

TOWNSHIP OF BASS RIVER

**AUDIT REPORT FOR THE YEAR
ENDED DECEMBER 31, 2015**

**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, 2015**

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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 Township of Bass River, County of Burlington, State of New Jersey as of December 31, 2015 and 2014, and the related comparative statements of operations and changes in fund balance--regulatory basis for the years then ended, the related statements of revenues--regulatory basis, statement of expenditures--regulatory basis, and the related notes to the financial statements for the year ended December 31, 2015.

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 Municipality'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 Municipality'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 Township of Bass River 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 Township of Bass River, County of Burlington, State of New Jersey, as of December 31, 2015 and 2014, or the results of its operations and changes in fund balance for the years then ended.

Opinion on Regulatory Basis of Accounting

In 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 Township of Bass River, County of Burlington, State of New Jersey, as of December 31, 2015 and 2014, and the results of its operations and changes in fund balance --regulatory basis of such funds for the years then ended, and the 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, 2015 in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Emphasis of Matter

Change in Accounting Principle

As discussed in Note 1 to the financial statements, during the fiscal year ended December 31, 2015 the Township of Bass River adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No.27*. Our opinion is not modified with respect to this matter.

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 8, 2016, on our consideration of the Township of Bass River’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 Township of Bass River’s internal control over financial reporting and compliance.

Respectfully submitted,

HOLMAN FRENIA ALLISON, P.C.

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

Medford, New Jersey
June 8, 2016

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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 Township of Bass River (herein referred to as “the Township”), as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Municipality’s basic financial statements, and have issued our report thereon dated June 8, 2016. 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 States, 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 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.

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 a deficiency in internal control, described in the accompanying schedule of Comments & Recommendations section that we consider to be a significant deficiency as Finding No. 2015-001.

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 No's 2015-001 & 2015-002.

Response to Findings

The Township of Bass River's response to the findings identified in our audit is described in the accompanying Comments & Recommendations section. The Township of Bass River'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 Municipality'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 Municipality'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
CR #435

June 8, 2016
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, 2015 AND 2014**

ASSETS	REFERENCE	2015	2014
Regular Fund:			
Cash:			
Treasurer	A-4	\$ 744,726	\$ 743,233
Change Fund	A-5	525	525
Investment - Bond Anticipation Note	C	72,525	114,525
Due From State of New Jersey	A	1,000	-
Total Regular Fund		<u>818,776</u>	<u>858,283</u>
Receivables & Other Assets:			
Delinquent Property Taxes Receivable	A-6	176,131	173,470
Tax Title Liens Receivable	A-7	611,132	568,342
Property Acquired for Taxes - Assessed Valuation	A-8	584,100	584,100
Revenue Accounts Receivable	A-9	9,941	12,230
Due from State & Federal Grant Fund	A	57,185	31,454
Due from Payroll Fund	B	4,745	5,015
Due from Capital Fund	C	72,470	42,270
Due from Trust Assessment Fund	B	2,843	2,842
Due from Animal Control Fund	B	2,145	1,728
Total Receivables & Other Assets		<u>1,520,692</u>	<u>1,421,451</u>
Deferred Charges To Future Taxation:			
Overexpenditure of Grant Appropriation	A	12,962	12,962
Overexpenditure of Appropriation	A	29,146	-
Special Emergency - HVAC	A	10,626	-
Special Emergency - Revaluation	A	24,744	32,993
Total		<u>77,478</u>	<u>45,955</u>
Total Regular Funds		<u>2,416,946</u>	<u>2,325,689</u>
State & Federal Grants:			
Federal & State Grants Receivable	A-14	347,612	491,066
Total State & Federal Grants		<u>347,612</u>	<u>491,066</u>
Total		<u>\$ 2,764,558</u>	<u>\$ 2,816,755</u>

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

**TOWNSHIP OF BASS RIVER
CURRENT FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE -- REGULATORY BASIS
DECEMBER 31, 2015 AND 2014**

LIABILITIES RESERVES & FUND BALANCE	REFERENCE	<u>2015</u>	<u>2014</u>
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3,A-10	\$ 90,685	\$ 78,223
Encumbrances Payable	A-3	14,752	23,110
Prepaid Taxes	A-4	50,543	46,745
Tax Overpayments	A	2,715	2,964
Due County for Added & Omitted Taxes	A-6	25,624	2,337
Local District School Tax Payable	A-11	215,486	273,240
Regional District School Tax Payable	A-12	16,627	16,653
Due to Trust Other Fund	B	<u>38,753</u>	<u>56,932</u>
Total Liabilities		<u>455,185</u>	<u>500,204</u>
Reserves for Receivable & Other Assets	A	1,520,692	1,421,451
Fund Balance	A-1	<u>441,069</u>	<u>404,034</u>
Total Regular Fund		<u>2,416,946</u>	<u>2,325,689</u>
State & Federal Grants:			
Appropriated Reserves	A-15	264,657	457,646
Unappropriated Reserves	A-16	7,602	1,966
Encumbrances Payable	A-15	18,168	-
Due to Current Fund	A	<u>57,185</u>	<u>31,454</u>
Total State & Federal Grants		<u>347,612</u>	<u>491,066</u>
Total Liabilities, Reserves & Fund Balance		<u>\$ 2,764,558</u>	<u>\$ 2,816,755</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, 2015 AND 2014**

	<u>2015</u>	<u>2014</u>
Revenue & Other Income Realized:		
Fund Balance Utilized	\$ 345,000	\$ 345,000
Miscellaneous Revenue Anticipated	545,002	974,039
Receipts From Current Taxes	3,455,195	3,106,415
Receipts From Delinquent Taxes	155,184	117,979
Non-Budget Revenue	105,791	209,225
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	41,132	66,632
Interfunds Liquidated	-	12,962
Cancellation of Prior Year Encumbrances	-	1,027
	<u>4,647,304</u>	<u>4,833,279</u>
Total		
Expenditures:		
Operations Within "CAPS"		
Salaries and Wages	396,940	377,497
Other Expenses	526,442	500,420
Deferred Charges & Statutory Expenditures Within "CAPS"	66,932	67,799
Operations Excluded From "CAPS"		
Salaries and Wages	3,060	3,506
Other Expenses	24,446	411,697
Municipal Debt Service Excluded From "CAPS"	42,000	9,400
Deferred Charges & Statutory Expenditures Excluded From "CAPS"	8,249	8,249
County Taxes	731,194	671,661
Due County for Added & Omitted Taxes	25,624	2,337
Local District School Tax	1,329,055	1,346,565
Regional High School Tax	1,119,828	1,042,814
Intergovernmental Account Receivable Interfunds Created:		
Due Capital Fund	30,200	17,500
Due Trust Other Fund	1,071	21,575
	<u>4,305,041</u>	<u>4,481,020</u>
Total Expenditures		
Excess in Revenue	<u>342,263</u>	<u>352,259</u>
Adjustment to Income Before Fund Balance:		
Expenditures Included Above which are by Statute		
Deferred Charges to Budget of Succeeding Year	39,772	
	<u>39,772</u>	
Statutory Excess to Surplus	382,035	352,259
Fund Balance January 1	<u>404,034</u>	<u>396,775</u>
Total	786,069	749,034
Decreased by:		
Utilization as Anticipated Revenue	<u>345,000</u>	<u>345,000</u>
Balance December 31	<u>\$ 441,069</u>	<u>\$ 404,034</u>

