

*TOWNSHIP OF ALLAMUCHY*

*COUNTY OF WARREN*

*REPORT OF AUDIT*

*2015*

*NISIVOCCIA LLP  
CERTIFIED PUBLIC ACCOUNTANTS*

TOWNSHIP OF ALLAMUCHY  
COUNTY OF WARREN  
REPORT OF AUDIT  
2015

TOWNSHIP OF ALLAMUCHY  
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TOWNSHIP OF ALLAMUCHY

PART I

REPORT ON AUDIT AND FINANCIAL STATEMENTS

AND SUPPLEMENTARY SCHEDULES

YEAR ENDED DECEMBER 31, 2015



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## Independent Auditors' Report

The Honorable Mayor and Members  
 of the Township Council  
 Township of Allamuchy  
 Allamuchy, New Jersey

### **Report on the Financial Statements**

We have audited the financial statements – *regulatory basis* - of the various funds of the Township of Allamuchy, in the County of Warren (the "Township") as of and for the years ended December 31, 2015 and 2014, and the related notes to the financial statements, as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting practices prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") to demonstrate compliance with the Division's regulatory basis of accounting, and the budget laws of New Jersey. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' Responsibility***

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

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

The Honorable Mayor and Members  
of the Township Committee  
Township of Allamuchy  
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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

As described in Note 1, the financial statements are prepared by the Township on the basis of accounting practices prescribed or permitted by the Division to demonstrate compliance with the Division's regulatory basis of accounting and the budget laws of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

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

In our opinion, because of the significance of the matter discussed in the *Basis for the Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly in accordance with accounting principles generally accepted in the United States of America the financial position of each fund and account group of the Township as of December 31, 2015 and 2014, or the changes in financial position or where applicable, cash flows thereof for the years then ended.

***Basis for Qualified Opinion***

The Township's general fixed assets account group is stated at historical cost or estimated historical cost in the accompanying financial statements. We were unable to obtain sufficient evidence to support the cost of the fixed assets of the general fixed assets account group. As more fully described in Note 1, due to the length of time over which these fixed assets were acquired, it is not practical to determine their actual costs. Therefore, based upon the underlying accounting records, we have not audited the general fixed assets account group.

***Qualified Opinion on Regulatory Basis of Accounting***

In our opinion, except for the effects on the December 31, 2015 and 2014 financial statements of the matter described in the *Basis for Qualified Opinion* paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the various funds and account group of the Township of Allamuchy as of December 31, 2015 and 2014, and the results of operations and changes in fund balance, where applicable, of such funds, thereof for the years then ended on the basis of the accounting practices prescribed or permitted by the Division to demonstrate compliance with the Division's regulatory basis of accounting and the budget laws of New Jersey, as described in Note 1.

***Emphasis of Matter***

As discussed in Note 4 to the financial statements, the Township implemented Governmental Accounting Standards Board ("GASB") Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment to GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68* during the year ended December 31, 2015. Our opinions are not modified with respect to this matter.

The Honorable Mayor and Members  
of the Township Committee  
Township of Allamuchy  
Page 3

***Other Matters***

*Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements of the various funds that collectively comprise the Township's financial statements. The supplementary data schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedules of expenditures of federal and state awards, as required **by** Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, are presented for purposes of additional analysis and are not a required part of the financial statements

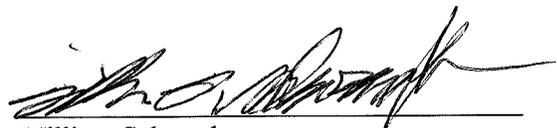
The supplementary data schedules and the schedules of expenditures of federal and state awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to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

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated April 1, 2016 on our consideration of the Township of Allamuchy's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Allamuchy's internal control over financial reporting and compliance.

Mount Arlington, New Jersey  
April 1, 2016

NISIVOCCIA LLP



William Schroeder  
Certified Public Accountant  
Registered Municipal Accountant No. 452

TOWNSHIP OF ALLAMUCHY  
COUNTY OF WARREN  
2015  
CURRENT FUND

TOWNSHIP OF ALLAMUCHY  
CURRENT FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	Ref.	December 31,	
		2015	2014
<u>ASSETS</u>			
Regular Fund:			
Cash and Cash Equivalents:			
Treasurer	A-4	\$ 1,218,430.28	\$ 1,197,623.67
Change Fund		200.00	200.00
		<u>1,218,630.28</u>	<u>1,197,823.67</u>
Due from State of New Jersey - Senior Citizens' and Veterans' Deductions		<u>17,981.64</u>	<u>13,339.00</u>
		<u>1,236,611.92</u>	<u>1,211,162.67</u>
Receivables and Other Assets With Full Reserves:			
Delinquent Property Taxes Receivable	A-7	216,317.46	217,846.25
Tax Title Liens Recievable	A-8	25,648.41	20,706.70
Revenue Accounts Receivable	A-9	1,551.00	3,846.79
Due from:			
Animal Control Fund	B	5,900.98	
Water/Sewer Utility Operating Fund	D	11,080.53	
Garbage District	A-14	11,230.20	4,100.10
Special Taxing District	A-13	1,418.60	641.25
Other Accounts Receivable			2,735.83
		<u>273,147.18</u>	<u>249,876.92</u>
Total Receivables and Other Assets with Full Reserves			
Deferred Charges:			
Special Emergency Appropriation		40,000.00	80,000.00
Expenditure without an Appropriation			3,759.85
		<u>40,000.00</u>	<u>83,759.85</u>
Total Regular Fund		<u>1,549,759.10</u>	<u>1,544,799.44</u>
Federal and State Grant Fund:			
Cash and Cash Equivalents	A-6	92,966.63	77,579.86
Grant Funds Receivable	A-10	116,424.77	113,518.36
Deferred Charges:			
Overexpenditure of Appropriated Reserves	A-17	2,148.10	
		<u>211,539.50</u>	<u>191,098.22</u>
Total Federal and State Grant Fund			
TOTAL ASSETS		<u>\$ 1,761,298.60</u>	<u>\$ 1,735,897.66</u>

TOWNSHIP OF ALLAMUCHY  
CURRENT FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS  
(Continued)

	Ref.	December 31,	
		2015	2014
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Regular Fund:			
Appropriation Reserves:			
Encumbered	A-3;A-11	\$ 39,655.90	\$ 9,326.63
Unencumbered	A-3;A-11	115,118.65	127,552.04
		<u>154,774.55</u>	<u>136,878.67</u>
Due State of New Jersey:			
Marriage License Fees		40.00	40.00
Due to:			
Other Trust Fund	B	12,018.73	244.98
Accounts Payable - Vendors			55.51
County Added and Omitted Taxes Payable		52,638.54	68,653.93
Prepaid Taxes		107,300.61	93,573.60
Tax Overpayments		47,132.81	4,679.82
Special Emergency Notes Payable	A-15	40,000.00	80,000.00
Reserve for:			
Bid Bonds		9,050.00	9,050.00
Pending Tax Appeals			3,500.00
Lake Eagle Rock Study		20,000.00	20,000.00
Garden State Preservation Trust		40,095.00	39,735.00
Payments In Lieu of Taxes		47,902.85	47,902.85
		<u>530,953.09</u>	<u>504,314.36</u>
Reserve for Receivables and Other Assets	A	273,147.18	249,876.92
Fund Balance	A-1	745,658.83	790,608.16
		<u>1,549,759.10</u>	<u>1,544,799.44</u>
Total Regular Fund			
Federal and State Grant Fund:			
Unappropriated Reserves	A-16	18,108.45	12,430.41
Appropriated Reserves:			
Unencumbered	A-17	193,431.05	178,667.81
		<u>211,539.50</u>	<u>191,098.22</u>
Total Federal and State Grant Fund			
<b>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</b>		<u><u>\$ 1,761,298.60</u></u>	<u><u>\$ 1,735,897.66</u></u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF ALLAMUCHY  
CURRENT FUND  
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN  
FUND BALANCE - REGULATORY BASIS

	Ref.	Year Ended December 31,	
		2015	2014
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized		\$ 208,425.00	\$ 250,000.00
Miscellaneous Revenue Anticipated		979,455.32	1,132,992.88
Receipts from:			
Delinquent Taxes		198,679.22	175,377.85
Current Taxes		18,024,478.83	17,213,138.65
Nonbudget Revenue		77,666.96	51,706.00
Other Credits to Income:			
Cancellation of Accounts Payable		55.51	
Unexpended Balance of Appropriation Reserves		65,921.45	109,301.68
Prior Year Checks Voided			6,092.23
Interfunds and Other Receivables Returned		4,741.35	2,669.11
Total Income		<u>19,559,423.64</u>	<u>18,941,278.40</u>
<u>Expenditures</u>			
Budget and Emergency Appropriations:			
Municipal Purposes		3,083,837.73	3,085,075.64
County Taxes		4,582,697.34	4,517,079.08
Local School District Taxes		8,691,587.00	8,191,735.00
Local Open Space Taxes		109,425.47	109,001.20
Special District Taxes		2,634,629.36	2,570,790.81
Increase in Reserve for Tax Appeals		264,140.76	
Refund of Prior Year Revenue			1,000.00
Interfunds and Other Receivables Advanced		29,630.31	4,741.35
Total Expenditures		<u>19,395,947.97</u>	<u>18,479,423.08</u>
Excess in Revenue		163,475.67	461,855.32
<u>Fund Balance</u>			
Balance January 1		<u>790,608.16</u>	<u>578,752.84</u>
		954,083.83	1,040,608.16
Decreased by:			
Utilized as Anticipated Revenue		<u>208,425.00</u>	<u>250,000.00</u>
Balance December 31	A	<u>\$ 745,658.83</u>	<u>\$ 790,608.16</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF ALLAMUCHY  
CURRENT FUND  
STATEMENT OF REVENUE - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2015

	<u>Budget</u>	<u>Added by NJSA 40A:4-87</u>	<u>Realized</u>	<u>Excess or Deficit *</u>
Fund Balance Anticipated	\$ 208,425.00		\$ 208,425.00	
Miscellaneous Revenue:				
Licenses:				
Alcoholic Beverages	1,884.00		2,551.95	\$ 667.95
Fees and Permits	2,500.00		3,845.00	1,345.00
Fines and Costs:				
Municipal Court	47,850.00		62,805.67	14,955.67
Interest and Costs on Taxes	37,600.00		59,039.34	21,439.34
Interest on Investments and Deposits	9,000.00		12,071.18	3,071.18
Recreation Fees	14,700.00		16,375.00	1,675.00
Energy Receipts Tax	350,511.00		350,511.00	
Reserve for Garden State Preservation Trust	39,375.00		39,375.00	
NJ Highlands Housing Plan Grant		\$ 25,000.00	25,000.00	
Reserve for Recycling Tonnage Grant	4,145.45		4,145.45	
Reserve for Alcohol Education and Rehabilitation Fund	590.80		590.80	
Open Space Trust - Debt Service	107,500.00		107,500.00	
General Capital Fund Balance	25,600.00		25,600.00	
Reserve for Debt Service	1,946.00		1,946.00	
Affordable Housing Rents	200,000.00		243,098.93	43,098.93
Water and Sewer Utility Fund Balance	25,000.00		25,000.00	
	<u>868,202.25</u>	<u>25,000.00</u>	<u>979,455.32</u>	<u>86,253.07</u>
Receipts from Delinquent Taxes	175,000.00		198,679.22	23,679.22
Amount to be Raised by Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purposes	2,192,476.04		2,389,885.66	197,409.62
Budget Totals	<u>3,444,103.29</u>	<u>25,000.00</u>	<u>3,776,445.20</u>	<u>307,341.91</u>
Nonbudget Revenue			77,666.96	77,666.96
	<u>\$ 3,444,103.29</u>	<u>\$ 25,000.00</u>	<u>\$ 3,854,112.16</u>	<u>\$ 385,008.87</u>

TOWNSHIP OF ALLAMUCHY  
CURRENT FUND  
STATEMENT OF REVENUE - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2015  
(Continued)

Allocation of Current Tax Collections:

Revenue from Collection of Current Taxes	\$ 18,024,478.83
Allocated to County, School and Special District Taxes	<u>16,018,339.17</u>
Balance for Support of Municipal Budget	2,006,139.66

Add: Appropriation "Reserve for Uncollected Taxes"	<u>383,746.00</u>
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Realized for Support of Municipal Budget	<u><u>\$ 2,389,885.66</u></u>
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Analysis of Interest on Investments and Deposits:

Collected/Received by Treasurer	\$ 8,510.87
Due from:	
General Capital Fund	3,207.30
Animal Control Fund	19.67
Other Trust Fund	<u>333.34</u>
	<u><u>\$ 12,071.18</u></u>

Analysis of Nonbudget Revenue:

Miscellaneous Revenue Not Anticipated:

Treasurer:

Cable TV Franchise Fees	\$ 23,539.00	
Clean-up Fees	860.00	
Fire Department Recovery Fees	18,162.61	
Copies	525.00	
Marriage License	117.00	
Cat License Fees	1,454.00	
Senior Citizens' and Veterans' Deductions		
Administrative Fee	366.00	
Other Miscellaneous Revenue	<u>21,778.10</u>	
		\$ 66,801.71

Tax Collector:

Duplicate Bills and Other Miscellaneous	4,964.27
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Due from Animal Control Fund - Statutory Excess	<u>5,900.98</u>
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	<u><u>\$ 77,666.96</u></u>
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THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF ALLAMUCHY  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2015

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
GENERAL GOVERNMENT:					
General Administration:					
Salaries and Wages	\$ 98,027.06	\$ 98,077.06	\$ 98,026.81	\$ 50.25	
Other Expenses:					
Codification and Revision of Ordinances	2,500.00				
Miscellaneous Other Expenses	36,750.00	42,750.00	42,704.99	45.01	
Financial Administration:					
Salaries and Wages	35,330.59	35,330.59	34,616.04	714.55	
Other Expenses	10,500.00	10,500.00	10,466.17	33.83	
Annual Audit	40,000.00	40,850.00	40,850.00		
Tax Assessment Administration:					
Salaries and Wages	22,633.66	22,633.66	22,190.01	443.65	
Other Expenses	8,400.00	8,400.00	6,041.54	2,358.46	
Revenue Administration (Tax Collection):					
Salaries and Wages	72,869.33	87,369.33	87,079.19	290.14	
Other Expenses	11,500.00	11,500.00	10,769.09	730.91	
Legal Services and Costs:					
Other Expenses	102,500.00	84,500.00	79,089.48	5,410.52	
Municipal Prosecutor:					
Salaries and Wages	12,668.95	12,668.95	12,201.09	467.86	
Engineering Services and Costs:					
Other Expenses	26,500.00	33,500.00	33,391.50	108.50	

TOWNSHIP OF ALLAMUCHY  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2015  
(Continued)

	<u>Appropriations</u>		<u>Expended By</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
GENERAL GOVERNMENT (Cont'd):					
Public Buildings and Grounds:					
Salaries and Wages	\$ 45,960.18	\$ 45,960.18	\$ 45,753.01	\$ 207.17	
Other Expenses	47,000.00	56,500.00	56,138.88	361.12	
Municipal Land Use Law (NJSA 40:55D-1):					
Planning Board:					
Salaries and Wages	14,721.08	14,721.08	14,712.00	9.08	
Other Expenses	23,100.00	12,000.00	5,255.70	6,744.30	
Environmental Commission (NJSA 40:56A-1 et seq.):					
Salaries and Wages	12,969.03	12,969.03	10,483.67	2,485.36	
Other Expenses	3,000.00	3,000.00	2,902.38	97.62	
Contribution to Warren County Soil Conservation Program for Pequest River	2,500.00	2,500.00	2,500.00		
INSURANCE:					
Group Insurance Plans For Employees	79,000.00	79,000.00	77,117.07	1,882.93	
Other Insurance Premiums	129,200.00	130,950.00	130,743.00	207.00	
Surety Bond Premiums	4,500.00	4,500.00	3,873.75	626.25	
Worker's Compensation Insurance	25,336.00	25,336.00	25,059.00	277.00	
PUBLIC SAFETY:					
First Aid Organization Contribution	20,000.00	23,250.00	23,033.97	216.03	
Fire Department:					
Other Expenses	71,000.00	80,000.00	79,812.59	187.41	
Emergency Management Services:					
Salaries and Wages	6,624.48	6,624.48	6,526.02	98.46	
Other Expenses	1,500.00	4,800.00	4,752.77	47.23	
Municipal Court:					
Salaries and Wages	65,000.00	60,400.00	58,252.96	2,147.04	
Other Expenses	7,900.00	8,900.00	8,873.58	26.42	
Public Defender:					
Other Expenses	4,200.00	4,800.00	4,800.00		

TOWNSHIP OF ALLAMUCHY  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2015  
(Continued)

	<u>Appropriations</u>		<u>Expended By</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
<b>STREETS AND ROADS:</b>					
Road Repairs and Maintenance:					
Salaries and Wages	\$ 113,655.38	\$ 113,655.38	\$ 106,779.66	\$ 6,875.72	
Other Expenses	120,000.00	115,000.00	106,416.77	8,583.23	
Garbage and Trash Removal:					
Other Expenses	2,500.00	2,500.00	1,486.66	1,013.34	
Recycling:					
Salaries and Wages	7,176.53	7,176.53	6,995.00	181.53	
Other Expenses	51,500.00	46,500.00	41,681.04	4,818.96	
<b>HEALTH AND WELFARE:</b>					
Animal Control Officer:					
Salaries and Wages	14,905.09	12,305.09	11,036.13	1,268.96	
Other Expenses	15,000.00	15,000.00	14,145.25	854.75	
Administration of Public Assistance:					
Other Expenses	25.00	25.00		25.00	
Board of Health:					
Other Expenses	100.00	100.00		100.00	
<b>RECREATION AND EDUCATION:</b>					
Board of Recreation Commissioners:					
Salaries and Wages	14,629.07	12,529.07	12,485.00	44.07	
Other Expenses	45,500.00	42,600.00	40,110.80	2,489.20	

TOWNSHIP OF ALLAMUCHY  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2015  
(Continued)

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
UNIFORM CONSTRUCTION CODE:					
State Uniform Construction Code (NJSA 52:27D-120 et seq):					
Zoning Official:					
Salaries and Wages	\$ 17,354.20	\$ 17,354.20	\$ 16,955.13	\$ 399.07	
UNCLASSIFIED:					
Electricity	32,000.00	33,000.00	32,986.44	13.56	
Telephone	17,250.00	18,750.00	18,441.21	308.79	
Water	750.00	750.00	452.37	297.63	
Fuel Oil	20,750.00	17,750.00	12,313.78	5,436.22	
Gasoline	21,000.00	18,500.00	13,350.30	5,149.70	
Total Operations Within "CAPS"	1,299,749.63	1,297,999.63	1,236,858.98	61,140.65	
Contingent	2,500.00	2,500.00	2,500.00		
Total Operations Including Contingent Within "CAPS"	1,302,249.63	1,300,499.63	1,239,358.98	61,140.65	
Detail:					
Salaries and Wages	554,524.63	559,774.63	544,091.72	15,682.91	
Other Expenses	747,725.00	740,725.00	695,267.26	45,457.74	
Deferred Charges and Statutory Expenditures - Municipal -					
Within "CAPS":					
Deferred Charges:					
Overexpenditure Of Appropriations	3,759.85	3,759.85	3,759.85		
Statutory Expenditures:					
Contribution to:					
Public Employees' Retirement System	55,000.00	55,000.00	49,225.00	5,775.00	
Social Security System (OASI)	44,000.00	44,000.00	41,032.94	2,967.06	

