u>CY 2014</u>				
Cash Reserve Dec. 31, 2013	Township Appropriation	Refunds, Subrogation & Interest Earnings	Claims & Fees Paid	Cash Reserve Dec. 31, 2014
<u>\$68,364.93</u>	<u>\$5,000.00</u>	<u>\$31,796.25</u>	<u>\$ 0.00</u>	<u>\$41,568.68</u>

The following is an analysis of changes in the estimated reserve requirement for claims reported for all program years as at December 31, 2015:

Estimated Reserve Requirement Dec. 31, 2013	Estimated Reserves For Prior Period Adjustment	Net Claims/ Fees Paid	Estimated Reserve Requirement Dec. 31, 2014
<u>\$64,538.30</u>	<u>\$(64,538.30)</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>

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 District is billed quarterly for amounts due to the State. Following is a summary of Township appropriations, interest earning and remittances to the State for the current and prior year:

<u>Year</u>	<u>Township Appropriation</u>	<u>Employee Contribution</u>	<u>Overpayment Refund</u>	<u>Interest Earnings</u>	<u>Amounts Reimbursed</u>	<u>Ending Balance</u>
CY 2015	\$100,000.00	\$-0-	\$-0-	-0-	\$48,046.75	\$489,474.88
CY 2014	\$100,000.00	\$-0-	\$-0-	-0-	\$42,806.98	\$437,521.63
CY 2013	150,000.00	-0-	265,027.43	-0-	249,900.85	380,328.61

Note 15: CONTINGENT LIABILITIES

A. Supplemental and Retrospective Insurance Assessments

As a constituent member of the Central Jersey Joint Insurance Fund (the “CJJIF”), the Township of Piscataway, together with the other Members of the CJJIF, is jointly and severally responsible for the timely payment of Supplemental Assessments levied with the approval of the CJJIF Commissioners. At December 31, 2015, the CJJIF had outstanding Supplemental and Retrospective Assessments receivable in the amount of \$6,428,678, which were levied in Fund Years 2010, 2011, 2013, 2014 and 2015, and are due in ten equal annual installments consisting of:

<u>Year Levied</u>	<u>Supplemental Assessments</u>		<u>Final Installment</u>
	<u>Original Levy</u>	<u>December 31, 2015 Balance</u>	
2010	\$3,769,587	\$2,074,455	2021
2011	952,802	655,962	2022
2014	1,349,762	1,068,810	2023
2015	<u>824,241</u>	<u>648,387</u>	2024
Totals	<u>\$6,896,392</u>	<u>\$4,447,614</u>	

<u>Year Levied</u>	<u>Retrospective Assessments</u>	
	<u>Original Levy</u>	<u>December 31, 2015 Balance</u>
2015	1,626,407	1,981,064

The Supplemental Assessments were established as receivables from the constituent members in the same proportion as the original assessments for each Loss Year were levied. At December 31, 2015, it is estimated that Piscataway Township will be required to make additional payments to the CJJIF or forego dividend payments (if any should be declared) from 2015 through 2024 in the total amount of \$442,635 for its allocated share of the Supplemental Assessments.

The Retrospective Assessments were established as receivables from the constituent members based upon actuarial calculations, if projected actual claim losses exceed the amounts upon which annual assessments were based. At December 31, 2015 it was determined that Piscataway’s actual claim loss exceeded the amounts upon which annual assessments were based for Fund Year 2015 and 2015 in an aggregate amount of \$167,034.

B. Litigation Pending or Threatened

At December 31, 2015, the Township had litigation pending. The majority of this litigation involves claims against the Township relating to matters that traditionally would be covered through the procurement of workers' compensation and liability insurance policy coverages. As more fully described in Note 11, the Township has participated in a joint insurance fund since June 1998.

In regard to State Court Tax Appeals, those matters, as with all matters, are being vigorously defended and settled when prudent. The Township has addressed, in its Budget, and has implemented procedures in accordance with the applicable State finance and budget statutes and regulations to satisfy refunds and/or credits required by settlements and/or judgments for State Court Tax Appeals. It is expected that the settlements and/or judgments for these matters in the aggregate will result in significant reductions to assessed values and require refunds and/or credits that would be material to the Township’s financial position.

NOTES TO FINANCIAL STATEMENTS

Note 16: ACCRUED SICK AND VACATION BENEFITS

The Township has permitted employees to accrue unused sick pay, which may be taken as time off when sick or paid at retirement. Accumulated unused sick days may be used at the time of retirement as salary extension for a time equal to the number of days of retirement, or the employee involved may request a cash payment from the Township for the accumulated days, at the employee's sole discretion. There is a limit of 240 days with some minor adjustments. Current Township policy and provisions of collective bargaining agreements generally limit accumulations to 5 days per calendar year. As of December 31, 2015 and December 31, 2014 it is estimated that the current cost of such unpaid sick pay would approximate \$6,440,630.00 and \$6,716,729.67. These amounts represent the current value of all accumulations, and are not intended to portray amounts that would be recorded under GAAP.

The Township has not discounted the total based upon a study of utilization by employees separating from service. Neither has it excluded the accumulations of any employees based upon the likelihood that the right to receive termination payments for such accumulations will vest with the employees. The amount that the valuation reported above would be reduced under either of the methodologies permitted under GAAP has not been determined.

The estimated value of accumulated unused vacation pay has not been calculated. Township policies generally require employees to utilize accrued vacation pay during the calendar year it accrues. With the written approval of the Business Administrator and Department Head, unused vacation benefits may be carried only until March 31st of the succeeding year.

Note 17: COMMITMENTS AND CONTINGENCIES

The Township participates in several federal and state financial assistance grant programs. Entitlement to the funds is generally conditioned upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditures of funds for eligible purposes. These programs are also subject to compliance and financial audits by the grantors or their representatives. As of December 31, 2015, the Township does not believe that any material liabilities will result from such audits.

As at December 31, 2015 and through the date of this report, the Township had litigation pending, including property tax appeals and other matters. The Township estimates that potential claims against the Township not covered by insurance resulting from such litigation would not materially affect the financial statements of the Township.

Note 18: SUBSEQUENT EVENTS

During the period subsequent to the balance sheet date, through the date of the auditor's report, the Township has authorized capital improvement projects, which provide for the issuance of bonds and notes to finance the costs thereof, as follows:

The following Programs/Projects for CY 2016 have been authorized:

<u>Project</u>	<u>Total</u>	<u>Bond/Notes Authorized</u>
Various park improvements	\$1,413,000.00	\$1,339,500.00
Acquisition of various equipment and vehicles	1,288,000.00	0.00

On April 5, 2016 the Governing Body adopted the FY2016 Municipal Budget in the aggregate of \$68,165,793.65.

**TOWNSHIP OF PISCATAWAY**  
**MIDDLESEX COUNTY, NEW JERSEY**



**PART II**  
**REQUIRED SUPPELEMENTARY INFORMATION**

TOWNSHIP OF PISCATAWAY  
 SCHEDULE OF THE TOWNSHIP'S SHARE OF THE NET PENSION LIABILITY  
PUBLIC EMPLOYEES RETIREMENT SYSTEM (Local Group)

	<u>2014</u>	<u>2015</u>
Township's Proportion Share of the Net Pension Liability	0.135145%	0.145313%
Township's Proportion Share of the Net Pension Liability	\$25,302,865	\$32,619,933
Township's Covered-Employee Payroll	\$ 9,839,286	\$ 10,085,179
Township's Proportionate Share of the Net Pension Liability as a percentage of the Covered-Employee Payroll	257.16%	323.44%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	42.74%	38.21%

\* Amounts presented for each fiscal year were determined as of June 30.

TOWNSHIP OF PISCATAWAY  
 SCHEDULE OF THE TOWNSHIP'S CONTRIBUTIONS  
PUBLIC EMPLOYEES RETIREMENT SYSTEM (Local Group)

Last 10 Fiscal Years\*

	<u>2014</u>	<u>2015</u>
Contractually Required Contribution	\$ 1,078,553	\$ 1,174,543
Contribution in Relation to Contractually Required Contribution	<u>\$ (1,078,553)</u>	<u>\$ (1,174,543)</u>
Contribution deficiency (excess)	\$ -	\$ -
Township's Proportionate Share of the Payroll	\$ 9,839,286	\$ 10,085,179
Contributions as a percentage of Covered Employee Payroll	10.96%	11.65%

\* Amounts presented for each fiscal year were determined as of June 30.

TOWNSHIP OF PISCATAWAY  
 SCHEDULE OF THE TOWNSHIP'S SHARE OF THE NET PENSION LIABILITY  
POLICE AND FIREMEN RETIREMENT SYSTEM  
 (Non-State, Non-Special Funding Situation Employer Member Group)

	<u>2014</u>	<u>2015</u>
Proportion of the Non-State, Non-Special Funding Situation Employer Group Net Pension Liability attributable to the Township	0.292104%	0.306608%
Share of the Liability of the State of New Jersey for the Net Pension Liability of the Non-State, Non-Special Funding Situation Employer Group	\$36,743,917	\$51,070,190
Township's Covered-Employee Payroll	\$9,478,902	\$9,856,374
Share of the Liability of the State of New Jersey for the Net Pension Liability of the Non-State, Non-Special Funding Situation Employer Group as a percentage of the Township's Covered-Employee Payroll	387.64%	518.14%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability (See Note Below)	58.86%	52.84%

\* Amounts presented for each fiscal year were determined as of June 30.

Note: Percentages shown are Plan-wide, and include NPL and PFNP data that include employees of the State of New Jersey.

TOWNSHIP OF PISCATAWAY  
 SCHEDULE OF THE TOWNSHIP'S CONTRIBUTIONS  
POLICE AND FIREMEN RETIREMENT SYSTEM  
 (Non-State, Non-Special Funding Situation Employer Member Group)

Last 10 Fiscal Years\*

	<u>2014</u>	<u>2015</u>
Contractually Required Contribution	\$ 2,374,527	\$ 2,117,848
Contribution in Relation to Contractually Required Contribution	<u>\$ (2,374,527)</u>	<u>\$ (2,117,848)</u>
Contribution deficiency (excess)	\$ -	\$ -
Township's Proportionate Share of the Payroll	\$ 9,478,902	\$ 9,856,374
Contributions as a percentage of Covered Employee Payroll	25.05%	21.49%

\* Amounts presented for each fiscal year were determined as of June 30.

**TOWNSHIP OF PISCATAWAY  
COUNTY OF MIDDLESEX, NEW JERSEY**

**NOTES TO REQUIRED SUPPLEMENTARY PENSION INFORMATION  
DECEMBER 31, 2015**

**NOTE 1. CHANGES IN ASSUMPTIONS**

Changes in Assumptions were applicable for current year.

TOWNSHIP OF PISCATAWAY  
 COUNTY OF MIDDLESEX, NEW JERSEY

REQUIRED SUPPLEMENTARY INFORMATION  
 POSTEMPLOYMENT HEALTH BENEFITS  
SCHEDULE OF FUNDING PROGRESS

<u>Year</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
01/01/11	\$ -	\$ 78,625,900.00	\$ 78,625,900.00	0.00%	\$ 17,506,964.00	449.11%
01/01/13	-	85,931,300	85,931,300	0.00%	16,873,000	509.28%
01/01/15	-	106,905,000	106,905,000	0.00%	18,069,200	591.64%

**TOWNSHIP OF PISCATAWAY  
MIDDLESEX COUNTY, NEW JERSEY**



**PART III  
SUPPLEMENTARY SCHEDULES**

**Current Fund**

SCHEDULE OF CASH

	Ref.	CURRENT FUND	GRANT FUND
Cash Balance Dec 31, 2014.....	A	\$ 28,830,895.81	\$ 320,993.62
<b>Increased by Cash Receipts</b>			
Collector	A-5	\$ 169,680,936.63	
Due from State of NJ - Ch. 20	A-6	258,256.56	
Revenue Accounts Receivable	A-8	9,272,148.38	
Miscell. Revenue Not Anticipated	A-8	1,026,961.34	
Various Payables	A-10	268,716.43	
Various Reserves	A-10	343,248.94	
Interfunds Receivable	A-11	2,667,553.17	
Interfunds Payable	A-12/A-16	15,442,346.60	\$ 718,022.37
Federal and State Grants Receivable	A-15		561,771.56
Total Cash Receipts.....		198,960,168.05	1,279,793.93
<b>Decreased by Disbursements</b>			
Refund of Prior Year Revenue	A-1	255,142.29	
Refund of Current Year Revenue	A-1	8,442.51	
CY 2015 Appropriations	A-3	53,389,132.07	
CY 2014 Approp. Reserves	A-9	1,154,432.69	
Various Payables	A-10	131,315.84	
Various Reserves	A-10	2,611,967.68	
Interfunds Receivable	A-11	3,827,286.62	
Interfunds Payable	A-12	13,187,772.31	
County Tax	A-13	25,489,966.85	
Fire District Tax	A-13	3,749,329.00	
Local School District Tax	A-13	88,504,363.00	
Tax Overpayments	A-14	2,027,173.07	
Interfunds Returned	A-16		850,000.00
Federal and State Grants Appropriated	A-17		674,788.38
Total Cash Disbursements.....		194,336,323.93	1,524,788.38
Cash Balance December 31, 2015.....	A	\$ 33,454,739.93	\$ 75,999.17

**SCHEDULE OF COLLECTORS CASH  
CURRENT FUND**

Ref.

Increased by Receipts:

Interest and Cost on Taxes	A-2	403,199.50	
Taxes Receivable - Current Year	A-7	162,916,915.82	
Taxes Receivable - Delinquent	A-7	1,726,894.27	
Taxes Receivable - Arrears	A-7	458.24	
Taxes Receivable -Prepaid Taxes	A-7	1,115,451.68	
Tax Title Liens Receivable	A-7	1,604.37	
Non-Budget Revenue	A-8	13,243.00	
Trust Fund: Premium	A-11	2,567,293.07	
Miscellaneous Revenue	A-8	<u>935,876.68</u>	
			<u>\$ 169,680,936.63</u>

Decreased by:

Deposited to Treasurer	A-4		<u>\$ 169,680,936.63</u>
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**SCHEDULE OF DUE FROM STATE OF NEW JERSEY -  
FOR ALLOWABLE DEDUCTIONS PER CHAPTER 20, P.L. 1976  
CURRENT FUND**

	<u>REF.</u>		
Balance - December 31, 2014	A		\$ 195,478.78
Increased by:			
Allowable Deductions per Tax Billings	A- 6	\$ 298,250.00	
2015 Sr. Citizens and Vet. Ded. Allowed by Collector	A- 6	6,500.00	
2012-2014 Sr. Citizens and Vet. Ded. Allowed by Collector	A- 6	<u>1,000.00</u>	
			<u>305,750.00</u>
			501,228.78
Decreased by:			
Collected	A- 4	\$ 258,256.56	
2015 Sr. Citizens and Vet. Ded. Disallowed by Collector	A- 6	2,364.78	
2012-2014 Sr. Citizens and Vet. Ded. Disallowed by Collector	A- 6	<u>14,034.93</u>	
			<u>274,656.27</u>
Collected			<u>274,656.27</u>
Balance - December 31, 2015	A		<u><u>\$ 226,572.51</u></u>
<u>Analysis of Sr. Citizens &amp; Veterans Deductions Allowed - 2015 Taxes</u>			
Per Tax Billings	A- 6, A-7		\$ 298,250.00
Allowed (Disallowed) by Tax Collector Current Year	A- 6, A-7		4,135.22
Allowed (Disallowed) by Tax Collector Prior Year	A- 6, A-1		<u>(13,034.93)</u>
Total			<u><u>\$ 289,350.29</u></u>

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

	Ref.	Total	2016 Prepaid	CY 15 Current	CY 14 Delinquent	Arrears	Tax Title Liens	Property Acquired for Taxes
Balance 12/31/14.....	A	\$ 4,039,617.09	\$ (758,555.08)	\$	\$ 1,606,002.22	\$ 2,616.77	\$ 596,653.18	\$ 2,592,900.00
py adjustment								
Billings / Levy:								
Original Levy.....	A-7	162,354,213.88		162,354,213.88				
Added & Omitted.....	A-7	4,378,155.19		4,378,155.19				
Reductions due to tax appeals.....	A-1	(1,041,089.13)		(493,705.57)	(470,201.38)	(77,182.18)		
Canceled Taxes.....		625,953.38		(27,503.40)	577,933.13	75,523.65		
Transfers								
Tax Lien.....	A-7	-		(23,140.87)	(374.63)		23,515.50	
Tax Sale and Adjustments.....		2,597.20					2,597.20	
Revenue								
Sr.Citizens & Vets.....								
Original Levy.....	A-6	(298,250.00)		(298,250.00)				
Allowed/Disallowed.....	A-6	8,899.71		(4,135.22)	13,534.93	(500.00)		
Cash Receipts.....	A-5	(165,761,324.38)		(162,916,915.82)	(1,726,894.27)	(458.24)	(1,604.37)	
Prepaid Applied.....	A-7	-		(758,555.08)				
Tax Overpayments.....	A-14	(440,666.73)		(440,666.73)				
Balance 12/31/14.....		\$ 3,868,106.21	\$ (1,115,451.68)	\$ 1,769,496.38	\$ -	\$ (0.00)	\$ 621,161.51	\$ 2,592,900.00

	Ref.		A	A,A-7	A	A	A	A
<b>Analysis of CY 2015 Property Tax Levy:</b>								
Tax Yield:								
General Purpose Tax		\$ 162,354,213.88						
Added Taxes		4,378,155.19						
		<u>166,732,369.07</u>						
A-7		\$						
Tax Levy:								
Local School District Tax								
County Tax								
County Open Space								
Due County - Added & Omitted								
Special District Taxes								
Ref.								
A-13		\$ 88,504,363.00						
A-13		22,948,302.71						
A-13		1,868,950.71						
A-13		672,713.43						
A-13		<u>3,749,329.00</u>						
Current Taxes Realized:								
Sr. Citizens & Vets								
Cash Receipts								
Overpayments Applied								
Subtotal								
Res. For Uncoll. Tax								
Ref.								
A-6		\$ 302,385.22						
A-7		163,675,470.90						
A-1		<u>164,418,522.85</u>						
A-3		2,401,820.16						
		<u>166,820,343.01</u>						
Allocated to School, County and Special District								
A-2		117,743,658.85						
A-13		45,248,384.03						
		<u>3,740,326.19</u>						
		<u>166,732,369.07</u>						
Delinquent Taxes Realized:								
FY 15 Collections		\$ 1,726,894.27						
Sr. Citizens Vets		(13,034.93)						
Arrears Collections		458.24						
Overpayments Transfers		-						
Overpayments Applied		-						
Tax Liens Collected		<u>1,604.37</u>						
A-1, A-2		<u>1,715,921.95</u>						

