

TOWNSHIP OF HARRISON

COUNTY OF GLOUCESTER

REPORT OF AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2015

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TOWNSHIP OF HARRISON
PART 1
REPORT OF AUDIT OF FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Township Committee
Township of Harrison
Mullica Hill, New Jersey 08062

Report on the Financial Statements

We have audited the accompanying statements of assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Township of Harrison, in the County of Gloucester, State of New Jersey, as of December 31, 2015 and 2014, and the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis, statement of expenditures - regulatory basis, and statement of general fixed assets group of accounts - regulatory basis for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to 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; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

18300

Opinions

Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America

As described in note 1 to the financial statements, the financial statements are prepared by the Township on the basis of the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the State of New Jersey.

The effects on the financial statements of the variances between the regulatory basis of accounting described in note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on Accounting Principles Generally Accepted in the United States of America

In our opinion, because of the significance of the matter discussed in the "*Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America*" 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 Harrison, in the County of Gloucester, 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 previously present fairly, in all material respects, the assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Township of Harrison, in the County of Gloucester, State of New Jersey, as of December 31, 2015 and 2014, and the results of its operations and changes in fund balance - regulatory basis of such funds for the years then ended, and the revenues - regulatory basis and expenditures - regulatory basis of the various funds, and general fixed assets group of accounts - regulatory basis, 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

Adoption of New Accounting Principles

As discussed in note 1 to the financial statements, during the year ended December 31, 2015, the Township adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*. As a result of the regulatory basis of accounting, described in the previous paragraph, the implementation of these Statements only required financial statement disclosures. Our opinions are not modified with respect to this matter.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township's basic financial statements. The supplemental statements and schedules presented for the various funds, as listed in the table of contents, are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and are not a required part of the basic financial statements.

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Other Matters (Cont'd)

Other Information (Cont'd)

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 17, 2016 on our consideration of the Township of Harrison's, in the County of Gloucester, State of New Jersey, internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township of Harrison's internal control over financial reporting and compliance.

Respectfully submitted,

Bowman & Company LLP

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Henry Hudson

Certified Public Accountant
Registered Municipal Accountant

Woodbury, New Jersey
October 17, 2016

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Township Committee
Township of Harrison
Mullica Hill, New Jersey 08062

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 the audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, of the Township of Harrison, in the County of Gloucester, State of New Jersey, as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements, and have issued our report thereon dated October 17, 2016. That report indicated that the Township of Harrison's financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America, but were prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. In addition, our report on the financial statements also included an emphasis of matter paragraph describing the adoption of new accounting principles.

Internal Control Over Financial Reporting

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

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

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Certified Public Accountant
Registered Municipal Accountant

Woodbury, New Jersey
October 17, 2016

TOWNSHIP OF HARRISON
CURRENT FUND

Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis
As of December 31, 2015 and 2014

<u>ASSETS</u>	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
Regular Fund:			
Cash and Cash Equivalents:			
Cash - Treasurer	SA-1	\$ 5,407,944.79	\$ 4,800,052.80
Cash - Tax Collector	SA-2	763,551.97	669,158.58
Change Funds	SA-9	250.00	250.00
		<u>6,171,746.76</u>	<u>5,469,461.38</u>
Total Cash and Cash Equivalents			
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes	SA-4	311,879.73	508,067.52
Tax Title Liens Receivable	SA-5	199,907.99	181,546.38
Revenue Accounts Receivable	SA-3	30,765.14	46,856.49
Interfunds Receivable:			
Trust - Animal Control Fund	SB-3	9,291.98	11,327.91
General Capital Fund	SC-3	-	1,146.60
		<u>551,844.84</u>	<u>748,944.90</u>
Total Receivables and Other Assets with Full Reserves			
Due from State of New Jersey:			
Senior Citizens and Veterans Deductions	SA-10	2,500.00	-
		<u>2,500.00</u>	<u>-</u>
Deferred Charges:			
Special Emergency Authorizations (40A:4-53)	SA-6	100,000.00	150,000.00
		<u>100,000.00</u>	<u>150,000.00</u>
Total Regular Fund			
		<u>6,826,091.60</u>	<u>6,368,406.28</u>
Federal and State Grant Fund:			
Cash - Municipal Financial Officer	SA-1	200,346.79	315,119.73
Federal and State Grants Receivable	SA-20	300,098.88	300,098.88
Due from Current Fund	SA-23	5,864.48	5,864.48
		<u>506,310.15</u>	<u>621,083.09</u>
Total Federal and State Grant Fund			
		<u>\$ 7,332,401.75</u>	<u>\$ 6,989,489.37</u>