TOWNSHIP OF ALLAMUCHY  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2015  
(Continued)

	<u>Appropriations</u>		<u>Expended By</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"	\$ 102,759.85	\$ 102,759.85	\$ 94,017.79	\$ 8,742.06	
Total General Appropriations for Municipal Purposes Within "CAPS"	<u>1,643,045.48</u>	<u>1,643,045.48</u>	<u>1,570,169.59</u>	<u>72,875.89</u>	
Operations Excluded from "CAPS":					
LOSAP	32,000.00	32,000.00		32,000.00	
Contribution to:					
Affordable Housing-Other Expenses	115,000.00	115,000.00	104,757.24	10,242.76	
Public and Private Programs Offset by Revenue:					
NJ Highlands Housing Plan Grant (40A:4-87 +\$25,000.00)		25,000.00	25,000.00		
Alcohol Education and Rehabilitation Grant	4,145.45	4,145.45	4,145.45		
Reserve for Clean Communities Program	590.80	590.80	590.80		
Total Operations Excluded from "CAPS"	<u>151,736.25</u>	<u>176,736.25</u>	<u>134,493.49</u>	<u>42,242.76</u>	
Detail:					
Other Expenses	<u>151,736.25</u>	<u>176,736.25</u>	<u>134,493.49</u>	<u>42,242.76</u>	
Capital Improvements - Excluded from "CAPS":					
Reserve for Improvements	25,000.00	25,000.00	25,000.00		
Capital Improvement Fund	100,000.00	100,000.00	100,000.00		
Fire Department Equipment	14,075.00	14,075.00	14,075.00		
Total Capital Improvements - Excluded from "CAPS"	<u>139,075.00</u>	<u>139,075.00</u>	<u>139,075.00</u>		

TOWNSHIP OF ALLAMUCHY  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2015  
(Continued)

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Municipal Debt Service - Excluded from "CAPS":					
Payment of Bond Principal	\$ 415,000.00	\$ 415,000.00	\$ 415,000.00		
Payment of Bond Anticipation Notes	178,000.00	178,000.00	178,000.00		
Interest on Bonds	269,390.00	269,390.00	269,388.13		\$ 1.87
Interest on Notes	43,277.56	43,277.56	43,107.48		170.08
Loan Repayments for Principal and Interest	31,090.00	31,090.00	31,089.87		0.13
New Jersey Environmental Infrastructure Trust	149,743.00	149,743.00	148,395.52		1,347.48
<b>Total Municipal Debt Service - Excluded from "CAPS"</b>	<b>1,086,500.56</b>	<b>1,086,500.56</b>	<b>1,084,981.00</b>		<b>1,519.56</b>
Deferred Charges - Municipal - Excluded from "CAPS":					
Deferred Charges:					
Special Emergency Authorization	40,000.00	40,000.00	40,000.00		
<b>Total Deferred Charges - Municipal -     Excluded from "CAPS":</b>	<b>40,000.00</b>	<b>40,000.00</b>	<b>40,000.00</b>		
<b>Total General Appropriations - Excluded from "CAPS"</b>	<b>1,655,347.81</b>	<b>1,682,097.81</b>	<b>1,635,342.31</b>	<b>\$ 45,235.94</b>	<b>1,519.56</b>
Subtotal General Appropriations	3,060,357.29	3,085,357.29	2,968,719.08	115,118.65	1,519.56
Reserve for Uncollected Taxes	383,746.00	383,746.00	383,746.00		
<b>Total General Appropriations</b>	<b>\$ 3,444,103.29</b>	<b>\$ 3,469,103.29</b>	<b>\$ 3,352,465.08</b>	<b>\$ 115,118.65</b>	<b>\$ 1,519.56</b>

Ref.

A

TOWNSHIP OF ALLAMUCHY  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2015  
(Continued)

		Analysis of	
	<u>Ref.</u>	Budget After Modification	Paid or Charged
Adopted Budget		\$ 3,444,103.29	
Added by 40A:4-87		25,000.00	
		\$ 3,469,103.29	
Reserve for Uncollected Taxes			\$ 383,746.00
Reserve for Encumbrances	A		39,655.90
Deferred Charges:			
Overexpenditure of Appropriations			3,759.85
Special Emergency Authorization			40,000.00
Due Federal and State Grant Fund			29,736.25
Cash Disbursed			2,869,590.76
			3,366,488.76
Less: Appropriation Refunds			14,023.68
			\$ 3,352,465.08

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF ALLAMUCHY  
COUNTY OF WARREN  
2015  
TRUST FUNDS

TOWNSHIP OF ALLAMUCHY  
COMPARATIVE BALANCE SHEET - TRUST FUNDS - REGULATORY BASIS

	Ref.	December 31,	
		2015	2014
<u>ASSETS</u>			
Animal Control Fund:			
Cash and Cash Equivalents:			
Treasurer	B-4	\$ 13,444.18	\$ 7,465.10
		<u>13,444.18</u>	<u>7,465.10</u>
Other Trust Funds:			
Cash and Cash Equivalents	B-4	839,015.38	816,827.80
Due From Current Fund	A	12,018.73	244.98
Deferred Charges:			
Deficit in Reserve for Harvest Festival		1,641.89	
		<u>852,676.00</u>	<u>817,072.78</u>
<b>TOTAL ASSETS</b>		<u><u>\$ 866,120.18</u></u>	<u><u>\$ 824,537.88</u></u>
<u>LIABILITIES AND RESERVES</u>			
Animal Control Fund:			
Due Current Fund	A	\$ 5,900.98	
Due State Board of Health		18.60	\$ 25.20
Reserve for Animal Control Expenditures	B-6	7,524.60	7,439.90
		<u>13,444.18</u>	<u>7,465.10</u>
Other Trust Funds:			
Developers' Deposits		523,105.28	583,374.02
Construction Escrow Deposits		13,067.30	13,067.30
Reserve for:			
Condominium Security Deposits		42,005.99	36,454.54
State Unemployment Insurance		21,448.43	20,005.38
Housing Rehabilitation		65,489.06	65,036.79
Open Space Trust Fund		32,045.61	30,120.14
Parking Offense Adjudication Act		114.00	114.00
Public Defender Fees		3,400.00	3,400.00
Senior Luncheon		231.17	231.17
GIS Updates		12,142.62	12,142.62
Tax Sale Premiums		95,300.00	30,200.00
Tax Map Assessments		723.63	723.63
Fire Safety		250.00	250.00
Rutherford Hall		60.00	60.00
Open Space Donations		4,185.71	3,859.19
Snow Removal		17,500.00	17,500.00
Dog Park Donations		9,739.50	534.00
Third Party Liens		11,867.70	
		<u>852,676.00</u>	<u>817,072.78</u>
<b>TOTAL LIABILITIES AND RESERVES</b>		<u><u>\$ 866,120.18</u></u>	<u><u>\$ 824,537.88</u></u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF ALLAMUCHY  
ASSESSMENT TRUST FUND  
STATEMENT OF FUND BALANCE - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2015

NOT APPLICABLE

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF ALLAMUCHY  
ASSESSMENT TRUST FUND  
STATEMENT OF REVENUE - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2015

NOT APPLICABLE

ASSESSMENT TRUST FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2015

NOT APPLICABLE

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF ALLAMUCHY  
COUNTY OF WARREN  
2015  
GENERAL CAPITAL FUND

TOWNSHIP OF ALLAMUCHY  
GENERAL CAPITAL FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	Ref.	December 31,	
		2015	2014
<u>ASSETS</u>			
Cash and Cash Equivalents	C-2	\$ 592,432.22	\$ 1,526,357.51
Deferred Charges to Future Taxation:			
Funded		9,505,761.34	10,071,848.26
Unfunded	C-4	3,500,955.00	3,678,955.00
Due from New Jersey Department of Transportation			22,989.25
Warren County Grant Receivable			213.00
Due From Escrow Agent			3,400.94
<b>TOTAL ASSETS</b>		<b>\$ 13,599,148.56</b>	<b>\$ 15,303,763.96</b>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Bond Anticipation Notes Payable	C-7	\$ 3,485,205.00	\$ 3,378,205.00
New Jersey Green Trust Loans Payable	C-9	174,959.48	202,141.75
New Jersey Environmental Infrastructure Loans Payable	C-9A	810,801.86	934,706.51
Serial Bonds Payable	C-8	8,520,000.00	8,935,000.00
Improvement Authorizations:			
Funded	C-5	189,926.26	1,394,240.52
Unfunded	C-5	285,000.00	285,000.00
Capital Improvement Fund	C-6	7,522.22	12,522.22
Reserve for:			
Developers' Contributions		1,500.00	1,500.00
Improvements		10,000.00	
Renovations to Maintenance Garage		50,000.00	50,000.00
Fire Station Building Improvements		10,000.00	10,000.00
Payment of Debt Service			1,946.37
Fund Balance	C-1	54,233.74	98,501.59
<b>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</b>		<b>\$ 13,599,148.56</b>	<b>\$ 15,303,763.96</b>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF ALLAMUCHY  
GENERAL CAPITAL FUND  
STATEMENT OF FUND BALANCE - REGULATORY BASIS

	<u>Ref.</u>	
Balance December 31, 2014	C	\$ 98,501.59
Increased by:		
Premium on Sale of Bond Anticipation Notes		\$ 9,445.72
Cancel Reserve for Repayment of Debt Service		<u>0.37</u>
		<u>9,446.09</u>
		107,947.68
Decreased by:		
Utilized as Anticipated Revenue in the Current Fund as Current Fund Revenue		25,600.00
Cancellation of Accounts Receivable		3,613.94
Appropriated to Finance Improvement Authorizations		<u>24,500.00</u>
		<u>53,713.94</u>
Balance December 31, 2015	C	<u><u>\$ 54,233.74</u></u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF ALLAMUCHY  
COUNTY OF WARREN  
2015  
WATER AND SEWER UTILITY FUND

TOWNSHIP OF ALLAMUCHY  
WATER AND SEWER UTILITY FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	Ref.	December 31,	
		2015	2014
<u>ASSETS</u>			
Operating Fund:			
Cash and Cash Equivalents:			
Treasurer	D-4	\$ 1,137,271.52	\$ 817,379.81
Receivables and Other Assets with Full Reserves:			
Consumer Accounts Receivable	D-6	421,898.82	407,244.77
Total Operating Fund		<u>1,559,170.34</u>	<u>1,224,624.58</u>
Capital Fund:			
Cash and Cash Equivalents	D-4	1,051,897.26	777,201.77
Fixed Capital	D-7	9,684,599.41	8,934,599.41
Fixed Capital Authorized and Uncompleted	D-8	<u>2,769,952.00</u>	<u>2,309,952.00</u>
Total Capital Fund		<u>13,506,448.67</u>	<u>12,021,753.18</u>
TOTAL ASSETS		<u>\$ 15,065,619.01</u>	<u>\$ 13,246,377.76</u>

TOWNSHIP OF ALLAMUCHY  
WATER AND SEWER UTILITY FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS  
(Continued)

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	Ref.	December 31,	
		2015	2014
<b>Operating Fund:</b>			
<b>Appropriation Reserves:</b>			
Unencumbered	D-3;D-9	\$ 20,954.47	\$ 8,183.37
Encumbered	D-3;D-9	108,331.34	10,777.28
		<u>129,285.81</u>	<u>18,960.65</u>
Third Party Liens		863.32	36.47
Water and Sewer Overpayments		2,009.02	2,660.55
Security Deposits		47,541.30	45,071.06
Due to Current Fund	A	11,080.53	
Accrued Interest on New Jersey Water Supply Interconnection Loan		7.98	9.80
Accrued Interest on New Jersey Environmental Infrastructure Trust Loan		3,935.42	4,202.09
Accrued Interest on Bond Anticipation Notes		2,394.30	
Accrued Interest on Bonds		<u>8,335.42</u>	<u>8,417.50</u>
		205,453.10	79,358.12
Reserve for Receivables	D	421,898.82	407,244.77
Fund Balance	D-1	<u>931,818.42</u>	<u>738,021.69</u>
 Total Operating Fund		 <u>1,559,170.34</u>	 <u>1,224,624.58</u>
<b>Capital Fund:</b>			
Serial Bonds Payable	D-16	3,395,000.00	3,525,000.00
New Jersey Water Supply Interconnection Loan Payable	D-14A	82,051.84	100,846.29
New Jersey Environmental Infrastructure Trust Loan Payable	D-14B	452,012.15	493,125.13
Bond Anticipation Notes Payable	D-15	1,160,000.00	
Improvement Authorizations:			
Funded	D-10	1,563.13	740,516.30
Unfunded	D-10	1,225,188.79	300,000.00
Capital Improvement Fund	D-11	56,937.60	6,937.60
Reserve for Facility Improvements		850.00	850.00
Reserve for Amortization	D-12	6,877,800.21	6,687,892.78
Reserve for Developer Contribution		13,826.00	13,826.00
Deferred Reserve for Amortization	D-13	236,961.00	136,961.00
Fund Balance	D-1A	<u>4,257.95</u>	<u>15,798.08</u>
 Total Capital Fund		 <u>13,506,448.67</u>	 <u>12,021,753.18</u>
 <b>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</b>		 <u><u>\$ 15,065,619.01</u></u>	 <u><u>\$ 13,246,377.76</u></u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF ALLAMUCHY  
WATER AND SEWER UTILITY OPERATING FUND  
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN  
FUND BALANCE - REGULATORY BASIS

	Ref.	Year Ended December 31,	
		2015	2014
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized		\$ 77,316.00	\$ 221,487.00
Water and Sewer Rents		1,528,659.49	1,494,223.34
Water District Rents		16,439.05	21,274.95
Water and Sewer Capital Fund Balance		14,684.00	5,475.00
Miscellaneous		116,499.89	190,379.46
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves		1,287.87	6,405.47
Total Income		<u>1,754,886.30</u>	<u>1,939,245.22</u>
<u>Expenditures</u>			
Budget Appropriations:			
Operating		1,004,460.00	1,071,734.00
Capital Improvements		150,000.00	50,000.00
Debt Service		304,313.57	417,795.70
Prior Year Fund Balance Anticipated as Revenue in Current Fund		<u>25,000.00</u>	<u>25,000.00</u>
Total Expenditures		<u>1,483,773.57</u>	<u>1,564,529.70</u>
Excess in Revenue		271,112.73	374,715.52
<u>Fund Balance</u>			
Balance January 1		<u>738,021.69</u>	<u>584,793.17</u>
		1,009,134.42	959,508.69
Decreased by:			
Utilization as Anticipated Revenue		<u>77,316.00</u>	<u>221,487.00</u>
Balance December 31	D	<u>\$ 931,818.42</u>	<u>\$ 738,021.69</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF ALLAMUCHY  
WATER AND SEWER UTILITY CAPITAL FUND  
STATEMENT OF FUND BALANCE - REGULATORY BASIS

	<u>Ref.</u>	
Balance December 31, 2014	D	\$ 15,798.08
Increased by:		
Bond Anticipation Note Premium		3,143.87
		18,941.95
Decreased by:		
Anticipated Revenue - Water and Sewer Utility Budget		14,684.00
		14,684.00
Balance December 31, 2015	D	\$ 4,257.95

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF ALLAMUCHY  
WATER AND SEWER UTILITY OPERATING FUND  
STATEMENT OF REVENUE - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2015

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess or Deficit*</u>
Fund Balance Utilized	\$ 77,316.00	\$ 77,316.00	
Rents	1,350,000.00	1,528,659.49	\$ 178,659.49
Water District Rents	20,000.00	16,439.05	3,560.95 *
Capital Fund Balance	14,684.00	14,684.00	
Budget Totals	1,462,000.00	1,637,098.54	175,098.54
Nonbudget Revenue		116,499.89	116,499.89
	<u>\$ 1,462,000.00</u>	<u>\$ 1,753,598.43</u>	<u>\$ 291,598.43</u>

Analysis of Rents

Water and Sewer Rents Collections	\$ 1,528,077.72	
Overpayments Applied	581.77	
		<u>\$ 1,528,659.49</u>

Analysis of Nonbudget Revenue

Miscellaneous Revenue Not Anticipated:		
Collector:		
Interest on Consumer Accounts		\$ 4,136.66
Treasurer:		
Interest on Investments and Deposits:		
Collected/Received by Treasurer	5,871.29	
Due from Water and Sewer Utility		
Capital Fund	2,117.10	
Interest on Investments and Deposits		7,988.39
Connection Fees		100,000.00
Other Miscellaneous		4,374.84
		<u>\$ 116,499.89</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF ALLAMUCHY  
WATER AND SEWER UTILITY OPERATING FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2015

	Appropriations		Expended by		
	Budget	Budget After Modification	Paid or Charged	Reserved	Cancelled
Operating:					
Administration					
Salaries and Wages	\$ 54,325.00	\$ 54,325.00	\$ 52,447.14	\$ 1,877.86	
Other Expenses	33,085.00	55,085.00	54,850.66	234.34	
Operations:					
Salaries and Wages	173,000.00	160,825.00	156,661.48	4,163.52	
Other Expenses	640,650.00	632,825.00	620,169.82	12,655.18	
Group Health Insurance	55,000.00	60,000.00	59,626.56	373.44	
Commercial Package Insurance	25,000.00	18,000.00	17,705.00	295.00	
Public Employees Retirement System	6,000.00	6,000.00	6,000.00		
Social Security	17,400.00	17,400.00	16,044.87	1,355.13	
Capital Improvements:					
Capital Improvement Fund	150,000.00	150,000.00	150,000.00		
Debt Service:					
Payment of Bond Principal	130,000.00	130,000.00	130,000.00		
Interest on Bonds	100,928.00	100,921.70	97,695.90		\$ 3,225.80
Interest on Notes	1,000.00	2,394.30	2,394.30		
Loans Principal and Interest	75,612.00	74,224.00	74,223.37		0.63
	<u>\$ 1,462,000.00</u>	<u>\$ 1,462,000.00</u>	<u>\$ 1,437,819.10</u>	<u>\$ 20,954.47</u>	<u>\$ 3,226.43</u>
		Ref.		D	
Cash Disbursed			\$ 1,212,610.31		
Accrued Interest on New Jersey Water Supply Interconnection Loan			3,364.78		
Accrued Interest on New Jersey Environmental Infrastructure Trust Loan			12,339.59		
Accrued Interest on Bonds			97,695.90		
Accrued Interest on Bond Anticipation Notes			2,394.30		
Due Current Fund			11,080.53		
Encumbrances		D	108,331.34		
			1,447,816.75		
Less: Appropriation Refunds			9,997.65		
			<u>\$ 1,437,819.10</u>		

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF ALLAMUCHY  
COUNTY OF WARREN  
2015  
SEWER UTILITY FUND

NOT APPLICABLE

TOWNSHIP OF ALLAMUCHY  
COUNTY OF WARREN  
2015  
PUBLIC ASSISTANCE FUND

TOWNSHIP OF ALLAMUCHY  
PUBLIC ASSISTANCE FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	<u>Ref.</u>	<u>December 31,</u>	
		<u>2015</u>	<u>2014</u>
<u>ASSETS</u>			
Cash and Cash Equivalents:			
Treasurer	F-1	\$ 7,608.98	\$ 7,597.06
TOTAL ASSETS		<u>\$ 7,608.98</u>	<u>\$ 7,597.06</u>
<u>RESERVES</u>			
Reserve for Public Assistance Expenditures		<u>\$ 7,608.98</u>	<u>\$ 7,597.06</u>
TOTAL RESERVES		<u>\$ 7,608.98</u>	<u>\$ 7,597.06</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF ALLAMUCHY  
COUNTY OF WARREN  
2015  
BOND AND INTEREST FUND

NOT APPLICABLE

TOWNSHIP OF ALLAMUCHY  
COUNTY OF WARREN  
2015  
WATER DISTRICT

TOWNSHIP OF ALLAMUCHY  
WATER DISTRICT  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	Ref.	December 31,	
		2015	2014
<u>ASSETS</u>			
Cash and Cash Equivalents	H-1	\$ 94.91	\$ 77.41
Receivables with Full Reserves:			
Consumer Accounts Receivable	H-2	4,113.09	4,740.32
<b>TOTAL ASSETS</b>		<u>\$ 4,208.00</u>	<u>\$ 4,817.73</u>
 <u>RESERVES AND FUND BALANCE</u>			
Reserve for Receivables	H	\$ 4,113.09	\$ 4,740.32
Fund Balance		94.91	77.41
<b>TOTAL RESERVES AND FUND BALANCE</b>		<u>\$ 4,208.00</u>	<u>\$ 4,817.73</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF ALLAMUCHY  
COUNTY OF WARREN  
2015  
GENERAL FIXED ASSETS ACCOUNT GROUP  
(UNAUDITED)

TOWNSHIP OF ALLAMUCHY  
GENERAL FIXED ASSETS ACCOUNT GROUP  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS  
(Unaudited)

	December 31,	
	<u>2015</u>	<u>2014</u>
<u>ASSETS</u>		
Land	\$ 6,540,955.00	\$ 6,540,955.00
Buildings and Improvements	1,399,700.00	1,414,700.00
Equipment	<u>2,778,759.00</u>	<u>2,885,203.00</u>
TOTAL ASSETS	<u>\$ 10,719,414.00</u>	<u>\$ 10,840,858.00</u>
 <u>RESERVES</u>		
Reserve for Fixed Assets	<u>\$ 10,719,414.00</u>	<u>\$ 10,840,858.00</u>
TOTAL RESERVES	<u>\$ 10,719,414.00</u>	<u>\$ 10,840,858.00</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF ALLAMUCHY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2015

Note 1 - Summary of Significant Accounting Policies

A. Reporting Entity

Except as noted below, the financial statements of the Township of Allamuchy include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Township of Allamuchy, as required by N.J.S. 40A:5-5. Accordingly, the financial statements of the Township of Allamuchy do not include the operations of the Volunteer Fire and First Aid Squads.

