

TOWNSHIP OF BASS RIVER

**AUDIT REPORT FOR THE YEAR
ENDED DECEMBER 31, 2014**

**TOWNSHIP OF BASS RIVER
COUNTY OF BURLINGTON**

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**TOWNSHIP OF BASS RIVER
COUNTY OF BURLINGTON**

PART I

**INDEPENDENT AUDITOR'S REPORT
AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014**



HOLMAN | FRENIA
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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members
of the Township Board of Commissioners
Township of Bass River
3 North Maple Avenue
New Gretna, New Jersey 08224

Report on the Financial Statements

We have audited the accompanying comparative statements of assets, liabilities, reserves and fund balance--regulatory basis of the various funds and account group of the Bass River Township, County of Burlington, State of New Jersey as of December 31, 2014 and 2013, and the related comparative statements of operations and changes in fund balance--regulatory basis for the year then ended, the related statement of revenues--regulatory basis, statement of expenditures--regulatory basis, and the related notes to the financial statements for the year ended December 31, 2014.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

As discussed in Note 1 to the financial statements, the Bass River Township prepares its financial statements using accounting practices that demonstrate compliance with regulatory basis of accounting and budget laws of the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the State of New Jersey.

The effects on the financial statements of the variances between these 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 Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Bass River Township, County of Burlington, State of New Jersey, as of December 31, 2014, or the results of its operations and changes in fund balance for the years then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, reserves and fund balance--regulatory basis of the various funds and account group of the Bass River Township, County of Burlington, State of New Jersey, as of December 31, 2014, and the results of its operations and changes in fund balance --regulatory basis of such funds for the years then ended, and the related statement of revenues--regulatory basis, statement of expenditures--regulatory basis of the various funds, and the related notes to financial statements, for the year ended December 31, 2014 in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Other Matters

Report on Supplementary Information

Our audit was made for the purpose of forming an opinion on the financial statements referred to in the first paragraph as a whole. The supplemental financial statements presented for the various funds are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and is not a required part of the above financial statements. Such information is the responsibility of management and was derived from and relates 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 financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 11, 2015, on our consideration of the Bass River Township'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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Bass River Township's internal control over financial reporting and compliance.

Respectfully submitted,

HOLMAN FRENIA ALLISON, P.C.

Kevin P. Frenia
Certified Public Accountant
Registered Municipal Accountant
RMA #435

June 11, 2015
Medford, New Jersey

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INDEPENDENT AUDITOR’S 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*

Honorable Mayor and Members
of the Township Board of Commissioners
Township of Bass River
3 North Maple Avenue
New Gretna, New Jersey 08224

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements of the Bass River Township (herein referred to as “the Township”), as of and for the year ended December 31, 2014, and the related notes to the financial statements, and have issued our report thereon dated June 11, 2015. Our report on the financial statements – regulatory basis was modified to indicate that the financial statements were not prepared and presented in accordance with accounting principles generally accepted in the United States of America but rather prepared and presented in accordance with the regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United State, to meet the requirements of the State of New Jersey for municipal government entities as described in Note 1.

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 Townships’s financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of Comments & Recommendations section that we consider to be significant deficiencies as Finding No’s. 2014-01, 2014-02, 2014-03 & 2014-04.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* or audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and which are described in the accompanying Comments & Recommendations section as Finding's 2014-01, 2014-02, 2014-03 & 2014-04.

Response to Findings

Bass River Township's response to the findings identified in our audit is described in the accompanying Comments & Recommendations section. Bass River Township's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Respectfully submitted,

HOLMAN FRENIA ALLISON, P.C.

Kevin P. Frenia
Certified Public Accountant
Registered Municipal Accountant
RMA #435

June 11, 2015
Medford, New Jersey

BASIC FINANCIAL STATEMENTS

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**TOWNSHIP OF BASS RIVER
CURRENT FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE -- REGULATORY BASIS
DECEMBER 31, 2014 AND 2013**

ASSETS	REFERENCE	2014	2013
Regular Fund:			
Cash:			
Treasurer	A-4	\$ 743,233	\$ 705,867
Change Fund	A-5	525	525
Investment - Bond Anticipation Note	C	<u>114,525</u>	<u>123,925</u>
Total Regular Fund		<u>858,283</u>	<u>830,317</u>
Receivables & Other Assets:			
Delinquent Property Taxes Receivable	A-6	173,470	195,006
Tax Title Liens Receivable	A-7	568,342	500,988
Property Acquired for Taxes - Assessed Valuation	A-8	584,100	584,100
Revenue Accounts Receivable	A-9	12,230	9,876
Due from State & Federal Grant Fund	A	31,454	24,792
Due from Payroll Fund	B	5,015	5,015
Due from Capital Fund	C	42,270	15,370
Due from Trust Assessment Fund	B	2,842	2,842
Due from Animal Control Fund	B	<u>1,728</u>	<u>1,468</u>
Total Receivables & Other Assets		<u>1,421,451</u>	<u>1,339,457</u>
Deferred Charges To Future Taxation:			
Overexpenditure of Grant Appropriation		12,962	
Special Emergency - Revaluation	A	<u>32,993</u>	<u>-</u>
Total		<u>45,955</u>	<u>-</u>
Total Regular Funds		<u>2,325,689</u>	<u>2,169,774</u>
State & Federal Grants:			
Federal & State Grants Receivable	A-14	<u>491,066</u>	<u>163,473</u>
Total State & Federal Grants		<u>491,066</u>	<u>163,473</u>
Total		<u>\$ 2,816,755</u>	<u>\$ 2,333,247</u>

The accompanying Notes to the Financial Statements are an intergral part of this Statement.

**TOWNSHIP OF BASS RIVER
CURRENT FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE -- REGULATORY BASIS
DECEMBER 31, 2014 AND 2013**

LIABILITIES RESERVES & FUND BALANCE	REFERENCE	<u>2014</u>	<u>2013</u>
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3,A-10	\$ 78,223	\$ 66,632
Encumbrances Payable	A-3	23,110	20,492
Prepaid Taxes	A-4	46,745	65,656
Tax Overpayments	A	2,964	5,980
Due County for Added & Omitted Taxes	A-6	2,337	831
Local District School Tax Payable	A-11	273,240	231,834
Regional District School Tax Payable	A-12	16,653	6,760
Due to Trust Other Fund	B	<u>56,932</u>	<u>35,357</u>
 Total Liabilities		 <u>500,204</u>	 <u>433,542</u>
 Reserves for Receivable & Other Assets	A	 1,421,451	 1,339,457
Fund Balance	A-1	<u>404,034</u>	<u>396,775</u>
 Total Regular Fund		 <u>2,325,689</u>	 <u>2,169,774</u>
State & Federal Grants:			
Appropriated Reserves	A-15	457,646	138,681
Unappropriated Reserves	A-16	1,966	-
Due to Current Fund	A	<u>31,454</u>	<u>24,792</u>
 Total State & Federal Grants		 <u>491,066</u>	 <u>163,473</u>
 Total Liabilities, Reserves & Fund Balance		 <u>\$ 2,816,755</u>	 <u>\$ 2,333,247</u>

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

**TOWNSHIP OF BASS RIVER
CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND
CHANGES IN FUND BALANCE - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**

	<u>2014</u>	<u>2013</u>
Revenue & Other Income Realized:		
Fund Balance Utilized	\$ 345,000	\$ 350,000
Miscellaneous Revenue Anticipated	974,039	564,015
Receipts From Current Taxes	3,106,415	2,948,595
Receipts From Delinquent Taxes	117,979	121,437
Non-Budget Revenue	209,225	164,790
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	66,632	98,432
Interfunds Liquidated	12,962	
Cancellation of Prior Year Encumbrances	<u>1,027</u>	<u>-</u>
 Total	 <u>4,833,279</u>	 <u>4,247,269</u>
Expenditures:		
Operations Within "CAPS"		
Salaries and Wages	377,497	364,310
Other Expenses	500,420	499,740
Deferred Charges & Statutory Expenditures Within "CAPS"	67,799	67,712
Operations Excluded From "CAPS"		
Salaries and Wages	3,506	3,000
Other Expenses	411,697	99,600
Capital Improvements Excluded From "CAPS"	-	
Municipal Debt Service Excluded From "CAPS"	9,400	9,600
Deferred Charges & Statutory Expenditures Excluded From "CAPS"	8,249	5,000
County Taxes	671,661	673,333
Due County for Added & Omitted Taxes	2,337	831
Local District School Tax	1,346,565	1,163,753
Regional High School Tax	1,042,814	972,077
Other Debits to Income:		
Reserve for Due from State for Exemptions	-	750
Intergovernmental Account Receivable Interfunds Created:		
Due Capital Fund	17,500	-
Due Trust Other Fund	<u>21,575</u>	<u>35,357</u>
 Total Expenditures	 <u>4,481,020</u>	 <u>3,895,063</u>
Excess in Revenue	<u>352,259</u>	<u>352,206</u>
Statutory Excess to Surplus	352,259	352,206
Fund Balance January 1	<u>396,775</u>	<u>394,569</u>
Total	749,034	746,775
Decreased by:		
Utilization as Anticipated Revenue	<u>345,000</u>	<u>350,000</u>
Balance December 31	<u>\$ 404,034</u>	<u>\$ 396,775</u>