**CURRENT FUND  
SCHEDULE OF NONBUDGET REVENUES & VARIOUS ACCOUNTS RECEIVABLES**

	December 31, 2014	Accrued/ Adjustments	Cash Receipts	December 31, 2015
<b>Revenue Accounts Receivable:</b>				
Licenses - Other	\$ -	\$ 98,107.50	\$ (98,107.50)	\$ -
Alcoholic Beverage License		58,650.00	(58,650.00)	-
Fees and Permits		574,965.78	(574,965.78)	-
Fines and Costs - Municipal Court	105,997.07	977,353.35	(1,019,614.33)	63,736.09
Construction Code Fees		761,631.06	(761,631.06)	-
Interest on Investments and Deposits		86,773.35	(86,773.35)	-
Cable Franchise Fees		198,600.64	(198,600.64)	-
Hotel and Motel Tax		420,616.54	(420,616.54)	-
Interlocal Services: Shared Services		102,000.00	(102,000.00)	-
Library Fines	-	36,000.00	(33,000.00)	3,000.00
State Aid: Energy Receipts Tax		5,350,217.00	(5,350,217.00)	-
State Aid: Consolidated Municipal Property Tax Relief Aid		508,362.00	(508,362.00)	-
Uniform Fire Safety Act		84,352.38	(84,352.38)	-
A-2	105,997.07	9,257,629.60	(9,296,890.58)	66,736.09
<b>Non - Budget Revenue:</b>				
Administrative Fees Outside Jobs		751,943.92	(751,943.92)	-
Abandoned Vehicles		34.00	(34.00)	-
Bid Specifications		75.00	(75.00)	-
Calendar - 350th Year Anniversary		234.00	(234.00)	-
Citizens' & Veterans 2% Admin Fees		5,281.99	(5,281.99)	-
Cost of Tax Sale		10,976.32	(10,976.32)	-
Credit Card Convenience Fees		14,902.83	(14,902.83)	-
Cultural Arts		340.00	(340.00)	-
Delinquent Fees		2,160.00	(2,160.00)	-
DMV Inspection Fees		1,250.50	(1,250.50)	-
Duplicate Bill		0.37	(0.37)	-
Fire Report		175.00	(175.00)	-
Fire Penalty		9,200.00	(9,200.00)	-
Homeowner Mail Reimbursement		2,430.60	(2,430.60)	-
Hurricane Sandy Reimbursements		648,810.21	(648,810.21)	-
ID Card Replacement Fee		60.00	(60.00)	-
Contributions In Lieu of Taxes		28,000.00	(28,000.00)	-
Insurance Traffic Signals		19,981.97	(19,981.97)	-
Maintenance Liens		1,561.15	(1,561.15)	-
Medical Appointments		4,850.00	(4,850.00)	-
Miscellaneous		106,257.08	(106,257.08)	-
Central Jersey JIF Awards		3,500.00	(3,500.00)	-
Photo Copies		5,566.38	(5,566.38)	-
Police Report		2,026.75	(2,026.75)	-
Recycling Batteries		1,581.60	(1,581.60)	-
Recycling Bins		846.09	(846.09)	-
Rent Land		19,251.00	(19,251.00)	-
Recycle: Pallets		117.00	(117.00)	-
Returned Check Fees		1,957.95	(1,957.95)	-
Rent: Senior Center		6,100.00	(6,100.00)	-
Scrap Metal		17,738.56	(17,738.56)	-
SREC: Solar Energy		65,930.42	(65,930.42)	-
Zoning & Planning Fees		2,800.00	(2,800.00)	-
Tax Search		20.00	(20.00)	-
Visitor's Fee		3.00	(3.00)	-
Violations - Code		15,220.00	(15,220.00)	-
Worker's Compensation Refund		52,867.97	(52,867.97)	-
A-1, A-2	-	1,804,051.66	(1,804,051.66)	-
<b>Total</b>	<b>\$ 105,997.07</b>	<b>\$ 11,061,681.26</b>	<b>\$ (11,100,942.24)</b>	<b>\$ 66,736.09</b>
	<u>Ref.</u>	<u>A</u>	<u>Reserve</u>	<u>A</u>
<b>Analysis of Miscellaneous Revenues:</b>				
Account Receivable Collections	A-4		\$ 9,272,148.38	
Grass Coupons	A-2, A-5		13,243.00	
Cost of Sale	A-2, A-5		11,018.83	
Return Check Fee	A-2, A-5		460.00	
Tax Search	A-2, A-5		20.00	
Duplicate Bill	A-2, A-5		0.37	
Subtotal			9,296,890.58	
Non-Budget Revenue	A-4		1,026,961.34	
Non-Budget Revenue	A-5		13,243.00	
Grant Fund	A-16		11,903.40	
Trust Fund	A-11		751,943.92	
			<u>\$ 11,100,942.24</u>	

TOWNSHIP OF PISCATAWAY  
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND  
STATEMENT OF APPROPRIATION RESERVES - CY 2014  
FOR THE YEAR ENDED DECEMBER 31, 2015

	BALANCE DEC 31, 2014	ENCUMBERED DEC 31, 2014	Transfers	BALANCE AFTER MODIFICATION	PAID OR CHARGED	BALANCE LAPSED
Operations Within "CAPS"						
<u>General Government</u>						
Township Council	\$ 3,308.47			\$ 3,308.47		\$ 3,308.47
Other Expenses						
Township Clerk	12,463.80		(12,463.80)	-		-
Salaries and Wages	6,534.94	6,684.61		13,219.55	3,777.78	9,441.77
Other Expenses						
Elections						
Other Expenses	1,222.05			1,222.05	-	1,222.05
<u>Administration</u>						
Department of Administration						
Salaries and Wages	17,587.70			361.80	361.80	(0.00)
Other Expenses	59,604.59	1,817.49	(17,225.90)	61,422.08	3,360.63	58,061.45
Division of Personnel						
Other Expenses	1,968.01	1,442.10		3,410.11	1,273.26	2,136.85
Computer Center						
Salaries and Wages	9,018.50					
Other Expenses	93,539.91	96,021.25	(9,018.50)	189,561.16	15,257.50	174,303.66
Division of Purchasing						
Other Expenses:	4,976.61	4,125.70		9,102.31	1,290.53	7,811.78
Postage (All Departments)	5,910.33	1,086.43		6,996.76	-	6,996.76
Duplicating (All Departments)	2,769.50	2,489.70		5,259.20	2,488.50	2,770.70
Miscellaneous Other Expenses						

TOWNSHIP OF PISCATAWAY  
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND

STATEMENT OF APPROPRIATION RESERVES - CY 2014  
FOR THE YEAR ENDED DECEMBER 31, 2015

	BALANCE DEC 31, 2014	ENCUMBERED DEC 31, 2014	Transfers	BALANCE AFTER MODIFICATION	PAID OR CHARGED	BALANCE LAPSED
Operations Within "CAPS" (Cont'd)						
Municipal Land Use (N.J.S.A. 40:55 D-1):						
Planning Board	26,143.49	3,913.80		30,057.29	846.32	29,210.97
Other Expenses						
Zoning Board	3,112.50	8,859.71		11,972.21	4,374.39	7,597.82
Other Expenses						
Celebration of Public Events						
Other Expenses	10,000.00			10,000.00	10,000.00	-
Cable TV Studio	478.98		(478.98)	-	-	-
Salaries and Wages	1,725.27	2,000.03		3,725.30	1,894.10	1,831.20
Other Expenses						
Finance and Revenue						
Department of Finance						
Salaries and Wages	6,648.38		(2,648.38)	4,000.00	4,000.00	-
Other Expenses	45,022.34	3,460.58		48,482.92	11,245.74	37,237.18
Annual Audit		70,000.00		70,000.00	56,361.00	13,639.00
Division of Assessment						
Salaries and Wages	16,810.70		(16,810.70)	-	-	-
Other Expenses	1,409.29	22,480.94	10,000.00	33,890.23	30,929.32	2,960.91
Division of Revenue						
Salaries and Wages	33,419.55		(37,419.55)	(4,000.00)	(4,000.00)	-
Other Expenses	496.14	469.01		965.15	-	965.15
Insurance						
Liability Insurance	149,360.73	2,769.74		152,130.47	-	152,130.47
Workers' Compensation Insurance						
Health Insurance Waiver	24,825.00			24,825.00	-	24,825.00
Employee Group Insurance		961,229.10		961,229.10	144.00	961,085.10

**TOWNSHIP OF PISCATAWAY  
MIDDLESEX COUNTY, NEW JERSEY**

Exhibit - A-9  
Page 3 of 7

**CURRENT FUND  
STATEMENT OF APPROPRIATION RESERVES - CY 2014  
FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>BALANCE DEC 31, 2014</u>	<u>ENCUMBERED DEC 31, 2014</u>	<u>Transfers</u>	<u>BALANCE AFTER MODIFICATION</u>	<u>PAID OR CHARGED</u>	<u>BALANCE LAPSED</u>
Operations Within "CAPS" (Cont'd)						
Municipal Court						
Salaries and Wages	5,555.62		(5,555.62)	7,207.97	812.59	6,395.38
Other Expenses	6,631.26	576.71				
Public Defender (P.L. 1997, Ch. 256)						
Other Expenses	2,148.00			2,148.00	-	2,148.00
<u>Law</u>						
Department of Law						
Other Expenses	42,040.08	71,705.37		113,745.45	97,358.24	16,387.21
Municipal Prosecutor						
Other Expenses	8,780.00	3,684.54		12,464.54	2,370.00	10,094.54
<u>Public Safety</u>						
Uniform Fire Safety Act						
Salaries and Wages	14,718.45		(14,718.45)	-	-	-
Other Expenses	149.73	1,793.96		1,943.69	1,613.75	329.94
Animal Control						
Salaries and Wages	4,617.79		(4,617.79)	-	-	-
Other Expenses	1,258.19	5,440.62		6,698.81	5,439.62	1,259.19
Division of Schools Crossing Guards						
Salaries and Wages	23,697.06		(23,697.06)	-	-	-
Other Expenses	16.00			16.00	-	16.00
Division of Police						
Salaries and Wages	165,444.62		(95,939.51)	69,505.11	9,505.11	60,000.00
Other Expenses	64,966.50	105,316.84		170,283.34	151,397.74	18,885.60
First Aid Organization - Contribution	34,113.00	2,357.25		36,470.25	10,800.00	25,670.25
Division of Emergency Management Services						
Other Expenses	2,862.74			2,862.74	-	2,862.74

**TOWNSHIP OF PISCATAWAY  
MIDDLESEX COUNTY, NEW JERSEY**

Exhibit - A-9  
Page 4 of 7

**CURRENT FUND  
STATEMENT OF APPROPRIATION RESERVES - CY 2014  
FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>BALANCE DEC 31, 2014</u>	<u>ENCUMBERED DEC 31, 2014</u>	<u>Transfers</u>	<u>BALANCE AFTER MODIFICATION</u>	<u>PAID OR CHARGED</u>	<u>BALANCE LAPSED</u>
Operations Within "CAPS" (Cont'd)						
<u>Public Works</u>						
Department of Public Works						
Salaries and Wages	20,000.90		(19,639.70)	361.20	361.20	0.00
Other Expenses	7,995.53	1,056.32		9,051.85	511.00	8,540.85
Division of Engineering						
Salaries and Wages	35,568.36		(24,117.40)	11,450.96	11,450.96	-
Other Expenses	13,942.20	7,339.30		21,281.50	7,269.54	14,011.96
Division of Community Development and Planning						
Salaries and Wages	426.14		(426.14)	-	-	-
Other Expenses	13,854.13	19,056.18		32,910.31	2,676.25	30,234.06
Public Buildings and Grounds						
Salaries and Wages	11,415.17		(8,384.11)	3,031.06	3,031.06	-
Other Expenses	9,364.95	66,550.11		75,915.06	20,980.26	54,934.80
Division of Property Maintenance						
Salaries and Wages	14,572.94		(11,532.77)	3,040.17	3,040.17	-
Other Expenses	32,926.10	17,918.86		50,844.96	11,465.84	39,379.12
Division of Fleet Maintenance						
Salaries and Wages	8,032.48		(3,282.01)	4,750.47	4,750.47	-
Other Expenses	23,850.27	96,171.55		120,021.82	37,259.30	82,762.52
Division of Streets						
Salaries and Wages	51,588.69		(31,933.76)	19,654.93	19,654.93	-
Other Expenses	31,757.65	8,120.75		39,878.40	1,404.20	38,474.20
Snow Removal						
Other Expenses	1.00	18,383.92		18,384.92	18,384.92	-
All Utilities	282,584.46	448,682.96		731,267.42	116,827.26	614,440.16

**TOWNSHIP OF PISCATAWAY  
MIDDLESEX COUNTY, NEW JERSEY**

**CURRENT FUND  
STATEMENT OF APPROPRIATION RESERVES - CY 2014  
FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>BALANCE DEC 31, 2014</u>	<u>ENCUMBERED DEC 31, 2014</u>	<u>Transfers</u>	<u>BALANCE AFTER MODIFICATION</u>	<u>PAID OR CHARGED</u>	<u>BALANCE LAPSED</u>
Operations Within "CAPS" (Cont'd)						
Division of Parks	4,434.17		(4,336.73)	97.44	97.44	0.00
Salaries and Wages						
Other Expenses	112,033.14	21,910.57	(10,000.00)	123,943.71	6,532.50	117,411.21
Shade Trees	900.00			900.00	-	900.00
Other Expenses						
Division of Sanitation - Sewer System						
Other Expenses	23,611.20			23,611.20	-	23,611.20
Solid Waste Collection						
Salaries and Wages	27,149.34		(15,409.39)	11,739.95	11,739.95	-
Other Expenses	3,100.00	2,000.00		5,100.00	920.86	4,179.14
Recycling Program						
Other Expenses	25,325.00	3,305.18		28,630.18	620.50	28,009.68
Municipal Services Act	100,000.00			100,000.00	37,491.45	62,508.55
<u>Health and Welfare</u>						
Office on Aging	16,048.16		(12,245.66)	3,802.50	3,802.50	-
Salaries and Wages						
Other Expenses	23,903.34	10,239.41		34,142.75	3,371.96	30,770.79

TOWNSHIP OF PISCATAWAY  
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND  
STATEMENT OF APPROPRIATION RESERVES - CY 2014  
FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>BALANCE</u> <u>DEC 31, 2014</u>	<u>ENCUMBERED</u> <u>DEC 31, 2014</u>	<u>Transfers</u>	<u>BALANCE</u> <u>AFTER</u> <u>MODIFICATION</u>	<u>PAID OR</u> <u>CHARGED</u>	<u>BALANCE</u> <u>LAPSED</u>
Operations Within "CAPS" (Cont'd)						
<u>Recreation and Education</u>						
Department of Recreation						
Salaries and Wages	31,459.76		(30,568.14)	891.62	666.55	225.07
Other Expenses	30,226.01	17,115.26		47,341.27	7,077.28	40,263.99
Accumulated Leave Compensation			444,478.34	444,478.34	444,478.34	-
Division of Inspections						
Salaries and Wages	42,008.29		(42,008.29)	-	-	-
Other Expenses	1,050.71	1,745.00		2,795.71	1,145.00	1,650.71
Boards and Commissions						
Other Expenses	10,238.34			10,238.34	156.37	10,081.97
Total Operations Within "CAPS"	1,924,724.25	2,119,320.85	-	4,044,045.10	1,200,069.98	2,843,975.12
Total Operation Including Contingent	1,924,724.25	2,119,320.85	-	4,044,045.10	1,200,069.98	2,843,975.12
Deferred Charges and Statutory Expenditures - <u>Municipal Within "CAPS"</u>						
STATUTORY EXPENDITURES:						
Contribution to:						
Social Security System	391,039.38			391,039.38	-	391,039.38
Defined Contribution Retirement Program	3,455.87			3,455.87	134.00	3,321.87
Total Deferred Charges and Statutory Expenditures Within "CAPS"	394,495.25	-	-	394,495.25	134.00	394,361.25
Total General Appropriations Within "CAPS"	2,319,219.50	2,119,320.85	-	4,438,540.35	1,200,203.98	3,238,336.37

**TOWNSHIP OF PISCATAWAY  
MIDDLESEX COUNTY, NEW JERSEY**

**CURRENT FUND  
STATEMENT OF APPROPRIATION RESERVES - CY 2014  
FOR THE YEAR ENDED DECEMBER 31, 2015**

	BALANCE DEC 31, 2014	ENCUMBERED DEC 31, 2014	Transfers	BALANCE AFTER MODIFICATION	PAID OR CHARGED	BALANCE LAPSED
<b>OPERATIONS EXCLUDED FROM "CAPS"</b>						
Maintenance of Free Public Library	7,897.06	461,608.03		469,505.09	70,825.84	398,679.25
9-1-1 Emergency Telecommunications Services						
Salaries and Wages	5,612.49			5,612.49	2,535.87	3,076.62
Other Expenses	18,798.67	6,293.06		25,091.73	4,633.23	20,458.50
NJDES - Storm Water						
Other Expenses	1,090.91	6,226.40		7,317.31	3,141.20	4,176.11
MCIA Recycling Program	209,488.89	134,867.10		344,355.99	45,237.66	299,118.33
MCUA Solid Waste Agreement	200,000.00	54,991.75		254,991.75	7,184.25	247,807.50
Edison Animal Control Contract	833.60	8,890.00		9,723.60	-	9,723.60
UMDNJ Agreements	8,979.32			8,979.32	-	8,979.32
Public and Private Programs Offset by Revenues						
Matching Fund for Grants	50,000.00			50,000.00	-	50,000.00
<b>Total Operations - Excluded from "CAPS"</b>	<b>502,700.94</b>	<b>672,876.34</b>	<b>-</b>	<b>1,175,577.28</b>	<b>133,558.05</b>	<b>1,042,019.23</b>
<b>Capital Improvements - Excluded from "CAPS"</b>						
Land Acquisition						
Equipment PCTV		590,896.00		590,896.00	590,896.00	-
Uniform Code Enforcement Trucks	32,344.00	135,000.00		167,344.00	135,000.00	-
<b>Total Capital Improvements - Excluded from Caps</b>	<b>32,344.00</b>	<b>725,896.00</b>	<b>-</b>	<b>758,240.00</b>	<b>755,221.50</b>	<b>3,018.50</b>
<b>Total General Appropriations for Municipal Purposes Excluded from "CAPS"</b>	<b>535,044.94</b>	<b>1,398,772.34</b>	<b>-</b>	<b>1,933,817.28</b>	<b>888,779.55</b>	<b>1,045,037.73</b>
<b>Total General Appropriations</b>	<b>\$ 2,854,264.44</b>	<b>\$ 3,518,093.19</b>	<b>\$ -</b>	<b>\$ 6,372,357.63</b>	<b>\$ 2,088,983.53</b>	<b>\$ 4,283,374.10</b>

REF

A-1

Cash Disbursed	\$ 1,154,432.69
Transfer to Accounts Payable	490,072.50
Severance Liability	444,478.34
	<u>\$ 2,088,983.53</u>