Governmental Accounting Standards Board publication, Codification of Governmental and Financial Reporting Standards, Section 2100, "Defining the Financial Reporting Entity" establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. The basic criterion for inclusion or exclusion from the financial reporting entity is the exercise of oversight responsibility over agencies, boards and commissions by the primary government. The exercise of oversight responsibility includes financial interdependency and a resulting financial benefit or burden relationship, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters. As the financial reporting entity was established in accordance with New Jersey statutes, the requirements of Governmental Accounting Standards Board's Codification Section 2100 were not followed and, accordingly, the reporting entity could be different from accounting principles generally accepted in the United States of America.

B. Description of Funds

The accounting policies of the Township of Allamuchy conform to the accounting practices applicable to municipalities which have been prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"). Such 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 Allamuchy accounts for its financial transactions through the following separate funds:

Current Fund - Resources and expenditures for governmental operations of a general nature, including federal and state grant funds.

Trust Fund - Receipt, custodianship and disbursement of funds in accordance with the purpose for which each reserve was created.

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

Water and Sewer Utility Operating and Capital Funds - Account for the operations and acquisition of capital facilities of the municipally owned water and sewer utility.

Public Assistance Fund - Receipt and disbursement of funds that provide assistance to certain residents of the municipality pursuant to Title 44 of New Jersey Statutes.

TOWNSHIP OF ALLAMUCHY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2015  
 (Continued)

Note 1 - Summary of Significant Accounting Policies (Cont'd)

B. Description of Funds (Cont'd)

Water District Fund - Collection of water use fees for the cost of providing water to a small number of properties within the Township.

General Fixed Assets Account Group (Unaudited)- These accounts were established with estimated values of land, buildings and certain fixed assets of the Township as discussed in Note 1E.

C. Basis of Accounting

Basis of accounting refers to when revenue and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The more significant accounting policies in New Jersey follow.

Revenue is recorded when received in cash except for certain amounts which may be due from the State of New Jersey and for the prepayment of future years' revenue. Grant revenue is realized in the operating funds when it is received and in the capital funds when improvements are authorized. The amounts recorded as property taxes and consumer accounts receivable have not been included in revenue. Amounts that are due to the municipality which are susceptible of accrual are recorded as receivables with offsetting reserves.

Expenditures are charged to operations generally based on budgeted amounts. Exceptions to this general rule include:

1. Accumulated unpaid vacation, sick pay and other employee amounts are not accrued.
2. Prepaid expenses, such as insurance premiums applicable to subsequent periods, are charged to current budget appropriations in total.
3. Principal and interest on long-term debt are recognized when due.

Expenditures, if any, in excess of appropriations, appropriation reserves or ordinances become deferred charges which must be raised by future taxes. Outstanding encumbrances at December 31 are reported as a cash liability in the financial statements and constitute part of the statutory appropriation reserve balance. Appropriation reserves covering unexpended appropriation balances are automatically created at December 31 of each year and recorded as liabilities, 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 during the preceding fiscal year. Lapsed appropriation reserves are recorded as income.

TOWNSHIP OF ALLAMUCHY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2015  
(Continued)

Note 1 - Summary of Significant Accounting Policies (Cont'd)

C. Basis of Accounting (Cont'd)

Had the Township's financial statements been prepared under accounting principles generally accepted in the United States of America, encumbrances would not be considered as expenditures; appropriation reserves would not be recorded; revenue susceptible to accrual would have been reflected without offsetting reserves; federal and state grants and assistance would be recognized when earned, not when awarded; inventories would not be reflected as expenditures at the time of purchase; fixed assets purchased by the Water and Sewer Capital Fund would be depreciated; and the Township's net pension liability and related deferred inflows and outflows would be recorded.

The cash basis of accounting is followed in the Trust and Capital Funds.

D. Deferred Charges to Future Taxation

The General Capital Fund balance sheet includes both funded and unfunded deferred charges. Funded means that bonds have been issued and are being paid off on a serial basis. Unfunded means that debt has been authorized but not permanently financed. A municipality can eliminate an unfunded deferred charge by raising it in the budget, or collecting a grant. The unfunded deferred charge may also be funded by selling bonds or by issuing loans or entering into capital lease agreements.

E. Other significant accounting policies include:

Management Estimates – The preparation of financial statements required management to make estimates and assumptions that affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents – Amounts include petty cash, change funds, amounts on deposit and short-term investments with original maturities of three months or less.

Investments - Investments are stated at cost or amortized cost, which approximates market.

Foreclosed Property - Foreclosed property is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved.

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 the receivables are liquidated. 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 cost of inventories are not included on the various balance sheets.

Grants Receivable - Grants receivable represent the total grant awards less amounts collected to date. Because the amount of grant funds to be collected are dependent on the total costs eligible for reimbursement, the actual amount collected may be less than the total amount awarded.

TOWNSHIP OF ALLAMUCHY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2015  
(Continued)

Note 1 - Summary of Significant Accounting Policies (Cont'd)

E. Other significant accounting policies include (Cont'd):

Allowance for Uncollectible Accounts – No allowance for uncollectible accounts has been recorded as all amounts are considered collectible.

General Fixed Assets (Unaudited) - General fixed assets are recorded at cost except for land and buildings, which are recorded at estimated historical cost. Infrastructure assets are not included in fixed assets; maintenance and minor parts and replacements, which do not improve or extend the lives of the respective assets, are expensed currently. Donated fixed assets are valued at their fair market value on the date donated. No depreciation has been provided on general fixed assets. The total value recorded for general fixed assets is offset by a "Reserve for Fixed Assets". When properties are retired or otherwise disposed of, the asset and the reserve are adjusted accordingly. Assets recorded in the General Fixed Assets Account Group may also be recorded in the Current Fund, General Capital Fund and Water and Sewer Utility Capital Fund. The values recorded in the General Fixed Assets Account Group and the Current and Capital Funds may not always agree due to differences in valuation methods, timing or recognition of assets and the recognition of infrastructures. Fixed assets are reviewed for impairment.

Property and equipment purchased by the Water and Sewer Utility Fund are recorded in the capital account at cost and are not adjusted for dispositions and abandonments. Contributions in aid of construction are not capitalized. The balances in the Reserve for Amortization and Deferred Reserve for Amortization accounts in the utility capital fund represent charges to operations of the cost of acquisitions of property, equipment and improvements. The Water and Sewer Utility does not record depreciation on fixed assets.

F. Budget/Budgetary Control

Annual appropriated budgets are usually prepared in the first quarter for current operating, utility, and open space trust funds. The budgets are submitted to the governing body and the State Division of Local Government Services. Budgets are prepared using the cash basis of accounting. The legal level of budgetary control is established at the line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the flexible chart of accounts referenced in NJSA 40A. All budget amendments/transfers must be approved by the Township during the year.

Note 2 - Long-Term Debt

The Local Bond Law governs the issuance of bonds to finance general Township capital expenditures. All bonds are retired in serial installments within the statutory period of usefulness. All bonds issued by the Township are general obligation bonds. The Township's full faith and credit and taxing power have been pledged to the payment of general obligation debt principal and interest.

TOWNSHIP OF ALLAMUCHY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2015  
(Continued)

Note 2 - Long-Term Debt (Cont'd)

Summary of Municipal Debt

	December 31,		
	2015	2014	2013
Issued			
General:			
Bonds, Notes and Loans	\$12,990,966.34	\$ 13,450,053.26	\$ 13,049,307.67
Water and Sewer Utility:			
Bonds, Notes and Loans	5,089,063.99	4,118,971.42	4,133,846.95
Net Debt Issued	<u>\$18,080,030.33</u>	<u>17,569,024.68</u>	<u>17,183,154.62</u>
Authorized but not Issued:			
General:			
Bonds and Notes	15,750.00	300,750.00	15,750.00
Water and Sewer Utility:			
Bonds and Notes	250,726.21	300,726.21	726.21
Total Authorized but not Issued	<u>266,476.21</u>	<u>601,476.21</u>	<u>16,476.21</u>
Less:			
General:			
Reserve to Pay Debt Service		1,946.37	124,680.37
Net Bonds, Notes and Loans Issued and Authorized but not Issued	<u>\$ 18,346,506.54</u>	<u>\$ 18,168,554.52</u>	<u>\$ 17,074,950.46</u>

Summary of Statutory Debt Condition – Revised Annual Debt Statement

The summarized statement of debt condition, which follows, is prepared in accordance with the required method of setting up the Revised Annual Debt Statement and indicates a statutory net debt of 2.239%.

	Gross Debt	Deductions	Net Debt
School Debt	\$ 9,990,000.00	\$ 9,990,000.00	
Water and Sewer Utility Debt	5,339,790.20	5,339,790.20	
General Debt	13,006,716.34		\$ 13,006,716.34
	<u>\$ 28,336,506.54</u>	<u>\$ 15,329,790.20</u>	<u>\$ 13,006,716.34</u>

Net Debt: \$13,006,716.34 divided by Average Equalized Valuations of \$581,016,453.33 of Real Property = 2.239%.

TOWNSHIP OF ALLAMUCHY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2015  
(Continued)

Note 2 - Long-Term Debt (Cont'd)

<u>Borrowing Power Under N.J.S. 40A:2-6 As Amended</u>		
3-1/2% Average Equalized Valuation of Real Property		\$ 20,335,575.87
Net Debt		<u>13,006,716.34</u>
Remaining Borrowing Power		<u>\$ 7,328,859.53</u>
<u>Calculation of "Self-Liquidating Purpose", Water and Sewer Utility Per</u>		
<u>N.J.S. 40A:2-45</u>		
Cash Receipts from Fees, Rents or Other Charges for Year		\$ 1,637,098.54
Deductions:		
Operating and Maintenance Costs	\$ 1,004,460.00	
Debt Service Costs	<u>304,313.57</u>	
		<u>1,308,773.57</u>
Excess in Revenue		<u>\$ 328,324.97</u>

Footnote: If there is an "excess in revenue", all such utility debt is deductible. If there is a "deficit", then utility debt is not deductible to the extent of 20 times such deficit amount, or the total amount of debt service for that fund, whichever is less.

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

Summary of Municipal Debt Issued and Outstanding - Prior Year

Fund	Balance 12/31/2013	Additions	Retirements	Balance 12/31/2014
Serial Bonds:				
General Capital Fund	\$ 2,745,000.00	\$ 6,390,000.00	\$ 200,000.00	\$ 8,935,000.00
Water and Sewer Utility Capital Fund		3,525,000.00		3,525,000.00
Bond Anticipation Notes:				
Current Fund (Special Emergency)	120,000.00	80,000.00	120,000.00	80,000.00
General Capital Fund	9,023,205.00	8,455,705.00	14,100,705.00	3,378,205.00
Water and Sewer Utility Capital Fund	3,164,195.00	3,075,048.00	6,239,243.00	
Loans Payable:				
General Capital Fund:				
Green Trust Loans	228,788.42		26,646.67	202,141.75
NJ Environmental Infrastructure Loan	1,052,314.25		117,607.74	934,706.51
Water and Sewer Utility Capital Fund:				
NJ Wastewater Treatment Loan	315,896.03		315,896.03	
NJ Water Supply Interconnection Loan	118,999.81		18,153.52	100,846.29
NJ Environmental Infrastructure Loan	534,756.11		41,630.98	493,125.13
	<u>\$ 17,303,154.62</u>	<u>\$ 11,530,753.00</u>	<u>\$ 21,179,882.94</u>	<u>\$ 17,649,024.68</u>

TOWNSHIP OF ALLAMUCHY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2015  
(Continued)

Note 2 - Long-Term Debt (Cont'd)

Summary of Municipal Debt Issued and Outstanding - Current Year

Fund	Balance 12/31/2014	Additions	Retirements	Balance 12/31/2015
<b>Serial Bonds:</b>				
General Capital Fund	\$ 8,935,000.00		\$ 415,000.00	\$ 8,520,000.00
Water and Sewer Utility Capital Fund	3,525,000.00		130,000.00	3,395,000.00
<b>Bond Anticipation Notes:</b>				
Current Fund (Special Emergency)	80,000.00	\$ 40,000.00	80,000.00	40,000.00
General Capital Fund	3,378,205.00	3,485,205.00	3,378,205.00	3,485,205.00
Water and Sewer Utility Capital Fund		1,160,000.00		1,160,000.00
<b>Loans Payable:</b>				
<b>General Capital Fund:</b>				
Green Trust Loans	202,141.75		27,182.27	174,959.48
NJ Environmental Infrastructure Loan	934,706.51		123,904.65	810,801.86
<b>Water and Sewer Utility Capital Fund:</b>				
NJ Water Supply Interconnection Loan	100,846.29		18,794.45	82,051.84
NJ Environmental Infrastructure Loan	493,125.13		41,112.98	452,012.15
	<u>\$ 17,649,024.68</u>	<u>\$ 4,685,205.00</u>	<u>\$ 4,214,199.35</u>	<u>\$ 18,120,030.33</u>

Schedule of Annual Debt Service For Principal and Interest for the Next Five Years and Thereafter for  
Bonded Debt and Loans Issued and Outstanding

Calendar Year	General		Water and Sewer Utility		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2016	\$ 587,768.09	\$ 285,273.73	\$ 203,290.54	\$ 114,534.30	\$ 791,058.63	\$ 203,651.73
2017	606,055.82	269,241.39	208,330.01	109,134.80	814,385.83	399,808.03
2018	632,597.08	252,647.84	213,231.88	103,323.56	845,828.96	378,376.19
2019	658,987.62	235,242.86	218,158.81	97,349.72	877,146.43	355,971.40
2020	681,985.42	215,651.23	200,756.85	91,406.26	882,742.27	332,592.58
2021-2025	2,798,367.31	773,972.74	1,065,295.90	369,512.54	3,863,663.21	1,143,485.28
2026-2030	1,940,000.00	434,500.00	975,000.00	226,562.50	2,915,000.00	661,062.50
2031-2034	1,600,000.00	129,500.00	845,000.00	68,968.75	2,445,000.00	198,468.75
	<u>\$ 9,505,761.34</u>	<u>\$2,596,029.79</u>	<u>\$3,929,063.99</u>	<u>\$1,180,792.43</u>	<u>\$13,434,825.33</u>	<u>\$3,673,416.46</u>

TOWNSHIP OF ALLAMUCHY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2015  
(Continued)

Note 2 - Long-Term Debt (Cont'd)

At December 31, 2015, the Township had debt issued and outstanding described as follows:

<u>Current Fund Special Emergency Notes Payable</u>		
<u>Final Maturity</u>	<u>Rate</u>	
10/19/2016	1.00%	<u>\$ 40,000.00</u>
 <u>General Capital Bond Anticipation Notes</u>		
<u>Final Maturity</u>	<u>Rate</u>	
10/19/2016	1.00%	<u>\$ 3,485,205.00</u>
 <u>General Capital New Jersey Green Trust Loan</u>		
<u>Final Maturity</u>	<u>Rate</u>	
9/5/2021	2.00%	<u>\$ 174,959.48</u>
 <u>General Capital Refunding Bonds</u>		
<u>Final Maturity</u>	<u>Rate</u>	
01/15/2016	3.00%	\$ 215,000.00
01/15/2017	3.00%	225,000.00
01/15/2018	3.00%	235,000.00
01/15/2019	3.00%	245,000.00
01/15/2020	4.00%	260,000.00
01/15/2021	4.00%	275,000.00
01/15/2022	4.00%	290,000.00
01/15/2023	4.00%	295,000.00
01/15/2024	4.00%	<u>295,000.00</u>
		<u>\$ 2,335,000.00</u>
 <u>General Capital New Jersey Environmental Infrastructure Loans</u>		
<u>Final Maturity</u>	<u>Rate</u>	
8/1/2021	4.00 - 5.50%	<u>\$ 810,801.86</u>

TOWNSHIP OF ALLAMUCHY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2015  
(Continued)

Note 2 - Long-Term Debt (Cont'd)

General Capital General Improvement Bonds

<u>Final Maturity</u>	<u>Rate</u>	
12/1/2016	2.50%	\$ 215,000.00
12/1/2017	2.50%	225,000.00
12/1/2018	2.50%	235,000.00
12/1/2019	2.50%	245,000.00
12/1/2020	2.50%	255,000.00
12/1/2021	2.50%	265,000.00
12/1/2022	2.50%	275,000.00
12/1/2023	2.50%	280,000.00
12/1/2024	2.75%	290,000.00
12/1/2025	3.00%	360,000.00
12/1/2026	3.00%	370,000.00
12/1/2027	3.00%	380,000.00
12/1/2028	3.00%	390,000.00
12/1/2029	3.00%	400,000.00
12/1/2030	3.00%	400,000.00
12/1/2031	3.13%	400,000.00
12/1/2032	3.25%	400,000.00
12/1/2033	3.25%	400,000.00
12/1/2034	3.25%	400,000.00
		<u>\$ 6,185,000.00</u>

Water and Sewer Utility Capital Water Supply Interconnection Loan

<u>Final Maturity</u>	<u>Rate</u>	
12/30/2019	3.50%	<u>\$ 82,051.84</u>

Water and Sewer Utility Capital New Jersey Environmental Infrastructure Loans

<u>Final Maturity</u>	<u>Rate</u>	
9/1/2024	3.00 - 4.375%	<u>\$ 452,012.15</u>

TOWNSHIP OF ALLAMUCHY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2015  
(Continued)

Note 2 - Long-Term Debt (Cont'd)

Water and Sewer Utility Serial Bonds

<u>Final Maturity</u>	<u>Rate</u>	
12/1/2016	2.75%	\$ 135,000.00
12/1/2017	2.75%	140,000.00
12/1/2018	2.75%	145,000.00
12/1/2019	2.75%	150,000.00
12/1/2020	2.75%	155,000.00
12/1/2021	2.75%	160,000.00
12/1/2022	2.75%	165,000.00
12/1/2023	2.75%	170,000.00
12/1/2024	2.75%	175,000.00
12/1/2025	2.75%	180,000.00
12/1/2026	3.00%	185,000.00
12/1/2027	3.00%	190,000.00
12/1/2028	3.00%	195,000.00
12/1/2029	3.00%	200,000.00
12/1/2030	3.13%	205,000.00
12/1/2031	3.13%	205,000.00
12/1/2032	3.25%	210,000.00
12/1/2033	3.25%	215,000.00
12/1/2034	3.25%	215,000.00
		<u>\$ 3,395,000.00</u>

Water and Sewer Utility Bond Anticipation Notes

<u>Final Maturity</u>	<u>Rate</u>	
10/19/2016	1.00%	<u>\$ 1,160,000.00</u>
Total Debt Issued and Outstanding		<u>\$ 18,120,030.33</u>

General Capital New Jersey Green Trust Loan

On April 11, 2001, the Township of Allamuchy entered into a loan agreement with the State of New Jersey, acting by and through the NJ Department of Environmental Protection in the aggregate amount of \$500,000 which represents direct obligations of the Township.