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TOWNSHIP OF HARRISON
CURRENT FUND

Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis
As of December 31, 2015 and 2014

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
Regular Fund:			
Appropriation Reserves	A-3;SA-11	\$ 801,042.35	\$ 914,909.09
Reserve for Encumbrances	A-3;SA-11	75,204.52	5,425.86
Accounts Payable	A	-	1,756.00
Local District School Taxes Payable	SA-14	546,098.00	343,365.00
Regional High School Taxes Payable	SA-15	593,380.64	399,693.14
County Taxes Payable	SA-16	90,102.64	150,862.62
Municipal Open Space Local Taxes Payable	SA-17	-	25,014.28
Special Emergency Note Payable	SA-7	100,000.00	150,000.00
Tax Overpayments	SA-12	3,295.78	18,995.49
Prepaid Taxes	SA-13	222,902.02	213,361.35
Due Federal and State Grant Fund	SA-23	5,864.48	5,864.48
Due Trust - Other Funds	SB-5	4,832.83	4,889.30
Due Sewer Utility Operating Fund	SD-6	35,275.00	2,777.10
Due Sewer Utility Capital Fund	SE-2	16,500.00	-
Due State of New Jersey:			
Senior Citizens and Veterans Deductions	SA-10	-	23,426.52
Marriage License Fees	SA-8	175.00	125.00
Reserve for:			
Payment of Debt	SA-1	141,185.55	-
Master Plan Revision	SA-19	98,105.14	127,859.40
		<u>2,733,963.95</u>	<u>2,388,324.63</u>
Total Other Liabilities and Reserves			
Reserve for Receivables and Other Assets	A	551,844.84	748,944.90
Fund Balance	A-1	3,540,282.81	3,231,136.75
Total Regular Fund		<u>6,826,091.60</u>	<u>6,368,406.28</u>
Federal and State Grant Fund:			
Reserve for Grants - Appropriated	SA-21	386,421.68	412,014.89
Reserve for Grants - Unappropriated	SA-22	30,244.80	54,328.83
Reserve for Encumbrances	SA-21	89,643.67	27,408.18
Due General Capital Fund	SA-1	-	127,331.19
		<u>506,310.15</u>	<u>621,083.09</u>
Total Federal and State Grant Fund		<u>506,310.15</u>	<u>621,083.09</u>
		<u>\$ 7,332,401.75</u>	<u>\$ 6,989,489.37</u>