**CURRENT FUND  
SCHEDULE OF CHANGES IN VARIOUS ACCOUNTS PAYABLES & RESERVES**

	Dec. 31, 2014	Transfer from/(to) Budget	Cash Receipts	Cash Disbursements	Adjustments	Dec. 31, 2015
Accounts Payable:						
Vendor Accounts Payable.....	\$ 3,702,208.07	\$ -	\$ 174,960.43	\$ (19,444.84)	\$ 490,072.50	\$ 4,347,796.16
State of New Jersey 3rd Party Fees						
State Training Fees	47,434.00		86,971.00	(106,886.00)		27,519.00
Marriage License Fee	950.00		6,750.00	(4,975.00)		2,725.00
Domestic Partnership Fee	200.00		25.00			225.00
Burial Permit Fee	-		10.00	(10.00)		-
<b>Subtotal</b>	<b>3,750,792.07</b>	<b>-</b>	<b>268,716.43</b>	<b>(131,315.84)</b>	<b>490,072.50</b>	<b>4,378,265.16</b>
Reserve for:						
Library State Aid	24,359.00		29,409.00	(24,359.00)		29,409.00
PCTV	49,412.05		19,045.00	(14,000.00)		54,457.05
Sale of Municipal Assets	381,475.06		40,000.00			421,475.06
Tax Appeals Pending	1,776,903.02	1,800,000.00		(1,920,106.43)		1,656,796.59
Hurricane Sandy Expenses	1,128,857.40			(320,714.25)		808,143.15
Third Party Inspections			125,608.00	(223,305.00)		92,424.31
Electrical	190,121.31					
Plumbing						
Elevator	4,129.00		66,251.94	(66,969.00)		3,411.94
Certificate of Occupancy	127,612.80		3,180.00			130,792.80
Certificate of Continued Occupancy	12,280.00		3,900.00			16,180.00
Fire	54,651.66		55,855.00	(80,873.00)		29,633.66
<b>Subtotal</b>	<b>3,749,801.30</b>	<b>1,800,000.00</b>	<b>343,248.94</b>	<b>(2,611,967.68)</b>	<b>(38,359.00)</b>	<b>3,242,723.56</b>
<b>Total.....</b>	<b>\$ 7,500,593.37</b>	<b>\$ 1,800,000.00</b>	<b>\$ 611,965.37</b>	<b>\$ (2,743,283.52)</b>	<b>\$ 451,713.50</b>	<b>\$ 7,620,988.72</b>
	Ref	A	A-3	A-4	A-4	A
Revenue Receivable	A-10					(14,000.00)
Appropriation	A-3					(24,359.00)
Appropriation Reserves	A-9					490,072.50
						<u>\$ 451,713.50</u>

CURRENT FUND  
STATEMENT OF INTERFUNDS RECEIVABLE

	Dec. 31, 2014	Cash Receipts	Collector Receipts	Cash Disbursements	Revenue Receivables	Budget Appropriation December 31 2015	Dec. 31, 2015
Interfunds							
Due from Trust Fund							
Due from/(to) Other Trust Fund.....	\$ (896,615.70)	\$ 2,667,553.17	\$ 2,567,293.07	\$ (3,827,286.62)	\$ (751,943.92)	\$ 241,000.00	\$ -
Total.....	<u>\$ (896,615.70)</u>	<u>\$ 2,667,553.17</u>	<u>\$ 2,567,293.07</u>	<u>\$ (3,827,286.62)</u>	<u>\$ (751,943.92)</u>	<u>\$ 241,000.00</u>	<u>\$ -</u>
	Ref	A-4	A-5	A-4	A-8	A-3	A

**CURRENT FUND  
STATEMENT OF INTERFUNDS PAYABLE**

	Dec. 31, 2014	Cash Receipts	Cash Disbursements	Reserves Revenues	Miscellaneous Revenue	Budget Appropriations	Dec. 31, 2015
<b>Interfunds</b>							
Due (to)/from Grant Fund	\$ (67,154.77)	\$ (714,661.00)	\$ 759,409.17	\$ (620,430.76)	\$ (11,903.40)	\$ 654,740.76	\$ -
General Capital Fund.....		(2,550,000.00)	3,900,000.00		(1,350,000.00)	(1,350,000.00)	-
Unemployment Trust Fund.....		(400,000.00)	500,000.00		(100,000.00)	(100,000.00)	-
Sewer Operating Fund.....		(9,657,443.05)	6,366,301.59		3,291,141.46	3,291,141.46	(0.00)
Senior Housing Operating Fund.....		(1,857,955.00)	1,399,774.00		458,181.00	458,181.00	-
Payroll Trust Fund.....		(110,000.00)	110,000.00		-	-	-
Public Assistance Trust Fund.....		(100,000.00)	100,000.00		-	-	-
Sewer Capital Fund.....		(52,287.55)	52,287.55		-	-	-
Self Insurance Trust Fund.....							
<b>Total.....</b>	<b>\$ (67,154.77)</b>	<b>\$ (15,442,346.60)</b>	<b>\$ 13,187,772.31</b>	<b>\$ (620,430.76)</b>	<b>\$ (11,903.40)</b>	<b>\$ 2,954,063.22</b>	<b>\$ (0.00)</b>
	Ref	A-4	A-4	A-2	A-8	A-3,A-10	A

**CURRENT FUND  
SCHEDULE OF TAXES PAYABLE**

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	Taxes Levied	Cash Disbursements
County - General.....	\$ 22,948,302.71	\$ (22,948,302.71)
County - Open Space.....	1,868,950.71	(1,868,950.71)
County - Added & Omitted.....	672,713.43	(672,713.43)
Local School District Taxes.....	88,504,363.00	(88,504,363.00)
Fire District Taxes.....	3,749,329.00	(3,749,329.00)
Total.....	<u>\$ 117,743,658.85</u>	<u>\$ (117,743,658.85)</u>

Ref.                      A-1,A-7                      A-4

**CURRENT FUND  
SCHEDULE OF PROPERTY TAX OVERPAYMENTS**

			Total
	<u>Ref.</u>		
Balance - 12/31/2014.....	A	\$	627,252.50
Applied to Taxes Receivable.....	A-7		(440,666.73)
Cash Payments - Refunds.....	A-4		(2,027,173.07)
Balances Adjustments:.....			<u>2,167,741.20</u>
Balance - 12/31/2015.....	A	\$	<u><u>327,153.90</u></u>

SCHEDULE OF STATE AND FEDERAL GRANTS RECEIVABLE  
GRANT FUND

BUDGET YEAR	GRANTS	BALANCE DEC. 2014	CY 2015 BUDGET REVENUE REALIZED	COLLECTED	TRANSFERRED FROM UNAPPROP GRANTS	CANCELLED	BALANCE DEC. 31, 2015
SFY 2002	Hazardous Discharge Grant	\$ 80,974.65	\$	\$	\$	\$	80,974.65
SFY 2007	Municipal Stormwater Grant	10,310.00					10,310.00
SFY 2008	Pedestrian/Bicycle Grant	20,000.00					20,000.00
SFY 2009	NJ DOT - William Street	60,000.00					60,000.00
SFY 2010	NJ DOT - Operation Safe Children and Roadways	30,000.00					30,000.00
CY-2010	Comshap	9,982.19				9,982.19	-
CY-2011	Historic Preservation Trnst; Metlar, Knapp Bodine Grant	150,000.00					150,000.00
CY-2012	NJDOT, William Street Phase III	62,500.00		62,500.00		2,400.00	-
	Cops In Shop	2,400.00				4,400.00	-
	Drive Sober or Get Pulled Over	4,400.00					-
CY-2013	Drive Sober or Get Pulled Over 2012 Year End	13,500.00		7,500.00		6,000.00	-
	Community Development Block Grant - 2012	513,442.30		49,450.00			463,992.30
	Green Communities Grant	3,000.00		3,000.00			-
CY-2014	Make it Click	200.00				200.00	-
	NLR RI 18 Extension	19,500.00					19,500.00
	RT 18 Project>NNL Grant	558,300.00					558,300.00
	NJDOT, Lakeview Ave Road	300,000.00		225,000.00			75,000.00
	NJDOT, Hoes Lane West Road	90,000.00					90,000.00
	Drunk Driving Enforcement Grant						-
CY-2015	Middlesex County Cultural & Heritage Grant			351.00			-
	Multi-Jurisdictional Task Force		12,000.00	6,000.00			6,000.00
	Municipal Alliance on Alcoholism		89,240.00	8,919.52			80,320.48
	Body Armor Grant		7,740.70	7,740.70			-
	Alcohol Education Rehab Program		2,887.72	2,887.72			-
	Safe and Secure Grant		60,000.00	60,000.00			-
	Recycling Tonnage Grant				76,284.06		-
	Drunk Driving Enforcement Grant		12,274.11			(0.06)	12,274.11
	Clean Communities Grant Program		102,047.67	102,047.67			-
	Bullet Proof Vest Grant		8,543.61				8,543.61
	Community Development Block Grant		220,487.00				220,487.00
	Drive Sober or Get Pulled over		5,000.00			200.00	-
	CED Program - Taser		11,574.95				-
	EMPG-EMAA		12,000.00	10,000.00			2,000.00
Totals		\$ 1,928,509.14	\$ 620,430.76	\$ 561,771.56	\$ 76,284.06	\$ 23,182.13	\$ 1,887,702.15
		A	A-16	A-4	A-18	A-16	A

Ref.

**GRANT FUND  
STATEMENT OF INTERFUNDS RECEIVABLE/PAYABLE**

	Dec. 31, 2014	Cash Receipts	Cash Disbursements	Budget Revenues	Budget Appropriations	Adjustments	Dec. 31, 2015
<b>Interfunds</b>							
General Capital Fund Due (to)	\$ (1,160,000.00)	\$ (271,000.00)	\$ 500,000.00	-	-	\$ -	\$ (931,000.00)
Current Fund Due (to)/from	67,154.77	(447,022.37)	350,000.00	(620,430.76)	654,740.76	(4,442.40)	0.00
<b>Total</b> .....	<b>\$ (1,092,845.23)</b>	<b>\$ (718,022.37)</b>	<b>\$ 850,000.00</b>	<b>\$ (620,430.76)</b>	<b>\$ 654,740.76</b>	<b>\$ (4,442.40)</b>	<b>\$ (931,000.00)</b>
		A-4	A-4	A-15	A-17		A
				Grant Receivable - cancellation	A-15	23,182.13	
				Grant Appropriation - Cancellation	A-17	(27,624.53)	
						<u>\$ (4,442.40)</u>	

SCHEDULE OF STATE AND FEDERAL GRANTS - APPROPRIATED

BUDGET YEAR/PROGRAM	BALANCE DEC. 31 2014	ENC DEC 31 2014	TOTAL TRANSFERRED FROM CY 2015 BUDGET	CH 159	TRANSFER & CANCELLATIONS	PAID OR CHARGED	ENC DEC. 31 2015	BALANCE DEC. 31 2015
SFY 2002								
Hazardous Discharge Grant	31,516.34							31,516.34
SFY 2007								
Durham Park Bike Path	20,000.00							20,000.00
SFY 2008								
Pedestrian/Bicycle Grant	25,282.40							25,282.40
SFY 2009								
Alcohol Education Rehab Program	608.47				608.47			30,000.00
NJ DOT - Safe Routes to School Program	30,000.00							
NJ DOT - William Street								
SFY 2010								
Alcohol Education Rehab Program	3,066.66				1,891.53			1,175.13
Comprehensive Stationhouse Adjustment Program (COMSHAP)	10,813.08			10,813.08				-0.00
Recycling Tonnage Grant	10.03	6,446.65			6,456.68			
USDOE - Energy Efficiency & Conversation Block Grant	7,245.00	2,470.73		9,715.73				
CY-2011								
Clean Communities Grant - FY-2011	1,652.63	420.13			2,072.76			-0.00
Middlesex County Cultural & Heritage - Library	125.00			125.00				
Multi-Jurisdictional Task Force Grant		5,050.00			5,050.00			
Municipal Court Alcohol And Education Rehab	2,211.32	29,564.98			29,564.98			2,211.32
Recycling Tonnage Grant								
CY-2012								
Multi-Jurisdictional Task Force								
Municipal Court Alcohol And Education Rehab	2,860.04				22,051.94			2,860.04
Clean Communities Grant	22,051.94							0.00
Body Armor Grant								
Recycling Tonnage Grant	90,574.47				52,030.21			38,544.26
Drunk Driving Enforcement	3,073.64				3,073.64			-0.00
Click It or Ticket								
Community Development Block Grant		50,723.30		2,000.00	50,723.30			
Drive Sober or Get Pulled Over	2,000.00							
CY-2013								
Middlesex County Cultural & Heritage Grant								
Multi-Jurisdictional Task Force	830.00	2,709.52						3,539.52
Clean Communities Grant Program	9,983.31	24,700.00			34,683.31			738.85
Alcohol Education Rehab Program	738.85							
Body Armor Grant								
Recycling Tonnage Grant	57,045.56	231.76		231.76				57,045.56
Municipal Alliance on Alcoholism		0.50		0.50				
Municipal Alliance on Alcoholism - Match								
Drunk Driving Enforcement Grant	5,272.85				1,779.86			3,276.12
Drive Sober or Get Pulled Over 2012 Year End	1,000.00			1,000.00				
Community Development Block Grant - 2012		3,000.00						
Green Communities Grant	1,500.00	1,500.00						
Green Communities Grant Match								
CY 2014								
Multi-Jurisdictional Task Force	8,294.52	3,705.48		3,138.46				5,585.00
Click It or Ticket	3,138.46							
Forestry Grant: Rt 18 Project	419,650.00	43,547.20			264,505.30			198,691.90
Forestry Grant: Rt 18 Project Extension	5,700.00				5,700.00			
Clean Communities Grant-FY 2014	83,476.45				14,050.52			24,700.00
Making The Future Grant: Library	1,640.00							1,640.00
American Library Association	2,768.26							2,768.26

SCHEDULE OF STATE AND FEDERAL GRANTS - APPROPRIATED

BUDGET YEAR/PROGRAM	GRANT FUND							
	BALANCE DEC. 31 2014	ENC DEC 31 2014	TOTAL TRANSFERRED FROM CY 2015 BUDGET	CH 159	TRANSFER & CANCELLATIONS	PAID OR CHARGED	ENC DEC. 31 2015	BALANCE DEC. 31 2015
Drunk Driving Enforcement	6,256.02	3,978.00				3,978.00		6,256.02
State Body Armor Replacement Fund								
CDBG - 2014		40,639.92			400.00	40,639.92		
Friends of the Library - Flooring	1,300.00					900.00		
2013 Drive Sober or Get Pulled Over Year End								
CY 2015								
Middlesex County Cultural & Heritage Grant			351.00			200.00		151.00
Multi-Jurisdictional Task Force			6,000.00					12,000.00
Clean Communities Grant Program			102,047.67					102,047.67
Alcohol Education Rehab Program			2,887.72					2,887.72
Body Armor Grant			7,740.70			7,740.70		
Recycling Tonnage Grant			76,284.00			97.20		76,186.80
Municipal Alliance on Alcoholism			44,620.00			30,617.60		12,936.26
Municipal Alliance on Alcoholism Match			11,155.00			2,023.70	1,066.14	9,131.30
Municipal Alliance on Alcoholism			44,620.00			7,260.00		37,360.00
Municipal Alliance on Alcoholism Match			11,155.00			1,330.15		9,824.85
Drunk Driving Enforcement			12,274.11					12,274.11
Safe & Secure Grant			60,000.00			60,000.00		
Bullet Proof Vest Grant			8,543.61			8,543.61		
Clean Communities Grant Program			220,487.00					220,487.00
Drive Sober or Get Pulled Over			5,000.00					
CED Program - Tasers			11,574.95		200.00	4,800.00		11,574.95
EMPG EMAA			12,000.00					12,000.00
EMPG EMAA Match			12,000.00					12,000.00
<b>Totals</b>	<b>\$ 861,685.30</b>	<b>\$ 218,688.17</b>	<b>\$ 187,255.00</b>	<b>\$ 467,485.76</b>	<b>\$ 27,624.53</b>	<b>\$ 674,788.38</b>	<b>\$ 224,674.91</b>	<b>\$ 808,026.41</b>
	A	A	A-16	A-16	A-16	A-4	A	A

Ref

**SCHEDULE OF STATE AND FEDERAL GRANTS  
UNAPPROPRIATED  
GRANT FUND**

<u>GRANT</u>	<u>BALANCE DEC. 31, 2014</u>	<u>TRANSFER RECEIVABLE</u>	<u>BALANCE DEC. 31, 2015</u>
Recycling Tonnage	\$ 76,284.06	\$ 76,284.06	\$
	<hr/>	<hr/>	<hr/>
Totals	\$ <u>76,284.06</u>	\$ <u>76,284.06</u>	\$ <u>                    </u>
<u>Ref.</u>	A	A-15	A

**DEFERRED CHARGES - EMERGENCY APPROPRIATION  
CURRENT FUND**

	<u>BALANCE</u> <u>DEC 31, 2014</u>		<u>BUDGET</u> <u>APPROPR</u>		<u>BALANCE</u> <u>DEC 31, 2015</u>
Special Emergency:					
Revaluation of Real Property	\$ 600,000.00	\$	(300,000.00)	\$	300,000.00
Hurricane Sandy	-		-		-
	<hr/>				
Total	\$ 600,000.00	\$	(300,000.00)	\$	300,000.00
	<u>Ref.</u>		<u>A</u>		<u>A-3</u>
			<u>A</u>		<u>A</u>

**Trust Fund**

**TRUST FUNDS  
SCHEDULE OF CASH AND RESERVE ACTIVITY**

	Balance Dec. 31, 2014	Cash Receipts	Disbursements	Balance Dec. 31, 2015
<b>Animal Control:</b>				
Due NJ - State License Fees.....	\$ (37.20)	\$ 2,260.20	\$ (2,271.60)	\$ (48.60)
Animal Control Reserves.....	38,955.37	21,065.80	(5,030.70)	54,990.47
<b>Total</b>	<b>38,918.17</b>	<b>23,326.00</b>	<b>(7,302.30)</b>	<b>54,941.87</b>
<b>Self Insurance Trust Fund</b>				
Reserve for Self Insurance.....	41,568.68	5,000.00	(46,568.68)	-
<b>Total</b>	<b>41,568.68</b>	<b>5,000.00</b>	<b>(46,568.68)</b>	<b>-</b>
<b>Other Trust Funds:</b>				
Due to/(from) Current Fund.....	896,615.70	4,586,853.96	(5,483,469.66)	-
Due to/from Capital Fund.....	(6,000,000.00)	8,500,000.00	(2,500,000.00)	-
Payroll Liabilities.....	107,312.86	41,180,136.94	(41,163,339.19)	124,110.61
Unemployment Trust Fund.....	437,521.63	100,000.00	(48,046.75)	489,474.88
Reserve for Affordable Housing	393,969.04	347,401.66	(50,698.03)	690,672.67
Miscellaneous Deposits.....	8,296,829.87	5,336,963.08	(4,965,339.43)	8,668,453.52
Recreation Trust	62,682.31	8,950.00	(15,504.32)	56,127.99
Schedule of Escrows	6,284,230.30	1,513,870.98	(2,151,927.06)	5,646,174.22
<b>Total</b>	<b>10,479,161.71</b>	<b>61,574,176.62</b>	<b>(56,378,324.44)</b>	<b>15,675,013.89</b>
<b>Public Assistance Trust Fund:</b>				
Reserve for Public Assistance.....	8,411.35	2,000.00		10,411.35
<b>Total</b>	<b>8,411.35</b>	<b>2,000.00</b>	<b>-</b>	<b>10,411.35</b>
<b>Total</b>	<b>\$ 10,568,059.91</b>	<b>\$ 61,604,502.62</b>	<b>\$ (56,432,195.42)</b>	<b>\$ 15,740,367.11</b>

Ref.