A principal payment of \$27.78 was made in 2001. The remaining loan repayments commenced on September 5, 2002 and will continue on a semiannual basis over 19 years at 2.00% interest.

TOWNSHIP OF ALLAMUCHY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2015  
(Continued)

Note 2 - Long-Term Debt (Cont'd)

General Capital New Jersey Environmental Infrastructure Loans

On November 1, 2001, the Township of Allamuchy entered into two loan agreements with the State of New Jersey, acting by and through the NJ Department of Environmental Protection (the "DEP") and the NJ Environmental Infrastructure Trust (the "Trust") in the aggregate amount of \$2,226,500 which represents direct obligations of the Township. The loan agreements were obtained to finance acquisition of property for open space.

Principal payments to the fund commenced on August 1, 2003, and will continue on a semiannual basis over 19 years at zero interest. Principal payments to the Trust loan agreement commenced on August 1, 2003, and will continue on a semiannual basis over 19 years at interest rates from 4.00% to 5.50%.

Also, annual administrative fees of three-tenths of one percent (.30%) of the initial principal amount of the loan or such lesser amount, if any, as the Trust may approve from time to time and of one percent (1.00%) of the initial principal amount of the loan or such lesser amount, if any, as the state may approve from time to time are payable on these loans.

Water and Sewer Utility Capital Water Supply Interconnection Loan

On March 10, 2000, the Township of Allamuchy entered into a loan agreement with the State of New Jersey, acting by and through the NJ Department of Environmental Protection, in the aggregate amount of \$300,000, plus accrued interest, which represents direct obligations of the Township.

The Township had drawn down 100% of the loan proceeds as of December 31, 2006. Loan repayments commenced during the year ended December 31, 2001 and will continue on a semiannual basis over 19 years at 3.5% interest.

Water and Sewer Utility Capital Wastewater Treatment Loans

On November 10, 1994, the Township of Allamuchy entered into two loan agreements with the State of New Jersey, acting by and through the NJ Department of Environmental Protection (the "DEP"), and the NJ Wastewater Treatment Trust (the "Trust"), in the aggregate amount of \$4,410,300, which represents direct obligations of the Township. The loan agreements were obtained to finance the acquisition of the Pequest Water and Sewer Company.

Principal payments to the "DEP" commenced on September 1, 1996, and continue on a semiannual basis over 18 years at zero interest. Principal payments to the Trust commenced on March 1, 1996, and continued on a semiannual basis over 18 years at interest rates from 5.75% to 6.375%.

Also, annual administrative fees of three-tenths of one percent (.30%) of the initial principal amount of the loan or such lesser amount, if any, as the Trust approved from time to time and of one percent (1.00%) of the initial principal amount of the loan or such lesser amount, if any, as the state approved from time to time were payable on these loans.

TOWNSHIP OF ALLAMUCHY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2015  
(Continued)

Note 2 - Long-Term Debt (Cont'd)

Water and Sewer Utility Capital New Jersey Environmental Infrastructure Loans

On November 4, 2004, the Township of Allamuchy entered into two loan agreements with the State of New Jersey, acting by and through the NJ Department of Environmental Protection (the "DEP") and the NJ Environmental Infrastructure Trust (the "Trust") in the aggregate amount of \$857,637 which represents direct obligations of the Township. The loan agreements were obtained to finance acquisition of property for open space.

Principal payments to the fund commenced on August 1, 2005, and will continue on a semiannual basis over 20 years at zero interest. Principal payments to the Trust loan agreement commenced on August 1, 2005, and will continue on a semiannual basis over 20 years at interest rates from 3.00% to 4.375%.

Also, annual administrative fees of three-tenths of one percent (.30%) of the initial principal amount of the loan or such lesser amount, if any, as the Trust may approve from time to time and of one percent (1.00%) of the initial principal amount of the loan or such lesser amount, if any, as the state may approve from time to time are payable on these loans.

Net Pension Liability

The State of New Jersey Public Employees' Retirement System's (PERS) net pension liability was calculated to be \$1,486,286 at December 31, 2015. See Note 4 for further information on the PERS.

Note 3 - Fund Balances Appropriated

Fund balances at December 31, 2015, which were included in the introduced budget as anticipated revenue for the year ending December 31, 2016 budget, were as follows:

Current Fund	\$ 231,000
Water Utility Operating Fund	283,000

Note 4 - Pension Plans

Substantially all of the Township's employees participate in a contributory, defined benefit public employee retirement system, The Public Employee's Retirement System (PERS) of New Jersey.

A. Public Employees' Retirement System (PERS)

Plan Description

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

TOWNSHIP OF ALLAMUCHY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2015  
(Continued)

Note 4 - Pension Plans (Cont'd)

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

Benefits Provided

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

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

Service retirement benefits of 1/55<sup>th</sup> of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60<sup>th</sup> of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 before age 62 with 25 or more years of service credit and Tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a members retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 50 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Contributions

The contribution policy for PERS is set by N.J.S.A. 15A and requires contributions by active members and contributing members. The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. Township contributions to PERS amounted to \$55,225 for 2015.

The employee contribution rate was 6.92% effective July 1, 2014 and increased to 7.06% effective July 1, 2015. Subsequent increases after October 1, 2011 are being phased in over 7 years effective on each July 1st to bring the total pension contribution rate to 7.5% of base salary as of July 1, 2018.

TOWNSHIP OF ALLAMUCHY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2015  
 (Continued)

Note 4 - Pension Plans (Cont'd)

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

Pension Liabilities and Pension Expense

At June 30, 2015, the Township's liability was \$1,486,286 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014 which was rolled forward to June 30, 2015. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2015, the Township's proportion was 0.006%, which was a decrease of 0.0001% from its proportion measured as of June 30, 2014.

For the year ended December 31, 2015, the Township recognized actual pension expense in the amount of \$55,225.

Actuarial Assumptions

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

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

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for females) with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA.

The actuarial assumptions used in the July 1, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011.

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments 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. Best estimates of arithmetic real rates of return for each major asset class included in PERS' target asset allocation as of June 30, 2015 are summarized in the following table:

TOWNSHIP OF ALLAMUCHY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2015  
(Continued)

Note 4 - Pension Plans (Cont'd)

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

Long Term Expected Rate of Return (Cont'd)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.80%
Core Bonds	1.00%	2.49%
Intermediate-Term Bonds	11.20%	2.26%
Mortgages	2.50%	2.17%
High Yield Bonds	5.50%	4.82%
Inflation-Indexed Bonds	2.50%	3.51%
Broad U.S. Equities	25.90%	8.22%
Developed Foreign Equities	12.70%	8.12%
Emerging Market Equities	6.50%	9.91%
Private Equity	8.25%	13.02%
Hedge Funds/Absolute Return	12.25%	4.92%
Real Estate (Property)	3.20%	5.80%
Commodities	2.50%	5.35%

Discount Rate

The discount rate used to measure the total pension liability was 4.90% as of June 30, 2015. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9% 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 upon the average of the last five years of contributions made in relation to the last five years of recommended contributions. Based on those assumptions, the pension 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 pension plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

The following presents the Township's proportionate share of the collective net pension liability as of June 30, 2015 calculated using the discount rate as disclosed below, as well as what the Town's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

TOWNSHIP OF ALLAMUCHY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2015  
(Continued)

Note 4 - Pension Plans (Cont'd)

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

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

	Year Ended December 31, 2014		
	1%	Current	1%
	Decrease (4.39%)	Discount Rate (5.39%)	Increase (6.39%)
Township's proportionate share of the Net Pension Liability	\$ 1,732,648	\$ 1,394,062	\$ 1,110,193

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial statements.

Note 5 - Accrued Sick, Vacation, and Compensatory Time Off

The Township of Allamuchy permits employees to accrue a limited amount of unused sick and vacation pay, which may be taken as time off or paid at a later date at an agreed-upon rate. The Township maintains records for their employees who are allowed to accrue unused sick, and vacation time. One of these employees has served for a period of time which predates the current agreement between the Township and its employees. The Township negotiated a settlement with the employee as to the ending value of the employee's accrued time. At current value, the maximum liability for the employee would be \$23,013.12. The maximum liability for the other two eligible employees would be \$43,717.92, for a combined maximum total liability of \$66,731.03. This amount, as directed by accounting requirements of the Division of Local Government Services, is not reported as an expenditure or liability. Such compensation would be included in the Township's budget operating expenditures in the year it is paid.

Note 6 - Selected Tax Information

Property taxes are levied as of January 1 on property values assessed as of the previous calendar year. The tax levy is divided into two billings. The first billing is an estimate of the current year's levy based on the prior year's taxes. The second billing reflects adjustments to the current year's actual levy. The final tax bill is usually mailed on or before June 14th, along with the first half estimated tax bills for the subsequent year. The first half estimated taxes are divided into two due dates, February 1 and May 1. The final tax bills are also divided into two due dates, August 1 and November 1. A ten-day grace period is usually granted before the taxes are considered delinquent and the imposition of interest charges. A penalty may be assessed for any unpaid taxes in excess of \$10,000 at December 31 of the current year. Unpaid taxes of the current year may be placed in lien at a tax sale held after December 10.

TOWNSHIP OF ALLAMUCHY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2015  
(Continued)

Note 6 - Selected Tax Information (Cont'd)

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Tax Rate	\$ 2.87	\$ 2.75	\$ 2.62
<u>Apportionment of Tax Rate</u>			
Municipal	0.40	0.37	0.36
County	0.84	0.83	0.75
Local School	1.61	1.53	1.49
Local Open Space	0.02	0.02	0.02
<u>Assessed Valuations</u>			
2015	<u>\$ 540,832,300.00</u>		
2014		<u>\$ 536,694,075.00</u>	
2013			<u>\$ 535,111,651.00</u>

Comparison of Tax Levies and Collections 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>Currently</u>	
		<u>Cash Collections</u>	<u>Percentage of Collection</u>
2015	\$ 18,353,054.85	\$ 18,024,478.83	98.20%
2014	17,552,440.00	17,213,138.65	98.06%
2013	16,598,815.06	16,341,077.70	98.44%

Also, increases in future tax levies can also be warranted if revenue sources outside of those directly generated by the municipality, such as federal or state aid, should decline without corresponding decreases in budgeted expenditures.

Note 7 - Cash and Cash Equivalents

Cash and cash equivalents include petty cash, change funds, amounts on deposit, and short-term investments with original maturities of three months or less.

Investments are stated at cost, which approximates market. The Township classifies certificates of deposit which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

GASB Statement No. 40, *Governmental Accounting Standards Board Deposit and Investment Risk Disclosures*, requires disclosure of the level of custodial credit risk assumed by the Township in its cash, cash equivalents and investments, if those items are uninsured or unregistered. Custodial risk is the risk that in the event of bank failure, the government's deposits may not be returned.

TOWNSHIP OF ALLAMUCHY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2015  
(Continued)

Note 7 - Cash and Cash Equivalents (Cont'd)

Interest Rate Risk – In accordance with its cash management plan, the Township ensures that any deposit or investment matures within the time period that approximates the prospective need for the funds, deposited or invested, so that there is not a risk to the market value of such deposits or investments.

Credit Risk – The Township limits its investments to those authorized in its cash management plan which are permitted under state statutes as detailed below and on the following page.

Deposits

New Jersey statutes require that municipalities deposit public funds in public depositories located in New Jersey, which are insured by the Federal Deposit Insurance Corporation (FDIC), or by any other agency of the United States that insures deposits made in public depositories. Municipalities also are permitted to deposit public funds in the State of New Jersey Cash Management Fund.

New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed insurance limits as follows:

The market value of the collateral must equal 5% of the average daily balance of public funds; and in addition

If the public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value equal to 100% of the amount exceeding 75%.

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.

Investments

New Jersey statutes permit the Township to purchase the following types of securities:

- (1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- (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 that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
- (4) Bonds or other obligations of the local unit or bonds or other obligations of school districts of which the local unit is a part or within which the school district is located;
- (5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Investment of the Department of the Treasury for investment by local units;

TOWNSHIP OF ALLAMUCHY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2015  
(Continued)

Note 7 - Cash and Cash Equivalents (Cont'd)

Investments (Cont'd)

- (6) Local government investment pools;
- (7) Deposits with the State of New Jersey Cash Management Fund; or
- (8) Agreements for the repurchase of fully collateralized securities if:
  - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) above;
  - (b) the custody of collateral is transferred to a third party;
  - (c) the maturity of the agreement is not more than 30 days;
  - (d) the underlying securities are purchased through a public depository as defined in statute; and
  - (e) a master repurchase agreement providing for the custody and security of collateral is executed.

As of December 31, 2015, cash and cash equivalents of the Township of Allamuchy consisted of the following:

<u>Fund</u>	<u>Cash on Hand</u>	<u>Checking Accounts</u>	<u>Savings Accounts</u>	<u>NJ Cash Manage- ment Fund</u>	<u>Totals</u>
Current	\$ 200.00	\$ 1,202,435.25		\$ 15,995.03	\$ 1,218,630.28
Federal and State Grant		92,966.63			92,966.63
Animal Control		13,444.18			13,444.18
Other Trust		839,015.38			839,015.38
General Capital		519,980.71		72,451.51	592,432.22
Water and Sewer Utility Operating		1,137,271.52			1,137,271.52
Water and Sewer Utility Capital		1,051,897.26			1,051,897.26
Public Assistance		7,608.98			7,608.98
Water District			\$ 94.91		94.91
	<u>\$ 200.00</u>	<u>\$ 4,864,619.91</u>	<u>\$ 94.91</u>	<u>\$ 88,446.54</u>	<u>\$ 4,953,361.36</u>

The carrying amount of the Township's cash and cash equivalents at December 31, 2015, was \$4,953,361.36 and the bank balance was \$4,968,000.63. The \$88,446.54 in the NJ Cash Management Fund is uninsured and unregistered.

The Township held no investments during the year.

TOWNSHIP OF ALLAMUCHY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2015  
(Continued)

Note 8 - Risk Management

The Township is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Health Benefits are provided to employees through the State of New Jersey health benefits plan.

Property and Liability Insurance

The Township of Allamuchy is currently a member of the Public Alliance Insurance Coverage Fund (the "Fund"). The Fund provides their members with Liability, Property and Workers' Compensation Insurance. The Fund is a risk-sharing public entity risk pool that is both an insured and self-administered group of governmental entities established for the purpose of providing low-cost insurance coverage for respective members in order to keep local property taxes at a minimum. Each member appoints an official to represent their respective entity for the purpose of creating a governing body from which officers for the Fund are elected.

As a member of the Fund, the Township could be subject to supplemental assessments in the event of deficiencies. If the assets of the Fund were to be exhausted, members would become responsible for their respective shares of the Fund's liabilities.

The Fund can declare and distribute dividends to members upon approval of the State of New Jersey Department of Banking and Insurance. These distributions are divided amongst the members in the same ratio as the individual assessment relates to the total assessment of the membership body.

The December 31, 2015 audit report of the Public Alliance Insurance Coverage Fund has not been filed as of the date of this audit. Selected, summarized financial information as of December 31, 2014 for the Fund is as follows:

	Public Alliance Insurance Coverage <u>Dec. 31, 2014</u>
Total Assets	\$ 16,389,567
Net Position	\$ 8,240,684
Total Revenue	\$ 7,380,440
Total Expenses	\$ 7,025,767
Change in Net Position	\$ 354,673
Members Dividends	\$ -0-

Financial statements for the Fund are available at the offices of the Fund's Executive Director:

Public Alliance Insurance Coverage Fund  
Public Entity Group Administrative Services  
51 Everett Drive  
Suite B-40  
West Windsor, NJ 08550  
(609) 275-1155

TOWNSHIP OF ALLAMUCHY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2015  
(Continued)

Note 8 - Risk Management (Cont'd)

New Jersey Unemployment Compensation Insurance

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

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

<u>Year</u>	<u>Township Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2015	\$ -0-	\$ 1,443.05		\$ 21,448.43
2014	-0-	1,200.49		20,005.38
2013	-0-	1,230.84	\$ 124.20	18,804.89

Note 9 - Open Space Trust Fund

On June 27, 2000, the Township created an Open Space Trust Fund with a tax levy of \$.02 per \$100 of assessed valuation. The funds collected are used to acquire and maintain open space property in the Township. As of December 31, 2015, the balance in the Open Space Trust Fund was \$32,045.61.

Note 10 - Fixed Assets (Unaudited)

The following is a schedule of the Township of Allamuchy's fixed assets:

	<u>Balance Dec. 31, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance Dec. 31, 2014</u>
Land	\$ 6,540,955.00			\$ 6,540,955.00
Buildings and Improvements	1,414,700.00	\$ 35,000.00	\$ 50,000.00	1,399,700.00
Equipment	2,885,203.00	12,124.00	118,568.00	2,778,759.00
	<u>\$10,840,858.00</u>	<u>\$ 47,124.00</u>	<u>\$ 168,568.00</u>	<u>\$ 10,719,414.00</u>

TOWNSHIP OF ALLAMUCHY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2015  
(Continued)

Note 11 - Interfund Receivables and Payables

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

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Current	\$ 29,630.31	\$12,018.73
Other Trust	12,018.73	
Animal Control		5,900.98
Water/Sewer Utility Operating		11,080.53
Garbage District		11,230.20
Special Taxing District		1,418.60
	<u>\$ 41,649.04</u>	<u>\$ 41,649.04</u>

The Township utilizes the Current Fund as a clearing account for receipts and disbursements of the other funds. The Chief Financial Officer monitors all interfunds for these accounts and liquidates them on a monthly basis. The balance between Current Fund and the Other Trust Funds as well as the Water and Sewer Operating Fund is the remaining activity not liquidated. The interfund with the special taxing district and garbage district, are due to excess funds being remitted to the districts.