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

**TOWNSHIP OF BASS RIVER
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2014**

	ANTICIPATED	REALIZED	EXCESS OR (DEFICIT)
Fund Balance Anticipated	\$ 345,000	\$ 345,000	\$ -
Miscellaneous Revenue:			
Licenses:			
Alcoholic Beverages	3,500	4,895	1,395
Other	5,500	3,626	(1,874)
Fees & Permits	10,000	12,694	2,694
Fines & Costs:			
Municipal Court	120,000	165,153	45,153
Interest & Costs on Taxes	20,000	72,042	52,042
State Aid Without Offsetting Appropriations:			
Energy Receipts Tax	139,900	139,900	-
Consolidated Municipal Property Tax Relief Aid	3,899	3,899	-
Garden State Trust Fund	160,491	160,491	-
Special Items Offset with Appropriations:			
Municipal Park Development Program	391,000	391,000	-
Municipal Alliance Grant	4,122	4,122	-
Clean Communities Grant	6,226	6,226	-
Alcohol Education & Rehabilitation Grant	591	591	-
Reserve for Note Principal	9,400	9,400	-
Total Miscellaneous Revenues	874,629	974,039	99,410
Receipts From Delinquent Taxes	125,000	117,979	(7,021)
Subtotal General Revenues	999,629	1,092,018	92,389
Local Tax for Municipal Purposes	210,656	219,755	9,099
Budget Totals	1,555,285	1,656,773	101,488
Nonbudget Revenues	-	209,225	209,225
Total	\$ 1,555,285	\$ 1,865,998	\$ 310,713

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

**TOWNSHIP OF BASS RIVER
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2014**

ANALYSIS OF REALIZED REVENUES

Allocation of Current Tax Collections:	
Revenue From Collections	\$ 3,106,415
Allocated to School, County & Fire District Taxes	<u>3,063,377</u>
Balance for Support of Municipal Budget Appropriations	43,038
Increased by Appropriation - Reserve for Uncollected Taxes	<u>176,717</u>
Amount for Support of Municipal Budget Appropriations	<u><u>\$ 219,755</u></u>
Receipts From Delinquent Taxes:	
Tax Title Lien Collections	\$ 4,605
Delinquent Tax Collections	<u>113,374</u>
Total Receipts From Delinquent Taxes	<u><u>\$ 117,979</u></u>

ANALYSIS OF NONBUDGET REVENUE

Miscellaneous Revenues Not Anticipated:	
Cash - Treasurer:	
Interest	\$ 48
Gas Line Installation	6,200
Washington Twp. Court Interlocal Payment	52,350
Assessment Services	3,800
Tower Fees	53,693
Copies	166
Planning Board Fees	65
Assessor Lists	110
Cable Fees	4,211
Marriage License Fees	112
Zoning Maps	15
Fees from Construction	8,526
Zoning Fees from Construction	435
Maintenance Yard Rent	11,000
Billboard Fees	4,342
U.S. Fish & Game	2,845
Rental Registration	495
Septic Charges	11,586
PILOT Individuals	6,000
Cut & Clean Liens	1,110
Campground Fees	8,814
SC & Vet Admin. Fee	390
Miscellaneous	<u>32,912</u>
Total	<u><u>\$ 209,225</u></u>

The accompanying Notes to the Financial Statements are an intergral part of this Statement.

**TOWNSHIP OF BASS RIVER
CURRENT FUND
STATEMENT OF EXPENDITURES (REGULATORY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2014**

OPERATIONS - WITHIN "CAPS"	APPROPRIATIONS		EXPENDED		CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
Department of Revenue & Finance:					
Director's Office:					
Salaries and Wages	\$ 4,805	\$ 4,805	\$ 4,606	\$ 199	\$ -
Administrative and Executive:					
Salaries and Wages	12,000	12,285	12,252	33	-
Other Expenses	12,000	13,719	13,719	-	-
Financial Administration (Treasury):					
Salaries and Wages	26,000	27,350	27,349	1	-
Other Expenses	15,000	15,756	15,756	-	-
Tax Assessment Administration:					
Salaries and Wages	20,700	21,765	21,765	-	-
Other Expenses	2,200	4,200	4,081	119	-
Collection of Taxes:					
Salaries and Wages	22,450	22,450	16,922	5,528	-
Other Expenses	6,000	6,000	5,841	159	-
Liquidation of Tax Title Liens & Foreclosed Property:					
Other Expenses	2,000	2,000	-	2,000	-
Auditing Services:					
Other Expenses	25,000	25,000	16,000	9,000	-
Municipal Clerk:					
Salaries and Wages	56,000	56,000	53,615	2,385	-
Other Expenses	-	905	905	-	-
Legal Services:					
Other Expenses	32,000	25,450	19,589	5,861	-
Engineering Services:					
Other Expenses	20,000	20,000	17,625	2,375	-
Planning Board:					
Salaries and Wages	4,692	4,692	3,567	1,125	-
Other Expenses	7,000	7,000	5,985	1,015	-
Environmental Commission:					
Salaries and Wages	1,000	-	-	-	-
Sewer Systems:					
Salaries and Wages	9,000	9,000	8,798	202	-
Other Expenses	15,000	17,000	16,084	916	-
Recreation:					
Other Expenses	2,250	2,250	2,230	20	-
Utility Expenses & Bulk Purchases:					
Telephone	8,000	8,000	7,703	297	-
Gas (Propane)	4,000	2,742	581	2,161	-
Electricity	9,500	14,500	12,811	1,689	-
Street Light	19,000	20,752	20,752	-	-
Gasoline	4,000	9,200	7,859	1,341	-
Telecommunication	500	500	185	315	-
Department of Public Works, Parks & Public Property:					
Director's Office:					
Salaries and Wages	4,200	4,200	4,079	121	-
Buildings and Grounds:					
Other Expenses	12,000	12,000	11,911	89	-
Streets and Road Maintenance:					
Salaries and Wages	23,000	27,300	26,654	646	-
Other Expenses	18,000	18,000	17,424	576	-

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

**TOWNSHIP OF BASS RIVER
CURRENT FUND
STATEMENT OF EXPENDITURES (REGULATORY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2014**

OPERATIONS - WITHIN "CAPS"	APPROPRIATIONS		EXPENDED		CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
Convenience Center:					
Salaries and Wages	31,000	40,500	38,589	1,911	-
Other Expenses	125,000	99,518	88,196	11,322	-
Landfill Closure Costs:					
Salaries and Wages	1,200	-	-	-	-
Other Expenses	5,000	3,800	2,606	1,194	-
Mosquito & Pest Control:					
Other Expenses	1,000	1,000	141	859	-
Weed, Fill & Property Control:					
Salaries and Wages	500	-	-	-	-
Other Expenses	500	-	-	-	-
Department of Public Affairs & Safety:					
Director's Office:					
Salaries and Wages	4,200	4,200	4,079	121	-
Fire:					
Other Expenses	27,000	28,635	28,635	-	-
EMS - First Responder	5,000	5,000	2,260	2,740	-
First Aid Organization Contribution	10,000	10,000	7,500	2,500	-
Public Health Services (Board of Health):					
Other Expenses	1,000	1,000	495	505	-
Municipal Prosecutor:					
Other Expenses	22,000	19,688	16,800	2,888	-
Bailliff:					
Salaries and Wages	5,000	5,000	4,669	331	-
Municipal Court:					
Salaries and Wages	130,000	130,000	125,720	4,280	-
Other Expenses	22,000	22,548	22,548	-	-
Public Defender:					
Other Expenses	8,000	8,000	6,500	1,500	-
Office of Emergency Management:					
Salaries and Wages	100	600	600	-	-
Other Expenses	2,000	2,000	959	1,041	-
Code Enforcement:					
Salaries and Wages	3,600	3,600	3,500	100	-
Other Expenses	500	500	150	350	-
Dog Regulation:					
Other Expenses	4,500	4,500	4,157	343	-
Zoning Enforcement:					
Salaries and Wages	3,300	3,750	3,668	82	-
Other Expenses	-	206	206	-	-
State Uniform Construction Code:					
Construction Official:					
Salaries and Wages	3,000	-	-	-	-
Other Expenses	1,000	1,200	1,184	16	-
Insurance:					
General Liability	18,500	19,487	19,487	-	-
Workers Compensation	45,000	48,364	47,614	750	-
Gypsy Moth Spray	-	-	-	-	-
Total Operations Within "CAPS"	877,197	877,917	806,911	71,006	-

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

**TOWNSHIP OF BASS RIVER
CURRENT FUND
STATEMENT OF EXPENDITURES (REGULATORY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2014**