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

TOWNSHIP OF HARRISON
CURRENT FUND
 Statements of Operations and Changes in Fund Balance -- Regulatory Basis
 For The Years Ended December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
REVENUE AND OTHER INCOME REALIZED:		
Fund Balance Utilized	\$ 2,054,400.00	\$ 530,000.00
Miscellaneous Revenues Anticipated	1,264,940.56	3,374,312.93
Receipts from Delinquent Taxes and Tax Title Liens	511,734.84	507,033.94
Receipts from Current Taxes	40,278,468.98	38,206,004.30
Non-Budget Revenue	680,177.07	147,492.32
Other Credits to Income:		
Animal Control Trust Fund Statutory Excess	5,415.83	520.19
Unexpended Balance of Appropriation Reserves	577,592.43	582,920.02
Cancelation of Prior Year Payable	23,585.43	-
Interfund Loans Returned	3,182.53	4,438.52
	<u>45,399,497.67</u>	<u>43,352,722.22</u>
Total Income		
EXPENDITURES:		
Budget Appropriations:		
Within "CAPS":		
Operations:		
Salaries and Wages	2,832,935.00	2,922,300.01
Other Expenses	2,823,813.00	2,663,328.00
Deferred Charges and Statutory Expenditures	694,818.00	693,909.00
Excluded from "CAPS":		
Operations	619,473.83	559,820.71
Capital Improvements	40,000.00	374,520.00
Debt Service	1,607,090.21	1,607,742.50
Deferred Charges	50,000.00	50,000.00
County Taxes	10,242,238.78	9,389,059.85
Local District School Taxes	12,431,209.00	12,025,743.00
Regional High School Taxes	9,701,561.00	9,314,193.00
Special District Taxes	1,139,000.00	1,123,842.00
Municipal Open Space Taxes	843,035.79	835,439.14
Other Debits to Income:		
Prior Year Senior Citizens and Veterans' Deductions Disallowed	750.00	500.00
Refund of Prior Year Revenue	435.00	-
Prior Year SFSP Funds Due Fire District	9,592.00	-
Interfund Loans Advanced	-	2,479.73
	<u>43,035,951.61</u>	<u>41,562,876.94</u>
Total Expenditures		
Excess Revenue and Other Income Realized Over Expenditures	2,363,546.06	1,789,845.28
FUND BALANCE:		
Balance January 1	<u>3,231,136.75</u>	<u>1,971,291.47</u>
	5,594,682.81	3,761,136.75
Decreased by:		
Utilized as Revenue	<u>2,054,400.00</u>	<u>530,000.00</u>
Balance December 31	<u>\$ 3,540,282.81</u>	<u>\$ 3,231,136.75</u>

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

TOWNSHIP OF HARRISON
CURRENT FUND
Statement of Revenues -- Regulatory Basis
For the Year Ended December 31, 2015

	<u>Budget</u>	<u>Anticipated</u> Special N.J.S.A. 40A: 4-87	<u>Realized</u>	<u>Excess or</u> <u>(Deficit)</u>
Surplus Anticipated	\$ 2,054,400.00		\$ 2,054,400.00	
Miscellaneous Revenues:				
Local Revenues				
Fees and Permits	21,400.00		32,376.25	\$ 10,976.25
Fines and Costs:				
Municipal Court	220,000.00		246,744.48	26,744.48
Interest and Costs on Taxes	104,000.00		119,221.61	15,221.61
Interest on Investments and Deposits	10,000.00		10,639.99	639.99
State Aid Without Offsetting Appropriations:				
Energy Receipts Tax	542,592.00		542,592.00	
Dedicated Uniform Construction Code Fees Offset With Appropriations (N.J.S.40A:4-36 and N.J.A.C.5:23-4.17):				
Uniform Construction Code Fees	200,000.00		215,660.42	15,660.42
Special Items of General Revenue Anticipated with Prior Written Consent of the Director of the Division of Local Government Services:				
Public and Private Revenues Offset with Appropriations:				
Recycling Tonnage Grant	23,802.44		23,802.44	
Clean Communities Program	22,182.74		22,182.74	
Body Armor Replacement Fund Program	3,188.32		3,188.32	
Alcohol Education, Rehab and Enforcement Fund	472.64		472.64	
Drunk Driving Enforcement Program	2,837.31		2,837.31	
Drug Abuse Resistance Education	1,845.38		1,845.38	
Other Special Items:				
Cable Television	43,376.98		43,376.98	
	<u>1,195,697.81</u>		<u>1,264,940.56</u>	<u>69,242.75</u>
Receipts from Delinquent Taxes	<u>450,000.00</u>		<u>511,734.84</u>	<u>61,734.84</u>
Amount to be Raised by Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purposes including Reserve for Uncollected Taxes	<u>6,192,489.02</u>		<u>6,934,296.41</u>	<u>741,807.39</u>
Budget Totals	<u>9,892,586.83</u>		<u>10,765,371.81</u>	<u>872,784.98</u>
Non-Budget Revenues			<u>680,177.07</u>	<u>680,177.07</u>
	<u>\$ 9,892,586.83</u>	<u>\$ -</u>	<u>\$ 11,445,548.88</u>	<u>\$ 1,552,962.05</u>