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

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

	ANTICIPATED	REALIZED	EXCESS OR (DEFICIT)
Fund Balance Anticipated	\$ 345,000	\$ 345,000	\$ -
Miscellaneous Revenue:			
Licenses:			
Alcoholic Beverages	4,895	5,872	977
Fees & Permits	16,060	15,126	(934)
Fines & Costs:			
Municipal Court	138,000	175,494	37,494
Interest & Costs on Taxes	30,000	30,774	774
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:			
Volunteer Fire Assistance Grant	5,000	5,000	-
Clean Communities Grant	7,562	7,562	-
Alcohol Education & Rehabilitation Grant	884	884	-
Reserve for Note Principal	9,400	-	(9,400)
Total Miscellaneous Revenues	516,091	545,002	28,911
Receipts From Delinquent Taxes	125,000	155,184	30,184
Subtotal General Revenues	641,091	700,186	59,095
Local Tax for Municipal Purposes	248,659	380,947	132,288
Budget Totals	1,234,750	1,426,133	191,383
Nonbudget Revenues	-	105,791	105,791
Total	\$ 1,234,750	\$ 1,531,924	\$ 297,174

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, 2015**

ANALYSIS OF REALIZED REVENUES

Allocation of Current Tax Collections:	
Revenue From Collections	\$ 3,455,195
Allocated to School, County & Fire District Taxes	<u>3,280,701</u>
Balance for Support of Municipal Budget Appropriations	174,494
Increased by Appropriation - Reserve for Uncollected Taxes	<u>206,453</u>
Amount for Support of Municipal Budget Appropriations	<u><u>\$ 380,947</u></u>
Receipts From Delinquent Taxes:	
Tax Title Lien Collections	\$ 26,208
Delinquent Tax Collections	<u>128,976</u>
Total Receipts From Delinquent Taxes	<u><u>\$ 155,184</u></u>

ANALYSIS OF NONBUDGET REVENUE

Miscellaneous Revenues Not Anticipated:	
Cash - Treasurer:	
Washington Twp. Court Interlocal Payment	\$ 27,398
Tower Fees	58,396
Cable Fees	4,073
Various Fees	5,903
PILOT	7,663
Miscellaneous	<u>2,358</u>
Total	<u><u>\$ 105,791</u></u>

**TOWNSHIP OF BASS RIVER
CURRENT FUND
STATEMENT OF EXPENDITURES (REGULATORY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2015**

OPERATIONS - WITHIN "CAPS"	APPROPRIATIONS		EXPENDED		OVER EXPENDED	CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED		
Department of Revenue & Finance:						
Director's Office:						
Salaries and Wages	\$ 4,805	\$ 4,805	\$ 4,698	\$ 107	\$ -	\$ -
Administrative and Executive:						
Salaries and Wages	12,240	14,940	14,367	573	-	-
Other Expenses	14,000	13,100	12,866	234	-	-
Financial Administration (Treasury):						
Salaries and Wages	29,060	31,510	30,304	1,206	-	-
Other Expenses	15,000	10,200	10,081	119	-	-
Tax Assessment Administration:						
Salaries and Wages	21,114	23,364	22,463	901	-	-
Other Expenses	4,200	4,200	3,404	796	-	-
Collection of Taxes:						
Salaries and Wages	22,899	21,889	20,554	1,335	-	-
Other Expenses	6,000	6,000	5,760	240	-	-
Liquidation of Tax Title Liens & Foreclosed Property:						
Other Expenses	2,000	2,000	3,089	-	1,089	-
Auditing Services:						
Other Expenses	25,000	15,000	10,750	4,250	-	-
Municipal Clerk:						
Salaries and Wages	57,120	55,120	52,595	2,525	-	-
Legal Services:						
Other Expenses	25,000	23,080	22,778	302	-	-
Engineering Services:						
Other Expenses	20,000	20,000	20,286	-	286	-
Planning Board:						
Salaries and Wages	4,786	4,786	3,501	1,285	-	-
Other Expenses	7,000	7,000	3,462	3,538	-	-
Sewer Systems:						
Salaries and Wages	9,180	9,180	7,671	1,509	-	-
Other Expenses	15,000	15,500	15,499	1	-	-
Recreation:						
Other Expenses	2,250	2,250	2,164	86	-	-
Utility Expenses & Bulk Purchases:						
Telephone	8,000	8,000	6,966	1,034	-	-
Gas (Propane)	1,000	1,020	5,517	-	4,497	-
Electricity	9,500	10,900	10,460	440	-	-
Street Light	19,000	19,300	17,869	1,431	-	-
Gasoline	4,000	4,350	3,906	444	-	-
Telecommunication	200	200	-	200	-	-
Department of Public Works, Parks & Public Property:						
Director's Office:						
Salaries and Wages	4,284	4,284	4,161	123	-	-
Buildings and Grounds:						
Other Expenses	12,000	12,000	18,364	-	6,364	-
HVAC - Special Emergency		10,626	10,626	-	-	-
Streets and Road Maintenance:						
Salaries and Wages	23,460	23,460	17,608	5,852	-	-
Other Expenses	18,000	19,050	19,528	-	478	-