Note 12 - Deferred Compensation

The Board offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. This plan, which is administered by Valic, permits participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency.

Note 13 - Contingent Liabilities

The Township is periodically involved in various lawsuits arising in the normal course of business, including claims for property damage, personal injury and various contract disputes.

The Township vigorously contests these lawsuits and believes the ultimate resolution will not have a material adverse effect on their financial position.

Amounts received or receivable from grantors, principally the federal and state governments are subject to regulatory requirements and adjustments by the agencies. Any disallowed claims, including amounts previously recognized by the Township as revenue would constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantors cannot be determined at this time, although Township officials expect such amounts, if any, to be immaterial.

Note 14 - Local School District Taxes

Regulations provide for the deferral of not more than 50% of the annual levy when school taxes are raised for a school year and have not been requisitioned by the school district. The Township of Allamuchy has not elected to defer school taxes.

TOWNSHIP OF ALLAMUCHY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2015  
(Continued)

Note 15 - Economic Dependency

The Township of Allamuchy receives a substantial amount of support from federal and state governments. A significant reduction in the level of support, if this were to occur, may have an effect on the Township's programs and activities.

Note 16 - 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 Current Fund balance sheet:

	<u>Balance</u> <u>Dec. 31, 2015</u>	<u>To be</u> <u>Raised in</u> <u>2016 Budget</u>	<u>Balance to</u> <u>Succeeding</u> <u>Year's Budgets</u>
Current Fund:			
Deficit in Reserve for Harvest Festival	\$ 1,641.89		\$ 1,641.89
Overexpenditure of Appropriation	2,148.10		2,148.10
Special Emergency Appropriation	40,000.00	40,000.00	

The appropriations in the 2016 budget are not less than that required by statute.

## SUPPLEMENTARY DATA

TOWNSHIP OF ALLAMUCHY  
OFFICIALS IN OFFICE AND SURETY BONDS  
YEAR ENDED DECEMBER 31, 2015

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

Name	Title	Amount of Bond	Name of Corporate or Personal Surety
Betty Schultheis	Mayor		
Douglas Ochwat	Councilperson		
Diana Cook	Councilperson		
Rick Lomonaco	Councilperson		
Keith DeTombeur	Councilperson		
James Kozimor	Chief Financial Officer	\$ 600,000.00	Western Surety Insurance Company
Kathleen Reinalda	Treasurer	250,000.00	Selective Insurance Company
Anne Marie Tracy	Township Administrator, Township Clerk, Deputy Court Clerk	(A)	
Betty C. Drake	Tax Collector through September 30, 2015	350,000.00	Western Surety Insurance Company
Donna Cummins	Acting Tax Collector from October 26, 2015 through December 31, 2015	350,000.00	Western Surety Insurance Company
Rich Motyka	Tax Assessor	(A)	
Louis Mellinger	Magistrate	(A)	
Lynda Stadtler	Interim Court Administrator	(A)	
Nancy McCabe	Utility Collector, Water District Collector/Secretary, Deputy Clerk	100,000.00	Western Surety Insurance Company
Paul Sterbenz	Engineer	(A)	
Nellie Klaver	Animal Control Officer	(A)	
Sandy Durkin	Animal Licensing Official/Acting Deputy Tax Collector	(A)	
David Diehl	Zoning Official	(A)	

(A) - Covered under \$1,000,000 Blanket Bond from Public Alliance Insurance Coverage Fund.

TOWNSHIP OF ALLAMUCHY  
COUNTY OF WARREN  
2015  
CURRENT FUND

TOWNSHIP OF ALLAMUCHY  
CURRENT FUND  
SCHEDULE OF CASH

	<u>Ref.</u>	
Balance December 31, 2014	A	\$ 1,197,623.67
Increased by Receipts:		
Tax Collector		\$ 18,391,114.96
Revenue Accounts Receivable		839,233.55
Miscellaneous Revenue Not Anticipated		66,801.71
Interest on Investments and Deposits		8,510.87
Due Animal Control Fund:		
Interest Earned		19.67
Due Other Trust Fund:		
Interest Earned		333.34
Interfund Returned - Current Year		287.14
Due General Capital Fund:		
Interest Earned		3,207.30
Special Emergency Notes Issued		40,000.00
Garden State Preservation Trust		39,735.00
Due State of New Jersey:		
Senior Citizens' and Veterans' Deductions		46,920.00
Marriage License Fees		975.00
Appropriation Refunds		14,023.68
		19,451,162.22
		20,648,785.89

TOWNSHIP OF ALLAMUCHY  
CURRENT FUND  
SCHEDULE OF CASH  
(Continued)

Decreased by Disbursements:			
2015 Appropriation Expenditures	\$	2,869,590.76	
2014 Appropriation Reserve Expenditures		70,957.22	
Local School District Taxes		8,691,587.00	
County Taxes		4,598,712.73	
Special District Taxes		2,564,233.75	
Garbage District Taxes		78,303.06	
Due Other Trust Fund:			
Interfund Advanced		1,357.19	
Payments on behalf of Other Trust		949.37	
Payments on behalf of Open Space		107,500.00	
Due Water and Sewer Utility Operating Fund:			
Interfund Advanced		11,080.53	
Due State of New Jersey:			
Marriage License Fees		975.00	
Reserve for:			
Pending Tax Appeal		267,640.76	
Third Party Tax Title Liens		80,792.27	
Special Emergency Notes Matured		80,000.00	
Refund of Tax Overpayments		6,675.97	
		<hr/>	
			<u>\$ 19,430,355.61</u>
Balance December 31, 2015	A		<u><u>\$ 1,218,430.28</u></u>

TOWNSHIP OF ALLAMUCHY  
CURRENT FUND  
SCHEDULE OF CASH - COLLECTOR  
YEAR ENDED DECEMBER 31, 2015

## Increased by Receipts:

Taxes Receivable	\$ 18,078,021.81	
Interest and Costs on Taxes	59,039.34	
2016 Prepaid Taxes	107,300.61	
Tax Overpayments	49,128.96	
Third Party Tax Title Liens	92,659.97	
Miscellaneous Revenue Not Anticipated	<u>4,964.27</u>	
		\$ 18,391,114.96

## Decreased by:

Payments to Municipal Treasurer		<u><u>\$ 18,391,114.96</u></u>
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FEDERAL AND STATE GRANT FUND  
SCHEDULE OF CASH - GRANT FUNDS

	<u>Ref.</u>	
Balance December 31, 2014	A	\$ 77,579.86
Increased by Receipts:		
Unappropriated Reserves		\$ 10,414.29
Grants Receivable		<u>22,093.59</u>
		<u>32,507.88</u>
		110,087.74
Decreased by Disbursements:		
Appropriated Reserves Expenditures		<u>17,121.11</u>
Balance December 31, 2015	A	<u><u>\$ 92,966.63</u></u>

TOWNSHIP OF ALLAMUCHY  
CURRENT FUND  
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

Year	Balance	2015 Levy	Collections		State of NJ Veterans' and Senior Citizens' Deductions	Transfer to Tax Title Liens	Canceled	Balance
	Dec. 31, 2014		2014	2015				Dec. 31, 2015
2012	\$ 5,236.77			\$ 2,247.58				\$ 2,989.19
2014	212,609.48			195,681.64	\$ 750.00		\$ 16,053.84	124.00
	217,846.25			197,929.22	750.00		16,053.84	3,113.19
2015		\$ 18,353,054.85	\$ 93,573.60	17,880,092.59	50,812.64	\$ 5,318.31	110,053.44	213,204.27
	\$ 217,846.25	\$ 18,353,054.85	\$ 93,573.60	\$ 18,078,021.81	\$ 51,562.64	\$ 5,318.31	\$ 126,107.28	\$ 216,317.46

Ref. A A

Analysis of 2015 Property Tax Levy

Tax Yield:

General Purpose Taxes	\$ 18,159,814.21
Added and Omitted Taxes	193,240.64
	<u>\$ 18,353,054.85</u>

Tax Levy:

Local School District Taxes	\$ 8,691,587.00
Special District Taxes - Municipal	2,563,456.40
Special District Taxes - Garbage	71,172.96
Local Open Space Taxes	109,425.47
County Taxes:	
General Tax	\$ 4,530,058.80
Due County for Added and Omitted Taxes	52,638.54
	<u>4,582,697.34</u>
	16,018,339.17
Local Tax for Municipal Purposes Levied	2,192,476.04
Add: Additional Tax Levied	142,239.64
	<u>2,334,715.68</u>
	<u>\$ 18,353,054.85</u>

TOWNSHIP OF ALLAMUCHY  
CURRENT FUND  
SCHEDULE OF TAX TITLE LIENS

	<u>Ref.</u>		
Balance December 31, 2014	A	\$	20,706.70
Increased by:			
Transferred from Taxes Receivable		\$	5,318.31
Adjustment to Tax Title Leins			<u>(376.60)</u>
			<u>4,941.71</u>
Balance December 31, 2015	A	\$	<u>25,648.41</u>

TOWNSHIP OF ALLAMUCHY  
CURRENT FUND  
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	<u>Balance</u> <u>Dec. 31, 2014</u>	<u>Accrued In</u> <u>2015</u>	<u>Collected by</u> <u>Treasurer</u>	<u>Balance</u> <u>Dec. 31, 2015</u>
Licenses:				
Alcoholic Beverages		\$ 2,551.95	\$ 2,551.95	
Fees and Permits		3,845.00	3,845.00	
Fines and Costs:				
Municipal Court	\$ 3,846.79	60,509.88	62,805.67	\$ 1,551.00
Recreation Fees		16,375.00	16,375.00	
Energy Receipts Tax		350,511.00	350,511.00	
Affordable Housing Rents		243,098.93	243,098.93	
General Capital Fund Balance		25,600.00	25,600.00	
Water and Sewer Utility Operating Fund Balance		25,000.00	25,000.00	
Reserve for Debt Service		1,946.00	1,946.00	
Open Space Debt Service		107,500.00	107,500.00	
	<u>\$ 3,846.79</u>	<u>\$ 836,937.76</u>	<u>\$ 839,233.55</u>	<u>\$ 1,551.00</u>
<u>Ref.</u>	A			A

TOWNSHIP OF ALLAMUCHY  
FEDERAL AND STATE GRANT FUND  
SCHEDULE OF GRANTS RECEIVABLE

	Balance Dec. 31, 2014	2015 Budget Revenue Realized	Transferred from Unappropriated Grant Reserves	Cash Receipts	Balance Dec. 31, 2015
Clean Communities	\$ 135.19				\$ 135.19
Recycling Tonnage Grant		\$ 4,145.45	\$ 4,145.45		
Alcohol Education and Rehabilitation Program		590.80	590.80		
Trail Project	2,399.88			\$ 1,602.15	797.73
Warren County Historic Preservation	20,491.44			20,491.44	
NJ Highlands - Water Protection Grant	88,500.00				88,500.00
NJ Highlands - Plains Grant	778.76				778.76
NJ Highlands - Plan Conformance	1,213.09				1,213.09
NJ Highlands - Housing Plan Grant		25,000.00			25,000.00
	<u>\$ 113,518.36</u>	<u>\$ 29,736.25</u>	<u>\$ 4,736.25</u>	<u>\$ 22,093.59</u>	<u>\$ 116,424.77</u>
	A				A

TOWNSHIP OF ALLAMUCHY  
CURRENT FUND  
SCHEDULE OF 2014 APPROPRIATION RESERVES  
YEAR ENDED DECEMBER 31, 2015

	<u>Balance</u> <u>Dec. 31, 2014</u>	<u>Balance After</u> <u>Modification</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
<b>GENERAL GOVERNMENT:</b>				
General Administration:				
Salaries and Wages	\$ 756.80	\$ 756.80		\$ 756.80
Other Expenses:				
Codification & Revision of Ordinances	500.00	500.00		
Miscellaneous Other Expenses	899.31	3,499.31	\$ 3,449.54	49.77
Financial Administration:				
Salaries and Wages	700.91	700.91		700.91
Other Expenses	1,111.47	1,111.47	434.00	677.47
Tax Assessment Administration:				
Salaries and Wages	434.78	434.78		434.78
Other Expenses	2,127.22	2,127.22	306.00	1,821.22
Revenue Administration (Tax Collection):				
Salaries and Wages	521.21	521.21		521.21
Other Expenses	840.11	3,590.11	3,545.07	45.04
Legal Services and Costs:				
Other Expenses	2,121.30	2,121.30	165.00	1,956.30
Municipal Prosecutor:				
Salaries and Wages	458.42	458.42		458.42
Engineering Services and Costs:				
Other Expenses	145.20	3,645.20	3,637.50	7.70
Public Buildings and Grounds:				
Salaries and Wages	222.88	222.88		222.88
Other Expenses	1,546.07	1,646.07	1,626.31	19.76
Municipal Land Use Law (NJSA 40:55D-1):				
Planning Board:				
Salaries and Wages	297.04	297.04		297.04
Other Expenses	2,135.22	2,135.22	146.25	1,988.97
Environmental Commission:				
(NJSA 40:56A-1 et seq):				
Salaries and Wages	215.37	215.37		215.37
Other Expenses	692.00	692.00		692.00
<b>PUBLIC SAFETY:</b>				
Uniform Fire Safety Act (PL 1983 Ch. 383):				
Fire Department:				
Other Expenses	1,983.70	5,508.70	5,508.70	
Emergency Management Services:				
Salaries and Wages	127.84	127.84		127.84
Other Expenses	2,310.56	2,310.56	346.71	1,963.85

TOWNSHIP OF ALLAMUCHY  
CURRENT FUND  
SCHEDULE OF 2014 APPROPRIATION RESERVES  
YEAR ENDED DECEMBER 31, 2015

	<u>Balance</u> <u>Dec. 31, 2014</u>	<u>Balance After</u> <u>Modification</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
<b>STREETS AND ROADS:</b>				
Road Repairs and Maintenance:				
Salaries and Wages	\$ 2,227.87	\$ 2,227.87		\$ 2,227.87
Other Expenses	24,574.38	24,574.38	\$ 10,310.63	14,263.75
Garbage and Trash Removal:				
Other Expenses	245.52	245.52	212.38	33.14
Recycling:				
Salaries and Wages	1,498.31	1,498.31		1,498.31
Other Expenses	7,102.00	3,602.00	3,548.00	54.00
<b>HEALTH AND WELFARE:</b>				
Animal Control Officer:				
Salaries and Wages	3,635.79	135.79		135.79
Other Expenses	3,088.09	88.09	60.50	27.59
Administration of Public Assistance:				
Other Expenses	125.00	125.00		125.00
Board of Health:				
Other Expenses	500.00	500.00		500.00
<b>RECREATION AND EDUCATION:</b>				
Board of Recreation Commissioners:				
Salaries and Wages	0.23	0.23		0.23
Other Expenses	3,004.94	5,379.94	5,372.00	7.94
<b>MUNICIPAL COURT:</b>				
Salaries and Wages	4,610.97	1,010.97		1,010.97
Other Expenses	468.38	468.38		468.38
<b>UNIFORM CONSTRUCTION CODE:</b>				
State Uniform Construction Code (NJSA 52:27D-120 et seq):				
Construction Official:				
Other Expenses	3.95	3.95		3.95
Zoning Official				
Salaries and Wages	390.96	390.96		390.96
<b>UNCLASSIFIED:</b>				
Electricity	4,698.58	4,698.58	3,009.94	1,688.64
Telephone	2,221.51	2,221.51	998.66	1,222.85
Water	17.73	167.73	163.03	4.70
Fuel Oil	2,055.44	2,105.44	2,083.97	21.47
Gasoline	2,550.32	3,200.32	3,195.92	4.40

TOWNSHIP OF ALLAMUCHY  
CURRENT FUND  
SCHEDULE OF 2014 APPROPRIATION RESERVES  
YEAR ENDED DECEMBER 31, 2015

	<u>Balance Dec. 31, 2014</u>	<u>Balance After Modification</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
Statutory Expenditures:				
Contributions to:				
Public Employees Retirement System	\$ 6,739.00	\$ 6,739.00		\$ 6,739.00
Social Security System (OASI)	3,833.63	3,833.63		3,833.63
LOSAP	32,000.00	32,000.00	\$ 16,100.00	15,900.00
Contribution to:				
Affordable Housing-Other Expenses	5,858.17	6,758.17	6,737.11	21.06
Insurance:				
Group Insurance for Employees	1,903.24	1,903.24		1,903.24
Surety Bond Premiums	3,356.25	356.25		356.25
Workers Compensation Insurance	21.00	21.00		21.00
	<u>\$ 136,878.67</u>	<u>\$ 136,878.67</u>	<u>\$ 70,957.22</u>	<u>\$ 65,921.45</u>

Analysis of Balance December 31, 2014:

	<u>Ref.</u>	
Unencumbered	A	\$ 127,552.04
Encumbered	A	<u>9,326.63</u>
		<u>\$ 136,878.67</u>

TOWNSHIP OF ALLAMUCHY  
CURRENT FUND  
SCHEDULE OF LOCAL SCHOOL DISTRICT TAXES PAYABLE  
YEAR ENDED DECEMBER 31, 2015

Increased by:		
Levy - Calendar Year 2015		\$ 8,691,587.00
Decreased by:		
Payments to Local School District		<u>\$ 8,691,587.00</u>

CURRENT FUND  
SCHEDULE OF SPECIAL DISTRICT TAXES PAYABLE

	<u>Ref.</u>	
Balance/(Receivable) December 31, 2014	A	\$ (641.25)
Increased by:		
Levy - Calendar Year 2015		<u>2,563,456.40</u>
		2,562,815.15
Decreased by:		
Payments to Panther Valley Homeowners Association		<u>2,564,233.75</u>
Balance/(Receivable) December 31, 2015	A	<u>\$ (1,418.60)</u>

TOWNSHIP OF ALLAMUCHY  
CURRENT FUND  
SCHEDULE OF GARBAGE DISTRICT TAXES PAYABLE

	<u>Ref.</u>	
Balance/(Receivable) December 31, 2014	A	\$ (4,100.10)
Increased by:		
Levy - Calendar Year 2015		71,172.96
		<u>67,072.86</u>
Decreased by:		
Payments to Panther Valley Homeowners Association		78,303.06
		<u>78,303.06</u>
Balance/(Receivable) December 31, 2015	A	<u>\$ (11,230.20)</u>

TOWNSHIP OF ALLAMUCHY  
CURRENT FUND  
SPECIAL EMERGENCY NOTES PAYABLE

Date Authorized	Purpose	Date of		Interest Rate	Balance Dec. 31, 2014	Issued	Matured	Balance Dec. 31, 2015
		Issue	Maturity					
10/24/2011	Revaluation	10/21/2014	10/20/2015	1.25%	\$ 80,000.00		\$ 80,000.00	
		10/20/2015	10/19/2016	1.00%		\$ 40,000.00		\$ 40,000.00
					<u>\$ 80,000.00</u>	<u>\$ 40,000.00</u>	<u>\$ 80,000.00</u>	<u>\$ 40,000.00</u>
				<u>Ref.</u>	A			A
					Renewals	\$ 40,000.00	\$ 40,000.00	
					Paid By Budget Appropriation		40,000.00	
						<u>\$ 40,000.00</u>	<u>\$ 80,000.00</u>	