B

B

Reserve for Animal Control  
License Fees Collected:

Year

CY 2014	\$ 26,309.60
CY 2015	21,065.80
	<u>\$ 47,375.40</u>

Note: R.S. 4:19.11

" . . . . there shall be transferred from such special account to the general funds of the municipality any amount then in such special account which is in excess of the total amount paid into such special account during the last two fiscal years next preceding."

**SCHEDULE OF ESCROW FUND DEPOSITS AND RESERVES  
TRUST OTHER FUNDS**

Purpose	Balance		Increases	Decreases	Balance	
	Dec. 31, 2014				Dec. 31, 2015	
1. CB Engineering & Inspections Fees (over \$5,000)	\$ 981,194.77	\$	170,413.99	\$ 92,400.20	\$ 1,059,208.56	
2. CB Engineering & Inspections Fees (under \$5,000)	369,400.94		30,234.74	213,415.84	186,219.84	
3. Performance Bonds (over \$10,000)	982,492.23		719.80	719.80	982,492.23	
4. CB Planning Board (Under \$5,000)	170,473.82		431,980.53	228,068.60	374,385.75	
5. CB Planning Board (Over \$5,000)	380,940.18		81,762.94	139,579.51	323,123.61	
6. CB Developers Interest	16,858.16		3,392.11	17,145.15	3,105.12	
7. CB Performance (under \$5,000)	205,486.61		46,457.06	15,678.16	236,265.51	
8. CB Operations	-		17,145.15	17,145.15	-	
9. CB Developers	3,175,883.59		529,514.66	1,427,774.65	2,277,623.60	
10. CB Developers Fiber Optics	1,500.00		2,250.00		3,750.00	
11. CB Developers Tree Bond	-		200,000.00		200,000.00	
<b>Total</b>	<b>\$ 6,284,230.30</b>		<b>\$ 1,513,870.98</b>	<b>\$ 2,151,927.06</b>	<b>\$ 5,646,174.22</b>	

Ref. B B-1 B-1 B

**SCHEDULE OF MISCELLANEOUS DEPOSITS  
TRUST - OTHER FUND**

Purpose	Balance Dec. 31, 2014	Increases	Decreases	Balance Dec. 31, 2015
1. DARE Program	\$ 4,971.24	\$ 1,000.00	\$ 4,008.20	\$ 1,963.04
2. Dep. For Redemp. Of Tax Sale Certif.	7,194.05			7,194.05
3. Donations: Emergency Management	13,170.50	29,059.00	8,213.00	34,016.50
4. Escrow/Bond: Appraisal	-	950.00		950.00
5. Escrow/Bond: Curb Repair	28,500.00	14,923.85		43,423.85
6. Federal Forfeiture Funds	8,056.37	4.07	7,965.57	94.87
7. Forfeiture Funds	88,240.63	3,590.09	26,627.12	65,203.60
8. Future Improvement Deposits	226,786.52			226,786.52
9. Grading Bonds	11,000.00			11,000.00
10. Landscape Bonds	164,261.25	109,000.00	9,000.00	264,261.25
11. Local Seized Funds	2,494.11	2,375.00	4,869.11	-
12. Municipal Court - POAA	4,112.45	414.00		4,526.45
13. Municipal Court - Bail	1,200.00			1,200.00
14. Prem. Received at Tax Sale	1,245,000.00	1,784,200.00	1,360,100.00	1,669,100.00
15. Public Defender Fees	862.23	33,228.75	33,478.00	612.98
16. Public Relations Beautification Fund	21,515.42	4,005.00	3,032.88	22,487.54
17. Recapture Fees- Sale of Afford. Hsg.	3,000.00			3,000.00
18. Reserve for Domestic Violence	32,588.81			32,588.81
19. Reserve for Police Off-Duty Pay	-	1,698,757.99	1,698,757.99	-
20. Reserve for Recycling Project	9,733.13			9,733.13
21. Senior Citizens Trips	8,930.25	15,087.20	17,784.15	6,233.30
22. Seized Funds	5,651.01			5,651.01
23. Sick and Vacation Accrual	4,768,015.59	669,478.34	729,425.60	4,708,068.33
24. Snow Removal	790,301.94	19,884.92	77,481.00	732,705.86
25. Street Opening Bonds	265,019.35	19,811.85	23,811.85	261,019.35
26. Tax Lien Redemption	585,185.02	931,193.02	960,784.96	555,593.08
27. Youth Center Donations	1,040.00			1,040.00
<b>Total</b>	<b>\$ 8,296,829.87</b>	<b>\$ 5,336,963.08</b>	<b>\$ 4,965,339.43</b>	<b>\$ 8,668,453.52</b>

Ref.            B                            B- 1                            B- 1                            B

**General Capital Fund**

**SCHEDULE OF CASH AND INVESTMENTS - TREASURER  
GENERAL CAPITAL FUND**

	<u>REF.</u>		
Balance - December 31, 2014	C		717,605.94
Increased by Receipts:			
Premium on Sale of Serial Bonds	C- 1	\$ 820,479.50	
Contributions - Off-Site Improvements	C- 7	190,547.96	
Reserve for Good Faith Deposit	C-11	588,000.00	
Reserve for Community Center	C-14	3,000,000.00	
Interfund: Receipts	C-10	6,600,000.00	
Reserve for Debt Service	C-16	30,343.80	
Serial Bonds	C-17	<u>9,800,000.00</u>	
			<u>21,029,371.26</u>
			21,746,977.20
Decreased by Disbursements:			
Improvement Authorizations	C-8	7,135,567.54	
Interfund: Payments	C-10	11,270,000.00	
Preliminary Expenses	C-11	1,340,109.39	
Developer's Tree Contribution	C-13	2,300.00	
Reserve for Good Faith Deposit	C-11	392,000.00	
Reserve for Community Center	C-14	<u>10,000.00</u>	
			<u>20,149,976.93</u>
Balance - December 31, 2015	C		<u>\$ 1,597,000.27</u>



**SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED**

	<u>REF.</u>	
Balance - December 31, 2014		\$ 47,958,000.00
Increased by:		
Serial Bonds	C-9	<u>9,800,000.00</u>
		57,758,000.00
Decreased by:		
2015 Budget Approp. to Pay Bonds	C-9	<u>8,655,000.00</u>
Balance - December 31, 2015	C	<u>\$ 49,103,000.00</u>

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

ORD. NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DEC. 31, 2014	2015 AUTHORIZATION	SERIAL BONDS ISSUED	BALANCE DEC. 31, 2015	ANALYSIS OF BALANCE DEC. 31, 2015	
						EXPENDITURES	UNEXPENDED IMPROVEMENT AUTHORIZATIONS
06-36	Various Capital Improvements	\$ 1,039,000.00	\$ -	-	\$ 1,039,000.00	\$ 720,420.84	\$ 318,579.16
06-48	Various Capital Improvements	160,000.00			160,000.00	153,350.62	6,649.38
07-33	Various Capital Improvements	139,522.74			139,522.74	136,529.98	2,992.76
09-04	Various Capital Improvements	953,200.00			953,200.00	340,584.70	612,615.30
09-40	Various Capital Improvements	1,281,050.00			1,281,050.00	416,174.57	864,875.43
10-01	Various Improvements	5,357,500.00			5,357,500.00	1,462,804.74	3,894,695.26
11-04	Various Improvements	415,000.00			415,000.00		
11-08	Various Improvements	850,000.00			850,000.00	244,801.42	605,198.58
11-21	Various Improvements	2,450,000.00			2,450,000.00	2,429,012.59	20,987.41
12-02	Various Road Improvements	1,757,500.00		1,500,000.00	257,500.00	57,500.00	200,000.00
12-04	Various Road & Engineering Projects	5,747,500.00		3,800,000.00	1,947,500.00	354,637.02	1,592,862.98
12-28	Various Capital Improvements	3,040,000.00		3,000,000.00	40,000.00	-	40,000.00
12-30	Various Road Rehabilitation	1,900,000.00		1,500,000.00	400,000.00	393,475.86	6,524.14
13-06	Various Capital Improvements	2,018,750.00			2,018,750.00	871,689.19	1,147,060.81
13-07	Various Capital Improvements (See 12-19)	3,040,000.00			3,040,000.00	1,587,829.26	1,452,170.74
13-26,15-32	Rehab of Various Road	4,750,000.00	1,425,000.00		6,175,000.00	-	6,175,000.00
13-27	Various Capital Improvements	1,947,500.00			1,947,500.00	297,500.00	1,650,000.00
14-01	Various Capital Improvements	1,140,000.00			1,140,000.00	1,013,252.05	126,747.95
14-20	Annual Road Improvements	1,425,000.00			1,425,000.00	1,346,307.40	78,692.60
14-21, 15-13	Road Rehab & Improvements	2,327,500.00	1,472,500.00		3,800,000.00	-	3,800,000.00
14-22	Various Park Improvements	1,006,557.00			1,006,557.00	649,334.32	357,222.68
15-19	Backeland Avenue Road Improvements	-	4,750,000.00		4,750,000.00	-	4,750,000.00
15-34	Various Roads, Curbs, & Parking Lot Impr	-	4,987,500.00		4,987,500.00	-	4,987,500.00
15-39	Various Park Improvements	1,339,500.00	1,339,500.00		1,339,500.00	-	1,339,500.00
Total		\$ 42,745,579.74	\$ 13,974,500.00	\$ 9,800,000.00	\$ 46,920,079.74	\$ 12,890,204.56	\$ 34,029,875.18

Ref.

C

C-8

C-9

C

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

	<u>REF.</u>	
Balance - December 31, 2014		\$ 325,999.30
Increased by:		
CY 2015 Budget Appropriation	C-10	<u>1,350,000.00</u>
		1,675,999.30
Decreased by:		
Appropriation to Finance Improvement Authorizations	C- 8	<u>1,174,500.00</u>
Balance - December 31, 2015	C	<u><u>\$ 501,499.30</u></u>

**SCHEDULE OF CONTRIBUTIONS - OFF-SITE IMPROVEMENTS**

	<u>REF.</u>	
Balance - December 31, 2014		\$ 1,797,412.53
Increased by:		
Cash Receipts	C- 2	<u>190,547.96</u>
		1,987,960.49
Decreased by:		
Appropriation to Finance Improvement	C-8	<u>250,000.00</u>
Balance - December 31, 2015	C	<u><u>\$ 1,737,960.49</u></u>

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS  
GENERAL CAPITAL FUND

ORD. NUMBER	IMPROVEMENT DESCRIPTION	ORDINANCE DATE	BALANCE - DECEMBER 31, 2014		CY 2015 AUTHORIZATIONS	ENCUMBRANCES PAYABLE		PAID OR CHARGED	BALANCE - DEC. 31, 2015	
			AMOUNT	FUNDED		UNFUNDED	DEC. 31, 2014		DEC. 31, 2015	FUNDED
01-01	Various Improvements (\$350,000 NJ DOT)	01/23/01	3,191,800.00	-	-	11,046.07	10,612.07	434.00	-	47,553.66
02-25/03-23	Various Capital Improvements (\$225,000 NJ DOT)	12/03/02	1,250,000.00	47,553.66	-	90,027.53	90,027.53	213.80	-	-
02-24	Various Park Improvements	12/17/02	1,500,000.00	-	-	22,190.70	22,190.70	-	-	-
03-10/04-29	Acquisition of Land	03/04/03	275,000.00	-	-	26,398.77	26,398.77	-	-	-
03-39	Various Capital Improvements (\$175,000 NJ DOT)	11/06/03	4,325,000.00	-	-	15,251.82	15,251.82	-	-	-
04-05	Various Capital Improvements	01/06/04	2,494,000.00	-	-	-	-	-	-	-
04-51	Various Capital Equipments	12/21/04	175,500.00	-	-	-	-	-	-	-
04-52,05-40	Various Capital Projects (\$250,000 NJ DOT, \$270,000 NJ DOT)	12/21/04	10,665,500.00	894.61	-	23,878.07	23,878.07	894.61	-	0.00
05-11	Various Capital Projects - (\$68,630 - Mdax County Economic Dev, \$75,000 - Smart Growth, \$200,000 - Transportation)	03/15/05	1,218,000.00	344,640.31	-	-	-	-	344,640.31	-
05-13	Various Capital Projects	03/15/05	2,786,000.00	-	-	10,620.49	10,620.49	-	-	-
05-41, 06-14, 06-17	Security, \$50,000 - Local Domestic Preparedness, \$330,000 - NJ DOT, \$600,000 - Green Acres	3/17/2006, 11/29/05	11,240,500.00	-	-	196,937.54	195,030.25	1,907.29	-	0.00
06-04	Various Capital Improvements	01/03/06	2,590,000.00	-	-	-	-	-	-	-
06-21	Demolition of Structures	04/25/06	200,000.00	-	-	-	-	-	-	-
06-26	Acquisition of Land	07/23/06	320,000.00	-	-	-	-	-	-	-
06-36	Various Capital Improvements (\$270,000 NJ DOT)	11/28/06	8,520,000.00	674,505.77	-	277,826.75	277,826.75	546.00	-	318,579.16
06-48	Various Capital Improvements	12/19/06	2,260,000.00	3,694.38	-	364,720.38	332,945.79	387,701.20	-	6,649.38
07-02	Various Capital Improvements	03/06/07	2,500,000.00	16,103.86	-	195,742.41	156,617.41	36,170.00	-	-
07-33	Various Capital Improvements	12/18/07	5,650,000.00	107,703.77	-	83,719.56	64,672.56	18,399.20	-	2,992.76
08-10	Acquisition of Land on Highland Avenue	04/08/08	24,150.00	24,189.81	-	25,971.59	25,971.59	104,711.01	-	0.00
09-20	Digital Tax Maps	07/28/09	4,056,000.00	614,715.30	-	107,328.54	104,975.54	4,453.00	-	612,615.30
09-40	Various Capital Improvements	11/24/09	200,000.00	49,296.20	-	20,122.71	99,650.00	5,122.71	-	864,875.43
10-01	Various Improvements	01/26/10	4,555,000.00	-	-	22,989.73	19,563.24	(13,826.79)	-	3,894,895.26
11-01	Various Improvements	03/15/11	1,500,000.00	3,957,528.74	-	192,163.24	191,563.24	(735.03)	-	209,041.26
11-04	Various Improvements	03/29/11	1,500,000.00	207,686.23	-	10,105.43	10,105.43	-	-	-
11-08	Various Improvements	04/16/11	3,300,000.00	0.00	-	138,471.84	225,947.69	148,470.00	-	605,198.58
11-14	Various Improvements	08/16/11	6,193,700.00	841,144.43	-	1,412.50	16,960.00	25,186.25	-	-
11-21	Various Improvements	12/06/11	3,200,000.00	370,918.51	-	38,955.22	31,633.86	11,821.36	-	20,987.41
12-02	Various Roads	01/24/12	1,850,000.00	25,487.41	-	182,133.40	213,460.22	123,238.47	-	200,000.00
12-04/13-02	Various Twp Roads (13-02/12/22/2013)	02/21/12	3,050,000.00	354,565.29	-	204,029.61	217,412.41	876,712.17	-	1,592,862.98
12-28	Various Capital Improvements	12/04/12	3,200,000.00	2,482,957.95	-	1,322,873.23	1,643,675.53	447,043.26	-	40,000.00
12-30	Various Road Rehabilitation & Improvements:	02/28/13	2,000,000.00	1,129,391.31	-	52,815.59	2,103.88	55,860.21	-	6,524.14
13-06	Various Capital Improvements	02/28/13	2,012,000.00	1,152,060.81	-	234,919.05	25,747.09	214,171.96	-	1,147,060.81
13-07	Various Capital Improvements (See 12-19)	03/05/13	3,200,000.00	1,360,830.50	-	713,323.50	501,887.99	120,095.27	-	1,452,170.74
13-26, 15-32	Rehab of Various Road (Ord 15-32, 11/24/2015)	11/26/13	5,000,000.00	128,685.40	-	-	2,776.93	19,223.56	-	6,175,000.00
13-27	Various Capital Improvements	12/03/13	2,050,000.00	1,650,000.00	-	247,384.00	-	247,384.00	-	1,650,000.00
14-01	Various Capital Improvements	01/28/14	1,450,000.00	233,028.20	-	265,785.76	1,172.43	370,893.58	-	126,747.95
14-21, 15-33	Road Rehab & Improvements (Ord 15-33, 11/29/2015)	11/25/14	4,000,000.00	75,000.00	-	194,196.66	1,227,110.74	0.00	-	78,692.60
14-22	Various Park Improvements	12/02/14	1,600,000.00	593,443.00	-	131,590.36	10,377.40	93,853.26	-	3,800,000.00
14-29	Acquisition of Various Equipments & Vehicles	12/16/14	846,800.00	659,331.77	-	187,268.23	299,916.00	281,478.72	-	357,222.68
15-19	Backland Avenue Road Improvements	07/21/15	5,000,000.00	-	-	-	2,874.50	12,925.50	-	4,750,000.00
15-34	Various Roads, Curb, & Parking Lot Impr	12/01/15	5,250,000.00	-	-	-	-	-	-	4,987,500.00
15-39	Various Park Improvements	12/22/15	1,410,000.00	-	-	-	-	-	-	70,500.00
15-40	Acquisition of Various Equipments & Vehicles	12/22/15	1,288,000.00	1,288,000.00	-	-	-	-	-	1,339,500.00
Total			\$2,640,443.36	\$24,958,218.93	\$15,998,000.00	\$5,287,827.06	\$3,526,286.18	\$7,435,567.54	\$3,866,760.45	\$34,029,875.18

Ref.	C	C	C	C	C
Deferred Charges to Future Taxation - Unfunded					
Developers' Contribution	C-5	\$13,974,500.00			
Interfund Grant Fund	C-7	250,000.00			
Capital Improvement Fund	C-10	51,000.00		\$ 300,000.00	
Fund Balance	C-6	1,174,500.00			
Cash Disbursements	C-1	548,000.00			
	C-2	\$15,998,000.00		\$7,135,567.54	
				\$7,435,567.54	