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, 2015**

OPERATIONS - WITHIN "CAPS"	APPROPRIATIONS		EXPENDED		OVER EXPENDED	CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED		
Convenience Center:						
Salaries and Wages	31,620	37,420	49,410	-	11,990	-
Other Expenses	125,000	125,000	102,394	22,606	-	-
Landfill Closure Costs:						
Salaries and Wages	1,224	1,224	-	1,224	-	-
Other Expenses	5,000	5,000	1,106	3,894	-	-
Mosquito & Pest Control:						
Other Expenses	1,000	1,000	-	1,000	-	-
Department of Public Affairs & Safety:						
Director's Office:						
Salaries and Wages	4,284	4,284	4,161	123	-	-
Fire:						
Other Expenses	27,000	27,000	26,361	639	-	-
EMS - First Responder	5,000	5,000	4,217	783	-	-
First Aid Organization Contribution	10,000	10,000	10,000	-	-	-
Public Health Services (Board of Health):						
Other Expenses	1,000	1,000	-	1,000	-	-
Municipal Prosecutor:						
Other Expenses	22,000	22,000	18,800	3,200	-	-
Bailliff:						
Salaries and Wages	5,100	5,100	5,022	78	-	-
Municipal Court:						
Salaries and Wages	132,600	132,600	124,266	8,334	-	-
Other Expenses	22,000	24,200	25,603	-	1,403	-
Public Defender:						
Other Expenses	8,000	8,800	8,800	-	-	-
Office of Emergency Management:						
Salaries and Wages	612	612	600	12	-	-
Other Expenses	2,000	2,000	770	1,230	-	-
Code Enforcement:						
Salaries and Wages	3,672	3,672	3,400	272	-	-
Other Expenses	500	500	-	500	-	-
Dog Regulation:						
Other Expenses	4,500	5,310	4,370	940	-	-
Zoning Enforcement:						
Salaries and Wages	3,700	3,700	2,567	1,133	-	-
Other Expenses	200	200	3,239	-	3,039	-
State Uniform Construction Code:						
Construction Official:						
Salaries and Wages	3,000	3,000	-	3,000	-	-
Other Expenses	1,000	1,000	687	313	-	-
Insurance:						
General Liability	19,500	19,500	19,500	-	-	-
Workers Compensation	48,000	48,000	45,366	2,634	-	-
Total Operations Within "CAPS"	883,610	894,236	841,936	81,446	29,146	-

**TOWNSHIP OF BASS RIVER
CURRENT FUND
STATEMENT OF EXPENDITURES (REGULATORY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2015**

	APPROPRIATIONS		EXPENDED		OVER EXPENDED	CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED		
Detail:						
Salaries and Wages	374,760	384,950	367,348	29,592	11,990	-
Other Expenses	508,850	509,286	474,588	51,854	17,156	-
Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"						
Contributions to:						
Public Employees' Retirement System	33,432	33,432	33,432	-	-	-
Social Security System (O.A.S.I.)	30,000	30,000	28,359	1,641	-	-
Unemployment Insurance	3,500	3,500	1,771	1,729	-	-
Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"	66,932	66,932	63,562	3,370	-	-
Total General Appropriations for Municipal Purposes Within "CAPS"	950,542	961,168	905,498	84,816	29,146	-
Operations - Excluded from "CAPS"						
Other Operations:						
Aid to Library	500	500	-	500	-	-
Recycling Tax	3,000	3,000	1,507	1,493	-	-
Total Other Operations - Excluded From "CAPS"	3,500	3,500	1,507	1,993	-	-
Additional Appropriations Offset by Revenues						
Utility Maintenance:						
Salaries and Wages	3,060	3,060	2,813	247	-	-
Other Expenses	5,000	5,000	3,871	1,129	-	-
Total Additional Appropriations Offset by Revenues	8,060	8,060	6,684	1,376	-	-
Public and Private Programs Offset by Revenues						
Clean Communities Program	-	7,562	7,562	-	-	-
Alcohol Education Rehabilitation Program	-	884	884	-	-	-
Volunteer Fire Assistance Grant	-	5,000	5,000	-	-	-
State & Federal Programs - Matching Funds	2,500	2,500	-	2,500	-	-
Total Additional Appropriations Offset by Revenues	2,500	15,946	13,446	2,500	-	-

**TOWNSHIP OF BASS RIVER
CURRENT FUND
STATEMENT OF EXPENDITURES (REGULATORY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2015**

	APPROPRIATIONS		EXPENDED		OVER EXPENDED	CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED		
Total Operations Excluded From "CAPS"	14,060	27,506	21,637	5,869	-	-
Detail:						
Salaries and Wages	3,060	3,060	2,813	247	-	-
Other Expenses	11,000	24,446	18,824	5,622	-	-
Municipal Debt Service - Excluded From "CAPS"						
Payment of Bond Anticipation Notes and Capital Notes	42,000	42,000	42,000	-	-	-
Municipal Debt Service - Excluded From "CAPS"	42,000	42,000	42,000	-	-	-
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"	64,309	77,755	71,886	5,869	-	-
Subtotal General Appropriations	1,014,851	1,038,923	977,384	90,685	29,146	-
Reserve For Uncollected Taxes	206,453	206,453	206,453	-	-	-
Total General Appropriations	<u>\$ 1,221,304</u>	<u>\$ 1,245,376</u>	<u>\$ 1,183,837</u>	<u>\$ 90,685</u>	<u>\$ 29,146</u>	<u>\$ -</u>
Original Appropriations		\$ 1,221,304				
Special Emergency		10,626				
Added per N.J.S.A.40A:4-87		13,446				
Total		<u>\$ 1,245,376</u>				
Reserve for Uncollected Taxes			\$ 206,453			
Due General Capital Fund			42,000			
Encumbrances Payable			14,752			
Deferred Charge			8,249			
Reimbursements			(166)			
Cash Disbursements			899,103			
Reserve for State & Federal Grants Appropriated			13,446			
Total			<u>\$ 1,183,837</u>			

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**TOWNSHIP OF BASS RIVER
TRUST FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE -- REGULATORY BASIS
DECEMBER 31, 2015 AND 2014**

ASSETS	REFERENCE	2015	2014
Animal Control Fund:			
Cash	B-1	\$ 2,934	\$ 2,684
Total Animal Control Fund		<u>2,934</u>	<u>2,684</u>
Assessment Fund:			
Cash	B-1	2,843	2,842
Assessment Receivable	B-8	<u>195</u>	<u>195</u>
Total Assessment Fund		<u>3,038</u>	<u>3,037</u>
Other Funds:			
Cash	B-1	48,016	49,553
Due From Current Fund	A	<u>38,753</u>	<u>56,932</u>
Total Other Funds		<u>86,769</u>	<u>106,485</u>
Total Assets		<u>\$ 92,741</u>	<u>\$ 112,206</u>
LIABILITIES & RESERVES			
Animal Control Fund:			
Due To Current Fund	A	\$ 2,145	\$ 1,728
Due to State	B	-	1
Reserve for Animal Control Fund Expenditures	B-3	<u>789</u>	<u>955</u>
Total Animal Control Fund		<u>2,934</u>	<u>2,684</u>
Assessment Fund:			
Due To Current Fund	A	2,843	2,842
Reserve for Assessment Receivable	B-9	<u>195</u>	<u>195</u>
Total Assessment Fund		<u>3,038</u>	<u>3,037</u>
Other Funds:			
Reserve for Unemployment Fund	B-5	2,041	2,043
Reserve for Public Defender	B	8,245	6,444
Reserve for Cash Bonds	B	16,577	16,577
Reserve for Escrow Deposits	B	27,266	27,399
Reserve for Landfill Closure Trust	B	2,189	2,189
Reserve for Tax Sale Premiums	B	25,706	43,880
Reserve for Payroll Deductions Payable	B-7	-	2,938
Due To Current Fund (Payroll)	A	<u>4,745</u>	<u>5,015</u>
Total Other Funds		<u>86,769</u>	<u>106,485</u>
Total Liabilities & Reserves		<u>\$ 92,741</u>	<u>\$ 112,206</u>