(Continued)

TOWNSHIP OF HARRISON
CURRENT FUND
Statement of Revenues -- Regulatory Basis
For the Year Ended December 31, 2015

Analysis of Realized Revenue

Allocation of Current Tax Collections:	
Revenue from Collections	\$ 40,278,468.98
Allocated to:	
County, School, Special District and Open Space Taxes	<u>34,357,044.57</u>
Amount for Support of Municipal Budget Appropriations	5,921,424.41
Add: Appropriation "Reserve for Uncollected Taxes"	<u>1,012,872.00</u>
Amount for Support of Municipal Budget Appropriations	<u>\$ 6,934,296.41</u>
Receipts from Delinquent Taxes:	
Delinquent Tax Collections	\$ 508,817.52
Tax Title Lien Collections	<u>2,917.32</u>
Total Delinquent Tax Collections	<u>\$ 511,734.84</u>
Fees and Permits	
Clerk Fees	\$ 10,910.00
Planning Board Fees	13,300.00
Zoning Fees - Zoning Officer	5,170.00
Police Reports Fees	2,986.25
Tax Collector:	
Tax Search Fees	<u>10.00</u>
Total Fees and Permits	<u>\$ 32,376.25</u>

Analysis for Non-Budget Revenue

Miscellaneous Revenue not Anticipated:	
Certified Copies	\$ 3,804.00
Raffle Licenses	240.00
Rent and Lease Income	12,600.00
Copies	37.65
Marriage Licenses	5.00
Division of Motor Vehicle Inspection Fees	7,583.67
Rental and Resale Housing Inspections	6,255.00
Grading Inspection Fees	1,255.00
Cancelation of Prior Year Checks	277.57
Recycling of Scrap Metal and Plastic	7,226.09
Sale of Miscellaneous Municipal Equipment	8,024.38
Reimbursement of Prior Year Expenditures	18,155.01
Abandoned Property Fees	40,100.00
Municipal Easements & Right of Ways	305,187.50
Cat Licenses	2,629.00
Miscellaneous	576.01
Senior Citizen and Veterans Deductions Administrative Fee	1,473.18
Tax Collector:	
Payment in Lieu of Taxes	263,157.00
Advertising Fees	1,571.01
Municipal Lien Recording Fees	<u>20.00</u>
	<u>\$ 680,177.07</u>
Tax Collector	\$ 264,748.01
Due from Animal Control Trust Fund	2,629.00
Treasurer	<u>412,800.06</u>
	<u>\$ 680,177.07</u>

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

TOWNSHIP OF HARRISON
CURRENT FUND
Statement of Expenditures -- Regulatory Basis
For The Year Ended December 31, 2015