	APPROPRIATIONS		EXPENDED		CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
Detail:					
Salaries and Wages	365,747	377,497	360,432	17,065	-
Other Expenses	511,450	500,420	446,479	53,941	-
Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"					
Contributions to:					
Public Employees' Retirement					
System	34,283	34,299	34,299	-	-
Social Security System (O.A.S.I.)	30,000	30,000	28,149	1,851	-
Unemployment Insurance	3,500	3,500	1,313	2,187	-
Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"	67,783	67,799	63,761	4,038	-
Total General Appropriations for Municipal Purposes Within "CAPS"	944,980	945,716	870,672	75,044	-
Operations - Excluded from "CAPS"					
Other Operations:					
Aid to Library	500	-	-	-	-
Recycling Tax	3,000	2,258	1,432	826	-
Total Other Operations - Excluded From "CAPS"	3,500	2,258	1,432	826	-
Shared Service Agreements:					
Assessment Services					
Total Shared Service Agreements - Excluded From "CAPS"	-	-	-	-	-
Additional Appropriations Offset by Revenues					
Utility Maintenance:					
Salaries and Wages	3,000	3,506	3,506	-	-
Other Expenses	5,000	5,000	2,647	2,353	-
Total Additional Appropriations Offset by Revenues	8,000	8,506	6,153	2,353	-
Public and Private Programs Offset by Revenues					
Clean Communities Program		6,226	6,226	-	-
Alcohol Education Rehabilitation Program	-	591	591	-	-
Municipal Alliance Grant	-	4,122	4,122	-	-
Municipal Park Development	-	391,000	391,000	-	-
State & Federal Programs - Matching Funds	2,500	2,500	2,500	-	-
Total Additional Appropriations Offset by Revenues	2,500	404,439	404,439	-	-

The accompanying Notes to the Financial Statements are an intergral part of this Statement.

**TOWNSHIP OF BASS RIVER
CURRENT FUND
STATEMENT OF EXPENDITURES (REGULATORY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2014**

	APPROPRIATIONS		EXPENDED		
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	CANCELED
Total Operations Excluded From "CAPS"	14,000	415,203	412,024	3,179	-
Detail:					
Salaries and Wages	3,000	3,506	3,506	-	-
Other Expenses	11,000	411,697	408,518	3,179	-
Municipal Debt Service - Excluded From "CAPS"					
Payment of Bond Anticipation Notes and Capital Notes	9,400	9,400	9,400	-	-
Municipal Debt Service - Excluded From "CAPS"	9,400	9,400	9,400	-	-
Deferred Charges - Municipal - Excluded From "CAPS"					
Special Emergency Authorizations - 5 Years	8,249	8,249	8,249	-	-
Deferred Charges - Municipal - Excluded From "CAPS"	8,249	8,249	8,249	-	-
Total General Appropriations Excluded From "CAPS"	31,649	432,852	429,673	3,179	-
Subtotal General Appropriations	976,629	1,378,568	1,300,345	78,223	-
Reserve For Uncollected Taxes	176,717	176,717	176,717	-	-
Total General Appropriations	\$ 1,153,346	\$ 1,555,285	\$ 1,477,062	\$ 78,223	\$ -
Original Appropriations		\$ 1,153,346			
Added per N.J.S.A.40A:4-87		401,939			
Total		<u>\$ 1,555,285</u>			
Reserve for Uncollected Taxes			\$ 176,717		
Deferred Charges Funded			9,400		
Encumbrances Payable			23,110		
Deferred Charge			8,249		
Reimbursements			(2,050)		
Cash Disbursements			857,197		
Reserve for State & Federal Grants Appropriated			404,439		
Total			<u>\$ 1,477,062</u>		

The accompanying Notes to the Financial Statements are an intergral part of this Statement.

**TOWNSHIP OF BASS RIVER
TRUST FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE -- REGULATORY BASIS
DECEMBER 31, 2014 AND 2013**

ASSETS	REFERENCE	2014	2013
Animal Control Fund:			
Cash	B-1	\$ 2,684	\$ 2,372
Total Animal Control Fund		<u>2,684</u>	<u>2,372</u>
Assessment Fund:			
Cash	B-1	2,842	2,842
Assessment Receivable	B-8	<u>195</u>	<u>195</u>
Total Assessment Fund		<u>3,037</u>	<u>3,037</u>
Other Funds:			
Cash	B-1	49,553	21,065
Due From Current Fund	A	<u>56,932</u>	<u>35,357</u>
Total Other Funds		<u>106,485</u>	<u>56,422</u>
Total Assets		<u>\$ 112,206</u>	<u>\$ 61,831</u>
LIABILITIES & RESERVES			
Animal Control Fund:			
Due To Current Fund	A	\$ 1,728	\$ 1,468
Due to State	B	1	1
Reserve for Animal Control Fund Expenditures	B-3	<u>955</u>	<u>903</u>
Total Animal Control Fund		<u>2,684</u>	<u>2,372</u>
Assessment Fund:			
Due To Current Fund	A	2,842	2,842
Reserve for Assessment Receivable	B-9	<u>195</u>	<u>195</u>
Total Assessment Fund		<u>3,037</u>	<u>3,037</u>
Other Funds:			
Reserve for Unemployment Fund	B-5	2,043	2,040
Reserve for Public Defender	B	6,444	4,344
Reserve for Cash Bonds	B	16,577	16,577
Reserve for Escrow Deposits	B	27,399	
Reserve for Landfill Closure Trust	B	2,189	2,189
Reserve for Tax Sale Premiums	B-8	43,880	22,305
Reserve for Payroll Deductions Payable	B-7	2,938	3,952
Due To Current Fund (Payroll)	A	<u>5,015</u>	<u>5,015</u>
Total Other Funds		<u>106,485</u>	<u>56,422</u>
Total Liabilities & Reserves		<u>\$ 112,206</u>	<u>\$ 61,831</u>

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

**TOWNSHIP OF BASS RIVER
GENERAL CAPITAL FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE -- REGULATORY BASIS
DECEMBER 31, 2014 AND 2013**

ASSETS	REFERENCE	<u>2014</u>	<u>2013</u>
Deferred Charges to Future Taxation:			
Unfunded	C-3	\$ 494,828	\$ 432,978
 Total Assets		<u>\$ 494,828</u>	<u>\$ 432,978</u>
 LIABILITIES, RESERVES & FUND BALANCE			
Due To Current Fund	A	\$ 42,270	\$ 15,370
Reserve for Note Principal	C	-	9,400
Bond Anticipation Notes Payable	C-6	114,525	123,925
Improvement Authorizations:			
Funded	C-4	15,094	15,094
Unfunded	C-4	211,212	153,712
Capital Improvement Fund	C-5	111,373	115,123
Fund Balance	C-1	<u>354</u>	<u>354</u>
 Total Liabilities, Reserve & Fund Balance		<u>\$ 494,828</u>	<u>\$ 432,978</u>

There were Bonds & Notes Authorized but not Issued on December 31, 2014 of \$380,303 and on December 31, 2013 there were \$309,053.

**TOWNSHIP OF BASS RIVER
GENERAL FIXED ASSETS ACCOUNT GROUP
COMPARATIVE STATEMENT OF FIXED ASSETS AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2014 AND 2013**

ASSETS	<u>2014</u>	<u>2013</u>
Land	\$ 809,913	\$ 809,913
Buildings	221,978	221,978
Equipment	255,968	238,468
Vehicles	11,000	11,000
Fire Trucks	<u>705,162</u>	<u>705,162</u>
Total	<u>\$ 2,004,021</u>	<u>\$ 1,986,521</u>
FUND BALANCE		
Investment in Fixed Capital	<u>\$ 2,004,021</u>	<u>\$ 1,986,521</u>

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

**TOWNSHIP OF BASS RIVER
COUNTY OF BURLINGTON**

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014**

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TOWNSHIP OF BASS RIVER

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED DECEMBER 31, 2014

Note 1: Summary of Significant Accounting Policies

Description of Financial Reporting Entity

The Township of Bass River is a large, 72 square mile Township on the eastern edge of Burlington County in the New Jersey Pinelands. Its sparse population, rural character, pristine streams and rivers with access to Great Bay, marinas, and campgrounds define the Township. New Gretna is the historic business and residential center of the Township.

The Township of Bass River is governed by a Commission Form of Government. Voters elect three (3) Commissioners, at-large, nonpartisan, every 4 years. The Mayor is elected by the Board of Commissioner at reorganization for a 4-year term. The Mayor presides over Board of Commissioners.

This three-member governing body is empowered to enact local ordinances, to levy municipal taxes and conduct the affairs of our community. Each Commissioner acts as department head with no single chief executive. The Board of Commissioners conducts all of its business during monthly meetings open to the public.

Component Units

The Township of Bass River had no component units as defined by Governmental Accounting Standards Board Statement No. 14.

Basis of Accounting, Measurement Focus and Basis of Presentation

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

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

Current Fund - The Current Fund accounts for resources and expenditures for governmental operations of a general nature, including Federal and State grant funds.

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

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

TOWNSHIP OF BASS RIVER

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED DECEMBER 31, 2014

Note 1: Summary of Significant Accounting Policies (continued)

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

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

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

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

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

N.J.S.A.17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act ("GUDPA"), a multiple financial institutional collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the amount of their deposits to the Governmental Units.

The cash management plan adopted by the Township of Bass River requires it to deposit funds in public depositories protected from loss under the provisions of the Act.