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

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**TOWNSHIP OF BASS RIVER
GENERAL CAPITAL FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE -- REGULATORY BASIS
DECEMBER 31, 2015 AND 2014**

ASSETS	REFERENCE	<u>2015</u>	<u>2014</u>
Deferred Charges to Future Taxation:			
Unfunded	C-3	\$ 452,828	\$ 494,828
 Total Assets		<u>\$ 452,828</u>	<u>\$ 494,828</u>
 LIABILITIES, RESERVES & FUND BALANCE			
Due To Current Fund	A	\$ 72,470	\$ 42,270
Bond Anticipation Notes Payable	C-6	72,525	114,525
Improvement Authorizations:			
Funded	C-4	15,094	15,094
Unfunded	C-4	181,012	211,212
Capital Improvement Fund	C-5	111,373	111,373
Fund Balance	C-1	<u>354</u>	<u>354</u>
 Total Liabilities, Reserve & Fund Balance		<u>\$ 452,828</u>	<u>\$ 494,828</u>

There were Bonds & Notes Authorized but not Issued on December 31, 2015 of \$380,303 and on December 31, 2014 there were \$380,303.

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**TOWNSHIP OF BASS RIVER
GENERAL FIXED ASSETS ACCOUNT GROUP
COMPARATIVE STATEMENT OF FIXED ASSETS AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2015 AND 2014**

ASSETS	<u>2015</u>	<u>2014</u>
Land	\$ 809,913	\$ 809,913
Buildings	221,978	221,978
Equipment	286,168	255,968
Vehicles	11,000	11,000
Fire Trucks	<u>705,162</u>	<u>705,162</u>
Total	<u>\$ 2,034,221</u>	<u>\$ 2,004,021</u>
FUND BALANCE		
Investment in Fixed Capital	<u>\$ 2,034,221</u>	<u>\$ 2,004,021</u>

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

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**TOWNSHIP OF BASS RIVER
COUNTY OF BURLINGTON**

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015**

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TOWNSHIP OF BASS RIVER

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED DECEMBER 31, 2015

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, as amended by GASB Statements No. 39 and 61.

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, 2015**

Note 1: Summary of Significant Accounting Policies (continued)

General Fixed Asset Account Group - to account for fixed assets used in general government operations.

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.

TOWNSHIP OF BASS RIVER

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED DECEMBER 31, 2015

Note 1: Summary of Significant Accounting Policies (continued)

Interfunds - Interfund receivables and payables that arise from transactions between funds are recorded by all funds affected by such transactions in the period in which the transaction is executed. Interfund receivables in the Current Fund are recorded with offsetting reserves which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves.

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

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 Title 2 U.S. Code of Federal Regulations (CFR) Part 225, *Cost Principles for State, Local, and Indian Tribal Governments*, except that the useful life of such property is at least five years. The Township has adopted a capitalization threshold of \$2,000.00, the maximum amount allowed by the Circular. Generally, assets are valued at historical cost; however, assets acquired prior to December 31, 1985 are valued at actual historical cost or estimated historical cost. In some instances, assets are valued at the assessed valuation of the property at the time of acquisition, which approximates fair value. No depreciation of general fixed assets is recorded. Donated general fixed assets are recorded at their estimated fair market value on the acquisition date. Interest costs relative to the acquisition of general fixed assets are recorded as expenditures when paid. Public domain ("infrastructure") general fixed assets consisting of certain improvements such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. Expenditures for construction in progress are recorded in the capital funds until such time as the construction is completed and put into operation. The Township is required to maintain a subsidiary ledger detailing fixed assets records to control additions, retirements, and transfers of fixed assets. In addition, a statement of general fixed assets, reflecting the activity for the year, must be included in the Township's basic financial statements.

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

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

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

TOWNSHIP OF BASS RIVER

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2015**

Note 1: Summary of Significant Accounting Policies (continued)

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.

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.

TOWNSHIP OF BASS RIVER

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2015**

Note 1: Summary of Significant Accounting Policies (continued)

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

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.

Adopted Accounting Pronouncements- For the year ended December 31, 2015, the Township implemented GASB Statement No. 68 *Accounting and Financial Reporting for Pensions* – (Amendment to GASB Statement No. 27). The implementation of the Statement requires the Township to disclose its portion of the collective net pension liability of the New Jersey Public Employees’ Retirement System (PERS).

Subsequent Events - The Township has evaluated subsequent events occurring after December 31, 2015 through the date of June 8, 2016, 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, 2015, and reported at fair value are as follows:

Type	Carrying Value
Deposits	
Demand Deposits	\$ 799,041
Total Deposits	\$ 799,041
 The Township's Cash and Cash Equivalents are Reported as Follows:	
Current Fund	\$ 745,251
Trust Other Fund	48,013
Trust Assessment Fund	2,843
Animal Control Fund	2,934
Total Cash and Cash Equivalents	\$ 799,041

TOWNSHIP OF BASS RIVER

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2015**

Note 2: Cash and Cash Equivalents (continued)

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).

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, 2015, the Township's bank balance of \$800,264 was insured or collateralized as follows:

Insured	\$	250,000
Uninsured and uncollateralized		53,856
Collateralized in the Township's Name Under GUDPA		496,408
 Total	 \$	 800,264

Note 3: Investments – Bond Anticipation Note

The Township has invested in the Bond Anticipation Note held in the General Capital Fund for \$72,525 at 0% interest as of December 31, 2015.

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, 2015:

	Due From	Due To
Current Fund	\$ 139,388	\$ 38,753
Federal & State Grant Fund	-	57,185
Payroll Fund	-	4,745
Trust Other Fund	38,753	-
Trust Assessment Fund	-	2,843
Animal Control Fund	-	2,145
General Capital Fund	-	72,470
	\$ 178,141	\$ 178,141

The purpose of these interfunds is short-term borrowings.

TOWNSHIP OF BASS RIVER

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2015**

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.