TOWNSHIP OF ALLAMUCHY  
FEDERAL AND STATE GRANT FUND  
SCHEDULE OF UNAPPROPRIATED RESERVES

	<u>Balance</u> <u>Dec. 31, 2014</u>	<u>Cash</u> <u>Received</u>	<u>Transferred</u> <u>to 2015</u> <u>Budget</u> <u>Revenue</u>	<u>Balance</u> <u>Dec. 31, 2015</u>
Alcohol Education, Rehabilitation and Enforcement Fund	\$ 590.80	\$ 1,060.80	\$ 590.80	\$ 1,060.80
Recycling Tonnage Grant	4,145.45		4,145.45	
Clean Communities Program	<u>7,694.16</u>	<u>9,353.49</u>		<u>17,047.65</u>
	<u>\$ 12,430.41</u>	<u>\$ 10,414.29</u>	<u>\$ 4,736.25</u>	<u>\$ 18,108.45</u>
<u>Ref.</u>	A			A

TOWNSHIP OF ALLAMUCHY  
FEDERAL AND STATE GRANT FUND  
SCHEDULE OF APPROPRIATED RESERVES

	<u>Balance</u> Dec. 31, 2014	Transferred from 2015 Budget <u>Appropriations</u>	<u>Expended</u>	<u>Overexpenditure</u>	<u>Balance</u> Dec. 31, 2015
Clean Communities Program	\$ 24,769.88		\$ 4,606.57		\$ 20,163.31
Alcohol Education, Rehabilitation and Enforcement Fund	3,092.13	\$ 590.80			3,682.93
Donations Environmental Commission	9,453.03				9,453.03
Recycling Tonnage Grant	16,684.15	4,145.45			20,829.60
Municipal Stormwater	7,343.75				7,343.75
Warren County Historical Preservation	10,366.44		12,514.54	\$ 2,148.10	
NJ Highlands Grant- Water Protection Grant	88,500.00				88,500.00
NJ Highlands Grant -Plains Grant	14,133.41				14,133.41
NJ Highlands Housing Plan Grant		25,000.00			25,000.00
Trail Project Donation	4,025.02				4,025.02
Freight Depot	300.00				300.00
	<u>\$ 178,667.81</u>	<u>\$ 29,736.25</u>	<u>\$ 17,121.11</u>	<u>\$ 2,148.10</u>	<u>\$ 193,431.05</u>
<u>Ref.</u>	A			A	A

TOWNSHIP OF ALLAMUCHY  
COUNTY OF WARREN  
2015  
TRUST FUNDS

TOWNSHIP OF ALLAMUCHY  
TRUST FUNDS  
SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>	<u>Animal Control Fund</u>	<u>Other Trust Funds</u>
Balance December 31, 2014	B	\$ 7,465.10	\$ 816,827.80
Increased by Receipts:			
Animal Control Fees Collected		\$ 4,181.80	
Miscellaneous Fees		1,803.88	
State Registration Fees		1,108.20	
Developers' Deposits:			
Deposits			\$ 27,750.00
Interest			157.12
Premium on Tax Sale Certificates			65,100.00
Condominium Security Deposits			11,885.74
Housing Rehabilitation:			
Deposits			6,344.00
Interest			14.37
Due to/from Current Fund:			
Interest on Deposits		19.67	333.34
Interfund Returned			1,357.19
State Unemployment Insurance			1,443.05
Harvest Festival			4,700.00
Dog Park Donations			9,205.50
Open Space Donations			676.52
		<u>7,113.55</u>	<u>128,966.83</u>
		14,578.65	945,794.63
Decreased by Disbursements:			
Due Current Fund:			
Interfund Advanced			287.14
Interest on Deposits		19.67	333.34
Animal Control Expenditures			
State Registration Fees		1,114.80	
Developers' Deposits Refunded/Fees			88,175.86
Condominium Security Deposits:			
Expenditures			6,316.49
Open Space Donation			350.00
Harvest Festival			5,410.32
Housing Rehabilitation:			
Expenditures			5,906.10
		<u>1,134.47</u>	<u>106,779.25</u>
Balance December 31, 2015	B	<u>\$ 13,444.18</u>	<u>\$ 839,015.38</u>

TOWNSHIP OF ALLAMUCHY  
ASSESSMENT TRUST FUND  
ANALYSIS OF CASH  
YEAR ENDED DECEMBER 31, 2015

NOT APPLICABLE

TOWNSHIP OF ALLAMUCHY  
ANIMAL CONTROL FUND  
SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES

	<u>Ref.</u>	
Balance December 31, 2014	B	\$ 7,439.90
Increased by:		
Animal Control License Fees Collected		\$ 4,181.80
Late Fees		1,803.88
		5,985.68
		13,425.58
Decreased by:		
Statutory Excess Due to Current Fund		5,900.98
		5,900.98
Balance December 31, 2015	B	\$ 7,524.60

License Fees Collected

<u>Year</u>	<u>Amount</u>
2013	\$ 3,706.20
2014	3,818.40
	7,524.60
Maximum Allowable Reserve	\$ 7,524.60

TOWNSHIP OF ALLAMUCHY  
COUNTY OF WARREN  
2015  
GENERAL CAPITAL FUND

TOWNSHIP OF ALLAMUCHY  
GENERAL CAPITAL FUND  
SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>	
Balance December 31, 2014	C	\$ 1,526,357.51
Increased by Receipts:		
Bond Anticipation Notes Issued	\$	3,485,205.00
Due Current Fund:		
Interest Earned		3,207.30
New Jersey Department of Transportation		22,989.25
2015 Budget Appropriations:		
Reserve for Improvements		25,000.00
Capital Improvement Fund		100,000.00
Premium on Sale of Bond Anticipation Notes		9,445.72
		<u>3,645,847.27</u>
		<u>5,172,204.78</u>
Decreased by:		
Bond Anticipation Notes Matured		3,200,205.00
Improvement Authorizations		1,348,814.26
Due Current Fund:		
Interest Earned		3,207.30
Capital Fund Balance Anticipated as Revenue		25,600.00
Reserve for Debt Service		1,946.00
		<u>4,579,772.56</u>
Balance December 31, 2015	C	<u>\$ 592,432.22</u>

TOWNSHIP OF ALLAMUCHY  
GENERAL CAPITAL FUND  
ANALYSIS OF CASH

	Balance/ (Deficit) Dec. 31, 2014	Receipts		Disbursements			Transfers		Balance/ (Deficit) Dec. 31, 2015	
		Bond Anticipation Notes	Miscellaneous	Improvement Authorizations	Bond Anticipation Notes	Miscellaneous	From	To		
Capital Fund Balance	\$ 98,501.59		\$ 9,445.72			\$ 25,600.00	\$ 28,113.94	\$ 0.37	\$ 54,233.74	
Capital Improvement Fund	12,522.22		100,000.00				105,000.00		7,522.22	
New Jersey Department of Transportation Grants Receivable	(22,989.25)		22,989.25							
Warren County Grant Receivable	(213.00)							213.00		
Due Current Fund			3,207.30			3,207.30				
Due Escrow Agent	(3,400.94)							3,400.94		
Reserve for:										
Developers' Contributions	1,500.00								1,500.00	
Improvements			25,000.00				15,000.00		10,000.00	
Renovations to Maintenance Garage	50,000.00								50,000.00	
Fire Station Equipment	10,000.00								10,000.00	
Payment of Debt Service	1,946.37					1,946.00	0.37			
<u>Improvement Description</u>										
Ord. No.										
05-10	Improvements to Cat Swamp Road	(750.00)							(750.00)	
06-13	Acquisition of Condominium Units		3,200,205.00		3,200,205.00					
11-02	Improvements to Shades of Death Road	(15,000.00)							(15,000.00)	
11-10	DPW Equipment	6,088.92							6,088.92	
14-04	Purchase of Two Fire Trucks	1,199,880.96		1,199,880.96						
14-05	Improvements to Quaker Church Road	71,497.23		44,595.00					26,902.23	
14-08	Improvements to Buildings and Grounds	50,740.85		33,960.27					16,780.58	
14-11	Improvements to Streets and Roads	51,532.56		51,532.56						
14-14	Acquisition and Improvement of Real Property	14,500.00	285,000.00	3,993.75					295,506.25	
15-1	Purchase of Fire Equipment			14,851.72				15,000.00	148.28	
15-2	Purchase of Loader							105,000.00	105,000.00	
15-3	Purchase of Fire Vehicle							24,500.00	24,500.00	
		<u>\$ 1,526,357.51</u>	<u>\$ 3,485,205.00</u>	<u>\$ 160,642.27</u>	<u>\$ 1,348,814.26</u>	<u>\$ 3,200,205.00</u>	<u>\$ 30,753.30</u>	<u>\$ 148,114.31</u>	<u>\$ 148,114.31</u>	<u>\$ 592,432.22</u>

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

Ord. Date	Improvement Description	Balance Dec. 31, 2014	Funded by Budget Appropriation	Balance Dec. 31, 2015	Analysis of Balance December 31, 2015		Unexpended Improvement Authorizations
					Bond Anticipation Notes	Expenditures	
9/20/05	Improvements to Cat Swamp Road	\$ 750.00		\$ 750.00		\$ 750.00	
6/20/06	Acquisition of Condominium Units	3,378,205.00	\$ 178,000.00	3,200,205.00	\$ 3,200,205.00		
3/15/11	Improvement to Shades of Death Road	15,000.00		15,000.00		15,000.00	
9/16/14	Acquisition and Improvement of Real Property	285,000.00		285,000.00	285,000.00		
		<u>\$ 3,678,955.00</u>	<u>\$ 178,000.00</u>	<u>\$ 3,500,955.00</u>	<u>\$ 3,485,205.00</u>	<u>\$ 15,750.00</u>	<u>\$ -0-</u>
<u>Ref.</u>	C			C			
	Improvement Authorizations - Unfunded						\$ 285,000.00
	Less: Unexpended Proceeds of Bond Anticipation Notes Issued:						
	Ordinance Dated 9/16/14- Acquisition and Improvement of Real Property						285,000.00
							<u>\$ -0-</u>

TOWNSHIP OF ALLAMUCHY  
GENERAL CAPITAL FUND  
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord. No.	Improvement Description	Ordinance		Balance Dec. 31, 2014		2015 Authorizations		Balance Dec. 31, 2015		
		Date	Amount	Funded	Unfunded	Other Financing Sources	Capital Improvement Fund	Paid or Charged	Funded	Unfunded
11-10	DPW Equipment	7/19/2011	\$ 10,000.00	\$ 6,088.92					\$ 6,088.92	
14-04	Purchase of Two Fire Trucks	5/20/2014	1,200,000.00	1,199,880.96				\$ 1,199,880.96		
14-05	Improvements to Quaker Church Road	6/17/2014	275,000.00	71,497.23				44,595.00	26,902.23	
14-08	Improvements to Buildings and Grounds	6/17/2014	85,000.00	50,740.85				33,960.27	16,780.58	
14-11	Improvements to Streets and Roads	6/17/2014	110,000.00	51,532.56				51,532.56		
14-14	Acquisition and Improvement of Real Property	9/16/2014	300,000.00	14,500.00	\$ 285,000.00			3,993.75	10,506.25	\$ 285,000.00
15-1	Purchase of Fire Equipment	6/16/2015	15,000.00			\$ 15,000.00		14,851.72	148.28	
15-2	Purchase of Loader	6/16/2015	105,000.00				\$ 105,000.00		105,000.00	
15-3	Purchase of Fire Vehicle	11/17/2015	24,500.00			24,500.00			24,500.00	
				<u>\$ 1,394,240.52</u>	<u>\$ 285,000.00</u>	<u>\$ 39,500.00</u>	<u>\$ 105,000.00</u>	<u>\$ 1,348,814.26</u>	<u>\$ 189,926.26</u>	<u>\$ 285,000.00</u>
		<u>Ref.</u>		C	C				C	C
				Capital Fund Balance	\$ 24,500.00					
				Reserve for Improvements	15,000.00					
					<u>\$ 39,500.00</u>					

TOWNSHIP OF ALLAMUCHY  
GENERAL CAPITAL FUND  
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance December 31, 2014	C	\$ 12,522.22
Increased by:		
2015 Budget Appropriation		100,000.00
		<u>112,522.22</u>
Decreased by:		
Appropriated to Finance:		
Improvement Authorizations		105,000.00
		<u>105,000.00</u>
Balance December 31, 2015	C	<u>\$ 7,522.22</u>

TOWNSHIP OF ALLAMUCHY  
GENERAL CAPITAL FUND  
SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE

Ord. Date	Improvement Description	Date of			Interest Rate	Balance Dec. 31, 2014	Issued	Matured	Balance Dec. 31, 2015
		Original Note	Issue	Maturity					
6/20/06	Acquisition of Condominium Units	10/31/2006	10/21/2014 10/20/2015	10/20/2015 10/19/2016	1.25% 1.00%	\$ 3,378,205.00	\$ 3,200,205.00	\$ 3,378,205.00	\$ 3,200,205.00
10/19/15	Acquisition of Property	10/21/2014	10/20/2015	10/19/2016	1.00%		285,000.00		285,000.00
						<u>\$ 3,378,205.00</u>	<u>\$ 3,485,205.00</u>	<u>\$ 3,378,205.00</u>	<u>\$ 3,485,205.00</u>
					<u>Ref.</u>	C			C
			Renewals				\$ 3,200,205.00	\$ 3,200,205.00	
			Issued for Cash				285,000.00		
			Paid by Budget Appropriation					178,000.00	
							<u>\$ 3,485,205.00</u>	<u>\$ 3,378,205.00</u>	

TOWNSHIP OF ALLAMUCHY  
GENERAL CAPITAL FUND  
SCHEDULE OF SERIAL BONDS PAYABLE

Purpose	Date of Issue	Original Issue	Maturities of Bonds		Interest Rate	Balance		Balance Dec. 31, 2015
			Outstanding Dec. 31, 2015	Amount		Dec. 31, 2014	Matured	
General Improvement Bonds	12/2/14	\$ 6,390,000.00	12/1/16	\$ 215,000.00	2.500%			
			12/1/17	225,000.00	2.500%			
			12/1/18	235,000.00	2.500%			
			12/1/19	245,000.00	2.500%			
			12/1/20	255,000.00	2.500%			
			12/1/21	265,000.00	2.500%			
			12/1/22	275,000.00	2.500%			
			12/1/23	280,000.00	2.500%			
			12/1/24	290,000.00	2.750%			
			12/1/25	360,000.00	3.000%			
			12/1/26	370,000.00	3.000%			
			12/1/27	380,000.00	3.000%			
			12/1/28	390,000.00	3.000%			
			12/1/29	400,000.00	3.000%			
			12/1/30	400,000.00	3.000%			
			12/1/31	400,000.00	3.125%			
			12/1/32	400,000.00	3.250%			
12/1/33	400,000.00	3.250%						
12/1/34	400,000.00	3.250%						
						\$ 6,390,000.00	\$ 205,000.00	\$ 6,185,000.00
Refunding Bonds	10/4/12	\$ 2,760,000.00	01/15/16	215,000.00	3.000%			
			01/15/17	225,000.00	3.000%			
			01/15/18	235,000.00	3.000%			
			01/15/19	245,000.00	3.000%			
			01/15/20	260,000.00	4.000%			
			01/15/21	275,000.00	4.000%			
			01/15/22	290,000.00	4.000%			
			01/15/23	295,000.00	4.000%			
			01/15/24	295,000.00	4.000%			
						<u>\$ 8,935,000.00</u>	<u>\$ 415,000.00</u>	<u>\$ 8,520,000.00</u>
					<u>Ref.</u>	C		C

TOWNSHIP OF ALLAMUCHY  
GENERAL CAPITAL FUND  
SCHEDULE OF NEW JERSEY GREEN TRUST LOANS PAYABLE

	<u>Ref.</u>	
Balance December 31, 2014	C	\$ 202,141.75
Decreased by:		
Principal Matured		<u>27,182.27</u>
Balance December 31, 2015	C	<u><u>\$ 174,959.48</u></u>

Schedule of Principal and Interest Payments Outstanding December 31, 2015 - Green Trust Loan - 2001 Issue

<u>Payment Number</u>	<u>Due</u>	<u>Principal</u>	<u>Interest</u>	<u>Loan Balance</u>
				\$ 174,959.48
27	03/05/2016	\$ 13,795.34	\$ 1,749.59	161,164.14
28	09/05/2016	13,933.29	1,611.64	147,230.85
29	03/05/2017	14,072.63	1,472.31	133,158.22
30	09/05/2017	14,213.35	1,331.58	118,944.87
31	03/05/2018	14,355.49	1,189.45	104,589.38
32	09/05/2018	14,499.04	1,045.89	90,090.34
33	03/05/2019	14,644.03	900.90	75,446.31
34	09/05/2019	14,790.47	754.46	60,655.84
35	03/05/2020	14,938.38	606.56	45,717.46
36	09/05/2020	15,087.76	457.17	30,629.70
37	03/05/2021	15,238.64	306.30	15,391.06
38	09/05/2021	15,391.06	153.94	-0-
		<u>\$ 174,959.48</u>	<u>\$ 16,022.98</u>	

TOWNSHIP OF ALLAMUCHY  
GENERAL CAPITAL FUND  
SCHEDULE OF NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE LOANS PAYABLE

	<u>Ref.</u>	
Balance December 31, 2014	C	\$ 934,706.51
Decreased by:		
Principal Matured		123,904.65
Balance December 31, 2015	C	\$ 810,801.86

Schedule of Principal and Interest Payments Outstanding December 31, 2015 - Trust Loan - 2001 Issue

<u>Payment Number</u>	<u>Due</u>	<u>Principal</u>	<u>Interest</u>	<u>Loan Balance</u>
				\$ 460,000.00
27	02/01/2016		\$ 11,293.75	460,000.00
28	08/01/2016	\$ 70,000.00	11,293.75	390,000.00
29	02/01/2017		9,543.75	390,000.00
30	08/01/2017	70,000.00	9,543.75	320,000.00
31	02/01/2018		7,793.75	320,000.00
32	08/01/2018	75,000.00	7,793.75	245,000.00
33	02/01/2019		5,918.75	245,000.00
34	08/01/2019	80,000.00	5,918.75	165,000.00
35	02/01/2020		3,918.75	165,000.00
36	08/01/2020	80,000.00	3,918.75	85,000.00
37	02/01/2021		2,018.75	85,000.00
38	08/01/2021	85,000.00	2,018.75	-0-
		\$ 460,000.00	\$ 80,975.00	

TOWNSHIP OF ALLAMUCHY  
GENERAL CAPITAL FUND  
SCHEDULE OF NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE LOANS PAYABLE  
(Continued)

Schedule of Principal and Interest Payments Outstanding December 31, 2015 - Fund Loan - 2001 Issue