	Appropriations		Expended			Unexpended Balance Canceled
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	
OPERATIONS WITHIN "CAPS"						
General Government:						
Administrative and Executive:						
Salaries and Wages	\$ 106,599.00	\$ 92,599.00	\$ 89,760.81		\$ 2,838.19	
Other Expenses	50,240.00	50,240.00	45,700.24		4,539.76	
Mayor and Committee:						
Salaries and Wages	22,622.00	22,622.00	22,509.00	\$ 70.00	43.00	
Other Expenses	3,550.00	3,550.00	3,539.74		10.26	
Township Clerk:						
Salaries and Wages	87,202.00	87,302.00	87,047.83		254.17	
Other Expenses	45,375.00	45,375.00	28,329.20	1,073.00	15,972.80	
Financial Administration:						
Salaries and Wages	122,282.00	122,282.00	119,946.73		2,335.27	
Other Expenses	100,465.00	83,465.00	64,374.53	505.00	18,585.47	
Automated Data Processing:						
Other Expenses	5,500.00	5,500.00	4,624.05		875.95	
Collection of Taxes:						
Salaries and Wages	52,355.00	52,355.00	51,997.14		357.86	
Other Expenses	7,730.00	7,730.00	5,918.05	225.75	1,586.20	
Legal Services and Costs:						
Other Expenses	342,400.00	342,500.00	198,574.21		143,925.79	
Engineering Services and Costs:						
Other Expenses	28,000.00	28,000.00	9,570.76		18,429.24	
Historic Preservation Committee:						
Salaries and Wages	6,365.00	6,365.00	6,364.61		0.39	
Other Expenses	7,100.00	7,100.00	3,986.20		3,113.80	
Municipal Land Use Law:						
Planning Board:						
Salaries and Wages	40,813.00	41,613.00	41,540.29		72.71	
Other Expenses	28,425.00	28,425.00	23,919.11		4,505.89	

(Continued)

TOWNSHIP OF HARRISON
CURRENT FUND
Statement of Expenditures -- Regulatory Basis
For The Year Ended December 31, 2015

	Appropriations		Expended			Unexpended Balance Canceled
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	
OPERATIONS WITHIN "CAP" (Cont'd)						
Municipal Land Use Law: (Cont'd)						
Zoning Board of Adjustment:						
Salaries and Wages	\$ 16,130.00	\$ 16,130.00	\$ 16,129.53		\$ 0.47	
Other Expenses	550.00	1,750.00	1,700.20		49.80	
Subtotal General Government	1,073,703.00	1,044,903.00	825,532.23	\$ 1,873.75	217,497.02	
Public Safety:						
Police:						
Salaries and Wages	1,555,895.00	1,555,895.00	1,478,247.86		77,647.14	
Other Expenses	140,850.00	140,850.00	79,747.30	42,118.55	18,984.15	
Emergency Management Services:						
Salaries and Wages	6,498.00	6,498.00	6,460.26		37.74	
Other Expenses	700.00	700.00	170.00		530.00	
Municipal Prosecutor:						
Salaries and Wages	17,150.00	17,350.00	17,350.00			
Other Expenses	200.00	200.00			200.00	
Subtotal Public Safety	1,721,293.00	1,721,493.00	1,581,975.42	42,118.55	97,399.03	
Public Works:						
Streets and Roads:						
Road Repair and Maintenance:						
Salaries and Wages	185,373.00	194,173.00	182,519.68		11,653.32	
Other Expenses	69,300.00	74,300.00	56,476.70	1,148.19	16,675.11	
Solid Waste Collection:						
Other Expenses	55,500.00	55,500.00	51,923.27		3,576.73	
Waste Disposal	365,000.00	365,000.00	318,581.87	27,241.23	19,176.90	
Public Buildings and Grounds:						
Salaries and Wages	154,108.00	161,808.00	157,504.58		4,303.42	
Other Expenses	72,830.00	72,830.00	47,438.45	1,471.60	23,919.95	
Subtotal Public Works	902,111.00	923,611.00	814,444.55	29,861.02	79,305.43	
Vehicle Maintenance:						
Salaries and Wages	47,906.00	27,756.00	11,032.28		16,723.72	
Other Expenses	64,000.00	64,000.00	43,949.44	1,184.52	18,866.04	
Subtotal Vehicle Maintenance	111,906.00	91,756.00	54,981.72	1,184.52	35,589.76	

(Continued)