Comparison of Tax Rate Information

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Total Tax Rate	<u>\$2.203</u>	<u>\$2.036</u>	<u>\$1.646</u>
Apportionment of Tax Rate:			
Municipal	0.156	0.131	0.108
County	0.461	0.419	0.357
Local School	0.883	0.838	0.668
Regional High School	0.703	0.648	0.513

Net Valuation Taxable

2015	<u>\$ 159,113,790</u>		
2014	<u>\$ 160,759,601</u>		
2013		<u>\$ 189,139,936</u>	

Comparison of Tax Levies and Collection Currently

Year	Tax Levy		Cash Collections	Percentage Of Collection
2015	\$ 3,629,204	\$	3,455,195	95.21%
2014	3,291,189		3,106,415	94.39%
2013	3,117,359		2,948,595	94.59%

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
2015	\$ 611,132	\$	176,131	\$	787,263	21.69%
2014	568,342		173,470		741,812	22.53%
2013	500,988		195,006		695,994	22.33%

TOWNSHIP OF BASS RIVER

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2015**

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
2015	\$ 584,100
2014	584,100
2013	584,100

Note 7. Pension Obligations

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 PERS, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrprts.shtml.

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:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible 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 1/5th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred

TOWNSHIP OF BASS RIVER

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2015**

Note 7. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS) (continued):

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 employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2015, the State's pension contribution was less than the actuarial determined amount. 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 \$33,432 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.

Net Pension Liability and Pension Expense - At December 31, 2015, the Township's proportionate share of the PERS net pension liability is valued to be \$798,771. The net pension liability was measured as of June 30, 2015. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2014, to the measurement date of June 30, 2015. The Township's proportion of the net pension liability was based on the Township's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2015. The Township's proportion measured as of June 30, 2015, was .00356%, which was a decrease of .00050% from its proportion measured as of June 30, 2014.

Balances at December 31, 2015 and December 31, 2014

	<u>12/31/15</u>	<u>12/31/14</u>
Actuarial valuation date	July 1, 2015	July 1, 2014
Net Pension Liability	\$ 798,771	\$ 759,279
Township's portion of the Plan's total net pension Liability	0.00356%	0.00406%

For the year ended December 31, 2015, the Township had an allocated pension expense of \$20,994.

TOWNSHIP OF BASS RIVER

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2015**

Note 7. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS) (continued):

Actuarial Assumptions – The collective 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:

	<u>PERS</u>
Measurement date	June 30, 2015
Actuarial valuation date	July 1, 2014
Investment rate of return	7.90%
Salary scale	2012-2021 - 2.15-4.40% Based on Age Thereafter - 3.15-5.40% Based on Age
Inflation rate	3.04%

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

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

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2015 are summarized in the following table:

TOWNSHIP OF BASS RIVER

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2015**

Note 7. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS) (continued):

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	1.04%
U.S. Treasuries	1.75%	1.64%
Investment Grade Credit	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation-Indexed Bonds	1.50%	3.25%
Broad US Equities	27.25%	8.52%
Developed Foreign Equities	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds/Absolute Return	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt ex US	3.50%	-0.40%
REIT	4.25%	5.12%
Total	100.00%	

Discount Rate - The discount rate used to measure the total pension liability was 4.90% as of June 30, 2015. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.90%, and a municipal bond rate of 3.80% as of June 30, 2015, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the Township's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the Township's proportionate share of the net pension liability calculated using the discount rate as disclosed above, as well as what the Township's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.90%) or 1-percentage-point higher (5.90%) than the current rate:

	<u>Decrease</u> <u>(3.90%)</u>	<u>Discount</u> <u>(4.90%)</u>	<u>Increase</u> <u>(5.90%)</u>
Township's proportionate share of the net pension liability	\$ 992,775	\$ 798,771	\$ 636,120

TOWNSHIP OF BASS RIVER

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2015**

Note 7. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS) (continued):

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 8: Fixed Assets

The following schedule is a summarization of the changes in General Fixed Assets for the fiscal year ended December 31, 2015:

	Balance December 31, 2014	Additions	Deletions	Balance December 31, 2015
Land	\$ 809,913	\$ -	\$ -	\$ 809,913
Buidlings	221,978	-	-	221,978
Equipment	255,968	30,200	-	286,168
Vehicles	11,000	-	-	11,000
Fire Trucks	705,162	-	-	705,162
Total	<u>\$ 2,004,021</u>	<u>\$ 30,200</u>	<u>\$ -</u>	<u>\$ 2,034,221</u>

Note 9: Capital Debt

Summary of Debt:

<u>Issued</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Bond Anticipation Note Issued	<u>\$ 72,525</u>	<u>\$ 114,525</u>	<u>\$ 123,925</u>
Total Debt Issued	<u>72,525</u>	<u>114,525</u>	<u>123,925</u>
Authorized But Not Issued			
General Bonds and Notes	<u>380,303</u>	<u>380,303</u>	<u>309,053</u>
Total Authorized But Not Issued	<u>380,303</u>	<u>380,303</u>	<u>309,053</u>
Total Bonds and Notes Issued and Authorized But Not Issued	<u>\$ 452,828</u>	<u>\$ 494,828</u>	<u>\$ 432,978</u>

TOWNSHIP OF BASS RIVER

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2015**

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 .257%:

	Gross Debt	Deductions	Net Debt
Regional School Debt	\$ 435,094	\$ 435,094	\$ -
General	452,828	-	452,828
Total	<u>\$ 887,922</u>	<u>\$ 435,094</u>	<u>\$ 452,828</u>

Net Debt \$452,828 divided by the Equalized Valuation Basis per N.J.S.A.40A:2-2 as amended, \$176,082,149 equals .257%.

Borrowing Power Under 40A:2-6:

3 1/2% of Equalized Valuation Bases (Municipal)	\$ 6,162,875
Net Debt	<u>452,828</u>
Remaining Borrowing Power	<u><u>\$ 5,710,047</u></u>

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, 2015, the Township had the following outstanding bond anticipation notes held as investments in the Current Fund at 0%.

<u>December 31,</u> <u>2014</u>	<u>Issued</u>	<u>Retired</u>	<u>December 31,</u> <u>2015</u>
\$ 114,525	\$ 72,525	\$ 114,525	\$ 72,525
<u>\$ 114,525</u>	<u>\$ 72,525</u>	<u>\$ 114,525</u>	<u>\$ 72,525</u>

Notes mature December 31, 2016.