Interfunds - Interfund receivables and payables that arise from transactions between funds are recorded by all funds affected by such transactions in the period in which the transaction is executed. Interfund receivables in the Current Fund are recorded with offsetting reserves which are created by charges to

TOWNSHIP OF BASS RIVER

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2014**

Note 1: Summary of Significant Accounting Policies (continued)

operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves.

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

General Fixed Assets - Accounting for Governmental Fixed Assets, as required by *N.J.A.C.5:30-5.6*, differs in certain respects from accounting principles generally accepted in the United States of America. In accordance with the regulations, all local units, including municipalities, must maintain a general fixed assets reporting system that establishes and maintains a physical inventory of nonexpendable, tangible property as defined and limited by the U.S. Office of Management and Budget Circular A-87 (Attachment B, Section 19), except that the useful life of such property is at least five years. Generally, assets are valued at historical cost; however, assets acquired prior to December 31, 1985 are valued at actual historical cost or estimated historical cost. No depreciation of general fixed assets is recorded. Donated general fixed assets are recorded at their estimated fair market value on the acquisition date. Interest costs relative to the acquisition of general fixed assets are recorded as expenditures when paid. Public domain ("infrastructure") general fixed assets consisting of certain improvements such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. Expenditures for construction in progress are recorded in the General Capital Fund until such time as the construction is completed and put into operation. The Township is required to maintain a subsidiary ledger detailing fixed assets records to control additions, retirements and transfers of fixed assets. In addition, a Statement of General Fixed Assets Account Group, reflecting the activity for the year, must be included in the Township's basic financial statements.

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

Foreclosed Property - Foreclosed property is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved. Ordinarily it is the intention of the municipality to resell foreclosed property in order to recover all or a portion of the delinquent taxes or assessments and to return the property to a taxpaying basis. For this reason the value of foreclosed property has not been included in the General Fixed Assets Account Group. If such property is converted to a municipal use, it will be recorded in the General Fixed Assets Account Group.

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

Fund Balance - Fund Balances included in the current fund represent the amount available for anticipation as revenue in future year's budgets, with certain restrictions.

TOWNSHIP OF BASS RIVER

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2014**

Note 1: Summary of Significant Accounting Policies (continued)

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

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

School Taxes - The municipality is responsible for levying, collecting and remitting school taxes for the Pinelands Regional School District and the Bass River Township School District. Operations is charged for the full amount required to be raised from taxation to operate the Township's share of the amount required to be raised by taxation for the period from July 1 to June 30, increased by the amount deferred at December 31, 2012 and decreased by the amount deferred at December 31, 2013.

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

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

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

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

Appropriation Reserves - Appropriation reserves covering unexpended appropriation balances are automatically created at year-end and recorded as liabilities, except for amounts which may be canceled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding

TOWNSHIP OF BASS RIVER

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2014**

Note 1: Summary of Significant Accounting Policies (continued)

year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income.

Long-Term Debt - Long-Term Debt, relative to the acquisition of capital assets, is recorded as a liability in the General Capital Fund. Where an improvement is a "Local Improvement", i.e. assessable upon completion, long-term debt associated with that portion of the cost of the improvement to be funded by assessments is transferred to the Trust Fund upon the confirmation of the assessments or when the improvement is fully and permanently funded.

Compensated Absences - The Township has permitted employees to accrue unused sick and vacation pay, to a limited extent, which may be paid upon retirement at an agreed upon rate. The Township policy is to pay this out of current budgets when due. It is estimated that the current cost of such unpaid compensation is not considered material, and is not included in these financial statements as a long-term liability.

Subsequent Events - The Township has evaluated subsequent events occurring after December 31, 2014 through the date of June 11, 2015, which is the date the financial statements were available to be issued.

Note 2: Cash and Cash Equivalents

The Township is governed by the deposit limitations of New Jersey state law. The Deposits held at December 31, 2014, and reported at fair value are as follows:

Type	Carrying Value
Deposits	
Demand Deposits	<u>\$ 798,837</u>
Total Deposits	<u><u>\$ 798,837</u></u>
 The Township's Cash and Cash Equivalents are Reported as Follows:	
Current Fund	\$ 743,758
Trust Other Fund	49,553
Trust Assessment Fund	2,842
Animal Control Fund	<u>2,684</u>
Total Cash and Cash Equivalents	<u><u>\$ 798,837</u></u>

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the Township's deposits may not be returned. Although the Township does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA).

TOWNSHIP OF BASS RIVER

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2014**

Note 2: Cash and Cash Equivalents (continued)

GUDPA is a supplemental insurance program set forth by the New Jersey Legislature to protect the deposits of local governmental agencies. The program is administered by the Commissioner of the New Jersey Department of Banking and Insurance. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Public funds owned by the Township in excess of FDIC insured amounts are protected by GUDPA.

However, GUDPA does not protect intermingled trust funds such as salary withholdings, student activity funds or funds that may pass to the Township relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below. As of December 31, 2014, the Township's bank balance of \$777,877 was insured or collateralized as follows:

Insured	\$	250,000
Uninsured and uncollateralized		28,022
Collateralized in the Authority's Name Under GUDPA		499,855
 Total	 \$	 <u><u>777,877</u></u>

Note 3: Investments – Bond Anticipation Note

The Township has invested in the Bond Anticipation Note held in the General Capital Fund for \$114,525 at 0% interest as of December 31, 2014.

Note 4: Interfund Receivables and Payables

The following interfund balances were recorded on the various statements of assets, liabilities, reserves and fund balance as of December 31, 2014:

	Due From	Due To
Current Fund	\$ 83,309	\$ 56,932
Federal & State Grant Fund	-	31,454
Payroll Fund	-	5,015
Trust Other Fund	56,932	-
Trust Assessment Fund	-	2,842
Animal Control Fund	-	1,728
General Capital Fund	-	42,270
	\$ 140,241	\$ 140,241

Note: 5: Property Taxes

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

TOWNSHIP OF BASS RIVER

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2014**

Note: 5: Property Taxes (continued)

Comparison of Tax Rate Information

	<u>2014</u>	<u>2013</u>	<u>2012</u>
Total Tax Rate	<u>\$2.036</u>	<u>\$1.646</u>	<u>\$1.559</u>
Apportionment of Tax Rate:			
Municipal	0.131	0.108	0.056
County	0.419	0.357	0.372
Local School	0.838	0.668	0.637
Regional High School	0.648	0.513	0.494

Net Valuation Taxable

2014	<u>\$</u>	160,759,601	
2013		<u>\$</u>	<u>189,139,936</u>
2012			<u>\$</u> <u>193,170,100</u>

Comparison of Tax Levies and Collection Currently

	Year	Tax Levy	Cash Collections	Percentage Of Collection
▼	2014	\$ 3,291,189	\$ 3,106,415	94.39%
▼	2013	3,117,359	2,948,595	94.59%
▼	2012	3,031,010	2,837,997	93.63%

Delinquent Taxes and Tax Title Liens

Year Ended December 31	Amount of Tax Title Liens	Amount of Delinquent Taxes	Total Delinquent	Percentage Of Tax Levy
2014	\$ 568,342	\$ 173,470	\$ 741,812	22.67%
2013	500,988	195,006	695,994	22.33%
2012	498,607	167,638	666,245	21.98%

TOWNSHIP OF BASS RIVER

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2014**

Note 6: Property Acquired By Tax Title Lien Liquidation

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

YEAR	AMOUNT
2014	\$ 584,100
2013	584,100
2012	584,100

Note 7: Pension Plan – P.E.R.S.

A. Plan Description

The Township of Bass River contributes to a cost-sharing multiple-employer defined benefit pension plan, Public Employees' Retirement System (P.E.R.S.), administered by the State of New Jersey, Division of Pensions and Benefits. The Public Employees' Retirement System (P.E.R.S.) was established in January 1955 under the provisions of *N.J.S.A.43:15A*. The plan was set up to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district, or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state or local jurisdiction.

B. Vesting and Benefit Provisions

The vesting and benefit provisions of P.E.R.S. are set by *N.J.S.A.43:15A* and *43.3B*. All benefits vest after ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 55 and are generally determined to be 1/55 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The P.E.R.S. provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System.

Chapter 78, P.L. 2011 changed this for employees enrolled after June 28, 2011. See Note 7C below.

C. Significant Legislation

During the year ended June 30, 1997, legislation was enacted (Chapter 114, P.L. 1997) authorizing the New Jersey Economic Development Authority to issue bonds, notes or other obligations for the purpose

TOWNSHIP OF BASS RIVER

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED DECEMBER 31, 2014

Note 7: Pension Plan – P.E.R.S. (continued)

of financing, in full or in part, the State of New Jersey's portion of the unfunded accrued liability under the State of New Jersey retirement systems. Additional legislation enacted during the year ended June 30, 1997 (Chapter 115, P.L. 1997) changed the asset valuation method from market related value to full-market value. This legislation also contained a provision to reduce the employee contribution rate by $\frac{1}{2}$ of 1% to 4.5% for calendar years 1998 and 1999, and to allow for a reduction in the employee's rate after calendar year 1999, providing excess valuation assets are available. The legislation also provided that the District's normal contributions to the Fund may be reduced based on the revaluation of assets. Due to recognition of the bond proceeds and the change in asset valuation method as a result of enactment of Chapters 114 and 115, all unfunded accrued liabilities were eliminated, except for the unfunded liability for local early retirement incentive benefits; accordingly, the pension costs for P.E.R.S. were reduced.