TOWNSHIP OF HARRISON
CURRENT FUND
Statement of Expenditures -- Regulatory Basis
For The Year Ended December 31, 2015

	Appropriations		Expended		Unexpended Balance Canceled
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u> <u>Reserved</u>	
OPERATIONS WITHIN "CAP" (Cont'd)					
Health and Human Services:					
Board of Health:					
Salaries and Wages	\$ 955.00	\$ 955.00	\$ 953.10	\$ 1.90	
Other Expenses	50.00	50.00		50.00	
Donation to Harrison Township Historical Society	1,000.00	1,000.00		1,000.00	
Environmental Commission (N.J.S.A.40.56A-1 et seq):					
Other Expenses	4,190.00	4,190.00	1,266.31	2,923.69	
Subtotal Health and Human Services	6,195.00	6,195.00	2,219.41	3,975.59	
Park and Recreation Functions:					
Parks and Playgrounds:					
Salaries and Wages	62,259.00	64,859.00	64,822.05	36.95	
Other Expenses	13,150.00	13,150.00	11,449.72	1,700.28	
Subtotal Recreation and Education	75,409.00	78,009.00	76,271.77	1,737.23	
Veterans Commission	500.00	500.00		500.00	
Additional Salaries and Wages	5,000.00	2,400.00	1,954.32	445.68	
Compensated Absences	5,000.00	5,000.00	4,368.02	631.98	
Municipal Court:					
Salaries and Wages	121,112.00	121,112.00	112,830.21	8,281.79	
Other Expenses	19,535.00	19,535.00	16,663.86	2,871.14	
Public Defender:					
Other Expenses	2,100.00	2,100.00		2,100.00	
Subtotal Municipal Court	142,747.00	142,747.00	129,494.07	13,252.93	
JIF Administration:					
Salaries and Wages	19,333.00	19,333.00	18,858.77	474.23	
Insurance:					
General Liability	104,000.00	104,000.00	104,000.00		
Workers Compensation	53,400.00	53,400.00	52,703.62	696.38	
Employee Group Health	759,483.00	751,683.00	651,119.03	100,563.97	
Employee Health Insurance Waivers	66,210.00	66,310.00	66,268.19	41.81	
Subtotal Insurance	1,002,426.00	994,726.00	892,949.61	101,776.39	

(Continued)

TOWNSHIP OF HARRISON
CURRENT FUND
Statement of Expenditures -- Regulatory Basis
For The Year Ended December 31, 2015

	Appropriations		Expended			Unexpended Balance Canceled
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	
OPERATIONS WITHIN "CAP" (Cont'd)						
Code Enforcement & Administrator:						
Construction Official:						
Salaries and Wages	\$ 213,078.00	\$ 214,528.00	\$ 214,432.96		\$ 95.04	
Other Expenses	5,420.00	5,420.00	5,385.35		34.65	
Subtotal State Uniform Construction Code	218,498.00	219,948.00	219,818.31		129.69	
Unclassified - Utilities:						
Electricity	68,000.00	68,000.00	53,303.54		14,696.46	
Street Lighting	118,000.00	148,000.00	141,764.16		6,235.84	
Telephone	38,860.00	41,860.00	40,159.15	\$ 166.68	1,534.17	
Water	7,000.00	7,500.00	7,153.66		346.34	
Natural Gas	20,000.00	20,000.00	14,916.53		5,083.47	
Fuel Oil	20,000.00	20,000.00	11,393.83		8,606.17	
Gasoline	120,000.00	120,000.00	44,373.24		75,626.76	
Subtotal Unclassified	391,860.00	425,360.00	313,064.11	166.68	112,129.21	
Contingent	100.00	100.00			100.00	
Total Operations Within "CAP"	5,656,748.00	5,656,748.00	4,917,073.54	75,204.52	664,469.94	
Detail:						
Salaries and Wages	2,848,035.00	2,832,935.00	2,706,630.03		126,234.97	
Other Expenses	2,808,713.00	2,823,813.00	2,210,443.51	75,134.52	538,234.97	
Deferred Charges and Statutory Expenditures - Municipal Within "CAP"						
Statutory Expenditures:						
Contribution to:						
Public Employees' Retirement System	147,913.00	147,913.00	147,913.00			
Social Security System (O.A.S.I.)	220,000.00	220,000.00	210,296.03		9,703.97	
Police and Firemen's Retirement System	316,405.00	316,405.00	316,405.00			
Contribution New Jersey Unemployment	10,000.00	10,000.00	10,000.00			
Defined Contribution Retirement Program	500.00	500.00	170.05		329.95	
Total Deferred Charges and Statutory Expenditures - Municipal Within "CAP"	694,818.00	694,818.00	684,784.08		10,033.92	
Total General Appropriations for Municipal Purposes Within "CAP"	6,351,566.00	6,351,566.00	5,601,857.62	75,204.52	674,503.86	