TOWNSHIP OF BASS RIVER

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2015**

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 2015	Balance December 2014
Local School Taxes:		
Balance of Tax	\$ 690,477	\$ 673,231
Deferred	474,991	399,991
	<u>\$ 215,486</u>	<u>\$ 273,240</u>
Taxes Payable		
	<u>\$ 215,486</u>	<u>\$ 273,240</u>
Regional School Taxes:		
Balance of Tax	\$ 16,627	\$ 16,653
Deferred	-	-
	<u>\$ 16,627</u>	<u>\$ 16,653</u>
Taxes Payable		
	<u>\$ 16,627</u>	<u>\$ 16,653</u>

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

Current Fund – 12/31/2015 Fund Balance	\$441,069
Utilized in 2016 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, 2015, the Township had deferred charges of \$77,478 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, 2015**

	<u>CURRENT FUND</u>	<u>STATE AND FEDERAL GRANT FUND</u>
Balance December 31, 2014	\$ 743,233	\$ -
Receipts:		
Taxes Receivable	\$ 3,518,676	\$ -
Tax Title Lien Collections	26,208	-
Budgeted Revenue	531,556	-
2016 Prepaid Taxes	50,543	-
Due From State of New Jersey Senior Citizen & Veteran Deductions	17,750	-
Miscellaneous Revenue not Anticipated	105,791	-
Budget Refunds	166	-
Lien Redemption	97,678	-
Tax Premium	5,000	-
Due From Animal Trust Fund	1	-
Due From Current Fund	-	25,062
Federal & State Grants Receivable	-	162,536
	<u>4,353,369</u>	<u>187,598</u>
Total	<u>4,353,369</u>	<u>187,598</u>
Subtotal	<u>5,096,602</u>	<u>187,598</u>
Disbursements:		
2015 Appropriations	899,103	-
2014 Appropriations	37,091	-
Encumbrances Payable	23,110	-
Tax Overpayments	250	-
County Taxes	731,194	-
County Share of Added & Omitted Taxes	2,337	-
Local District School Taxes	1,386,809	-
Regional High School Tax	1,119,854	-
Lien Redemption	95,096	-
Tax Premium	1,500	-
Due to Payroll	270	-
Due from General Capital	30,200	-
Due to State & Federal Grants	25,062	-
Reserve for State & Federal Grants	-	187,598
	<u>4,351,876</u>	<u>187,598</u>
Total Disbursements	<u>4,351,876</u>	<u>187,598</u>
Balance December 31, 2015	<u>\$ 744,726</u>	<u>\$ -</u>

**TOWNSHIP OF BASS RIVER
CURRENT FUND
SCHEDULE OF CHANGE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2015	<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, 2015**

YEAR	BALANCE DECEMBER 31, 2014	2015 LEVY	ADDED TAXES	COLLECTED		DUE FROM STATE OF NEW JERSEY	CANCELED	TRANSFERRED TO TAX TITLE LIENS	BALANCE DECEMBER 31, 2015
				2014	2015				
Arrears	\$ 36,930	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 36,930
2012	3,121	-	-	-	-	-	3,121	-	-
2014	133,419	-	-	-	128,976	-	3,888	71	484
Total	173,470	-	-	-	128,976	-	7,009	71	37,414
2015	-	3,499,471	129,734	46,745	3,389,700	18,750	883	34,410	138,717
Total	\$ 173,470	\$ 3,499,471	\$ 129,734	\$ 46,745	\$ 3,518,676	\$ 18,750	\$ 7,892	\$ 34,481	\$ 176,131

ANALYSIS OF 2015 PROPERTY TAX LEVY

Tax Yield:	
General Purpose	\$ 3,499,471
Added Taxes (54:4-63.1 et seq)	129,734
Total	<u>\$ 3,629,205</u>
Tax Levy:	
Regional High School Tax (Abstract)	\$ 1,119,828
Local District School Tax (Abstract)	1,404,055
County Taxes:	
County Tax (Abstract)	\$ 604,090
County Open Space Tax (Abstract)	70,821
County Library Tax (Abstract)	56,283
Due County for Added & Omitted Taxes	<u>756,818</u>
Local Purpose Taxes:	
Local Purpose Tax (Abstract)	248,659
Add: Additional Tax Levy	<u>348,504</u>
Total Levy	<u>\$ 3,629,205</u>

**TOWNSHIP OF BASS RIVER
CURRENT FUND
SCHEDULE OF TAX TITLE LIENS
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014		\$	568,342
Increased by:			
Interest & Costs from Tax Sale	\$	531	
Assignments		33,986	
Transfers from Taxes Receivable		34,481	68,998
Decreased by:			
Collections			26,208
Balance December 31, 2015		\$	611,132

**SCHEDULE OF PROPERTY ACQUIRED FOR TAXES
(AT ASSESSED VALUATION)
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2015 & 2014		\$	584,100
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**TOWNSHIP OF BASS RIVER
CURRENT FUND
SCHEDULE OF REVENUE ACCOUNT RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2015**

	BALANCE DECEMBER 31, 2014	ACCRUED	COLLECTED BY TREASURER	BALANCE DECEMBER 31, 2015
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	\$ -	\$ 5,872	\$ 5,872	\$ -
Fees & Permits	-	15,126	15,126	-
Fines & Costs:				
Municipal Court	12,230	173,205	175,494	9,941
Interest & Costs on Taxes	-	30,774	30,774	-
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	-
	<hr/>			
Total	\$ 12,230	\$ 529,267	\$ 531,556	\$ 9,941

**TOWNSHIP OF BASS RIVER
CURRENT FUND
SCHEDULE OF 2014 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2015**

ACCOUNT	BALANCE DECEMBER 31, 2014	BALANCE AFTER TRANSFERS	PAID OR CHARGED	BALANCE LAPSED
Other Expenses:				
Director's Office	\$ 441	\$ 441	\$ -	\$ 441
Administrative & Executive	1,947	3,951	1,839	2,112
Financial Administration	308	2,413	307	2,106
Assessment of Taxes	161	1,226	42	1,184
Collection of Taxes	5,771	5,771	820	4,951
Liquidation of Tax Title Liens	2,000	1,322	-	1,322
Legal Services & Costs	12,885	7,013	7,013	-
Auditing Services	9,000	9,000	8,000	1,000
Municipal Clerk	2,385	3,290	2,061	1,229
Engineering Services & Costs	2,375	2,375	1,095	1,280
Planning Board	2,200	2,200	197	2,003
Sewer Systems	1,118	3,118	562	2,556
Recreation	20	20	-	20
Utility Expenses	9,695	4,912	4,754	158
Building and Grounds	1,616	1,616	1,616	-
Streets and Roads	1,367	5,667	85	5,582
Convenience Center	13,614	14,122	14,122	-
Landfill Closure	1,194	252	252	-
Mosquito & Pest Control	859	601	-	601
EMS- First Responder	4,000	5,127	2,784	2,343
First Aid Organization Contribution	5,574	4,256	2,500	1,756
Public Health Services	505	505	-	505
Municipal Prosecutor	5,688	3,376	2,800	576
Baliff	331	331	-	331
Municipal Court	4,280	5,316	5,316	-
Public Defender	1,500	1,012	500	512
Office of Emergency Management	1,041	1,541	1,260	281
Code Enforcement	450	450	100	350
Dog Regulation	583	583	583	-
Zoning Enforcement	82	738	58	680
Construction Official	76	276	60	216
Insurance	750	1,737	-	1,737
Social Security	1,851	1,851	1,013	838
Unemployment Insurance	2,187	2,121	12	2,109
Recycling Tax	826	150	150	-
Utility Maintenance	2,653	2,653	300	2,353
Subtotal	<u>\$ 101,333</u>	<u>\$ 101,333</u>	<u>\$ 60,201</u>	<u>\$ 41,132</u>
Appropriation Reserves	\$ 78,223	\$ 78,223	\$ 37,091	\$ 41,132
Encumbrances Payable	23,110	23,110	23,110	-
Total	<u>\$ 101,333</u>	<u>\$ 101,333</u>	<u>\$ 60,201</u>	<u>\$ 41,132</u>