<u>Payment Number</u>	<u>Due</u>	<u>Principal</u>	<u>Loan Balance</u>
			\$ 350,801.86
27	02/01/2016	\$ 7,323.56	343,478.30
28	08/01/2016	52,715.90	290,762.40
29	02/01/2017	6,188.75	284,573.65
30	08/01/2017	51,581.09	232,992.56
31	02/01/2018	5,053.95	227,938.61
32	08/01/2018	53,688.60	174,250.01
33	02/01/2019	3,838.08	170,411.93
34	08/01/2019	55,715.04	114,696.89
35	02/01/2020	2,541.16	112,155.73
36	08/01/2020	54,418.12	57,737.61
37	02/01/2021	1,309.08	56,428.53
38	08/01/2021	56,428.53	-0-
		<u>\$ 350,801.86</u>	

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

<u>Ordinance Date</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2014</u>	<u>Bond Anticipation Notes Issued</u>	<u>Balance Dec. 31, 2015</u>
9/20/05	Improvements to Cat Swamp Road	\$ 750.00		\$ 750.00
3/15/11	Improvements to Shades of Death Road	15,000.00		15,000.00
9/16/14	Acquisition and Improvement of Real Property	<u>285,000.00</u>	<u>\$ 285,000.00</u>	<u>                    </u>
		<u>\$ 300,750.00</u>	<u>\$ 285,000.00</u>	<u>\$ 15,750.00</u>

TOWNSHIP OF ALLAMUCHY  
COUNTY OF WARREN  
2015  
WATER AND SEWER UTILITY FUND

TOWNSHIP OF ALLAMUCHY  
WATER AND SEWER UTILITY OPERATING FUND  
SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>	<u>Operating</u>	<u>Capital</u>
Balance December 31, 2014	D	\$ 817,379.81	\$ 777,201.77
Increased by Receipts:			
Water and Sewer Utility Collector		\$ 1,540,461.83	
Interest Earned		5,871.29	\$ 2,117.10
Third Party Liens		3,936.67	
Connection Fees		100,000.00	
Miscellaneous		4,374.84	
Bond Anticipation Notes Issued			1,160,000.00
Premium on Sale of Bond Anticipation Notes			3,143.87
Water District Rents		16,439.05	
Due Water and Sewer Utility Capital Fund:			
Fund Balance Anticipated as Revenue		14,684.00	
Interest Earned		2,117.10	
2015 Budget Appropriations:			
Capital Improvement Fund			150,000.00
Appropriation Refunds		9,997.65	
		<u>1,697,882.43</u>	<u>1,315,260.97</u>
		2,515,262.24	2,092,462.74

TOWNSHIP OF ALLAMUCHY  
WATER AND SEWER UTILITY OPERATING FUND  
SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>	<u>Operating</u>		<u>Capital</u>
Decreased by Disbursements:				
2015 Appropriation Expenditures		\$ 1,212,610.31		
2014 Appropriation Reserve Expenditures		17,672.78		
Water and Sewer Overpayments Refunded		188.53		
Third Party Liens		3,109.82		
Security Deposits Refunded		5,658.44		
Due to Current Fund - Fund Balance				
Utilized as Anticipated Revenue		25,000.00		
Interest on:				
New Jersey Water Supply Interconnection Loan		3,366.60		
New Jersey Environmental Infrastructure Trust Loan		12,606.26		
Water and Sewer Utility Bonds		97,777.98		
Improvement Authorization Expenditures			\$ 1,023,764.38	
Due Water and Sewer Utility Operating Fund:				
Capital Fund Balance			14,684.00	
Interest Earned			2,117.10	
		<u>\$ 1,377,990.72</u>		<u>\$ 1,040,565.48</u>
Balance December 31, 2015	D	<u>\$ 1,137,271.52</u>		<u>\$ 1,051,897.26</u>

TOWNSHIP OF ALLAMUCHY  
WATER AND SEWER UTILITY OPERATING FUND  
SCHEDULE OF CASH - COLLECTOR  
YEAR ENDED DECEMBER 31, 2015

## Increased by Receipts:

## Consumer Accounts Receivable:

Water and Sewer Rents	\$ 1,528,077.72
Interest on Consumer Accounts	4,136.66
Rent Overpayments	118.77
Security Deposits	8,128.68
	<hr/>

\$ 1,540,461.83

## Decreased by Disbursements:

## Paid to Treasurer

\$ 1,540,461.83

TOWNSHIP OF ALLAMUCHY  
WATER AND SEWER UTILITY CAPITAL FUND  
ANALYSIS OF WATER AND SEWER CAPITAL CASH

	Balance/(Deficit) Dec. 31, 2014	Receipts			Disbursements		Transfers		Balance/(Deficit) Dec. 31, 2015	
		Budget Appropriation	Bond		Improvement Authorizations	Miscellaneous	From	To		
			Anticipation Note Issued	Miscellaneous						
Capital Fund Balance	\$ 15,798.08			\$ 5,260.97		\$ 16,801.10			\$ 4,257.95	
Capital Improvement Fund	6,937.60	\$ 150,000.00					\$ 100,000.00		56,937.60	
Reserve for Developer Contribution	13,826.00								13,826.00	
Reserve for Facility Improvements	850.00								850.00	
<u>Ord No.</u>	<u>Improvement Description</u>									
02-04/07-05	Water System Improvements								(726.21)	
10-07	Water System Improvements				\$ 912.54				918.88	
14-06	Water Facility Improvements				699,893.57					
14-07	Water Facility Improvements				38,147.06				644.25	
14-16	Water Facility Improvements			\$ 300,000.00	73,336.44				226,663.56	
15-03	Water System Improvements			860,000.00	206,784.97		\$ 100,000.00		753,215.03	
15-07	Water Main Replacement				4,689.80				(4,689.80)	
		<u>\$ 777,201.77</u>	<u>\$ 150,000.00</u>	<u>\$ 1,160,000.00</u>	<u>\$ 5,260.97</u>	<u>\$ 1,023,764.38</u>	<u>\$ 16,801.10</u>	<u>\$ 100,000.00</u>	<u>\$ 100,000.00</u>	<u>\$ 1,051,897.26</u>

TOWNSHIP OF ALLAMUCHY  
WATER AND SEWER UTILITY OPERATING FUND  
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE

	<u>Ref.</u>	
Balance December 31, 2014	D	\$ 407,244.77
Increased by:		
Water and Sewer Rents Levied		<u>1,543,313.54</u>
		1,950,558.31
Decreased by:		
Collections	\$ 1,528,077.72	
Overpayments Applied	<u>581.77</u>	
		<u>1,528,659.49</u>
Balance December 31, 2015	D	<u><u>\$ 421,898.82</u></u>

TOWNSHIP OF ALLAMUCHY  
WATER AND SEWER UTILITY CAPITAL FUND  
SCHEDULE OF FIXED CAPITAL

Description	Balance Dec. 31, 2014	Additions By Ordinance	Balance Dec. 31, 2015
Dual Cylinder Scales (2)	\$ 2,210.00		\$ 2,210.00
Storage Reservoirs, Tanks and Standpipes	118,136.35		118,136.35
Wastewater Treatment System and Facility	4,265,252.16		4,265,252.16
Water System Interconnection	20,000.00		20,000.00
Various General Improvements and Water Interconnection	634,981.85		634,981.85
Acquisition and Construction of Certain Capital Improvements	26,956.85		26,956.85
Acquisition and Construction of Certain Capital Improvements	17,177.34		17,177.34
Acquisition of a Ford F150 4X4 Truck	22,325.24		22,325.24
Restoration of Bald Eagle Road	11,593.78		11,593.78
Various Capital Improvements	274,307.51		274,307.51
Acquisition and Construction of Certain Capital Improvements	120,283.87		120,283.87
Acquisition of Property	183,306.69		183,306.69
Replacement of Emergency Generator at Pump Station No. 2	52,845.00		52,845.00
Water System Improvements	75,000.00		75,000.00
Water Main Replacement	225,000.00		225,000.00
Water System Improvements	1,000,000.00		1,000,000.00
Water System Improvements	487,669.90		487,669.90
Water System Improvements	1,150,000.00		1,150,000.00
Water System Improvements	75,000.00		75,000.00
Water System Improvements	20,000.00		20,000.00
Purchase Pick-Up Truck	33,215.04		33,215.04
Water System Improvements	49,337.83		49,337.83
Water Facility Improvements	70,000.00		70,000.00
Water Facility Improvements	<u>750,000.00</u>	<u>\$ 750,000.00</u>	<u>750,000.00</u>
	<u>\$ 8,934,599.41</u>	<u>\$ 750,000.00</u>	<u>\$ 9,684,599.41</u>

Ref.

D

D

TOWNSHIP OF ALLAMUCHY  
WATER AND SEWER UTILITY CAPITAL FUND  
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

<u>Improvement Description</u>	<u>Ordinance</u>		<u>Balance Dec. 31, 2014</u>	<u>2015 Authorizations</u>		<u>Costs to Fixed Capital</u>	<u>Balance Dec. 31, 2015</u>
	<u>Date</u>	<u>Amount</u>		<u>Capital Improvement Fund</u>	<u>Deferred Charges to Future Revenue</u>		
Water System Improvements	05/18/2010	\$ 1,500,000.00	\$ 1,199,952.00				\$ 1,199,952.00
Water Facility Improvements	06/17/2014	750,000.00	750,000.00			\$ 750,000.00	
Water Facility Improvements	06/17/2014	60,000.00	60,000.00				60,000.00
Water Facility Improvements	11/18/2014	300,000.00	300,000.00				300,000.00
Water System Improvements	06/16/2015	960,000.00		\$ 100,000.00	\$ 860,000.00		960,000.00
Water Main Replacement	09/09/2015	250,000.00			250,000.00		250,000.00
			<u>\$ 2,309,952.00</u>	<u>\$ 100,000.00</u>	<u>\$ 1,110,000.00</u>	<u>\$ 750,000.00</u>	<u>\$ 2,769,952.00</u>
	<u>Ref.</u>		D				D

TOWNSHIP OF ALLAMUCHY  
WATER AND SEWER UTILITY OPERATING FUND  
SCHEDULE OF 2014 APPROPRIATION RESERVES  
YEAR ENDED DECEMBER 31, 2015

	<u>Balance</u> <u>Dec. 31, 2014</u>	<u>Balance</u> <u>After</u> <u>Modification</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Operating:				
Salaries and Wages	\$ 3,957.92	\$ 1,057.92		\$ 1,057.92
Other Expenses	15,002.73	17,902.73	\$ 17,672.78	229.95
	<u>\$ 18,960.65</u>	<u>\$ 18,960.65</u>	<u>\$ 17,672.78</u>	<u>\$ 1,287.87</u>

Ref.

Analysis of Balance December 31, 2014:

Unencumbered	D	\$ 8,183.37
Encumbered	D	<u>10,777.28</u>
		<u>\$ 18,960.65</u>

TOWNSHIP OF ALLAMUCHY  
WATER AND SEWER UTILITY CAPITAL FUND  
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord. No.	Improvement Description	Ordinance Date	Ordinance Amount	Balance Dec. 31, 2014		2015 Authorizations		Balance Dec. 31, 2015		
				Funded	Unfunded	Capital Improvement Fund	Deferred Charges to Future Revenue	Paid or Charged	Funded	Unfunded
10-07	Water System Improvements	05/18/10	\$ 1,500,000.00	\$ 1,831.42				\$ 912.54	\$ 918.88	
14-06	Water Facility Improvements	06/17/14	750,000.00	699,893.57				699,893.57		
14-07	Water Facility Improvements	06/17/14	60,000.00	38,791.31				38,147.06	644.25	
14-16	Water Facility Improvements	11/18/14	300,000.00		\$ 300,000.00			73,336.44	\$ 226,663.56	
15-03	Water System Improvements	06/16/15	960,000.00			\$ 100,000.00	\$ 860,000.00	206,784.97	753,215.03	
15-07	Water Main Replacement	09/09/15	250,000.00				250,000.00	4,689.80	245,310.20	
				<u>\$ 740,516.30</u>	<u>\$ 300,000.00</u>	<u>\$ 100,000.00</u>	<u>\$ 1,110,000.00</u>	<u>\$1,023,764.38</u>	<u>\$ 1,563.13</u>	<u>\$1,225,188.79</u>
		<u>Ref.</u>		D	D				D	D

TOWNSHIP OF ALLAMUCHY  
WATER AND SEWER UTILITY CAPITAL FUND  
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>		
Balance December 31, 2014	D	\$	6,937.60
Increased by:			
2015 Budget Appropriation			150,000.00
			<u>156,937.60</u>
Decreased by:			
Appropriated to Finance Improvement Authorizations			100,000.00
			<u>100,000.00</u>
Balance December 31, 2015	D	\$	<u><u>56,937.60</u></u>

TOWNSHIP OF ALLAMUCHY  
WATER AND SEWER UTILITY CAPITAL FUND  
SCHEDULE OF RESERVE FOR AMORTIZATION

	<u>Ref.</u>	
Balance December 31, 2014	D	\$ 6,687,892.78
Increased by:		
Paid by Water and Sewer Utility Operating Budget:		
New Jersey Water Supply Interconnection Loan	\$ 18,794.45	
Serial Bonds Paid	130,000.00	
New Jersey Environmental Infrastructure Trust Loan	<u>41,112.98</u>	
		<u>189,907.43</u>
Balance December 31, 2015	D	<u><u>\$ 6,877,800.21</u></u>

TOWNSHIP OF ALLAMUCHY  
WATER AND SEWER UTILITY CAPITAL FUND  
SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

<u>Ord. No.</u>	<u>Improvement Description</u>	<u>Ordinance Date</u>	<u>Balance Dec. 31, 2014</u>	<u>2015 Authorizations</u>	<u>Balance Dec. 31, 2015</u>
10-07	Water System Improvements	05/18/2010	\$ 76,961.00		\$ 76,961.00
14-07	Water Facility Improvements	06/17/2014	60,000.00		60,000.00
15-03	Water System Improvements	06/16/2015		\$ 100,000.00	100,000.00
			<u>\$ 136,961.00</u>	<u>\$ 100,000.00</u>	<u>\$ 236,961.00</u>
		<u>Ref.</u>	D		D

TOWNSHIP OF ALLAMUCHY  
WATER AND SEWER UTILITY CAPITAL FUND  
SCHEDULE OF NEW JERSEY WATER SUPPLY INTERCONNECTION LOAN PAYABLE

	<u>Ref.</u>	
Balance December 31, 2014	D	\$ 100,846.29
Decreased by:		
Principal Matured		<u>18,794.45</u>
Balance December 31, 2015	D	<u><u>\$ 82,051.84</u></u>

Schedule of Principal and Interest Payments Outstanding December 31, 2015

<u>Payment Number</u>	<u>Due Date</u>	<u>Interest</u>	<u>Principal</u>	<u>Balance of Loan</u>
				\$ 82,051.84
31	06/30/16	\$ 1,435.91	\$ 9,644.61	72,407.23
32	12/30/16	1,267.13	9,813.40	62,593.83
33	06/30/17	1,095.39	9,985.13	52,608.70
34	12/30/17	920.65	10,159.87	42,448.83
35	06/30/18	742.85	10,337.67	32,111.16
36	12/30/18	561.95	10,518.58	21,592.58
37	06/30/19	377.87	10,702.65	10,889.93
38	12/30/19	190.59	10,889.93	-0-
		<u>\$ 10,599.87</u>	<u>\$ 82,051.84</u>	

TOWNSHIP OF ALLAMUCHY  
WATER AND SEWER UTILITY CAPITAL FUND  
SCHEDULE OF NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST LOAN PAYABLE

	<u>Ref.</u>	
Balance December 31, 2014	D	\$ 493,125.13
Decreased by:		
Principal Matured		41,112.98
Balance December 31, 2015	D	\$ 452,012.15

Schedule of Principal and Interest Payments Outstanding December 31, 2015

<u>Payment Number</u>	<u>Due Date</u>	<u>Loan Interest</u>	<u>Loan Principal</u>	<u>Trust Principal</u>	<u>Balance of Loan</u>
					\$ 452,012.15
41	2/1/16			\$ 3,822.35	448,189.80
42	3/1/16	\$ 5,903.13			448,189.80
43	8/1/16			20,010.18	428,179.62
44	9/1/16	5,903.13	\$ 25,000.00		403,179.62
45	2/1/17			3,498.59	399,681.03
46	3/1/17	5,403.13			399,681.03
47	8/1/17			19,686.42	379,994.61
48	9/1/17	5,403.13	25,000.00		354,994.61
49	2/1/18			3,093.90	351,900.71
50	3/1/18	4,778.13			351,900.71
51	8/1/18			19,281.73	332,618.98
52	9/1/18	4,778.13	25,000.00		307,618.98
53	2/1/19			2,689.20	304,929.78
54	3/1/19	4,153.13			304,929.78
55	8/1/19			18,877.03	286,052.75
56	9/1/19	4,153.13	25,000.00		261,052.75
57	2/1/20			2,284.51	258,768.24
58	3/1/20	3,528.13			258,768.24
59	8/1/20			18,472.34	240,295.90
60	9/1/20	3,528.13	25,000.00		215,295.90
61	2/1/21			1,879.81	213,416.09
62	3/1/21	2,903.13			213,416.09
63	8/1/21			21,305.21	192,110.88
64	9/1/21	2,903.13	30,000.00		162,110.88

TOWNSHIP OF ALLAMUCHY  
WATER AND SEWER UTILITY CAPITAL FUND  
SCHEDULE OF NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST LOAN PAYABLE  
(Continued)

Schedule of Principal and Interest Payments Outstanding December 31, 2015  
(Continued)

<u>Payment Number</u>	<u>Due Date</u>	<u>Loan Interest</u>	<u>Loan Principal</u>	<u>Trust Principal</u>	<u>Balance of Loan</u>
					\$ 162,110.88
65	2/1/22			\$ 1,394.18	160,716.70
66	3/1/22	\$ 2,153.13			160,716.70
67	8/1/22			20,819.57	139,897.13
68	9/1/22	2,153.13	\$ 30,000.00		109,897.13
69	2/1/23			908.54	108,988.59
70	3/1/23	1,403.13			108,988.59
71	8/1/23			20,333.94	88,654.65
72	9/1/23	1,403.13	30,000.00		58,654.65
73	2/1/24			495.75	58,158.90
74	3/1/24	765.63			58,158.90
75	8/1/24			23,158.90	35,000.00
76	9/1/24	765.63	35,000.00		
		<u>\$ 75,387.60</u>	<u>\$ 250,000.00</u>	<u>\$ 202,012.15</u>	

TOWNSHIP OF ALLAMUCHY  
WATER AND SEWER UTILITY CAPITAL FUND  
SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE  
YEAR ENDED DECEMBER 31, 2015

Ord. Date	Improvement Description	Date of			Interest Rate	Issued	Balance Dec. 31, 2015
		Original Note	Issue	Maturity			
14-16	Water System Improvements	10/19/2015	10/19/2015	10/19/2016	1.00%	\$ 300,000.00	\$ 300,000.00
15-03	Water Main Replacement	10/19/2015	10/19/2015	10/19/2016	1.00%	860,000.00	860,000.00
						<u>\$ 1,160,000.00</u>	<u>\$ 1,160,000.00</u>
					<u>Ref.</u>		D