(Continued)

TOWNSHIP OF HARRISON
CURRENT FUND
Statement of Expenditures -- Regulatory Basis
For The Year Ended December 31, 2015

	Appropriations		Expended		Unexpended Balance Canceled
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u> <u>Reserved</u>	
OPERATIONS EXCLUDED FROM "CAP"					
General Government:					
SFSP Fire District Payment	\$ 1,756.00	\$ 1,756.00	\$ 1,756.00		
Insurance Employee Group	24,389.00	24,389.00		\$ 24,389.00	
Subtotal General Government Outside "CAPS"	26,145.00	26,145.00	1,756.00	24,389.00	
Shared Service Agreements:					
Solid Waste Collection - Logan Township	539,000.00	539,000.00	436,850.51	102,149.49	
Subtotal Shared Service Agreements	539,000.00	539,000.00	436,850.51	102,149.49	
State and Federal Programs Offset by Revenues:					
Recycling Tonnage Grant	23,802.44	23,802.44	23,802.44		
Clean Communities	22,182.74	22,182.74	22,182.74		
Drunk Driving Enforcement Program	2,837.31	2,837.31	2,837.31		
Alcohol Education, Rehab and Enforcement Fund	472.64	472.64	472.64		
Body Armor Replacement Fund Program	3,188.32	3,188.32	3,188.32		
Drug Abuse Resistance Education	1,845.38	1,845.38	1,845.38		
Total State and Federal Programs Offset by Revenues	54,328.83	54,328.83	54,328.83		
Total Operations Excluded from "CAPS"	619,473.83	619,473.83	492,935.34	126,538.49	
Detail:					
Salaries and Wages					
Other Expenses	619,473.83	619,473.83	492,935.34	126,538.49	
CAPITAL IMPROVEMENTS EXCLUDED FROM "CAP"					
Capital Improvement Fund	40,000.00	40,000.00	40,000.00		
Total Capital Improvements Excluded from "CAPS"	40,000.00	40,000.00	40,000.00		

(Continued)

TOWNSHIP OF HARRISON
CURRENT FUND
Statement of Expenditures -- Regulatory Basis
For The Year Ended December 31, 2015