SCHEDULE OF GENERAL SERIAL BONDS  
GENERAL CAPITAL FUND

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING		INTEREST RATE	BALANCE DEC. 31, 2014	INCREASED	DECREASED	BALANCE DEC. 31, 2015
			DEC. 31, 2014	DEC. 31, 2014					
General Improvement Bonds	11/01/07	\$ 15,500,000.00	11/01/16	1,500,000.00	3.625%	\$ 7,800,000.00		\$ 1,500,000.00	\$ 6,300,000.00
			11/01/17	1,600,000.00	3.750%				
			11/01/18-19	1,600,000.00	3.750%				
General Improvement Bonds	03/15/09	17,710,000.00	03/15/16	1,500,000.00	3.250%	11,810,000.00		1,450,000.00	10,360,000.00
			03/15/17	1,600,000.00	4.000%				
			03/15/18	1,700,000.00	4.000%				
			03/15/19	1,700,000.00	5.000%				
			03/15/20	1,900,000.00	4.000%				
		03/15/21	1,960,000.00	4.000%					
Tax Appeals	03/15/09	2,290,000.00	03/15/16	340,000.00	3.250%	665,000.00		325,000.00	340,000.00
General Improvement Bonds	1/27/11	4,564,000.00	2/1/16/8-1-16	450,000.00	4.000%	3,439,000.00		425,000.00	3,014,000.00
			2/1/17/8-1-17	475,000.00	4.000%				
			2/1/18/8-1-18	500,000.00	4.000%				
			2/1/19/8-1-19	500,000.00	4.000%				
			2/1/20/8-1-20	525,000.00	4.000%				
		2/1/21/8-1-21	564,000.00	4.000%					
Tax Appeals Refunding Bonds-Series A	1/27/11	2,610,000.00	2/1/16/8-1-16	510,000.00	4.000%	1,035,000.00		525,000.00	510,000.00
Tax Appeals Refunding Bonds-Series B	1/27/11	7,820,000.00	2/1/16/8-1-16	1,100,000.00	4.000%	4,520,000.00		1,100,000.00	3,420,000.00
			2/1/17/8-1-17	1,100,000.00	4.000%				
			2/1/18/8-1-18	1,220,000.00	4.000%				

SCHEDULE OF GENERAL SERIAL BONDS  
GENERAL CAPITAL FUND

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING		INTEREST RATE	BALANCE DEC. 31, 2014	INCREASED	DECREASED	BALANCE DEC. 31, 2015
			DEC. 31, 2014	DEC. 31, 2014					
General Improvement Refunding Bonds	3/24/11	\$ 6,050,000.00	02/01/16	1,170,000.00	4.000%	\$ 3,320,000.00	\$ 1,175,000.00	\$ 2,145,000.00	
			02/01/17	975,000.00	4.000%				
General Improvement Refunding Bonds	11/28/12	3,595,000.00	03/01/16	920,000.00	4.000%	2,735,000.00	855,000.00	1,880,000.00	
			03/01/17	960,000.00	4.000%				
General Improvement Bonds	12/28/12	5,884,000.00	12/15/16	850,000.00	3.000%	4,534,000.00	800,000.00	3,734,000.00	
			12/15/17	900,000.00	2.000%				
			12/15/18	950,000.00	3.000%				
			12/15/19	1,034,000.00	3.000%				
General Improvement Bonds	1/15/14	8,100,000.00	01/15/16	500,000.00	2.000%	8,100,000.00	500,000.00	7,600,000.00	
			01/15/17	750,000.00	3.000%				
			01/15/18	750,000.00	3.000%				
			01/15/19	800,000.00	3.000%				
			01/15/20	800,000.00	3.000%				
			01/15/21	1,000,000.00	3.000%				
General Improvement Bonds	12/16/15	9,800,000.00	01/15/22	1,000,000.00	3.000%		\$ 9,800,000.00	9,800,000.00	
			01/15/23	1,000,000.00	3.000%				
			01/15/24	1,000,000.00	3.000%				
			12/15/17	775,000.00	2.000%				
			12/15/18	825,000.00	2.000%				
			12/15/19	875,000.00	2.000%				
			12/15/20	925,000.00	2.000%				
			12/15/21	975,000.00	2.000%				
			12/15/22	1,025,000.00	4.000%				
			12/15/23	1,100,000.00	4.000%				
		12/15/24	1,200,000.00	4.000%					
		12/15/25	1,400,000.00	4.000%					
Total						\$ 47,958,000.00	\$ 9,800,000.00	\$ 8,655,000.00	\$ 49,103,000.00

C-4, C-5 C-4 C

SCHEDULE OF INTERFUNDS PAYABLE

	<u>REF.</u>	<u>Total</u>	<u>Due to Current Fund</u>	<u>Due from Grant Fund</u>	<u>Due to Trust Fund</u>
Balance - December 31, 2014	C	\$ 4,840,000.00	\$	\$ (\$1,160,000.00)	\$ 6,000,000.00
Increased by:					
Cash Received	C- 2	<u>6,600,000.00</u>	<u>3,900,000.00</u>	<u>200,000.00</u>	<u>2,500,000.00</u>
		11,440,000.00	3,900,000.00	(960,000.00)	8,500,000.00
Decreased by:					
Cash Disbursed	C- 2	11,270,000.00	2,550,000.00	220,000.00	8,500,000.00
Improvement Authorization	C- 8	(249,000.00)		(249,000.00)	
Capital Improvement Fund	C- 6	<u>1,350,000.00</u>	<u>1,350,000.00</u>		
		<u>12,371,000.00</u>	<u>3,900,000.00</u>	<u>(29,000.00)</u>	<u>8,500,000.00</u>
Balance - December 31, 2015	C	<u>\$ (931,000.00)</u>	<u>\$ -</u>	<u>\$ (931,000.00)</u>	<u>\$ -</u>

**Exhibit - C-11**

**SCHEDULE OF PRELIMINARY EXPENSES  
GENERAL CAPITAL FUND**

	<u>REF.</u>		
Balance December 31, 2014	C	\$	2,396,044.49
Decreased by:			
Cash Disbursed	C- 2		<u>1,340,109.39</u>
Balance December 31, 2015	C	\$	<u><u>1,055,935.10</u></u>

**Exhibit - C-12**

**SCHEDULE OF RESERVES DEVELOPER'S TREE CONTRIBUTIONS**

	<u>REF.</u>		
Balance - December 31, 2014	C	\$	8,300.00
Decreased by:			
Cash Disbursed	C-2		<u>2,300.00</u>
Balance December 31, 2015	C	\$	<u><u>6,000.00</u></u>

**SCHEDULE OF STELTON STREETSSCAPE**

	<u>REF.</u>	
Balance December 31, 2014	C	\$ 20,250.00
Balance December 31, 2015	C	<u>\$ 20,250.00</u>

**SCHEDULE OF RESERVES COMMUNITY CENTER**

	<u>REF.</u>	
Balance December 31, 2014	C	\$ 5,000.00
Increased by:		
Cash Received	C-2	<u>3,000,000.00</u>
		3,005,000.00
Increased by:		
Cash Disbursed	C-2	<u>10,000.00</u>
Balance December 31, 2015	C	<u>\$ 2,995,000.00</u>

**SCHEDULE OF RESERVES FOR DEBT SERVICE**

Balance December 31, 2014	C	\$ 19,141.98
Increased by:		
Cash Received	C-2	<u>30,343.80</u>
		49,485.78
Balance December 31, 2015	C	<u>\$ 49,485.78</u>

**SCHEDULE OF RESERVE: GOOD FAITH DEPOSIT**

	<u>REF.</u>	
Increased by:		
Cash Received	C-2	\$ 588,000.00
Decreased by:		
Cash Disbursed	C-2	<u>\$ 392,000.00</u>
<b>Balance December 31, 2015</b>	<b>C</b>	<b><u><u>\$ 196,000.00</u></u></b>

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

ORD. NO.	<u>IMPROVEMENT DESCRIPTION</u>	BALANCE DEC. 31, 2014	2015 AUTHORIZATIONS	BONDS ISSUED	BALANCE DEC. 31, 2015
<u>General Improvements</u>					
04-52,05-40	Various Capital Improvements	\$	\$	\$	\$
06-36	Various Capital Improvements	1,039,000.00			1,039,000.00
06-48	Various Capital Improvements	160,000.00			160,000.00
07-33	Various Capital Improvements	139,522.74			139,522.74
09-04	Various Capital Improvements	953,200.00			953,200.00
09-40	Various Capital Improvements	1,281,050.00			1,281,050.00
10-01	Various Improvements	5,357,500.00			5,357,500.00
11-04	Various Improvements	415,000.00			415,000.00
11-08	Various Improvements	850,000.00			850,000.00
11-21	Various Improvements	2,450,000.00			2,450,000.00
12-02	Various Roads	1,757,500.00		1,500,000.00	257,500.00
12-04	Various Twp Roads	5,747,500.00		3,800,000.00	1,947,500.00
12-28	Various Capital Improvements	3,040,000.00		3,000,000.00	40,000.00
12-30	Various Road Rehabilitation & Improvements:	1,900,000.00		1,500,000.00	400,000.00
13-06	Various Capital Improvements	2,018,750.00			2,018,750.00
13-07	Various Capital Improvements (See 12-19)	3,040,000.00			3,040,000.00
13-26,15-32	Rehab of Various Road	4,750,000.00	1,425,000.00		6,175,000.00
13-27	Various Capital Improvements	1,947,500.00			1,947,500.00
14-01	Various Capital Improvements	1,140,000.00			1,140,000.00
14-20	Annual Road Improvements	1,425,000.00			1,425,000.00
14-21,15-33	Road Rehab & Improvements	2,327,500.00	1,472,500.00		3,800,000.00
14-22	Various Park Improvements	1,006,557.00			1,006,557.00
15-19	Backeland Avenue Road Improvements		4,750,000.00		4,750,000.00
15-34	Various Roads, Curbs, & Parking Lot Impr		4,987,500.00		4,987,500.00
15-39	Various Park Improvements		1,339,500.00		1,339,500.00
Total		\$ 42,745,579.74	\$ 13,974,500.00	\$ 9,800,000.00	\$ 46,920,079.74
	<u>Ref.</u>	C			C

**Sewer Utility Fund**

**SCHEDULE OF SEWER UTILITY CASH AND INVESTMENTS**  
**TREASURER**

	REF.	OPERATING FUND	CAPITAL FUND
Balance - December 31, 2014	D	\$ 3,875,928.59	\$ 3,906,953.51
Increased by Receipts:			
Interest on Investments	D-3	2,493.49	
Miscellaneous Revenues	D-3	685,559.74	
Collector	D-6	9,490,562.54	
Due from Sewer Operating Fund			
Due from Current Fund	D-18	2,770,000.00	
Due from Capital	D-21	2,000,000.00	
Due from Sewer Operating Fund	D-22	<u>1,025,506.84</u>	
		<u>14,948,615.77</u>	<u>1,025,506.84</u>
		18,824,544.36	4,932,460.35
Decreased by Disbursements:			
FY 2015 Budget	D-4	8,355,417.68	
Appropriation Reserves	D-11	55,086.93	
Accrued Interest	D-12	128,625.00	
Sewer Overpayment	D-14	278.00	
Improvement Authorizations	D-16		867,102.06
Due from Current Fund	D-18	2,770,000.00	
Accounts Payable	D-15	11,250.00	
Due to Sewer Capital Fund	D-21	<u>1,025,506.84</u>	
		<u>12,346,164.45</u>	<u>2,867,102.06</u>
Balance - December 31, 2015	D	<u>\$ 6,478,379.91</u>	<u>\$ 2,065,358.29</u>

**SCHEDULE OF CASH - COLLECTOR**  
**SEWER UTILITY FUND**

	<u>REF</u>		
Increased by:			
Sewer Service Charges	D- 8	\$ 9,360,111.12	
Interest on Delinquent Accounts	D- 3	68,531.19	
Miscellaneous Revenue	D- 3	220.00	
Connection Fees	D- 3	36,180.00	
Prepaid Sewer Charges	D-13	22,468.70	
Sewer Overpayments	D-14	<u>3,051.53</u>	
			<u>\$ 9,490,562.54</u>
Decreased by:			
Payments to Treasurer	D- 5		<u><u>\$ 9,490,562.54</u></u>

**ANALYSIS OF SEWER UTILITY CAPITAL  
CASH AND INVESTMENTS**

	BALANCE DEC. 31, <u>2015</u>	BALANCE DEC. 31, <u>2014</u>
Fund Balance	\$ 101,939.97	\$ 101,939.97
Capital Improvement Fund	153,750.00	128,750.00
Due (from)/to General Capital Fund	-	-
Due (from)/to Sewer Operating Fund	(1,500,000.00)	-
Reserve for Encumbrances	256,171.22	619,216.28
Improvement Authorizations Funded	3,771,864.31	3,775,414.47
Improvement Authorizations Unfunded	1,126,632.76	1,627,139.60
Bonds and Notes Authorized Not Issued	<u>(1,844,999.97)</u>	<u>(2,345,506.81)</u>
 Total	 <u>\$ 2,065,358.29</u>	 <u>\$ 3,906,953.51</u>

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**SCHEDULE OF SEWER CHARGES & SEWER LIEN RECEIVABLE**  
**SEWER UTILITY OPERATING FUND**

	<u>Ref.</u>	<u>SEWER CHARGES</u>	<u>SEWER LIENS</u>
Balance - December 31, 2014	D	\$ 509,200.28	\$ -
Increased by:			
Transfer from Receivables	D-8		1,431.26
Sewer Charges Levied	Reserve	10,346,143.50	
<b>Sub Total</b>		<b>10,855,343.78</b>	<b>1,431.26</b>
Decreased by:			
Collection	D-3,D-6	\$ 9,360,111.12	
Transfer to Liens	D-8	1,431.26	
Prepays Applied	D-13	20,114.70	
<b>Sub Total</b>		<b>9,381,657.08</b>	<b>-</b>
Balance - December 31, 2015	D	<u>\$ 1,473,686.70</u>	<u>\$ 1,431.26</u>

**SCHEDULE OF FIXED CAPITAL  
SEWER UTILITY CAPITAL FUND**

ORD NO.	BALANCE DEC. 31 2014	BALANCE DEC. 31 2015
	\$ 4,600,000.00	\$ 4,600,000.00
63-1	29,302.00	29,302.00
64-1	160,240.00	160,240.00
64-2	8,353.00	8,353.00
65-1	2,093,430.00	2,093,430.00
67-1	178,793.00	178,793.00
69-1	40,000.00	40,000.00
70-1	349,925.00	349,925.00
70-20	18,696.00	18,696.00
70-21	315,276.00	315,276.00
71-1	25,000.00	25,000.00
73-1	32,384.00	32,384.00
72-1	1,443,500.00	1,443,500.00
77-2	100,000.00	100,000.00
77-58	10,000.00	10,000.00
76-20	2,325.00	2,325.00
75-29	88,180.00	88,180.00
77-18	172,150.00	172,150.00
77-64 &	-	-
80-48	508,506.00	508,506.00
78-17	274,639.00	274,639.00
78-22	20,000.00	20,000.00
80-40	52,677.06	52,677.06
78-19	-	-
	199,398.16	199,398.16
76-63 &	-	-
81-33	106,853.00	106,853.00
82-20	-	-
	232,825.00	232,825.00
82-48	58,981.00	58,981.00
84-43	33,000.00	33,000.00
84-11	227,656.22	227,656.22
90-26	192,472.05	192,472.05
94-17	38,000.00	38,000.00
89-25 &	-	-
89-52	600,000.00	600,000.00
98-21	230,000.00	230,000.00
03-40	400,000.00	400,000.00
04-10	495,000.00	495,000.00
05-10	460,000.00	460,000.00
07-34	770,000.00	770,000.00
10-13	425,000.00	425,000.00
	<u>\$ 14,992,561.49</u>	<u>\$ 14,992,561.49</u>
Total		

REF.

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**SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED  
SEWER UTILITY CAPITAL FUND**

<u>ORD. NO.</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>DATE</u>	<u>AMOUNT</u>	<u>BALANCE DEC. 31, 2014</u>	<u>BALANCE DEC. 31, 2015</u>
05-42	Freedom Avenue Improvements	11/29/05	\$ 1,100,000.00	\$ 1,100,000.00	\$ 1,100,000.00
06-05	Various Sewer Projects	01/03/06	1,400,000.00	1,400,000.00	1,400,000.00
06-49	Various Sewer Improvements	12/19/06	1,700,000.00	1,700,000.00	1,700,000.00
09-05	Various Sewer Improvements	02/17/09	945,000.00	945,000.00	945,000.00
11-23	Construction & Rehab Sewer Facilities	12/20/11	2,000,000.00	2,000,000.00	2,000,000.00
13-04	Sewer Garbage Building	01/29/13	2,000,000.00	2,000,000.00	2,000,000.00
14-02	Various Sewer Improvements	01/28/14	1,400,000.00	1,400,000.00	1,400,000.00
14-23	Various Sewer Improvements Utility	12/02/14	1,500,000.00	1,500,000.00	1,500,000.00
	Total			<u>\$ 12,045,000.00</u>	<u>\$ 12,045,000.00</u>

Ref. D D D

**SCHEDULE OF CY 2014 APPROPRIATION RESERVES  
SEWER UTILITY OPERATING FUND**

	<u>BALANCE DECEMBER 31, 2014</u>	<u>BALANCE AFTER TRANSFERS</u>	<u>PAID OR CHARGED</u>	<u>BALANCED LAPSED</u>
	<u>APPROPRIATION RESERVES</u>	<u>RESERVE FOR ENCUMBRANCES</u>		
Operations:	\$ 182,237.14	\$	\$ 18,043.72	164,193.42
Salaries and Wages	146,216.10	76,028.82	100,815.17	121,429.75
Other Expenses				
Middlesex County Utilities Authority				
Service Charges - Contractual	635,100.84	635,100.84		635,100.84
Total Operations	<u>\$ 963,554.08</u>	<u>\$ 76,028.82</u>	<u>\$ 118,858.89</u>	<u>\$ 920,724.01</u>

D-1

Disbursed		\$ 55,086.93	
Transfer to Accounts Payable		<u>63,771.96</u>	
		<u>\$ 118,858.89</u>	

**SCHEDULE OF ACCRUED INTEREST ON BONDS AND NOTES  
SEWER UTILITY OPERATING FUND**

	<u>REF.</u>	
Balance - December 31, 2014	D	\$ 32,601.56
Increased by:		
Accrued Interest Charged to:		
CY 2014 Budget Appropriations	D-4	<u>126,578.13</u>
		159,179.69
Decreased by:		
Payment	D-5	<u>128,625.00</u>
Balance - December 31, 2015	D	<u>\$ 30,554.69</u>

Analysis of Balance - December 31, 2015:

<u>Principal Outstanding 12/31/14</u>	<u>Interest Rate</u>	<u>From</u>	<u>To</u>	<u>Period</u>	<u>Amount</u>
40,000.00	3.625%	09/01/15	12/31/15	4 mos.	483.33
40,000.00	3.750%	09/01/15	12/31/15	4 mos.	<u>500.00</u>
					983.33
70,000.00	3.625%	11/01/15	12/31/15	2 mos	422.92
80,000.00	3.750%	11/01/15	12/31/15	2 mos	500.00
80,000.00	3.750%	11/01/15	12/31/15	2 mos	500.00
80,000.00	3.750%	11/01/15	12/31/15	2 mos	500.00
80,000.00	4.000%	11/01/15	12/31/15	2 mos	533.33
90,000.00	4.000%	11/01/15	12/31/15	2 mos	600.00
90,000.00	4.000%	11/01/15	12/31/15	2 mos	600.00
90,000.00	4.000%	11/01/15	12/31/15	2 mos	600.00
100,000.00	4.000%	11/01/15	12/31/15	2 mos	666.67
100,000.00	4.000%	11/01/15	12/31/15	2 mos	666.67
100,000.00	4.000%	11/01/15	12/31/15	2 mos	666.67
100,000.00	4.125%	11/01/15	12/31/15	2 mos	687.50
110,000.00	4.125%	11/01/15	12/31/15	2 mos	756.25
110,000.00	4.125%	11/01/15	12/31/15	2 mos	756.25
110,000.00	4.125%	11/01/15	12/31/15	2 mos	756.25
120,000.00	4.125%	11/01/15	12/31/15	2 mos	825.00
120,000.00	4.250%	11/01/15	12/31/15	2 mos	<u>850.00</u>
					10,887.50