**TOWNSHIP OF BASS RIVER
CURRENT FUND
SCHEDULE OF LOCAL DISTRICT SCHOOL TAX
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014:		
School Taxes Payable	\$ 273,240	
School Taxes Deferred	<u>399,991</u>	\$ 673,231
Increased by:		
School Year Levy July 1, 2015 to June 30, 2016		<u>1,404,055</u>
Subtotal		2,077,286
Decreased by Payments		<u>1,386,809</u>
Balance December 31, 2015:		
School Taxes Payable	215,486	
School Taxes Deferred	<u>474,991</u>	<u>690,477</u>
2015 Liability for Local School Tax:		
Tax Paid		1,386,809
Taxes Payable December 31, 2015		<u>215,486</u>
Subtotal		1,602,295
Less: Taxes Payable December 31, 2014		<u>273,240</u>
Amount Charged to 2015 Operations		<u><u>\$ 1,329,055</u></u>

**SCHEDULE OF REGIONAL HIGH SCHOOL TAX
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014:		
School Taxes Payable		\$ 16,653
Increased by:		
Levy - Calendar Year 2015		<u>1,119,828</u>
Subtotal		1,136,481
Decreased by Payments		<u>1,119,854</u>
Balance December 31, 2015:		
School Taxes Payable		<u><u>\$ 16,627</u></u>

**TOWNSHIP OF BASS RIVER
CURRENT FUND
SCHEDULE OF COUNTY TAXES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014:		\$	2,337
Increased by 2015 Levy:			
General County	\$	604,090	
County Library		56,283	
County Open Space Preservation		70,821	
Due County for Added & Omitted Taxes		25,624	756,818
Subtotal			759,155
Decreased by Payments			733,531
Balance December 31, 2015:		\$	<u>25,624</u>

**FEDERAL AND STATE GRANT FUND
SCHEDULE OF STATE AND FEDERAL GRANTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2015**

	BALANCE DECEMBER 31, 2014	BUDGETED	RECEIVED	TRANSFER FROM UN- APPROPRIATED	BALANCE DECEMBER 31, 2015
State Grants:					
Municipal Alliance - Alcohol & Drug Alcohol Education and Rehabilitation	\$ 2,454	\$ -	\$ 2,454	\$ -	\$ -
Municipal Stormwater Regulation Program	-	884	884	-	-
GovConnect Grant	8,750	-	-	-	8,750
Hazardous Discharge Site Remediation	140	-	-	-	140
Clean Communities Grant	500	-	-	-	500
NJ Transportation Trust Fund - West Rd.	5,779	7,562	7,562	-	5,779
Volunteer Fire Assistance Grant	40,933	-	-	-	40,933
County Grants:					
Municipal Park Development Program	-	5,000	5,000	-	-
	432,510	-	141,000	-	291,510
Total	<u>\$ 491,066</u>	<u>\$ 13,446</u>	<u>\$ 156,900</u>	<u>\$ -</u>	<u>\$ 347,612</u>

**TOWNSHIP OF BASS RIVER
CURRENT FUND
SCHEDULE OF STATE AND FEDERAL GRANTS - APPROPRIATED
FOR THE YEAR ENDED DECEMBER 31, 2015**

	BALANCE DECEMBER 31, 2014	PRIOR YEAR ENCUMBERED	APPROPRIATED	EXPENDED	ADJUSTMENT	BALANCE DECEMBER 31, 2015
State Grants:						
Municipal Alliance - Alcohol & Drug	\$ -	\$ -	\$ -	6,172	\$ (6,172)	\$ -
Alcohol Education & Rehabilitation Fund	2,488	-	884	3,210	-	162
Clean Communities Grant	41,993	-	7,562	2,249	6,172	41,134
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	-	-	1,888	-	3,542
GovConnect Grant	155	-	-	-	-	155
Municipal Stormwater Regulation Program	371	-	-	300	-	71
Volunteer Fire Assistance Grant	-	-	5,000	-	-	5,000
Federal Grants:						
US Forest Service Volunteer Fire Assistance	585	-	-	-	-	585
County Grants:						
Municipal Park Development Program	396,731	-	-	191,947	-	204,784
Local Match:						
State & Federal Programs - Matching Funds	669	-	-	-	669	-
Total	\$ 457,646	\$ -	\$ 13,446	\$ 205,766	\$ 669	\$ 264,657
Original Budget Chapter 159's	\$ -		\$ -			
			<u>13,446</u>			
Total			<u>\$ 13,446</u>			
Cash		\$		\$ 187,598		
Encumbrances				<u>18,168</u>		
Total		\$		<u>\$ 205,766</u>		

**TOWNSHIP OF BASS RIVER
FEDERAL AND STATE GRANT FUND
SCHEDULE OF STATE AND FEDERAL GRANTS - UNAPPROPRIATED
FOR THE YEAR ENDED DECEMBER 31, 2015**

	BALANCE DECEMBER 31, 2014	RECEIVED 2015	ANTICIPATED AS REVENUE	BALANCE DECEMBER 31, 2015
State Grants:				
Recycling Tonnage	\$ 1,966	\$ -	\$ -	\$ 1,966
Municipal Drug Alliance	-	5,636	-	5,636
	<hr/>			
Total	\$ 1,966	\$ 5,636	\$ -	\$ 7,602
	<hr/>			

TRUST FUND

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**TOWNSHIP OF BASS RIVER
TRUST FUND
SCHEDULE OF CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2015**

	ANIMAL CONTROL FUND	TRUST OTHER FUND	PAYROLL FUND	ASSESSMENT FUND
Balance December 31, 2014	\$ 2,684	\$ 41,600	\$ 7,953	\$ 2,842
Receipts:				
Dog License Fees:				
Municipal Licenses - 2015	250	-	-	-
Due to State Board of Health	134	-	-	-
Payroll Account	-	-	450,251	-
Public Defender	-	1,801	-	-
Developer's Escrow	-	6,908	-	-
Special Assessment	-	-	-	1
Due from Current	-	-	270	-
Total Funds Available	<u>3,068</u>	<u>50,309</u>	<u>458,474</u>	<u>2,843</u>
Disbursements:				
State Department of Health	133	-	-	-
Due to Current	1	-	-	-
Payroll Deductions Payable	-	-	453,729	-
Expenditures from Developer's Escrow	-	7,036	-	-
Expenditures from Unemployment Account	-	2	-	-
Total Disbursements	<u>134</u>	<u>7,038</u>	<u>453,729</u>	<u>-</u>
Balance December 31, 2015	<u>\$ 2,934</u>	<u>\$ 43,271</u>	<u>\$ 4,745</u>	<u>\$ 2,843</u>