New Legislation signed by the Acting Governor (Chapter 133, Public Laws 2001) changed the formula for calculating retirement benefits for all current and future non-veteran retirees from N/60 to N/55 (a 9.09% increase). This legislation, signed June 29, 2001, provides that all members of the P.E.R.S. will have their pensions calculated on the basis of years of credit divided by 55. It also provides that all current retirees will have their original pension recalculated under the N/55 formula. Starting February 1, 2002, pension cost of living adjustments will be based on the new original pension.

Effective June 28, 2011, Chapter 78, P.L. 2011 reformed various pension and health benefits provisions. Employees hired after June 28, 2011 and enrolled in P.E.R.S. will be enrolled in a new tier, Tier 5. Full retirement for Tier 5 P.E.R.S. members will be age 65 and 30 years of service.

All cost of living adjustments are frozen until the pension fund reaches a "target funded ratio".

Chapter 78 also requires all covered employees to contribute a prescribed percentage towards their health costs.

D. Contribution Requirements

The contribution policy is set by *N.J.S.A.43:15A*, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and *N.J.S.A.18:66*, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. P.E.R.S. provide for employee contributions of 6.5%, effective October 1, 2011, of employees' annual compensation as defined. The rate will increase over the next seven years to 7.5%. Employers are required to contribute at an actuarially determined rate in P.E.R.S. The actuarially determined contribution includes funding for cost - of - living adjustments, noncontributory death benefits and post-retirement medical premiums.

The contribution requirements of plan members and are established and may be amended by the plan's board of trustees. The Township's contributions to P.E.R.S. for the years ending December 31, 2014, 2013 and 2012 were \$38,174, \$35,212, and \$35,534, respectively, equal to the required contributions for each year.

TOWNSHIP OF BASS RIVER

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2014**

Note 8: Fixed Assets

The following schedule is a summarization of the changes in General Fixed Assets for the fiscal year ended December 31, 2014:

	Balance December 31, 2013	Additions	Deletions	Balance December 31, 2014
Land	\$ 809,913	\$ -	\$ -	\$ 809,913
Buildings	221,978	-	-	221,978
Equipment	238,468	17,500	-	255,968
Vehicles	11,000	-	-	11,000
Fire Trucks	705,162	-	-	705,162
	<hr/>	<hr/>	<hr/>	<hr/>
Total	<u>\$ 1,986,521</u>	<u>\$ 17,500</u>	<u>\$ -</u>	<u>\$ 2,004,021</u>

Note 9: Capital Debt

Summary of Debt:

<u>Issued</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Bond Anticipation Note Issued	\$ 114,525	\$ 123,925	\$ 133,525
Total Debt Issued	<hr/> 114,525	<hr/> 123,925	<hr/> 133,525
Authorized But Not Issued			
General Bonds and Notes	<hr/> 380,303	<hr/> 309,053	<hr/> 309,053
Total Authorized But Not Issued	<hr/> 380,303	<hr/> 309,053	<hr/> 309,053
Total Bonds and Notes Issued and Authorized But Not Issued	<u>\$ 494,828</u>	<u>\$ 432,978</u>	<u>\$ 442,578</u>

TOWNSHIP OF BASS RIVER

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2014**

Note 9: Capital Debt (continued)

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

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicated a statutory net debt of .278%:

	Gross Debt		Deductions		Net Debt
Regional School Debt	\$ 502,980	\$	502,980	\$	-
General	504,228		9,400		494,828
Total	\$ 1,007,208	\$	512,380	\$	494,828

Net Debt \$494,828 divided by the Equalized Valuation Basis per N.J.S.A.40A:2-2 as amended, \$177,804,329 equals .278%.

Borrowing Power Under 40A:2-6:

3 1/2% of Equalized Valuation Bases (Municipal)	\$	6,223,152
Net Debt		494,828
Remaining Borrowing Power	\$	5,728,324

Note 10: Bond Anticipation Notes

The Township issues bond anticipation notes to temporarily fund various capital projects prior to the issuance of serial bonds. The term of the notes cannot exceed one year but the notes may be renewed from time to time for a period not exceeding ten years. All such notes must be paid no later than the tenth anniversary of the date of the original note. The State of New Jersey also prescribes that, on or before the third anniversary date of the original note, a payment of an amount at least equal to the first legally payable installment of the bonds in anticipation of which such notes were issued be paid or retired. Legal installments must be paid if the notes are to be renewed beyond the fourth anniversary date of the original issuance.

At December 31, 2014, the Township had the following outstanding bond anticipation notes held as investments in the Current Fund at 0%.

<u>December 31,</u> <u>2013</u>		<u>Issued</u>		<u>Retired</u>		<u>December 31,</u> <u>2014</u>
\$ 123,925	\$	114,525	\$	123,925	\$	114,525

TOWNSHIP OF BASS RIVER

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2014**

Notes mature December 31, 2014.

Note 11: School Taxes

The Local School District and Regional School tax has been raised and the liabilities deferred by statutes, resulting in the school tax payable set forth in the Current Fund liabilities as follows:

	Balance December 2014	Balance December 2013
Local School Taxes:		
Balance of Tax	\$ 673,231	\$ 631,825
Deferred	399,991	399,991
	\$ 273,240	\$ 231,834
Regional School Taxes:		
Balance of Tax	\$ 16,653	\$ 6,760
Deferred	-	-
	\$ 16,653	\$ 6,760

Note 12: 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. The Township is a member of the Burlington County Municipal Joint Insurance Fund, public entity risk pools currently operating as a common risk management and insurance programs for municipalities within the state. The Township pays an actuarially determined annual assessment to the Burlington County Municipal Joint Insurance Fund for its insurance coverage. Supplemental assessments may be levied to supplement the funds. The Township has not been notified on any supplemental assessments.

Note 13: Fund Balance Appropriated

Fund Balance at December 31, 2014 which was appropriated and included as anticipated revenue in their respective funds for the year ending December 31, 2015 were as follows:

Current Fund – 12/31/2014 Fund Balance	\$391,072
Utilized in 2015 Budget	345,000

Note 14: Deferred Charges to be Raised in Succeeding Budgets

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2014, the Township had deferred charges of \$45,955 to budgets of succeeding years.

SUPPLEMENTARY EXHIBITS

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CURRENT FUND

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**TOWNSHIP OF BASS RIVER
CURRENT FUND
SCHEDULE OF CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>CURRENT FUND</u>	<u>STATE AND FEDERAL GRANT FUND</u>
Balance December 31, 2013	\$ 705,867	\$ -
Receipts:		
Taxes Receivable	\$ 3,136,245	\$ -
Tax Title Lien Collections	4,605	-
Budgeted Revenue	562,700	-
2015 Taxes Prepaid	46,745	-
Due From State of New Jersey Senior Citizen & Veteran Deductions	19,500	-
Miscellaneous Revenue not Anticipated	209,225	-
Due From Trust Other	25,801	-
Due From Capital Fund	-	-
Due From Current Fund	-	9,162
Federal & State Grants Receivable	-	76,312
	<u>4,004,821</u>	<u>85,474</u>
Total	<u>4,004,821</u>	<u>85,474</u>
Subtotal	<u>4,710,688</u>	<u>85,474</u>
Disbursements:		
2014 Appropriations	855,147	-
Encumbrances Payable	19,466	-
Tax Overpayments	1,404	-
County Taxes	671,661	-
County Share of Added & Omitted Taxes	831	-
Local District School Taxes	1,305,159	-
Regional High School Tax	1,032,921	-
Reserve for Revaluation	41,242	-
Overexpenditure of Grant	12,962	-
Due Capital Fund	17,500	-
Due to State & Federal Grants	9,162	-
Reserve for State & Federal Grants	-	85,474
	<u>3,967,455</u>	<u>85,474</u>
Total Disbursements	<u>3,967,455</u>	<u>85,474</u>
Balance December 31, 2014	<u>\$ 743,233</u>	<u>\$ -</u>

**TOWNSHIP OF BASS RIVER
CURRENT FUND
SCHEDULE OF CHANGE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance December 31, 2014	<u>\$ 525</u>
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ANALYSIS OF BALANCE

Tax Collector	\$ 100
Zoning Office	25
Court Clerk	<u>400</u>
Total	<u>\$ 525</u>

**TOWNSHIP OF BASS RIVER
CURRENT FUND
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY
FOR THE YEAR ENDED DECEMBER 31, 2014**