**SCHEDULE OF ACCRUED INTEREST ON BONDS AND NOTES  
SEWER UTILITY OPERATING FUND**

Analysis of Balance - December 31, 2015:

<u>Principal Outstanding 12/31/14</u>	<u>Interest Rate</u>	<u>From</u>	<u>To</u>	<u>Period</u>	<u>Amount</u>
70,000.00	3.250%	09/16/15	12/31/15	3.5 mos	663.54
70,000.00	4.000%	09/16/15	12/31/15	3.5 mos	816.67
80,000.00	4.000%	09/16/15	12/31/15	3.5 mos	933.33
80,000.00	5.000%	09/16/15	12/31/15	3.5 mos	1,166.67
80,000.00	4.000%	09/16/15	12/31/15	3.5 mos	933.33
90,000.00	4.000%	09/16/15	12/31/15	3.5 mos	1,050.00
90,000.00	4.125%	09/16/15	12/31/15	3.5 mos	1,082.81
90,000.00	4.250%	09/16/15	12/31/15	3.5 mos	1,115.63
100,000.00	4.375%	09/16/15	12/31/15	3.5 mos	1,276.04
100,000.00	4.500%	09/16/15	12/31/15	3.5 mos	<u>1,312.50</u>
					10,350.52
75,000.00	4.000%	08/01/15	12/31/15	5 mos	1,250.00
75,000.00	4.000%	08/01/15	12/31/15	5 mos	1,250.00
75,000.00	4.000%	08/01/15	12/31/15	5 mos	1,250.00
75,000.00	4.000%	08/01/15	12/31/15	5 mos	1,250.00
100,000.00	4.000%	08/01/15	12/31/15	5 mos	1,666.67
100,000.00	4.000%	08/01/15	12/31/15	5 mos	<u>1,666.67</u>
					<u>8,333.33</u>
<u>\$ 3,060,000.00</u>					<u>\$ 30,554.69</u>

**Exhibit D-13****SCHEDULE OF PREPAID SEWER CHARGES  
SEWER UTILITY OPERATING FUND**

	<u>Ref.</u>		
Balance - December 31, 2014	D	\$	20,114.70
Increased by:			
Overpayments			
Collections	D- 6		<u>22,468.70</u>
			42,583.40
Decreased by:			
Prepays Applied	D-3,D-8		<u>20,114.70</u>
Balance - December 31, 2015	D	\$	<u><u>22,468.70</u></u>

**Exhibit D-14****SCHEDULE OF SEWER OVERPAYMENTS  
SEWER UTILITY OPERATING FUND**

	<u>Ref.</u>		
Balance -December 31, 2014	D	\$	5,893.72
Increased by:			
Cash Receipts	D- 6	\$	<u>3,051.53</u>
			8,945.25
Decreased by:			
Cash Payments	D-5		<u>278.00</u>
Balance -December 31, 2015	D	\$	<u><u>8,667.25</u></u>

**SCHEDULE OF ACCOUNTS PAYABLE  
SEWER UTILITY OPERATING FUND**

	<u>Ref.</u>	
Balance - December 31, 2014	D	\$ 69,266.57
Increased by:		
Transferred from Appropriation Reserves	D-11	<u>63,771.96</u>
		133,038.53
Decreased by:		
Cash Payments	D- 5	<u>11,250.00</u>
Balance - December 31, 2015	D	<u><u>\$ 121,788.53</u></u>

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS  
SEWER UTILITY CAPITAL FUND

ORD. NUMBER	IMPROVEMENT DESCRIPTION	ORDINANCE DATE	BALANCE - DEC. 31, 2014		ENCUMBRANCES PAYABLE DEC. 31, 2014	PAID OR CHARGED	ENCUMBRANCES PAYABLE DEC. 31, 2015	BALANCE - DEC. 31, 2015	
			AMOUNT	UNFUNDED				FUNDED	UNFUNDED
05-42	Freedom Avenue Improvements	11/29/05	1,100,000.00	126,632.76	430.61		430.61	-	126,632.76
06-05	Various Sewer Projects	01/03/06	1,400,000.00	-	49,684.90		49,684.90	-	
06-49	Various Sewer Improvements	12/19/06	1,700,000.00	940,884.05	20,800.00		20,800.00	940,884.05	
09-05	Various Sewer Improvements	02/17/09	945,000.00	255,418.74	106,430.87	6,880.00	99,550.87	255,418.74	
11-23	Construction & Rehab Sewer Fac	12/20/11	2,000,000.00	32,425.49	4,902.20		4,902.20	532,932.33	1,000,000.00
13-04	Sewer Garage Building	01/29/13	2,000,000.00	399.19	92,154.26	76,576.81	15,577.45	399.19	
14-02	Various Sewer Improvements	01/28/14	1,400,000.00	1,046,287.00	344,813.44	480,340.25	23,716.75	887,043.44	
14-23	Various Improvements Sewer Utility	12/02/14	1,500,000.00	1,500,000.00		303,305.00	41,508.44	1,155,186.56	
	Total		\$ 3,775,414.47	\$ 1,627,139.60	\$ 619,216.28	\$ 867,102.06	\$ 256,171.22	\$ 3,771,864.31	\$ 1,126,632.76

SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

ORD. NUMBER	IMPROVEMENT DESCRIPTION	DATE	BALANCE DEC. 31, 2014		BALANCE DEC. 31, 2015
			AMOUNT	UNFUNDED	
98-21	Reduction of I & I	12/15/98	\$ 11,000.00		\$ 11,000.00
05-10	Var. Sewer Projects	04/05/05	80,500.00		80,500.00
05-42	Freedom Avenue Improvements	11/29/05	55,000.00		55,000.00
06-05	Various Sewer Projects	01/03/06	70,000.00		70,000.00
07-34	Acquisition of Various Equipment	12/18/07	38,500.00		38,500.00
09-05	Various Sewer Improvements	02/17/09	47,250.00		47,250.00
10-13	Acquisition of Various Vehicles	04/27/10	21,250.00		21,250.00
13-04	Sewer Garbage Building	01/29/13	2,000,000.00		2,000,000.00
14-02	Various Sewer Improvements	01/28/14	1,400,000.00		1,400,000.00
	Total		\$ 3,723,500.00		\$ 3,723,500.00

SCHEDULE OF DUE FROM CURRENT FUND  
SEWER UTILITY OPERATING FUND

	<u>REF.</u>	
Increased by:		
Cash Disbursed	D- 5	\$ <u>2,770,000.00</u>
Decreased by:		
Cash Received	D- 5	<u>2,770,000.00</u>

SCHEDULE OF CAPITAL IMPROVEMENT FUND  
SEWER UTILITY CAPITAL FUND

	<u>REF.</u>	
Balance - December 31, 2014	D	\$ 128,750.00
Increased by:		
CY 2015 Budget Appropriation	D- 22	<u>25,000.00</u>
		153,750.00
Decreased by:		
Approp. to Finance Improvement Authorizations	D-17	<u>                    </u>
Balance - December 31, 2015	D	<u>\$ 153,750.00</u>

**SCHEDULE OF RESERVE FOR AMORTIZATION  
SEWER UTILITY CAPITAL FUND**

	<u>REF.</u>		
Balance - December 31, 2014	D		\$ 16,188,554.68
Increased by:			
Serial Bonds	D- 23	\$ 220,000.00	
CY 2015 Budget Appropriations			
Unfunded Bond Ordinances	D-22	<u>500,506.84</u>	
			<u>720,506.84</u>
Balance - December 31, 2015	D		<u><u>\$ 16,909,061.52</u></u>

**SCHEDULE OF DUE FROM/TO SEWER CAPITAL  
SEWER UTILITY OPERATING FUND**

	<u>REF.</u>		
Balance - December 31, 2014	D		\$ 1,500,000.00
Increased by:			
Interfunds Returned	D- 5		<u>1,025,506.84</u>
			2,525,506.84
Decreased by:			
CY 2015 Budget Appropriation	D- 4	525,506.84	
Interfunds Received	D- 5, D-22	<u>2,000,000.00</u>	
			<u><u>2,525,506.84</u></u>

**SCHEDULE OF DUE TO SEWER UTILITY OPERATING FUND  
SEWER UTILITY CAPITAL FUND**

	<u>REF.</u>		
Balance - December 31, 2014	D		\$ 1,500,000.00
Increased by:			
Interfunds Returned	D- 5		<u>1,025,506.84</u>
			2,525,506.84
Decreased by:			
Cash Disbursements	D- 21	2,000,000.00	
Capital Improvement Fund	D-19	25,000.00	
CY 2015 Budget Appropriation - Unfunded Ordinances	D-20	<u>500,506.84</u>	
			<u><u>2,525,506.84</u></u>

SCHEDULE OF GENERAL SERIAL BONDS

ISSUE	DATE OF ISSUE	ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING - DEC. 31, 2014		INTEREST RATE	BALANCE DEC. 31, 2014	DECREASE	BALANCE DEC. 31, 2015
			DATE	AMOUNT				
Sewer Improvements	03/01/04	\$ 380,000.00	03/01/16	40,000.00	3.625%	\$ 110,000.00	\$ 30,000.00	\$ 80,000.00
			03/01/17	40,000.00	3.750%			
Sewer Improvements	11/01/07	2,146,000.00	11/01/16	70,000.00	3.625%	1,700,000.00	70,000.00	1,630,000.00
			11/1/2017-2019	80,000.00	3.750%			
			11/01/20	80,000.00	4.000%			
			11/1/2021-2023	90,000.00	4.000%			
			11/1/2024-2026	100,000.00	4.000%			
			11/01/27	100,000.00	4.125%			
			11/1/2028-2030	110,000.00	4.125%			
Sewer Improvements	03/15/09	1,200,000.00	11/01/31	120,000.00	4.125%	1,700,000.00	70,000.00	1,630,000.00
			11/01/32	120,000.00	4.250%			
			03/15/16	70,000.00	3.250%			
			03/15/17	70,000.00	4.000%			
			03/15/18	80,000.00	4.000%			
			03/15/19	80,000.00	5.000%			
			03/15/20	80,000.00	4.000%			
			03/15/21	90,000.00	4.000%			
			03/15/22	90,000.00	4.125%			
			03/15/23	90,000.00	4.250%			
Sewer Improvements	02/01/11	700,000.00	03/15/24	100,000.00	4.375%	920,000.00	70,000.00	850,000.00
			03/15/25	100,000.00	4.500%			
			2/1/16	75,000	4.000%			
			2/1/17	75,000	4.000%			
			2/1/18	75,000	4.000%			
Sewer Improvements	02/01/11	700,000.00	2/1/19	75,000	4.000%	920,000.00	70,000.00	850,000.00
			2/1/20	100,000	4.000%			
			2/1/21	100,000	4.000%			
						\$ 3,280,000.00	\$ 220,000.00	\$ 3,060,000.00

Ref.

D D D-20 D

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Exhibit D-24

<u>ORD</u> <u>NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>BALANCE</u> <u>DEC. 31, 2014</u>	<u>FUNDED</u> <u>CY 2015 BUDGET</u> <u>APPROPRIATION</u>	<u>BALANCE</u> <u>DEC. 31, 2015</u>
05-42	Freedom Avenue Improvements	\$ 845,000.00	\$ -	\$ 845,000.00
09-05	Various Sewer Improvements	-		-
11-23	Construction & Rehab of Sewer Facilities	<u>1,500,506.81</u>	<u>500,506.84</u>	<u>999,999.97</u>
		<u>\$ 2,345,506.81</u>	<u>\$ 500,506.84</u>	<u>\$ 1,844,999.97</u>

Footnote D

**Senior Citizens Housing Utility Fund**

SCHEDULE OF CASH AND INVESTMENTS  
SENIOR CITIZEN HOUSING FUND

	<u>REF.</u>	<u>OPERATING FUND</u>	<u>CAPITAL FUND</u>
Balance - December 31, 2014	E	\$ 1,197,856.85	\$ 706,303.21
Increased by Receipts:			
Rental Income	E-3	1,516,205.99	
Interest on Investments	E-3	0.83	372.16
Miscellaneous Revenues	E-3	10,508.06	
Security Deposits	E-9	22,552.25	
Interfund: Current Fund	E-19	1,476,684.00	
Due to Senior Housing Operating	E-18	<u>600,372.16</u>	<u>599,115.91</u>
		<u>3,626,323.29</u>	<u>599,488.07</u>
		4,824,180.14	1,305,791.28
Decreased by Disbursements:			
Refund of Prior Year Revenue	E-1	1,673.00	
Budget Appropriations	E-4	850,264.90	
Appropriation Reserves	E-7	155,651.18	
Accounts Payable	E-7	1,990.34	
Accrued Interest	E-8	76,910.00	
Security Deposits	E-9	20,363.92	
Interfund: Current Fund	E-19	1,857,955.00	
Due from Senior Housing Capital	E-17	599,115.91	600,372.16
Improvement Authorizations	E-11		<u>106,615.90</u>
		<u>3,563,924.25</u>	<u>706,988.06</u>
Balance - December 31, 2015	E	<u>\$ 1,260,255.89</u>	<u>\$ 598,803.22</u>

ANALYSIS OF SENIOR HOUSING UTILITY CAPITAL CASH AND INVESTMENTS

	BALANCE DEC. 31, 2014	RECEIPTS MISCELLANEOUS	DISB. MISCELLANEOUS	TRANSFERS		BALANCE DEC. 31, 2015
				FROM	TO	
Fund Balance	\$ 72,177.74					\$ 72,177.74
Capital Improvement Fund	184,035.75				30,000.00	214,035.75
Reserve for Encumbrance Payable	204,533.95			204,533.95	101,608.05	101,608.05
Due to Senior Housing Operating	30,884.09	599,115.91	600,372.16	30,000.00	372.16	(0.00)
Interest on Investments	-	372.16				-
Serial Bonds	-					-
<b>ORD. IMPROVEMENT NO. AUTHORIZATION</b>						
06-50 Various Capital Projects	15,153.90					15,153.90
07-33 Various Capital Projects	7,909.15			29,252.45	29,252.45	7,909.15
10-14 S.H Building Improvements	191,608.63		106,615.90	72,355.60	175,281.50	187,918.63
	<u>\$ 706,303.21</u>	<u>\$ 599,488.07</u>	<u>\$ 706,988.06</u>	<u>\$ 336,514.16</u>	<u>\$ 336,514.16</u>	<u>\$ 598,803.22</u>

Ref. E E-13 E-11 E-11 E-11 E

SCHEDULE OF 2014 APPROPRIATION RESERVES  
FOR THE YEAR ENDED DECEMBER 31, 2015  
SENIOR CITIZEN HOUSING UTILITY OPERATING FUND

	<u>BALANCE</u>	<u>DECEMBER 31, 2014</u>	<u>BALANCE</u>	<u>AFTER</u>	<u>PAID OR</u>	<u>BALANCED</u>
	<u>RESERVES</u>	<u>RESERVE FOR</u>	<u>TRANSFERS</u>	<u>CHARGED</u>	<u>LAPSED</u>	
	<u>ENCUMBRANCES</u>	<u>ENCUMBRANCES</u>	<u>ENCUMBRANCES</u>	<u>ENCUMBRANCES</u>	<u>ENCUMBRANCES</u>	<u>ENCUMBRANCES</u>
Operations:						
Other Expenses	\$	120,040.17	\$	75,882.27	\$	195,922.44
				\$	26,751.18	\$
						169,171.26
Capital Improvements:						
Capital Improvement Fund	<u>56,252.00</u>	<u>132,857.00</u>	<u>189,109.00</u>	<u>128,900.00</u>	<u>60,209.00</u>	<u>60,209.00</u>
	<u>\$</u>	<u>176,292.17</u>	<u>\$</u>	<u>208,739.27</u>	<u>\$</u>	<u>385,031.44</u>
	<u>\$</u>	<u>176,292.17</u>	<u>\$</u>	<u>208,739.27</u>	<u>\$</u>	<u>155,651.18</u>
	<u>\$</u>	<u>176,292.17</u>	<u>\$</u>	<u>208,739.27</u>	<u>\$</u>	<u>229,380.26</u>
REF.	E	E	E	E	E	E-1

Accounts Payable Analysis

Balance December 31, 2014	\$	7,700.00			
Less: Cash Disbursements		<u>1,990.34</u>			
Balance December 31, 2015	\$	<u>5,709.66</u>			

SCHEDULE OF ACCRUED INTEREST ON BONDS  
SENIOR CITIZENS HOUSING UTILITY OPERATING FUND

	<u>REF.</u>		
Balance - December 31, 2014	E	\$	52,549.57
Increased by:			
Interest on Bonds	E-4	<u>72,683.35</u>	<u>72,683.35</u>
			<u>125,232.92</u>
Decreased by:			
Disbursed	E-5	<u>76,910.00</u>	<u>76,910.00</u>
Balance - December 31, 2015	E	<u>\$</u>	<u>48,322.92</u>

Analysis of Balance - December 31, 2015:

<u>Principal Outstanding December 31, 2015</u>	<u>Interest Rate</u>	<u>From</u>	<u>To</u>	<u>Period</u>	<u>Amount</u>
635,000.00	5.000%	08/16/15	12/31/15	4 1/2 mos.	11,906.25
<u>\$ 635,000.00</u>					<u>\$ 11,906.25</u>
100,000.00	2.00%	1/15/15	12/31/15	11 1/2 mos	1,916.67
125,000.00	3.00%	1/15/15	12/31/15	11 1/2 mos	3,593.75
125,000.00	3.00%	1/15/15	12/31/15	11 1/2 mos	3,593.75
150,000.00	3.00%	1/15/15	12/31/15	11 1/2 mos	4,312.50
150,000.00	3.00%	1/15/15	12/31/15	11 1/2 mos	4,312.50
150,000.00	3.00%	1/15/15	12/31/15	11 1/2 mos	4,312.50
150,000.00	3.00%	1/15/15	12/31/15	11 1/2 mos	4,312.50
175,000.00	3.00%	1/15/15	12/31/15	11 1/2 mos	5,031.25
175,000.00	3.00%	1/15/15	12/31/15	11 1/2 mos	5,031.25
<u>\$ 1,300,000.00</u>					<u>\$ 36,416.67</u>
<u>\$ 1,935,000.00</u>					<u>\$ 48,322.92</u>