TOWNSHIP OF ALLAMUCHY  
WATER AND SEWER UTILITY CAPITAL FUND  
SCHEDULE OF SERIAL BONDS PAYABLE

Purpose	Date of Issue	Original Issue	Maturities of Bonds		Interest Rate	Balance Dec. 31, 2014	Matured	Balance Dec. 31, 2015
			Outstanding Dec. 31, 2015 Date	Amount				
Water Utility Bonds	12/2/14	\$ 3,525,000.00	12/1/16	\$ 135,000.00	2.750%			
			12/1/17	140,000.00	2.750			
			12/1/18	145,000.00	2.750			
			12/1/19	150,000.00	2.750			
			12/1/20	155,000.00	2.750			
			12/1/21	160,000.00	2.750			
			12/1/22	165,000.00	2.750			
			12/1/23	170,000.00	2.750			
			12/1/24	175,000.00	2.750			
			12/1/25	180,000.00	2.750			
			12/1/26	185,000.00	3.000			
			12/1/27	190,000.00	3.000			
			12/1/28	195,000.00	3.000			
			12/1/29	200,000.00	3.000			
			12/1/30	205,000.00	3.125			
			12/1/31	205,000.00	3.125			
			12/1/32	210,000.00	3.250			
			12/1/33	215,000.00	3.250			
			12/1/34	215,000.00	3.250			
						\$ 3,525,000.00	\$ 130,000.00	\$ 3,395,000.00
						\$ 3,525,000.00	\$ 130,000.00	\$ 3,395,000.00
					Ref.	D		D

TOWNSHIP OF ALLAMUCHY  
WATER AND SEWER UTILITY CAPITAL FUND  
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Ord. No.	Improvement Description	Balance Dec. 31, 2014	2015 Authorizations	Notes Issued	Balance Dec. 31, 2015
02-04/ 07-05	Water System Improvements	\$ 726.21			\$ 726.21
14-16	Water Facility Improvements	300,000.00		\$ 300,000.00	
15-03	Water System Improvements		\$ 860,000.00	860,000.00	
15-07	Water Main Replacement		250,000.00		250,000.00
		<u>\$ 300,726.21</u>	<u>\$ 1,110,000.00</u>	<u>\$ 1,160,000.00</u>	<u>\$ 250,726.21</u>

TOWNSHIP OF ALLAMUCHY  
COUNTY OF WARREN  
2015  
SEWER UTILITY FUND

NOT APPLICABLE

TOWNSHIP OF ALLAMUCHY  
COUNTY OF WARREN  
2015  
PUBLIC ASSISTANCE FUND

TOWNSHIP OF ALLAMUCHY  
PUBLIC ASSISTANCE FUND  
SCHEDULE OF CASH

	<u>Ref.</u>	<u>Fund Total</u>	<u>P.A.T.F. II</u>
Balance December 31, 2014	F	\$ 7,597.06	\$ 7,597.06
Increased by Receipts:			
Interest Earned		<u>11.92</u>	<u>11.92</u>
Balance December 31, 2015	F	<u>\$ 7,608.98</u>	<u>\$ 7,608.98</u>

TOWNSHIP OF ALLAMUCHY  
COUNTY OF WARREN  
2015  
BOND AND INTEREST FUND

NOT APPLICABLE

TOWNSHIP OF ALLAMUCHY  
COUNTY OF WARREN  
2015  
WATER DISTRICT

TOWNSHIP OF ALLAMUCHY  
WATER DISTRICT  
SCHEDULE OF CASH

	<u>Ref.</u>	
Balance December 31, 2014	H	\$ 77.41
Increased by:		
Water User Fees		\$ 12,050.11
Interest on Water User Fees		4,388.94
Interest on Investments and Deposits		17.50
		<u>16,456.55</u>
		16,533.96
Decreased by:		
Due Water/Sewer Utility Operating Fund		<u>16,439.05</u>
Balance December 31, 2015	H	<u><u>\$ 94.91</u></u>

TOWNSHIP OF ALLAMUCHY  
WATER DISTRICT  
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE

	<u>Ref.</u>	
Balance December 31, 2014	H	\$ 4,740.32
Increased by:		
Water User Fees Levied		<u>11,422.88</u>
		16,163.20
Decreased by:		
Collections		<u>12,050.11</u>
Balance December 31, 2015	H	<u><u>\$ 4,113.09</u></u>

TOWNSHIP OF ALLAMUCHY

PART II

SINGLE AUDIT

YEAR ENDED DECEMBER 31, 2015

TOWNSHIP OF ALLAMUCHY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED DECEMBER 31, 2015

Name of Federal Agency or Department	Name of Program	C.F.D.A. Number	State Grant Award Number	Grant Award	Amount Received	Grant Period		Amount of Expenditures	Cumulative Expenditures	Amounts Provided to Subrecipients
						From	To			
U.S. Department of Transportation (Passed through the New Jersey Department of Transportation)	Quaker Church Road	20.205	480-078-6320-609164	\$ 91,957.00	\$ 22,989.25	1/1/2014	12/31/2015		\$ 91,957.00	
TOTAL FEDERAL AWARDS					\$ 22,989.25			\$ -0-	\$ 91,957.00	\$ -0-

SEE ACCOMPANYING NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

TOWNSHIP OF ALLAMUCHY  
SCHEDULE OF EXPENDITURES OF STATE AWARDS  
YEAR ENDED DECEMBER 31, 2015

Name of State Agency or Department	State Program	Program Account No.	Grant Award	Amount Received	Grant Period		Amount of Expenditures	Cumulative Expenditures
					From	To		
Department of Environmental Protection	Clean Communities Program	765-042-4900- 004-178910	\$ 9,353.49	\$ 9,353.49	1/1/2015	12/31/2016		
					1/1/2012	12/31/2016	\$ 2,198.74	\$ 2,198.74
					1/1/2011	12/31/2016	2,407.83	7,102.69
	Total Clean Communities			<u>9,353.49</u>			<u>4,606.57</u>	<u>9,301.43</u>
Total Department of Environmental Protection				<u>9,353.49</u>			<u>5,346.57</u>	<u>10,086.43</u>
Department of Health and Senior Services	Alcohol Education, Rehabilitation and Enforcement Fund	760-046-4240- 040000	1,060.80	<u>1,060.80</u>	1/1/2015	12/31/2016		
TOTAL STATE AWARDS				<u>\$ 9,353.49</u>			<u>\$ 5,346.57</u>	<u>\$ 10,086.43</u>

SEE ACCOMPANYING NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

TOWNSHIP OF ALLAMUCHY  
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
YEAR ENDED DECEMBER 31, 2015

A. BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal and state awards (the "Schedules") include the federal and state grant activity of the Township of Allamuchy under programs of the federal and state governments for the year ended December 31, 2015. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Because the schedules present only a selected portion of the operations of the Township, they are not intended to and do not present the financial position, changes in fund balance or cash flows of the Township.

B. BASIS OF ACCOUNTING

Expenditures reported on the accompanying schedules of expenditures of federal and state awards are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts, if any, shown on the Schedules represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through identifying numbers are presented where available. The Township has elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

C. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

D. STATE LOANS OUTSTANDING

The Township of Allamuchy has the following loans outstanding as of December 31, 2015:

Water Supply Interconnection Loan Payable	\$ 82,051.84
Environmental Infrastructure Loans Payable	1,262,814.01
Green Trust Loan Payable	<u>174,959.48</u>
	<u><u>\$ 1,519,825.33</u></u>

Currently, the Township is in the process of repaying the loan balances. There were no loan receipts or expenditures in the current year. The projects which relate to the loans are complete.



Mount Arlington Corporate Center  
 200 Valley Road, Suite 300  
 Mt. Arlington, NJ 07856  
 973-328-1825 | 973-328-0507 Fax

Lawrence Business Center  
 11 Lawrence Road  
 Newton, NJ 07860  
 973-383-6699 | 973-383-6555 Fax

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 Auditors' Report

The Honorable Mayor and Members  
 of the Township Council  
 Township of Allamuchy  
 Allamuchy, New Jersey

We have audited, in accordance with auditing standards generally accepted in the United States of America, audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements - *regulatory basis* - of the various funds of the Township of Allamuchy, in the County of Warren (the "Township") as of and for the years ended December 31, 2015 and 2014, and the related notes to the financial statements and have issued our report thereon dated April 1, 2016. These financial statements have been prepared in conformity with accounting principles prescribed or permitted by the Division, to demonstrate compliance with the Division's regulatory basis of accounting, and the budget laws of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America. That qualified report also indicated that we did not audit the general fixed assets account group.

**Internal Control Over Financial Reporting**

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

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

The Honorable Mayor and Members  
of the Township Council  
Township of Allamuchy  
Page 2

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings and Responses as Finding 2015-01, that we consider to be a significant deficiency.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Township'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*.

### **The Township's Response to the Finding**

The Township's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Responses. The Township's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Purpose of this Report**

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

Mount Arlington, New Jersey  
April 1, 2016

NISIVOCIA LLP



William Schroeder  
Certified Public Accountant  
Registered Municipal Accountant No. 452

TOWNSHIP OF ALLAMUCHY  
SCHEDULE OF FINDINGS AND RESPONSES  
YEAR ENDED DECEMBER 31, 2015

Summary of Auditors' Results:

- The Independent Auditors' Report expresses a qualified opinion on the Township's financial statements, prepared in accordance with accounting practices prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey to demonstrate compliance with the Division's regulatory basis of accounting and the budget laws of New Jersey, as the general fixed assets account group was not audited.
- A significant deficiency disclosed during the audit of the financial statements is reported in the *Independent Auditors' 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*. No material weaknesses are reported.
- No instances of noncompliance material to the financial statements of the Township which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
- The Township was not subject to the single audit provisions of the Uniform Guidance and New Jersey's OMB Circular 15-08 for the year ended December 31, 2015 as both state and federal grant expenditures were less than the single audit thresholds of \$750,000 identified in the Uniform Guidance and NJOMB 15-08.

Findings Relating to the Financial Statements which are required to be Reported in Accordance with Generally Accepted Government Auditing Standards:

- The audit disclosed the following significant deficiency required to be reported under Generally Accepted Government Auditing Standards:

Finding 2015-1

The Township does not maintain an adequate segregation of duties with respect to the recording and treasury functions. Segregation of duties refers to separating those functions that place too much control over a transaction or class of transactions that would enable a person to misappropriate funds and prevent detection within a reasonable period of time. The various departments/offices of the Township are responsible for the issuance of permits and licenses, utility charges and permit and license fees, and recording of collections. This is due, in part, to the limited number of personnel of the Township and the decentralized nature of governmental collection procedures. While this is not unusual in operations the size of the Township, management and the Township Council should be aware of this situation and realize that the concentration of duties and responsibilities in a limited number of individuals is not desirable from a control point of view.

Management's Response

The finding was evaluated, however due to budgetary constraints no resolution can be made at this time.

Findings and Questioned Costs for Federal Awards:

- Not applicable – Federal award expenditures are less than the single audit threshold

Findings and Questioned Costs for State Awards:

- Not applicable – State award expenditures are less than the single audit threshold

TOWNSHIP OF ALLAMUCHY  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2015

The Township's prior year audit finding regarding segregation of duties has not been resolved and is included as finding 2015-1.

TOWNSHIP OF ALLAMUCHY

PART III

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2015

TOWNSHIP OF ALLAMUCHY  
COMMENTS AND RECOMMENDATIONS

Contracts and Agreements Required Advertisement for Bids

N.J.S.A. 40A:11-3 states:

a. " When the cost or price of any contract awarded by the contracting agent in the aggregate does not exceed in a contract year the total sum of \$17,500, the contract may be awarded by a purchasing agent when so authorized by ordinance or resolution, as appropriate to the contracting unit, of the governing body of the contracting unit without public advertising for bids, except that the governing body of any contracting unit may adopt an ordinance or resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations. If the purchasing agent is qualified pursuant to Subsection b. of Section 9 of P.L. 1971, C.198 (N.J.S.A. 40A:11-9), the governing body of the contracting unit may establish that the bid threshold may be up to \$25,000. Such authorization may be granted for each contract or by a general delegation of the power to negotiate and award such contracts pursuant to this section.

b. Any contract made pursuant to this section may be awarded for a period of 24 consecutive months, except that contracts for professional services pursuant to subparagraph (i) of paragraph (a) of subsection (1) of section 5 of P.L. 1971, C.198 (N.J.S.A. 40A:11-5) may be awarded for a period not exceeding 12 consecutive months. The Division of Local Government Services shall adopt and promulgate rules and regulations concerning the methods of accounting for all contracts that do not coincide with the contracting unit's fiscal year.

c. The Governor, in consultation with the Department of the Treasury, shall, no later than March 1 of every fifth year beginning in the fifth year after the year in which P.L.1999, C.440 takes effect, adjust the threshold amount and the higher threshold amount which the governing body is permitted to establish, as set forth in subsection a. of this section, or the threshold amount resulting from any adjustment under this subsection, in direct proportion to the rise or fall of the index rate as that term is defined in section 2 of P.L. 1971, C.198 (N.J.S.A. 40A:11-2), and shall round the adjustment to the nearest \$1,000. The Governor shall, no later than June 1 of every fifth year, notify each governing body of the adjustment. The adjustment shall become effective on July 1 of the year in which it is made."

N.J.S.A. 40A: 11-4 states: "Every contract awarded by the contracting agent for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. The governing body of a contracting unit may, by resolution approved by a majority of the governing body and subject to subsections b. and c. of this section, disqualify a bidder who would otherwise be determined to be the lowest responsible bidder, if the governing body finds that it has had prior negative experience with the bidder."

Effective January 1, 2011 and thereafter the bid threshold in accordance with N.J.S.A. 40A:11-3 is \$17,500, and with a qualified purchasing agent the threshold may be up to \$36,000; effective July 1, 2015 the threshold was increased to \$40,000 with a qualified purchasing agent.

The governing body of the municipality has the responsibility of determining whether the expenditures in any category will exceed the bid threshold within the fiscal year. Where questions arise 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.

TOWNSHIP OF ALLAMUCHY  
COMMENTS AND RECOMMENDATIONS  
(Continued)

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

The minutes indicated that bids were requested by public advertising per N.J.S.A. 40A:11-4. The minutes also indicated that resolutions were adopted and advertised authorizing the awarding of contracts for "Professional Services" and "Extraordinary Unspecifiable Services" per N.J.S.A. 40A:11-5.

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

Finding:

Our review revealed that there were accumulated payments to a vendor for work that was deemed an emergency that exceeded the bid threshold; however no emergency resolution was passed, and no formal bidding procedures were followed.

It is recommended that Local Public Contract Law be adhered to in all cases.

Managements Response:

The Financial Administration will ensure that Local Public Contract Law requirements will be adhered to in the future.

Collection of Interest on Delinquent Taxes and Assessments

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

The following resolutions were adopted in 2015:

BE IT RESOLVED by the Mayor and Council of the Township of Allamuchy, Warren County, New Jersey, that the rate of interest charges on delinquent taxes in this Township shall be as follows:

On all delinquents to and including December 31, 2015, at the rate or rates heretofore governing, and on all delinquents on and after January 1, 2015 at the rate of 8% per annum for and upon the first \$1,500 of the delinquency and at the rate of 18% per annum for and upon any amount of the delinquency in excess of \$1,500; and that a grace period of 10 days will be allowed on taxes due February 1, May 1, August 1, and November 1. If taxes are not paid by the 10th, interest shall be charged from the due date.

BE IT RESOLVED, that the collector of the Township be and is hereby directed to collect interest on all taxes accordingly.

BE IT RESOLVED by the Mayor and Council of the Township of Allamuchy, Warren County, New Jersey, that the rate of interest charges on delinquent utility charges in this Township shall be as follows:

TOWNSHIP OF ALLAMUCHY  
COMMENTS AND RECOMMENDATIONS  
(Continued)

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

On all delinquents to and including December 31, 2015, at the rate or rates heretofore governing, and on all delinquents on and after January 1, 2015 at the rate of 8% per annum for and upon the first \$1,500 of the delinquency and at the rate of 18% per annum for and upon any amount of the delinquency in excess of \$1,500; and that a grace period of 30 days will be allowed on charges due April 1, July 1, October 1, and December 31. If charges are not paid 30 days after the end of each quarter, interest shall be charged from the due date.

BE IT RESOLVED, that the collector of the Township be and is hereby directed to collect interest on all utility charges accordingly.

It appears from our testing that interest was charged in accordance with the above resolutions.

Delinquent Taxes and Tax Title Liens

The last tax sale was held on September, 18 2015.

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

<u>Year</u>	<u>Number of Liens</u>
2015	9
2014	9
2013	0

Municipal Court

The transactions for the year 2015 were as follows:

RECEIPTS AND DISBURSEMENTS FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>Balance</u> <u>Dec. 31, 2014</u>	<u>Receipts</u>	<u>Dis-</u> <u>bursements</u>	<u>Balance</u> <u>Dec. 31, 2015</u>
State of New Jersey	\$ 17,034.21	\$ 277,310.12	\$ 282,970.33	\$ 11,374.00
Municipality:				
Fines and Fees	3,846.79	60,509.88	62,805.67	1,551.00
Conditional Discharge		900.00	675.00	225.00
Fish and Game		175.00	175.00	
Weights and Measures		400.00	400.00	
Restitution		500.00	500.00	
County Fines		2,459.00	2,309.00	150.00
Cash Bail	3,785.00	5,933.00	4,508.00	5,210.00
	<u>\$ 24,666.00</u>	<u>\$ 348,187.00</u>	<u>\$ 354,343.00</u>	<u>\$ 18,510.00</u>

TOWNSHIP OF ALLAMUCHY  
COMMENTS AND RECOMMENDATIONS  
(Continued)

New Jersey Administrative Code Accounting Requirements

The Division of Local Government Services has established three (3) accounting requirements which are prescribed in the New Jersey Administrative Code. They are as follows:

1. Maintenance of an encumbrance accounting system.
2. Fixed asset accounting and reporting system.
3. General ledger accounting system.

The Township maintains an encumbrance accounting system, a fixed asset accounting and reporting system and a general ledger accounting system.

Over-expenditure of Appropriation/Deficit in Reserve

During our review of both the Federal and State Grant Fund and the Other Trust Funds, it was noted that the Warren County Historical Preservation Grant and the Harvest Festival Trust were overspent, resulting in an over-expenditure the Federal and State Grant Fund and a deficit in the Reserve for the Harvest Festival.

It is recommended that the Chief Financial Officer more closely monitor expenditures so that there are not any over-expenditures or deficit in reserves.

Management Response

The Chief Financial Officer will ensure will monthly monitor expenditures to ensure that there are no over-expenditures or deficits in reserve.

Management Suggestions

During our review of the state and federal grant fund it was noted that there are several older outstanding grant balances that have been idle for several years. We suggest that management review these balances for cancellation.

During our review of the Current Fund it was noted that cat collection fees are reported as miscellaneous revenues. As these fees are the result of the sale of licenses for animals the collections should be reported in the Animal Control Fund. We suggest that cat collection fees be reported in the Animal Control Fund.

Status of Prior Year Recommendations

Recommendation #1 the 2014 audit report is included in the current year recommendations and is in the process of being implemented.

TOWNSHIP OF ALLAMUCHY  
SUMMARY OF RECOMMENDATIONS

It is recommended that:

- 1) Segregation of duties for the various departments/offices of the Township be reviewed in order to improve internal control.
- 2) Local Public Contract Law be adhered to in all cases.
- 3) Chief Financial Officer more closely monitor expenditures so that there are not any over-expenditures or deficit in reserves.

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