YEAR	BALANCE DECEMBER 31, 2013	2014 LEVY	COLLECTED		DUE FROM STATE OF NEW JERSEY	CANCELED	TRANSFERRED TO TAX TITLE LIENS	BALANCE DECEMBER 31, 2014
			2014	2013				
1994	\$ 472	-	\$ -	\$ -	-	\$ -	-	\$ 472
1995	1,167	-	-	-	-	-	-	1,167
1996	722	-	-	-	-	-	-	722
2003	12,653	-	-	-	-	-	-	12,653
2004	2,349	-	-	-	-	-	-	2,349
2005	2,364	-	-	-	-	-	-	2,364
2006	2,524	-	-	-	-	-	-	2,524
2007	2,824	-	-	-	-	-	-	2,824
2008	2,163	-	-	-	-	-	-	2,163
2009	2,714	-	-	-	-	-	-	2,714
2010	1,885	-	-	-	-	-	-	1,885
2011	5,093	-	-	-	-	-	-	5,093
2012	3,226	-	24	-	-	-	81	3,121
2013	154,850	-	113,350	-	-	3,437	38,063	-
2014	-	3,291,189	3,022,871	64,044	19,500	12,782	38,573	133,419
Total	\$ 195,006	\$ 3,291,189	\$ 3,136,245	\$ 64,044	\$ 19,500	\$ 16,219	\$ 76,717	\$ 173,470

ANALYSIS OF 2014 PROPERTY TAX LEVY

Tax Yield:	
General Purpose	\$ 3,277,478
Added Taxes (54:4-63.1 et seq)	13,711
Total	<u>\$ 3,291,189</u>
Tax Levy:	
Regional High School Tax (Abstract)	\$ 1,042,814
Local District School Tax (Abstract)	1,346,565
County Taxes:	
County Tax (Abstract)	590,952
County Open Space Tax (Abstract)	26,424
County Library Tax (Abstract)	54,285
Due County for Added & Omitted Taxes	2,337
Local Purpose Taxes:	
Local Purpose Tax (Abstract)	210,656
Add: Additional Tax Levy	17,156
Total Levy	<u>\$ 3,291,189</u>

**TOWNSHIP OF BASS RIVER
CURRENT FUND
SCHEDULE OF TAX TITLE LIENS
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance December 31, 2013		\$	500,988
Increased by:			
Interest & Costs from Tax Sale	\$	769	
Transfers from Taxes Receivable		76,717	77,486
			<hr/>
Decreased by:			
Cancellations		5,527	
Collections		4,605	10,132
			<hr/>
Balance December 31, 2014		\$	<u><u>568,342</u></u>

**SCHEDULE OF PROPERTY ACQUIRED FOR TAXES
(AT ASSESSED VALUATION)
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance December 31, 2014 & 2013		\$	<u><u>584,100</u></u>
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**TOWNSHIP OF BASS RIVER
CURRENT FUND
SCHEDULE OF REVENUE ACCOUNT RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2014**

	BALANCE DECEMBER 31, 2013	ACCRUED	COLLECTED BY TREASURER	BALANCE DECEMBER 31, 2014
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	\$ -	\$ 4,895	\$ 4,895	\$ -
Other	-	3,626	3,626	-
Fees & Permits	-	12,694	12,694	-
Fines & Costs:				
Municipal Court	9,876	167,507	165,153	12,230
Interest & Costs on Taxes	-	72,042	72,042	-
State Aid Without Offsetting Appropriations:	-	-	-	-
Energy Receipts Tax	-	139,900	139,900	-
Consolidated Municipal Property Tax Relief Aid	-	3,899	3,899	-
Garden State Trust Fund	-	160,491	160,491	-
Total	\$ 9,876	\$ 565,054	\$ 562,700	\$ 12,230

**TOWNSHIP OF BASS RIVER
CURRENT FUND
SCHEDULE OF 2013 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2014**

ACCOUNT	BALANCE DECEMBER 31, 2013	BALANCE AFTER TRANSFERS	PAID OR CHARGED	CANCELLED ENCUMBRANCES	BALANCE LAPSED
Other Expenses:					
Administrative & Executive	\$ 2,696	\$ 2,696	\$ 1,040	\$ -	\$ 1,656
Financial Administration	766	766	585	-	181
Assessment of Taxes	50	50	16	-	34
Collection of Taxes	978	978	92	-	886
Fire	3,542	3,542	3,542	-	
Legal Services & Costs	100	100	100	-	
Engineering Services & Costs	3,994	3,994	842	-	3,152
Planning Board	703	703	348	-	355
Buildings and Grounds	3,397	3,397	1,316	-	2,081
Construction Official	287	287	23	-	264
Streets & Roads	453	453	-	-	453.00
Convenience Center	4,973	4,973	4,973	-	-
Utility Maintenance	4,719	4,719	689	-	4,030
Dog Regulation	673	673	673	-	-
Electricity	31	31	31	-	-
Street Lighting	1,629	1,629	1,629	-	-
Telephone	602	602	602	-	-
Public Defender	500	500	500	-	-
Sewer Systems	4,383	4,383	1,210	-	3,173
Gasoline	372	372	-	-	372.00
Landfill Closure	1,908	1,908	206	-	1,702
Recycling Tax	1,148	1,148	115	-	1,033
Municipal Court	1,879	1,879	934	-	945
Other Accounts Without Activity	47,342	47,342	-	1,027	46,315
Subtotal	<u>\$ 87,125</u>	<u>\$ 87,125</u>	<u>\$ 19,466</u>	<u>\$ 1,027</u>	<u>\$ 66,632</u>
Appropriation Reserves	\$ 66,632	\$ 66,632	\$ -	\$ -	\$ 66,632
Encumbrances Payable	20,493	20,493	19,466	1,027	-
Total	<u>\$ 87,125</u>	<u>\$ 87,125</u>	<u>\$ 19,466</u>	<u>\$ 1,027</u>	<u>\$ 66,632</u>

**TOWNSHIP OF BASS RIVER
CURRENT FUND
SCHEDULE OF LOCAL DISTRICT SCHOOL TAX
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance December 31, 2013:		
School Taxes Payable	\$ 231,834	
School Taxes Deferred	<u>399,991</u>	\$ 631,825
Increased by:		
School Year Levy July 1, 2014 to June 30, 2015		<u>1,346,565</u>
Subtotal		1,978,390
Decreased by Payments		<u>1,305,159</u>
Balance December 31, 2014:		
School Taxes Payable	273,240	
School Taxes Deferred	<u>399,991</u>	<u>673,231</u>
2014 Liability for Local School Tax:		
Tax Paid		1,305,159
Taxes Payable December 31, 2014		<u>273,240</u>
Subtotal		1,578,399
Less: Taxes Payable December 31, 2013		<u>231,834</u>
Amount Charged to 2014 Operations		<u><u>\$ 1,346,565</u></u>

**SCHEDULE OF REGIONAL HIGH SCHOOL TAX
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance December 31, 2013:		
School Taxes Payable		\$ 6,760
Increased by:		
Levy - Calendar Year 2014		<u>1,042,814</u>
Subtotal		1,049,574
Decreased by Payments		<u>1,032,921</u>
Balance December 31, 2014:		
School Taxes Payable		<u><u>\$ 16,653</u></u>

**TOWNSHIP OF BASS RIVER
CURRENT FUND
SCHEDULE OF COUNTY TAXES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance December 31, 2013:	\$	831
Increased by 2014 Levy:		
General County	\$	590,952
County Library		54,285
County Open Space Preservation		26,424
Due County for Added & Omitted Taxes		2,337
		<u>673,998</u>
Subtotal		674,829
Decreased by Payments		<u>672,492</u>
Balance December 31, 2014:	\$	<u>2,337</u>

**FEDERAL AND STATE GRANT FUND
SCHEDULE OF STATE AND FEDERAL GRANTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2014**

	BALANCE DECEMBER 31, 2013	BUDGETED	RECEIVED	TRANSFER FROM UN- APPROPRIATED	BALANCE DECEMBER 31, 2014
State Grants:					
Municipal Alliance - Alcohol & Drug	\$ 861	\$ 4,122	\$ 2,529	\$ -	\$ 2,454
Alcohol Education & Rehabilitation Grant	-	591	591	-	-
Municipal Stormwater Regulation Program	8,750	-	-	-	8,750
GovConnect Grant	140	-	-	-	140
Hazardous Discharge Site Remediation	500	-	-	-	500
Clean Communities Grant	5,779	6,226	6,226	-	5,779
NJ Transportation Trust Fund - West Rd.	40,933	-	-	-	40,933
Federal Grants:					
Community Development Block Grant - 2014	65,000	-	65,000	-	-
County Grants:					
Municipal Park Development Program	41,510	391,000	-	-	432,510
Total	<u>\$ 163,473</u>	<u>\$ 401,939</u>	<u>\$ 74,346</u>	<u>\$ -</u>	<u>\$ 491,066</u>

**TOWNSHIP OF BASS RIVER
CURRENT FUND
SCHEDULE OF STATE AND FEDERAL GRANTS - APPROPRIATED
FOR THE YEAR ENDED DECEMBER 31, 2014**