SCHEDULE OF SECURITY DEPOSITS  
SENIOR CITIZEN HOUSING UTILITY OPERATING FUND

	<u>REF.</u>	
Balance -December 31, 2014	E	\$ 126,558.60
Increased by:		
Deposits Received	E- 5	<u>22,552.25</u>
		149,110.85
Decreased by:		
Deposits Refunded	E- 5	<u>20,363.92</u>
Balance -December 31, 2015	E	<u><u>\$ 128,746.93</u></u>

SCHEDULE OF RESERVE FOR AMORTIZATION  
SENIOR CITIZEN HOUSING UTILITY CAPITAL FUND

	<u>REF.</u>	
Balance -December 31, 2014	E	\$ 9,576,052.26
Increased by:		
Bonds Paid by Budget Appropriation	E-12	<u>240,000.00</u>
Balance -December 31, 2015	E	<u><u>\$ 9,816,052.26</u></u>

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS  
SENIOR HOUSING UTILITY CAPITAL FUND

ORD. NO.	IMPROVEMENT DESCRIPTION	ORDINANCE DATE	ORDINANCE AMOUNT	BALANCE DECEMBER 31, 2014		ENCUMB 12/31/14	PAID OR CHARGED	ENCUMB 12/31/15	BALANCE DECEMBER 31, 2015	
				FUNDED	UNFUNDED				FUNDED	UNFUNDED
06-50	Various Capital Projects	12/19/06	\$ 130,000.00	\$ 15,153.90				29,252.45	\$ 15,153.90	
07-35	Various Capital Projects	12/18/07 4/27/2010 &	353,000.00	7,909.15	29,252.45		29,252.45		7,909.15	
10-14/12-18	Senior Housing Building Improve.	11/8/2012	1,000,000.00	191,608.63	175,281.50	\$ 106,615.90	72,355.60		187,918.63	
				\$ 23,063.05	\$ 191,608.63	\$ 204,533.95	\$ 101,608.05		\$ 210,981.68	
		Ref.		E	E	E	E-5	E	E	E

SCHEDULE OF GENERAL SERIAL BONDS

ISSUE	DATE OF ISSUE	ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING - DEC. 31, 2015		INTEREST RATE	BALANCE DEC. 31, 2014	DECREASE	BALANCE DEC. 31, 2015
			DATE	AMOUNT				
Senior Citizen Housing Utility	01/15/14	1,400,000.00	1/15/16	100,000.00	2.00%	\$ 1,400,000.00	100,000.00	\$ 1,300,000.00
			1/15/17	125,000.00	3.00%			
			1/15/18	125,000.00	3.00%			
			1/15/19	150,000.00	3.00%			
			1/15/20	150,000.00	3.00%			
			1/15/21	150,000.00	3.00%			
			1/15/22	150,000.00	3.00%			
			1/15/23	175,000.00	3.00%			
1/15/24	175,000.00	3.00%						
Senior Citizen Housing Utility Refunding Bonds	08/01/01	2,204,500.00	08/15/15	140,000.00	4.40%	\$ 775,000.00	\$ 140,000.00	\$ 635,000.00
			08/15/16	135,000.00	5.00%			
			08/15/17	160,000.00	5.00%			
			08/15/18	160,000.00	5.00%			
			08/15/19	180,000.00	5.00%			
						<u>\$ 2,175,000.00</u>	<u>\$ 240,000.00</u>	<u>\$ 1,935,000.00</u>
						E	E-10	E

Ref.

SCHEDULE OF CAPITAL IMPROVEMENT FUND  
SENIOR CITIZENS HOUSING UTILITY CAPITAL FUND

	<u>Ref.</u>	
Balance - December 31, 2014	E	\$ 184,035.75
Increased by:		
CY 2015 Budget Appropriation	E-17	<u>30,000.00</u>
Balance - December 31, 2015	E	<u>\$ 214,035.75</u>

SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

<u>ORD.</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>DATE</u>	<u>BALANCE</u>	<u>BALANCE</u>
<u>NUMBER</u>			<u>DEC. 31, 2014</u>	<u>DEC. 31, 2015</u>
06-50	Various Capital Improvements	12/19/06	\$ 130,000.00	\$ 130,000.00
07-35	Various Capital Improvements	12/18/07	353,000.00	353,000.00
12-18	Building Improvements	11/08/12	400,000.00	400,000.00
			<u>\$ 883,000.00</u>	<u>\$ 883,000.00</u>
		Ref.	E	E

SCHEDULE OF FIXED CAPITAL  
SENIOR CITIZENS HOUSING UTILITY CAPITAL FUND

<u>ORD NO.</u>	<u>DATE</u>	<u>AMOUNT</u>	<u>BALANCE DEC. 31, 2014</u>	<u>BALANCE DEC. 31, 2015</u>
89-58	Design and Construction of a Senior Citizen Complex	\$ 10,098,252.26	\$ 10,098,252.26	\$ 10,098,252.26
04-51	Replacement of Trunk Line	144,000.00	144,000.00	144,000.00
05-43	Various Capital Improvements	80,000.00	80,000.00	80,000.00
06-22	HVAC System	28,800.00	28,800.00	28,800.00
			<u>\$ 10,351,052.26</u>	<u>\$ 10,351,052.26</u>
	<u>REF.</u>		E	E

SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETE  
SENIOR CITIZENS HOUSING UTILITY CAPITAL FUND

<u>ORD. NO.</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>DATE</u>	<u>AMOUNT</u>	<u>BALANCE DEC. 31, 2014</u>	<u>BALANCE DEC. 31, 2015</u>
06-50	Various Capital Improvements	12/19/06	\$ 130,000.00	\$ 130,000.00	\$ 130,000.00
07-35	Various Capital Improvements	12/18/07	353,000.00	353,000.00	353,000.00
10-14	Senior Housing Building Improve.	04/27/10	1,000,000.00	1,800,000.00	1,800,000.00
				<u>\$ 2,283,000.00</u>	<u>\$ 2,283,000.00</u>
	<u>REF.</u>			E	E

Exhibit E-17

SCHEDULE OF DUE FROM SENIOR HOUSING CAPITAL  
SENIOR HOUSING UTILITY OPERATING FUND

	<u>REF.</u>		
Balance - December 31, 2014	E		\$ 30,884.09
Increased by:			
Cash Disbursements	E- 5	\$ 599,115.91	
Senior Citizen Capital Fund Interest	E-3, E-17	<u>372.16</u>	
			<u>599,488.07</u>
			630,372.16
Decreased by:			
Cash Receipts	E- 5	600,372.16	
Capital Improvement Fund	E-4-E-17	<u>30,000.00</u>	
			<u><u>630,372.16</u></u>

Exhibit E-18

SCHEDULE OF DUE TO SENIOR HOUSING UTILITY OPERATING FUND  
SENIOR HOUSING UTILITY CAPITAL FUND

	<u>REF.</u>		
Balance - December 31, 2014	E		\$ 30,884.09
Increased by:			
Cash Receipts	E- 5	\$ 599,115.91	
Senior Citizen Capital Fund Interest	E-17	<u>372.16</u>	
			<u>599,488.07</u>
			630,372.16
Decreased by:			
Cash Disbursements	E- 5	600,372.16	
Capital Improvement Fund	E- 13, E-17	<u>30,000.00</u>	
			<u><u>630,372.16</u></u>

SCHEDULE OF FROM CURRENT FUND\  
SENIOR HOUSING UTILITY OPERATING FUND

REF.

Increased by:				
Appropriation	E-4	381,271.00		
Cash Receipts	E- 5	<u>1,476,684.00</u>		
				1,857,955.00
Decreased by:				
Cash Disbursements	E- 5			<u><u>1,857,955.00</u></u>

**TOWNSHIP OF PISCATAWAY**  
**MIDDLESEX COUNTY, NEW JERSEY**



**PART IV**  
**SUPPLEMENTARY DATA**

**TOWNSHIP OF PISCATAWAY  
MIDDLESEX COUNTY, NEW JERSEY**

**COMBINED BALANCE SHEET  
FOR THE YEAR ENDING DECEMBER 31, 2015**

	CURRENT FUND	TRUST FUND	GENERAL CAPITAL FUND	SEWER UTILITY FUND	SENIOR HOUSING UTILITY	GOVERNMENTAL FIXED ASSETS	MEMORANDUM ONLY TOTALS	
							DEC. 31, 2015	DEC. 31, 2014
<b>ASSETS</b>								
Cash and Investments	\$ 33,531,274.10	\$ 15,740,367.11	\$ 1,597,000.27	\$ 8,543,838.20	\$ 1,859,059.11	\$	\$ 61,271,538.79	\$ 50,125,232.44
Accounts Receivable								
State and Federal Grants Receivable	1,887,702.15						1,887,702.15	1,928,509.14
Due from State of New Jersey	226,572.51	48.60					226,621.11	195,515.98
Taxes, Assessments, Liens & Utility Charges	2,390,657.89			1,475,117.96			2,390,657.89	2,205,272.17
Sewer Charges Receivable			931,000.00				931,000.00	509,200.28
Interfund Loans							66,736.09	9,654,654.56
Other Accounts Receivable	66,736.09							105,997.07
Property Acquired For Taxes at Assessed Valuation	2,592,900.00						2,592,900.00	2,592,900.00
Prepaid Expenditures								
Fixed Assets - General						65,200,121.00	65,200,121.00	63,739,287.00
Fixed Capital - Utility				14,992,561.49	10,351,052.26		25,343,613.75	25,343,613.75
Fixed Capital - Authorized and Uncompleted - Utility				12,045,000.00	2,283,000.00		14,328,000.00	14,328,000.00
Deferred Charges to Revenue of Succeeding Years	300,000.00						300,000.00	600,000.00
Deferred Charges to Future Taxation: General Capital Fund			96,023,079.74				96,023,079.74	90,703,579.74
<b>Total Assets</b>	<b>\$ 40,995,842.74</b>	<b>\$ 15,740,415.71</b>	<b>\$ 98,551,080.01</b>	<b>\$ 37,056,517.65</b>	<b>\$ 14,493,111.37</b>	<b>\$ 65,200,121.00</b>	<b>\$ 272,037,088.48</b>	<b>\$ 262,031,762.13</b>
<b>LIABILITIES, RESERVES AND FUND BALANCE</b>								
Bonds and Notes Payable								
Prepaid Taxes, Assessments, Utility Charges and Licenses	1,115,451.68			22,468.70			1,137,920.38	778,669.78
Tax, Assessment, Lien, License and Utility Charge Overpayments	327,153.90			8,667.25			335,821.15	633,146.22
Appropriation Reserves	5,140,376.80			1,343,585.12	320,181.52		6,804,143.44	4,932,080.05
Reserves for Encumbrances/ Accounts Payable	7,356,792.10	124,110.61	3,552,286.18	1,878,251.95	267,871.29		13,179,312.13	14,068,198.24
Other Liabilities				30,554.69	48,322.92		78,877.61	85,151.13
Amounts Pledged to Specific Purposes	3,242,723.89	9,970,130.88	6,562,130.67	153,750.00	342,782.68		20,271,518.12	18,041,232.20
Interfund Loans	931,000.00					65,200,121.00	931,000.00	9,654,654.56
Investments in General Fixed Assets		5,646,174.22					5,646,174.22	6,284,230.30
Escrow Funds			37,896,635.63	4,898,497.07	210,981.68		43,006,114.38	33,215,888.04
Improvement Authorization								
Reserve for Amortization of Costs of Fixed Capital Acquired or Authorized				20,632,561.52	10,699,052.26		31,331,613.78	30,371,106.94
Reserve for Certain Assets Acquired or Receivables & Inventories	5,050,293.98			1,475,117.96			6,525,411.94	6,309,985.22
Fund Balance	17,832,050.72		1,437,027.53	3,553,063.39	668,919.02		23,491,060.66	20,505,132.45
<b>Total Liabilities, Reserves and Fund Balance</b>	<b>\$ 40,995,843.07</b>	<b>\$ 15,740,415.71</b>	<b>\$ 98,551,080.01</b>	<b>\$ 37,056,517.65</b>	<b>\$ 14,493,111.37</b>	<b>\$ 65,200,121.00</b>	<b>\$ 272,037,088.81</b>	<b>\$ 262,031,762.13</b>

**COMPARATIVE STATEMENT OF OPERATIONS AND  
CHANGE IN FUND BALANCE - CURRENT FUND**

<u>REVENUE AND OTHER INCOME REALIZED</u>	CALENDAR YEAR 2015		CALENDAR YEAR 2014	
	AMOUNT	%	AMOUNT	%
Fund Balance Utilized	\$ 6,986,820.16	3.67	\$ 9,000,000.00	4.77
Miscellaneous - From Other than Local Property Tax Levies	17,292,336.25	9.08	19,943,036.07	10.58
Collection of Delinquent Taxes and Tax Title Liens	1,715,921.95	0.90	1,761,847.63	0.93
Collections of Current Tax Levy	164,418,522.85	86.35	157,879,217.17	83.72
Total Income	\$ 190,413,601.21	100.00	\$ 188,584,100.87	100.00
 <u>EXPENDITURES</u>				
Budget Expenditures				
Municipal Purposes	\$ 61,147,393.79	33.93	\$ 62,650,281.83	34.86
Special District Taxes	3,749,329.00	2.08	3,624,374.00	2.02
County Taxes	25,489,966.85	14.15	24,305,256.74	13.52
Local School Taxes	88,504,363.00	49.12	86,224,785.00	47.97
Other Expenditures	1,304,673.93	0.72	2,924,970.18	1.63
Total Expenditures	180,195,726.57	100.00	179,729,667.75	100.00
Less: Expenditures to be Raised by Future Taxes	300,000.00		2,737,554.12	
Total Adjusted Expenditures	179,895,726.57		176,992,113.63	
Excess in Revenue	10,517,874.64		11,591,987.24	
Fund Balance January 1	14,300,996.24		11,709,009.00	
	24,818,870.88		23,300,996.24	
Less: Util. as Anticipated Revenue	6,986,820.16		9,000,000.00	
<b>Fund Balance December 31</b>	<b>\$ 17,832,050.72</b>		<b>\$ 14,300,996.24</b>	

**COMPARATIVE STATEMENT OF OPERATIONS AND  
CHANGE IN FUND BALANCE - SEWER UTILITY FUND**

<u>REVENUE AND OTHER INCOME REALIZED</u>	CALENDAR YEAR 2015		CALENDAR YEAR 2014	
	AMOUNT	%	AMOUNT	%
Fund Balance Utilized	\$ 1,757,926.84	13.68	\$ 2,545,000.00	17.44
Collection of Sewer Service Charges	9,380,225.82	72.99	9,867,162.47	67.62
Miscellaneous - From Other than Sewer Service Charges	1,713,708.43	13.33	2,179,586.48	14.94
Total Income	\$ 12,851,861.09	100.00	\$ 14,591,748.95	100.00
 <u>EXPENDITURES</u>				
Budget Expenditures				
Operating	\$ 9,203,350.00	77.66	\$ 8,576,815.00	71.96
Capital Improvements	1,525,000.00	12.87	1,525,000.00	12.80
Debt Service	346,578.13	2.92	343,747.91	2.88
Deferred Charges & Statutory Expend.	776,451.84	6.55	1,472,541.25	12.36
Refund of Prior Years Revenue				
Total Expenditures	11,851,379.97	100.00	11,918,104.16	100.00
Excess/(Deficit) in Revenue	1,000,481.12		2,673,644.79	
Fund Balance January 1	4,208,569.15		4,079,924.36	
	5,209,050.27		6,753,569.15	
Decreased by:				
Util. as Anticipated Revenue	1,757,926.84		2,545,000.00	
<b>Fund Balance December 31</b>	<b>\$ 3,451,123.43</b>		<b>\$ 4,208,569.15</b>	

**COMPARATIVE STATEMENT OF OPERATIONS AND  
CHANGE IN FUND BALANCE -  
SENIOR CITIZENS HOUSING UTILITY FUND**

<u>REVENUE AND OTHER INCOME REALIZED</u>	CALENDAR YEAR 2015		CALENDAR YEAR 2014	
	AMOUNT	%	AMOUNT	%
Fund Balance	\$ 319,181.00	15.38	\$ 253,700.00	12.62
Rental Income	1,516,205.99	73.05	1,515,600.71	75.41
Miscellaneous - From Other than Rental Income	240,261.31	11.58	240,399.50	11.96
Total Income	\$ 2,075,648.30	100.00	\$ 2,009,700.21	100.00
 <u>EXPENDITURES</u>				
Budget Expenditures				
Operating	\$ 1,237,000.00	68.09	\$ 1,199,672.89	72.51
Capital Improvements	260,000.00	14.31	234,500.00	14.17
Debt Service	312,683.35	17.21	214,256.11	12.95
Statutory Expenditures	5,271.00	0.29	5,271.00	0.32
Miscellaneous Expenditures	1,673.00	0.09	899.00	0.05
Total Expenditures	1,816,627.35	100.00	1,654,599.00	100.00
Excess in Revenue	259,020.95		355,101.21	
Fund Balance January 1	656,901.33		555,500.12	
	915,922.28		910,601.33	
Less: Util. As Anticip. Revenue	319,181.00		253,700.00	
<b>Fund Balance December 31</b>	<b>\$ 596,741.28</b>		<b>\$ 656,901.33</b>	

**TOWNSHIP OF PISCATAWAY**

**STATISTICAL DATA**

**COMPARATIVE SCHEDULE OF TAX RATE INFORMATION**

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Tax Rate:	<u>\$2.577</u>	<u>\$2.518</u>	<u>\$6.634</u>
Apportionment of Tax Rate:			
Municipal	<u>\$0.700</u>	<u>\$0.688</u>	<u>\$1.754</u>
Municipal Library	<u>\$0.034</u>	<u>\$0.032</u>	<u>\$0.091</u>
County	<u>\$0.373</u>	<u>\$0.363</u>	<u>\$0.963</u>
County Open Space	<u>\$0.031</u>	<u>\$0.030</u>	<u>\$0.082</u>
Local School	<u>\$1.439</u>	<u>\$1.405</u>	<u>\$3.744</u>
Assessed Valuation:			
2015	<u>\$6,154,647,288</u>		
2014		<u>\$6,140,922,792</u>	
2013			<u>\$2,246,969,198</u>

**COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY**

A study of this tabulation could indicate a possible trend in future tax levies. A decrease in the percentage of current collection could be an indication of a probable increase in future tax levies.