**TOWNSHIP OF BASS RIVER
ANIMAL CONTROL FUND
SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014	\$	955
Increased by:		
2015 Dog License Fees Collected		384
Subtotal		1,339
Decreased by:		
Expenditures Under N.J.S.A.4:19-15.11		133
Due Current Fund - Statutory Excess		417
Balance December 31, 2015	\$	789

LICENSE FEES COLLECTED

YEAR	AMOUNT
2013	\$ 477
2014	312
Total	\$ 789

**ANIMAL CONTROL FUND
SCHEDULE OF DUE (TO)/FROM CURRENT FUND (ANIMAL CONTROL FUND)
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014	\$	1,728
Increased by:		
Statutory Excess		417
Balance December 31, 2015	\$	2,145

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, 2015**

Balance December 31, 2014	\$	2,842
Increased by:		
Interest		1
Balance December 31, 2015	\$	2,843

EXHIBIT B-5

**TRUST FUND
SCHEDULE OF RESERVE FOR UNEMPLOYMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014	\$	2,043
Decreased by:		
Due to Current		2
Balance December 31, 2015	\$	2,041

EXHIBIT B-6

**TRUST FUND
SCHEDULE OF DUE (TO)/FROM CURRENT FUND (TRUST OTHER FUND)
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014	\$	56,932
Decreased by:		
Due to Current		18,179
Balance December 31, 2015	\$	38,753

**TOWNSHIP OF BASS RIVER
TRUST FUND
SCHEDULE OF PAYROLL DEDUCTIONS PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014		\$	2,938
Increased by:			
Payroll Deductions Received	\$	450,521	
Interfund Activity		270	450,791
			<hr/>
Subtotal			453,729
Decreased by:			
Payroll Expenditures			453,729
			<hr/>
Balance December 31, 2015		\$	<u><u>-</u></u>

EXHIBIT B-8

**TOWNSHIP OF BASS RIVER
TRUST ASSESSMENT FUND
SCHEDULE OF ASSESSMENTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2015**

<u>Purpose</u>	<u>Date Confirmed</u>	<u>Date</u>	<u>Number</u>	Balance December 31, 2015 & <u>2014</u>
Offshore Manor Wastewater	11/08/90	3/10/91-2011	20	<u>\$ 195</u>

EXHIBIT B-9

**SCHEDULE OF RESERVE FOR ASSESSMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2015 & 2014	<u>\$ 195</u>
Pledged to Receivable Balance December 31, 2015 & 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, 2015**

Balance December 31, 2015 & 2014	\$ <u>354</u>
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**SCHEDULE OF CASH
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2015 & 2014	\$ <u>-</u>
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**ANALYSIS OF GENERAL CAPITAL CASH
FOR THE YEAR ENDED DECEMBER 31, 2015**

Fund Balance	\$ 354
Capital Improvement Fund	111,373
Due to Current Fund	72,470

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	(43,950)
		(43,950)

Total	\$ <u>-</u>
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TOWNSHIP OF BASS RIVER
SCHEDULE OF DEFERRED CHARGED TO FUTURE TAXATION - UNFUNDED
FOR THE YEAR ENDED DECEMBER 31, 2015

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2014	2015 AUTHORIZATIONS	PAYMENT OF BOND ANTICIPATION NOTES	BALANCE DECEMBER 31, 2015
	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	21,975	-	21,975	-
	Reconstruction of Various Streets	31,003	-	-	31,003
2012-07	Various Capital Improvements	26,600	-	-	26,600
2012	Improvements to Various Streets	92,550	-	20,025	72,525
2012-08	Improvements to Municipal Parks	147,250	-	-	147,250
2014-04	Generator for Public Shelter	71,250	-	-	71,250
	Total	\$ 494,828	\$ -	\$ 42,000	\$ 452,828

**TOWNSHIP OF BASS RIVER
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
FOR THE YEAR ENDED DECEMBER 31, 2015**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	ORDINANCE DATE	AMOUNT	BALANCE DECEMBER 31, 2015		2015 AUTHORIZATIONS	EXPENDED	BALANCE DECEMBER 31, 2015	
				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	-	-	-	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	-	-	-	3,757
2012-08	Improvements to Municipal Parks	11/5/2012	155,000	7,750	147,250	-	-	7,750	147,250
2014-04	Generator for Public Shelter	9/8/2014	75,000	-	57,500	-	30,200	-	27,300
Total				\$ 15,094	\$ 211,212	\$ -	\$ 30,200	\$ 15,094	\$ 181,012

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

Balance December 31, 2015 & 2014

\$ 111,373

**TOWNSHIP OF BASS RIVER
GENERAL CAPITAL FUND
STATEMENT OF BOND ANTICIPATION NOTES
AT DECEMBER 31, 2015**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	DATE OF ORIGINAL NOTE	DATE OF ISSUE	DATE OF MATURITY	INTEREST RATE	BALANCE DECEMBER 31, 2014	INCREASED	DECREASED	BALANCE DECEMBER 31, 2015
	Acquisition of Fire Equipment	11/20/06	11/20/06	11/20/16	0.00%	\$ 21,975	\$ -	\$ 21,975	\$ -
	Improvements to Various Streets	12/15/08	12/15/08	12/15/18	0.00%	92,550	-	20,025	72,525
	Total					\$ 114,525	\$ -	\$ 42,000	\$ 72,525

**TOWNSHIP OF BASS RIVER
GENERAL CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
FOR THE YEAR ENDED DECEMBER 31, 2015**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2014	BONDS AND NOTES AUTHORIZED	NOTES ISSUED	BALANCE DECEMBER 31, 2015
	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
		<hr/>			
		\$ 380,303	\$ -	\$ -	\$ 380,303
		<hr/> <hr/>			

**TOWNSHIP OF BASS RIVER
COUNTY OF BURLINGTON**

PART II

**COMMENTS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2015**

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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, 2015. 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.

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.

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.

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*).

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 5, 2015 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
2015	152
2014	135
2013	135

Deductions From Taxes

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

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 2015-001*:

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 2015-002:

During our audit it was noted that multiple appropriation lines in the Current Fund were over expended.

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, 2015:

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 received the complete cooperation of all the Township Officials and employees and we greatly appreciate the courtesies extended to the members of the audit team.

Should you have any questions, please contact us.

Respectfully submitted,

HOLMAN FRENIA ALLISON, P.C.

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

Medford, New Jersey
June 8, 2016