	BALANCE DECEMBER 31, 2013	PRIOR YEAR ENCUMBERED	APPROPRIATED	EXPENDED	BALANCE DECEMBER 31, 2014
State Grants:					
Municipal Alliance - Alcohol & Drug	\$ 28	-	\$ 4,122	\$ 4,150	-
Alcohol Education & Rehabilitation Fund	4,107	-	591	2,210	2,488
Clean Communities Grant	38,516	-	6,226	2,749	41,993
Rural Development Pilot Program	657	-	-	-	657
NJ DEPE Local Coastal Planning Grant	5,670	-	-	-	5,670
Hazardous Discharge Site Remediation	2,897	-	-	-	2,897
Recycling Tonnage Grant	5,430	-	-	-	5,430
GovConnect Grant	155	-	-	-	155
Municipal Stormwater Regulation Program	371	-	-	-	371
Federal Grants:					
US Forest Service Volunteer Fire Assistance	585	-	-	-	585
Community Development Block Grant - 2013	63,008	-	-	63,008	-
County Grants:					
Municipal Park Development Program	17,257	-	391,000	11,526	396,731
Local Match:					
State & Federal Programs - Matching Funds	-	-	2,500	1,831	669
Total	<u>\$ 138,681</u>	<u>\$ -</u>	<u>\$ 404,439</u>	<u>\$ 85,474</u>	<u>\$ 457,646</u>
Original Budget Chapter 159's			\$ 2,500		
			<u>401,939</u>		
Total			<u>\$ 404,439</u>		
Cash			\$	\$ 85,474	
Encumbrances				<u>-</u>	
Total				<u>\$ 85,474</u>	

**TOWNSHIP OF BASS RIVER
FEDERAL AND STATE GRANT FUND
SCHEDULE OF STATE AND FEDERAL GRANTS - UNAPPROPRIATED
FOR THE YEAR ENDED DECEMBER 31, 2014**

	BALANCE DECEMBER 31, 2013		RECEIVED 2014		ANTICIPATED AS REVENUE		BALANCE DECEMBER 31, 2014
State Grants:							
Recycling Tonnage	\$ -	\$	1,966	\$	-	\$	1,966
	<hr/>						
Total State	-		1,966		-		1,966
	<hr/>						
Total	\$ -	\$	1,966	\$	-	\$	1,966
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TRUST FUND

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**TOWNSHIP OF BASS RIVER
TRUST FUND
SCHEDULE OF CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2014**

	ANIMAL CONTROL FUND	TRUST OTHER FUND	PAYROLL FUND	ASSESSMENT FUND
Balance December 31, 2013	\$ 2,372	\$ 12,098	\$ 8,967	\$ 2,842
Receipts:				
Dog License Fees:				
Municipal Licenses - 2014	312	-	-	-
Due to State Board of Health	161	-	-	-
Payroll Account	-	-	437,070	-
Public Defender	-	2,101	-	-
Tax Sales Escrow	-	1	-	-
Developer's Escrow	-	153,542	-	-
Waste Water Disposal	-	-	-	-
Unemployment Account	-	3	-	-
Due from Current	-	-	-	-
Total Funds Available	<u>2,845</u>	<u>167,745</u>	<u>446,037</u>	<u>2,842</u>
Disbursements:				
Expenditures Under N.J.S.A.4:19-15.11	-	-	-	-
State Department of Health	161	-	-	-
Due to Current	-	-	-	-
Payroll Deductions Payable	-	-	438,084	-
Expenditures from Developer's Escrow	-	126,145	-	-
Expenditures from Unemployment Account	-	-	-	-
Total Disbursements	<u>161</u>	<u>126,145</u>	<u>438,084</u>	<u>-</u>
Balance December 31, 2014	<u>\$ 2,684</u>	<u>\$ 41,600</u>	<u>\$ 7,953</u>	<u>\$ 2,842</u>

**TOWNSHIP OF BASS RIVER
ANIMAL CONTROL FUND
SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance December 31, 2013	\$ 903
Increased by:	
2014 Dog License Fees Collected	<u>312</u>
Subtotal	1,215
Decreased by:	
Due Current Fund - Statutory Excess	<u>260</u>
Balance December 31, 2014	<u><u>\$ 955</u></u>

LICENSE FEES COLLECTED

YEAR	AMOUNT
2012	\$ 477
2013	<u>477</u>
Total	<u><u>\$ 954</u></u>

**ANIMAL CONTROL FUND
SCHEDULE OF DUE (TO)/FROM CURRENT FUND (ANIMAL CONTROL FUND)
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance December 31, 2013	\$ 1,468
Increased by:	
Statutory Excess	<u>260</u>
Balance December 31, 2014	<u><u>\$ 1,728</u></u>

EXHIBIT B-4

**TOWNSHIP OF BASS RIVER
TRUST ASSESSMENT FUND
SCHEDULE OF DUE (TO)/FROM CURRENT FUND (TRUST ASSESSMENT FUND)
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance December 31, 2013 & 2014	\$	<u>2,842</u>
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EXHIBIT B-5

**TRUST FUND
SCHEDULE OF RESERVE FOR UNEMPLOYMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance December 31, 2013	\$	2,040
Increased by:		
Interest Earned		<u>3</u>
Subtotal		2,043
Decreased by:		
Due to Current		<u>0</u>
Balance December 31, 2014	\$	<u>2,043</u>

EXHIBIT B-6

**TRUST FUND
SCHEDULE OF DUE (TO)/FROM CURRENT FUND (TRUST OTHER FUND)
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance December 31, 2013	\$	35,357
Increased by:		
Interfund Activity		<u>21,575</u>
Balance December 31, 2014	\$	<u>56,932</u>

**TOWNSHIP OF BASS RIVER
TRUST FUND
SCHEDULE OF PAYROLL DEDUCTIONS PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance December 31, 2013	\$ 3,952
Increased by:	
Payroll Deductions Received	<u>437,070</u>
Subtotal	441,022
Decreased by:	
Payroll Expenditures	<u>438,084</u>
Balance December 31, 2014	<u><u>\$ 2,938</u></u>

ANALYSIS OF BALANCE

Due to State of NJ	\$ 340
Due to Federal Government	3,708
Miscellaneous	<u>(1,110)</u>
Total	<u><u>\$ 2,938</u></u>

**TOWNSHIP OF BASS RIVER
TRUST ASSESSMENT FUND
SCHEDULE OF ASSESSMENTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2014**

<u>Purpose</u>	<u>Date Confirmed</u>	<u>Date</u>	<u>Number</u>	Balance December 31, 2013 & <u>2014</u>
Offshore Manor Wastewater	11/08/90	3/10/91-2011	20	<u>\$ 195</u>

**SCHEDULE OF RESERVE FOR ASSESSMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance December 31, 2013 & 2014	<u>\$ 195</u>
Pledged to Receivable Balance December 31, 2013 & 2014	<u>\$ 195</u>

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GENERAL CAPITAL FUND

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**TOWNSHIP OF BASS RIVER
GENERAL CAPITAL FUND
SCHEDULE OF FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2014**

EXHIBIT C-1

Balance December 31, 2013	\$	354
Increased by:		
Receipts		-
Increased by:		
Utilitized in Budget		-
 Balance December 31, 2014	 \$	 354

**SCHEDULE OF CASH
FOR THE YEAR ENDED DECEMBER 31, 2014**

EXHIBIT C-2

Balance December 31, 2013	\$	-
Receipts:		
Subtotal		-
Disbursements:		
Subtotal		-
 Balance December 31, 2014	 \$	 -

**ANALYSIS OF GENERAL CAPITAL CASH
FOR THE YEAR ENDED DECEMBER 31, 2014**

Fund Balance	\$	354
Capital Improvement Fund		111,373
Reserve for Note Principle		
Due to Current Fund		42,270
 Improvement Authorizations:		
ORDINANCE		
NUMBER		
Purchase of Recreation Equipment		2,144
Purchase of Fire Trucks		(4,400)
Expansion of Municipal Building		(9,800)
Reconstruction of Munion Field Road		(90,000)
Reconstruction of Various Streets		(31,003)
Improvement of Various Streets		2,705
Acquisition of Property		5,200
2012-07 Various Capital Improvements		(22,843)
2012-08 Improvements to Municipal Parks		7,750
2014-04 Generator for Public Shelter		(13,750)
 Total	 \$	 -

TOWNSHIP OF BASS RIVER
SCHEDULE OF DEFERRED CHARGED TO FUTURE TAXATION - UNFUNDED
FOR THE YEAR ENDED DECEMBER 31, 2014

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2013	2014 AUTHORIZATIONS	PAYMENT OF BOND ANTICIPATION NOTES	BALANCE DECEMBER 31, 2014
	Purchase of Fire Trucks	\$ 4,400	-	-	\$ 4,400
	Expansion of Municipal Building	9,800	-	-	9,800
	Reconstruction of Munion Field Road	90,000	-	-	90,000
	Acquisition of Fire Equipment	29,925	-	7,950	21,975
	Reconstruction of Various Streets	31,003	-	-	31,003
2012-07	Various Capital Improvements	26,600	-	-	26,600
2012	Improvements to Various Streets	94,000	-	1,450	92,550
2012-08	Improvements to Municipal Parks	147,250	-	-	147,250
2014-04	Generator for Public Shelter		71,250	-	71,250
	Total	\$ 432,978	\$ 71,250	\$ 9,400	\$ 494,828