<u>YEAR</u>	<u>TAX LEVY</u>	<u>CURRENT CASH COLLECTIONS</u>	<u>PERCENTAGE OF COLLECTION</u>
2015 CY	\$ 166,732,369	\$ 164,418,523	98.61%
2014 CY	159,817,001	157,266,477	98.40%
2013 CY	154,087,435	151,702,194	98.45%
2012 CY	146,348,436	143,705,802	98.19%
2011 CY	142,687,554	140,353,536	98.36%
2010 TY	69,749,806	68,202,465	97.78%

CY Calendar Year  
TY Transition Year

**TOWNSHIP OF PISCATAWAY**

**STATISTICAL DATA**

**DELINQUENT TAXES AND TAX TITLE LIENS**

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

<u>YEAR</u>	<u>AMOUNT OF TAX TITLE LIENS</u>	<u>AMOUNT OF DELINQUENT TAXES</u>	<u>TOTAL DELINQUENT</u>	<u>PERCENTAGE OF TAX LEVY</u>
2015 CY	\$ 621,161.51	\$ 1,769,496.38	\$ 2,390,657.89	1.43%
2014 CY	\$ 596,653.18	\$ 1,608,618.99	\$ 2,205,272.17	1.38%
2013 CY	574,136.57	1,942,317.33	2,516,453.90	1.63%
2012 CY	556,212.06	2,155,871.06	2,712,083.12	1.85%
2011 CY	507,792.66	2,051,333.18	2,559,125.84	1.79%
2010 TY	446,852.55	2,506,187.85	2,953,040.40	4.23%

**COMPARISON OF SEWER UTILITY LEVIES**

<u>YEAR</u>	<u>LEVY</u>	<u>CASH COLLECTIONS</u>
2015 CY	\$ 9,360,111	\$ 9,381,657
2014 CY	9,586,208	9,853,323
2013 CY	9,097,844	9,191,492
2012 CY	9,418,291	9,413,004
2011 CY	8,550,093	8,847,600
2010 TY	4,228,800	3,514,476

TOWNSHIP OF PISCATAWAY

STATISTICAL DATA

COMPARATIVE SCHEDULE OF FUND BALANCES

	<u>YEAR</u>		<u>BALANCE</u> <u>31-Dec</u>	<u>UTILIZED</u> <u>IN BUDGET OF</u> <u>SUCCEEDING YEAR</u>
CURRENT FUND	2015 CY	\$	17,832,051	9,265,683
	2014 CY		14,300,996	6,986,820
	2013 CY		11,709,009	9,000,000
	2012 CY		12,066,806	7,000,000
	2011 CY		11,886,097	6,855,000
	2010 TY		11,856,873	5,817,370
SEWER UTILITY OPERATING FUND	2015 CY	\$	3,451,123 \$	2,992,710
	2014 CY		4,208,569	1,757,927
	2013 CY		4,079,924	2,545,000
	2012 CY		4,656,832	1,600,000
	2011 CY		4,689,832	1,667,000
	2010 TY		1,991,576	None
SENIOR CITIZENS HOUSING UTILITY FUND	2015 CY	\$	596,741 \$	347,323
	2014 CY		656,901	319,181
	2013 CY		374,348	253,700
	2012 CY		182,827	130,000
	2011 CY		314,776	260,000
	2010 TY		244,152	210,100

**OFFICIALS IN OFFICE AND SURETY BONDS**

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

<u>NAME</u>	<u>TITLE</u>	<u>AMOUNT OF BOND</u>
Brian C. Wahler	Mayor	
Steven D. Cahn	Council President	
Gabrielle Cahill	Council Vice-President	
Chanelle McCullum	Council Member	
James Bullard	Council Member	
Camille Fernicola	Council Member	
Frank Uhrin	Council Member	
Michele Lombardi	Council Member	
Joseph Criscuolo	Business Administrator	
Daniel Mensah Lamptey	Director of Finance	400,000.00 (A)
Van Khurana	Chief Financial Officer	
Melissa A. Seader	Township Clerk	
Michael Baker	Director of Law - Attorney	
James F. Clarkin III, Esq.	Director of Law - Assistant Attorney	
Paula Ferreira	Tax Collector	
Dennis Fackelman	Magistrate, Presiding Judge	
James Hoebich	Associate Judge	
Vanessa Colon	Acting Court Administrator (December 2015)	
Claudia Santos	Court Administrator (January to November 2015)	
Lisa E. Stephens	Tax Assessor	

The municipal court employees were covered under a blanket bond in the amount of \$75,000 by the Selective Insurance Company of America.

All other employees were covered under a blanket bond in the amount of \$75,000 by the Selective Insurance Company of America.

All of the bonds were examined and found to be properly executed for items tested.

(A) Fidelity & Deposit Company of Maryland

**TOWNSHIP OF PISCATAWAY  
MIDDLESEX COUNTY, NEW JERSEY**



**PART V  
GENERAL COMMENTS AND RECOMMENDATIONS**

**TOWNSHIP OF PISCATAWAY  
COUNTY OF MIDDLESEX, NEW JERSEY  
FOR THE YEAR ENDED DECEMBER 31, 2015**

**GENERAL COMMENTS**

An audit of the financial accounts and transactions of the Township of Piscataway, County of Middlesex, New Jersey, for the year ended December 31, 2015, has been completed. The General Comments are herewith set forth:

Scope of Audit

The audit covered the financial transactions of the Finance Department and the other various offices and departments collecting fees within the Township of Piscataway, County of Middlesex, New Jersey.

The audit did not and could not determine the character of services rendered for which payment had been made or for which reserves had been set up, nor could it determine the character, proper price or quantity of materials supplied for which claims had been passed. Cash on hand was counted and cash and investment balances were reconciled with independent certifications obtained directly from the depositories. Revenues and receipts were established and verified as to source and amount insofar as the records permitted.

INTERNAL CONTROL MATTERS

In planning and performing our audit of the financial statements of Township of Piscataway, County of Middlesex, New Jersey as of and for the year ended December 31, 2015, in accordance with auditing standards generally accepted in the United States of America, we considered the Township's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be deficiencies, significant deficiencies, or material weaknesses.

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 reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

A significant deficiency is a deficiency, or 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.

## GENERAL COMMENTS

### INTERNAL CONTROL MATTERS (Cont'd.)

With respect to the reporting of internal control matters, standards require that only a significant deficiency and/or a material weakness need be reported in writing to management and those charged with governance.

The deficiencies in internal control, as reported below, are not considered to be significant deficiencies nor material weaknesses. In addition, these deficiencies are not required to be reported in writing, however, these deficiencies are presented to management and those charged with governance in this report as a means to present those matters identified in review of the Township's internal controls and as a means to inform management and those charged with governance as to the auditing standards requirements with respect to internal controls.

As indicated below, we identified certain deficiencies in internal control, as follows:

In addition, during our audit, we noted certain matters involving the internal control and other operational matters that are presented for your consideration. This letter does not affect our report dated September 6, 2016 on the financial statements of the Township of Piscataway. Our comments and recommendations, which have been discussed with appropriate members of management, are intended to improve the internal control or result in other operating efficiencies.

Internal Control Deficiencies:

#### 2016-1 Segregation of Duties - Other Offices/Departments Collecting Municipal Fees

Conditions exist whereby the same individual may collect, record and/or deposit/turnover or may have access to cash receipts collections and functions in the following offices / departments: Municipal Court, Police Department, Municipal Clerk's Office, Cable TV, Recreation Department, Engineering Department, Planning & Zoning Department, Inspection Fees Office, Registrar of Vital Statistics, and Health Department.

This condition may be the result of multiple tasks assigned and performed by the same individual within the respective office/department.

## OTHER MATTERS

Contracts and Agreements Required to be  
Advertised for N.J.S.A. 40A: 11-4 (cont'd):

N.J.S.A. 40A: 11-4 states "every contract or agreement, for the performance of any work or the furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate of \$17,500 except by contract or agreement."

## GENERAL COMMENTS

### OTHER MATTERS (CONT'D):

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

On June 9, 2010, the Local Public Contracts Law was amended, effective on July 1, 2010. The amendments address the bid threshold (Section 7, N.J.S.A. 40A: 11-3), thereby increasing the amount from \$21,000.00 to \$26,000.00 under which a contract may be awarded without public advertising. Furthermore, if the Borough's Purchasing Agent is "Qualified" the Board may increase the bid threshold from \$29,000 to \$36,000. On May 5, 2011, the Local Public Contracts Law was revised again pursuant to a statutorily permitted notice issued by the Governor of the State of New Jersey, effective January 1, 2011. The law eliminated the previous "lower" non-QPA threshold of \$26,000. Thus a contracting unit without a Qualified Purchasing Agent now has a maximum bid threshold of \$17,500.

The governing body of the Township has the responsibility of determining whether the expenditures in any category will exceed the bid threshold within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Township Counsel's opinion should be sought before a commitment is made.

A review of the Township's purchasing procedures indicates that bids were requested by public advertisement for the following items tested.

#### Materials, Supplies and Equipment

Sand Pro Model-Toro Infield Pro 5040; Diesel Fuel; Ford F-350 Pick-up Truck; Police Interceptor Sedans; Hot Mix Asphalt Road Materials; 2015 10ton Dump Trucks with Plow and Salt Spreader; Caterpillar Model CB54R9 Asphalt Compaction Roller; 2015 Portable Restroom Trailer, 10 ton Equipment Trailer; Engineered Wood Fiber Playground Safety Surface; Solar Powered Portable Dynamic Double Sided Message Sign; trailer mounted light towers

#### Services and Rentals

Debris and Stump Removal and Sidewalk Replacement; Municipal Cleaning Services; Landscaping; Fireworks Display; HVAC Repairs.; Various Tree Planting and Street Tree Replacements 2015

#### Construction and Repairs

Demolition of residential structures; Curb and Sidewalks Improvements; 2015-16 milling and road surface preparation; 2015-16 Hot Mix Asphalt Road Construction Material; Lakeview Avenue Road Improvements; DPW Vehicle Canopy; Columbus Park Floating Dock and Gazebo Replacements; School Street Road improvements-Phase I

The minutes indicate that State Contracts were authorized for the following:

#### Contracts

##### Data Network Services

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

## GENERAL COMMENTS

### OTHER MATTERS (CONT'D):

#### Contracts and Agreements Required to be Advertised for N.J.S.A. 40A: 11-4 (cont'd.)

The examination of expenditures revealed that no individual payments, contracts or agreements in excess of \$17,500 "for the performance of any work or the furnishing or hiring of any materials or supplies," other than those where bids had been previously sought by public advertisement.

The minutes indicate that resolutions were adopted and advertised authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S.A. 40A: 11-5. The minutes also indicate the awarding of "Open-End Contracts" pursuant to N.J.A.C. 5:34-4.9.

Any interpretation as to possible violation of N.J.A.C. 40A: 11-4 would be in the province of the Township solicitor.

We suggest that the Township review the amendments to the Local Public Contracts Law and determine the impact of the comprehensive amendments with regard to the Township, including an analysis of the effect of requiring the position of a "Qualified" Purchasing Agent on a cost benefit or other alternate approach.

#### Compliance with P.L. 2005, c.271

On January 5, 2006, P.L. 2005, c.271 was signed into law. A key element of the law authorizes municipalities and counties to adopt their own pay-to-play policies. Secondly, required new disclosures for "non-fair and open" contracts over \$17,500.

Tests of expenditures for vendors with payments in excess of \$17,500.00 and less than the applicable bid threshold and for contracts not awarded through state contracts, bidding or the "fair and open process" indicated no exceptions related to lack of the requisite disclosure forms on file.

We suggest that the vendor files be reviewed and maintained complete in all respects with the applicable Pay-to-Play and Business Registration Requirements

#### Collection of Interest on Delinquent Taxes and Assessments

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

The governing body, on January 5, 2015, adopted the following resolution authorizing interest to be charged on delinquent taxes; assessments and sewer service charges:

BE IT RESOLVED, by the Township Council of Piscataway Township, New Jersey that:

WHEREAS, Delinquent taxes and sewer service charges shall bear interest at the rate of 8% per annum for the first \$1,500 and 18% per annum on any delinquent amount in excess of \$1,500; and

GENERAL COMMENTS

OTHER MATTERS (CONT'D):

Collection of Interest on Delinquent Taxes and Assessments (Cont'd)

BE IT FURTHER RESOLVED that unpaid assessments shall bear interest at the rate of 8% per annum; and

BE IT RESOLVED that no interest shall be charged by the Township of Piscataway if the payment of installment for taxes, sewer service charges or assessments is made within ten (10) calendar days after the date upon which such installment is payable; and

BE IT FURTHER RESOLVED that if payment of the installment for taxes, sewer service charges or assessments is not made within the ten (10) calendar day period, interest shall be charged in accordance with the rates specified in this Resolution and such interest shall revert to the date the installment was due.

An examination of the Tax Collector's records indicated that interest on delinquent accounts was calculated in accordance with the foregoing resolution for items tested.

Delinquent Taxes and Tax Title Liens

The Township held a tax sale during CY 2015. The Tax Collector should continue to review all delinquent and disputed items to determine the status of delinquent accounts for proper disposition. Upon final determination of the status of the delinquent accounts, where appropriate, the delinquent item should be included in the following tax sale.

The tax sale omitted items that were reported to be in bankruptcy proceedings, installment agreements and or disputed items for real estate taxes and sewer utility charges. Delinquent real estate taxes as at December 31, 2015 reported \$0.00 amount due in previous tax years.

The following comparison is made of the number of tax title liens receivable at year-end of the current and two previous years:

<u>DEC. 31</u>	<u>NUMBER</u>
<u>CY 2015</u>	<u>OF LIENS</u>
CY 2015	17
CY 2014	16
CY 2013	7

It is essential to good management that all means provided by statute be utilized to liquidate Tax Title Liens in order to return properties to a tax-paying basis.

GENERAL COMMENTS

OTHER MATTERS (CONT'D):

Investment of Idle Funds

The Chief Financial Officer had the greater portion of the idle funds of the Township invested in interest-bearing investments or accounts during CY 2015. Earnings from the investments are shown as revenue in the various funds of the Township for CY 2015.

All deposits and investments held by the Township were directly confirmed as of December 31, 2015.

The Township adopted a formal Cash Management Plan for depositing and investing of Township funds for CY 2015 in accordance with 40A: 5-14 on January 5, 2015.

Purchase Order System and Encumbrance System

The Township utilized a purchase order system for most of its expenditures in connection with its budgetary accounting system during the year under review. The accounting is processed on a data processing system for budgetary control. Operation of the encumbrance system appeared to be generally good with timely entries made. Prior years' outstanding encumbrances were reviewed at the close of the year, and adjustments and cancellations were made where appropriate to reflect actual commitments outstanding for budgetary control.

Interfund Balances

The following interfund balances appear in the balance sheets of the Township's financial statements of the year ended December 31, 2015:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
State and Federal Grant Fund	\$0.00	\$931,000.00
General Capital Fund	<u>931,000.00</u>	<u>0.00</u>
Total	<u>\$931,000.00</u>	<u>\$931,000.00</u>

It is recommended that all interfund balances be cleared by cash transfer where required.

Outside Offices/Departments and Other Officials Collecting Fees

Our review of records maintained for other officials collecting fees were designed to determine that minimum levels of internal controls and accountability were met, that cash receipts were deposited or turned over to the Treasurer's accounts within a 48 hour period as required by N.J.S.A. 40A: 5-15, and the fees charged were in accordance with the provisions of the Township Code.

## GENERAL COMMENTS

### OTHER MATTERS (CONT'D):

#### Municipal Court

The records maintained by the Municipal Court during the period under review were found to be in good condition. The examination of the general account indicated that cash reconciliations were performed on a monthly basis, however the bank, book and receipts balance did not proof. Disbursements were made to appropriate agencies on a timely basis. The bail account was reconciled monthly and open bail listings were proved to the account balance periodically or at the close of the year. The examination of the bail account's financial and supporting records maintained by the Municipal Court indicated no exceptions for items tested.

It is suggested that the court administrator continues to work towards balancing the bank, book and receipts balance.

#### Administration and Accounting of State & Federal Grants

During CY 2015, the Township operated programs that were funded in whole or in part by state or federal grant awards. As part of the acceptance of these funds, the Township is required to make assurances to the grantor agency that it will comply, in its general operations as well as in the operation of grant funded programs, with various laws and regulations. In addition, the individual grant contracts impose specific compliance requirements for the operations of each program. Based upon the myriad compliance and reporting requirements for grant awards, the Township should continue to develop sound administrative functions over grant programs.

#### Condition of Records – Tax & Sewer Utility Office

During CY 2015, the Tax Collector utilized a monthly financial tax and sewer utility office reporting system. These reports are intended to be all-inclusive, summarizing all tax and sewer utility office transactions on a monthly basis for posting/recording within the Township general ledger financial accounting system, respectively.

#### Condition of Records – Finance Department

The Finance Department utilized a computerized general ledger accounting and reporting system during CY 2015. General ledgers were maintained for all funds. The Township is currently in compliance with New Jersey Administration Code 5:30-5.7, establishment and maintenance of a general ledger for at least the current fund.

During the previous audit reporting period we noted that the Township did not maintain compliance with GASB Statement Number 45 "Other Post Retirement Benefits (OPEB)" and N.J.A.C. 5:30-6.1 requiring disclosure of OPEB liability in the Notes to the financial statements of the applicable reporting periods. The Township engaged for the professional services, however, as of the date of filing the Fiscal Year 2013 audit report the requested information was not available. During the current audit period the report for December 31, 2015 was completed and the required disclosure in the Notes to the Financial Statements was made.

## GENERAL COMMENTS

### OTHER MATTERS (CONT'D):

#### Condition of Records – Finance Department-Cont'd.)

Statement on Auditing Standards 115 identifies inadequate documentation of internal controls as a possible deficiency, significant deficiency or material weakness. As the Township continues the process of documenting its controls, we suggest that the Township consider utilizing the framework established by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) for its documentation, which includes the five components of internal controls, as follows: Control Environment; Risk Assessment; Control Activities; Information and Communication; and Monitoring. We also suggest that the documentation also include the internal controls that exist over grant compliance.

#### Compliance with N.J.A.C 5:30

The Local Finance Board, State of New Jersey, adopted the following requirements, previously identified as “technical accounting directives”, as codified in the New Jersey Administration Code as follows:

N.J.A.C. 5:30-5.2 - Encumbrance Systems: This directive requires the development and implementation of accounting systems, which can reflect the commitment of funds at the point of commitment. The Township of Piscataway is in compliance with this directive.

N.J.A.C. 5:30-5.6 – Accounting for Governmental Fixed Assets: This directive requires the development and implementation of accounting systems which assign values to covered assets and can track additions, retirements and transfers of inventoried assets. Our review indicated that the Township of Piscataway has established a Governmental Fixed Asset Accounting System.

N.J.A.C. 5:30 – 5.7 – General Ledger Accounting System: This directive requires the establishment and maintenance of a general ledger for, at least, the Current Fund. The Township is in compliance with this directive.

#### Compliance with Local Finance Notices

In accordance with Local Finance Notice No. CFO-10, Uniform Construction Code, expenditure records were tested for compliance with N.J.A.C. 5:23.17(c) 2, and no exceptions were noted for those items tested.

The Township of Piscataway, County of Middlesex was not required to prepare a corrective action plan for the CY 2014, pursuant to Local Finance Board Notice Number 92-15.

RECOMMENDATIONS

We recommended the following:

That all interfund balances be cleared by cash transfer where required.

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During the course of our audit we received the complete cooperation of the various officials of the Township, and the courtesies extended to us were greatly appreciated.

Should any questions arise as to our comments or recommendations, or should you desire assistance in implementing our recommendations, please do not hesitate to contact us.

Very truly yours,

HODULIK & MORRISON, P.A.



Andrew G. Hodulik, CPA, RMA  
No. 406