**TOWNSHIP OF BASS RIVER
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
FOR THE YEAR ENDED DECEMBER 31, 2014**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	ORDINANCE DATE	BALANCE DECEMBER 31, 2013		2014 AUTHORIZATIONS	BALANCE DECEMBER 31, 2014	
			AMOUNT FUNDED	UNFUNDED		FUNDED	UNFUNDED
	Improvements to Recreation Area	5/24/1996	\$ 15,000	\$ 2,144	\$ -	\$ 2,144	\$ -
	Improvement of Various Streets	2/25/2008	120,000	-	-	-	2,705
	Acquisition of Property	5/5/2008	65,000	5,200	-	5,200	-
2012-07	Various Capital Improvements	8/6/2012	28,000	-	-	-	3,757
2012-08	Improvements to Municipal Parks	11/5/2012	155,000	7,750	-	7,750	147,250
2014-04	Generator for Public Shelter	9/8/2014	75,000	-	75,000	17,500	57,500
Total			\$ 15,094	\$ 153,712	\$ 75,000	\$ 17,500	\$ 211,212
			Interfund - Current Fund			\$ 17,500	
			Total			\$ 17,500	

**TOWNSHIP OF BASS RIVER
GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance December 31, 2013	\$ 115,123
Decreased by:	
Appropriation to Finance Improvement Authorization	<u>3,750</u>
Balance December 31, 2014	<u><u>\$ 111,373</u></u>

**TOWNSHIP OF BASS RIVER
GENERAL CAPITAL FUND
STATEMENT OF BOND ANTICIPATION NOTES
AT DECEMBER 31, 2014**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	DATE OF ORIGINAL NOTE	DATE OF ISSUE	DATE OF MATURITY	INTEREST RATE	BALANCE DECEMBER 31, 2013	INCREASED	DECREASED	BALANCE DECEMBER 31, 2014
	Acquisition of Fire Equipment	11/20/06		12/31/14	0.00%	\$ 29,925	\$ -	\$ 7,950	\$ 21,975
	Improvements to Various Streets	12/15/08		12/31/14	0.00%	94,000	-	1,450	92,550
	Total					\$ 123,925	\$ -	\$ 9,400	\$ 114,525

**TOWNSHIP OF BASS RIVER
GENERAL CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
FOR THE YEAR ENDED DECEMBER 31, 2014**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2013	BONDS AND NOTES AUTHORIZED	NOTES ISSUED	BALANCE DECEMBER 31, 2014
	Purchase of Fire Trucks	\$ 4,400	-	\$ -	\$ 4,400
	Expansion of Municipal Building	9,800	-	-	9,800
	Reconstruction of Munion Field Road	90,000	-	-	90,000
	Reconstruction of Various Streets	31,003	-	-	31,003
2012-07	Various Capital Improvements	26,600	-	-	26,600
2012-08	Improvements to Municipal Parks	147,250	-	-	147,250
2014-04	Generator for Public Shelter	-	71,250	-	71,250
		<u>\$ 309,053</u>	<u>\$ 71,250</u>	<u>\$ -</u>	<u>\$ 380,303</u>

**TOWNSHIP OF BASS RIVER
COUNTY OF BURLINGTON**

PART II

**COMMENTS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2014**

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The Honorable Mayor and Members of the
Township Board of Commissioners
Township of Bass River
New Gretna, New Jersey 08224

We have audited the financial statements of the Township of Bass River in the County of Burlington for the year ended December 31, 2014.

Scope of Audit

The audit covered the financial transactions of the Treasurer and Tax Collector, and the activities of the Mayor and Commissioners and the records of the various outside departments.

The audit did not and could not determine the character of services rendered for which payment had been made or for which reserves had not been set up, nor could it determine the character, proper price or quantity of materials supplied for which claims had been passed. These details were necessarily covered by the internal review and control before approval of such claims by the governing body.

Cash on hand was counted and cash balances were reconciled with independent certifications obtained directly from the depositories.

The accrued and realized revenues for the various Township Departments as shown on the Statements of Revenue and Revenue Accounts Receivable are presented as recorded in the Township records.

In accordance with requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the following are the *General Comments* and *Recommendations* for the year then ended.

GENERAL COMMENTS

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

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

It is pointed out that the governing body of the municipality has the responsibility of determining whether the expenditures in any category will exceed the statutory minimum within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the solicitor's opinion should be sought before a commitment is made.

Contracts and Agreements Required to be advertised by (N.J.S.A.40A:11-4) (continued):

The minutes indicate that resolutions were adopted authorizing the awarding of contracts or agreements for "Professional 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.

The compliance review of expenditures did not reveal any individual payments or contracts in excess of the statutory limit "for the performance of any work, or the furnishing of any materials, supplies or labor, or the hiring of teams or vehicles," other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of *N.J.S.A.40A:11-6*.

Contracts and Agreements Requiring Solicitation of Quotations

The examination of expenditures did not reveal any individual payments, contracts or agreements in excess of \$2,625 "for the performance of any work or the furnishing or hiring of any materials or supplies", other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provision of (*N.J.S.A.40A:11-6.1*).

Finding 2014-01:

During our audit it was noted that a contract was awarded for the performance of revaluation without proper bidding procedures.

Recommendation:

That the Township solicits bids and quotes in order to be in compliance with Local Public Contracts Law (N.J.S.A. 40:11)

Managements Response:

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

Collection of Interest on Delinquent Taxes and Assessments

N.J.S.54:4-67, as amended, provides the method for authorizing interest and the maximum rates to be charged for the nonpayment of taxes or assessments on or before the date when they would become delinquent.

The governing body on January 6, 2014 adopted the following resolution authorizing interest to be charged on delinquent taxes:

“BE IT RESOLVED that the rate of interest to be charged for the nonpayment of taxes and water/sewer rents on the date when they become delinquent is hereby fixed as eight (8%) percent per annum of the first One Thousand Five Hundred Dollars (\$1,500.00) of the delinquency, and eighteen (18%) percent per annum on any amount in excess of One

Thousand Five Hundred Dollars (\$1,500.00). The same to be calculated from the date of actual payment; provided, however, that no interest be charged if payment is made with ten (10) days after the date upon which same became payable.”

It appears from an examination of the Collector's record that interest was collected in accordance with the foregoing resolution.

Delinquent Taxes and Tax Title Liens

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

YEAR	NUMBER OF LIENS
2014	135
2013	135
2012	135

Deductions From Taxes

The audit of senior citizen and veteran deductions on a test basis revealed that deductions appear reasonable.

Finding 2014-02*:

A proper accounting of foreclosed property is not being maintained by the tax collector.

Recommendation:

That the Township maintains an accounting of the foreclosed property balances reflected in the Township’s financial statements.

Managements Response:

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

Examination of Bills

A test check of paid bills was made and each bill, upon proper approval, was considered as a separate and individual contract unless the records disclosed it to be a part payment or estimate.

Municipal Court

As part of the test of the municipal court records, no attempt was made to differentiate between fines due the Township, County, or State, or to pass upon the authenticity of the preparation and procedures for complaints issued.

The statutory report on the operations of the Municipal Court has been prepared and copies filed with the New Jersey Administrative Office of the Courts, the Division of Local Government Services, the Municipal Court and the Township Clerk.

General Fixed Assets

Finding 2014-03*:

During our audit it was noted that a fixed asset accounting system is not being maintained.

Recommendation:

That the fixed assets accounting system be maintained and updated on a timely basis.

Managements Response:

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

Payroll Fund

The examination of the payroll fund included testing the detail computation of various deductions or other credits from the payroll of Township employees, also, the examination ascertained that the accumulated withholdings were distributed to the proper agencies.

Chief Financial Officer

Finding 2014-04:

During our audit it was noted that expenditures charged against Community Development Block Grant were in excess of amounts appropriated through the Township's adopted budget.

Recommendation:

That the Township should only expend funds as appropriated (N.J.S.A. 40A:4-57).

Managements Response:

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

Follow-up on Prior Year Findings

In accordance with government auditing standards, my procedures included a review of all prior year findings. Corrective action has been taken on all of the prior year findings except those marked above with an asterisk (*).

OFFICIALS IN OFFICE

The following officials were in office at December 31, 2014:

NAME	TITLE
Deborah Buzby-Cope	Commissioner and Mayor
Nicholas Capriglione	Commissioner and Deputy Mayor
Louis Bourguignon	Commissioner
Al Stanley	Chief Financial Officer
Amanada Somes	Municipal Clerk
Linda Ellison-Ash	Tax Collector
Peggy A. Beck	Court Administrator
Adolph P. Sicheri	Magistrate

There were Employee's Blanket Performance Bonds in the amount of \$1,000,000 for the Township employees and court personnel carried by the Burlington County Municipal Joint Insurance Fund.

Acknowledgment

We express our appreciation for the assistance and courtesies extended to the members of the audit team.

Should you have any questions concerning our comments or recommendations, or should you desire any assistance in implementing our recommendations, please call me.

Respectfully submitted,

HOLMAN FRENIA ALLISON, P.C.

Kevin P. Frenia
Certified Public Accountant
Registered Municipal Accountant
RMA #435

June 11, 2015
Medford, New Jersey