	Appropriations		Expended			Unexpended Balance Canceled
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	
MUNICIPAL DEBT SERVICE EXCLUDED FROM "CAPS"						
Payment of Bond Principal	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,000.00			
Payment of Bond Anticipation Notes and Capital Notes	86,100.00	86,100.00	86,100.00			
Interest on Bonds	680,000.00	680,000.00	468,694.84			\$ 211,305.16
Interest on Notes	52,575.00	52,575.00	52,295.37			279.63
Total Municipal Debt Service Excluded from "CAPS"	1,818,675.00	1,818,675.00	1,607,090.21			211,584.79
DEFERRED CHARGES EXCLUDED FROM "CAPS"						
Special Emergency Authorizations - 5 years	50,000.00	50,000.00	50,000.00			
Total Deferred Charges Excluded from "CAPS"	50,000.00	50,000.00	50,000.00			
Total General Appropriations For Municipal Purposes - Excluded from "CAPS"	2,528,148.83	2,528,148.83	2,190,025.55		\$ 126,538.49	211,584.79
Subtotal General Appropriations	8,879,714.83	8,879,714.83	7,791,883.17	\$ 75,204.52	801,042.35	211,584.79
Reserve for Uncollected Taxes	1,012,872.00	1,012,872.00	1,012,872.00			
Total General Appropriations	\$ 9,892,586.83	\$ 9,892,586.83	\$ 8,804,755.17	\$ 75,204.52	\$ 801,042.35	\$ 211,584.79
Adopted Budget		\$ 9,892,586.83				
Reserve for Federal and State Grant Fund			\$ 54,328.83			
Deferred Charges			50,000.00			
Reserve for Uncollected Taxes			1,012,872.00			
Reimbursements - Treasurer			(408,270.93)			
Disbursed			8,095,825.27			
		\$ 9,892,586.83	\$ 8,804,755.17			

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

TOWNSHIP OF HARRISON
TRUST FUNDS
 Statements of Assets, Liabilities and Reserves -- Regulatory Basis
 As of December 31, 2015 and 2014

<u>ASSETS</u>	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
Animal Control Fund:			
Cash	SB-1	\$ 54,171.98	\$ 57,006.51
Due from State of New Jersey	SB-4		70.20
		<u>54,171.98</u>	<u>57,076.71</u>
Trust Other Funds:			
Cash	SB-1	3,204,316.89	3,718,772.09
Due from Payroll Trust to Unemployment Trust	B	1,373.41	1,398.03
Due from Current Fund	SB-5	4,832.83	4,889.30
		<u>3,210,523.13</u>	<u>3,725,059.42</u>
Municipal Open Space Trust Fund:			
Cash	SB-1	1,584,860.96	1,516,339.96
Due from Current Fund	SB-7	-	25,014.28
		<u>1,584,860.96</u>	<u>1,541,354.24</u>
 Total Trust Funds		 <u>\$ 4,849,556.07</u>	 <u>\$ 5,323,490.37</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Animal Control Fund:			
Reserve for Animal Control Expenditures	SB-2	\$ 44,874.00	\$ 45,748.80
Due State of New Jersey	SB-4	6.00	
Due Current Fund	SB-3	9,291.98	11,327.91
		<u>54,171.98</u>	<u>57,076.71</u>

(Continued)

TOWNSHIP OF HARRISON
TRUST FUNDS
 Statements of Assets, Liabilities and Reserves -- Regulatory Basis
 As of December 31, 2015 and 2014

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
Trust Other Funds:			
Due Unemployment Trust from Payroll Trust	B	\$ 1,373.41	\$ 1,398.03
Reserve for Trust Other Funds:			
Cash Bond	SB-6	1,059,699.95	946,736.39
Compensatory Plantings	SB-6	7,069.84	6,469.84
Compensated Absences	SB-6	62,889.61	62,795.35
Developers Escrow	SB-6	215,677.87	182,651.47
Economic Development and Improvement	SB-6	131,933.49	131,735.75
Forfeited Funds	SB-6	29,469.68	7,255.01
Growth Share COAH Fees	SB-6	71,323.98	71,288.85
Housing Savings Trust	SB-6	367,301.60	344,392.79
Affordable Housing	SB-6	6,826.05	600,090.80
Mill Valley Escrow	SB-6	17,857.10	17,857.10
Outside Police Employment	SB-6	33,684.26	19,153.62
Parade	SB-6	11,651.64	11,892.92
Payroll	SB-6	34,241.26	42,519.16
POAA Trust	SB-6	175.18	172.94
Tax Title Lien Premium	SB-6	254,700.00	368,400.00
Tax Title Lien Redemption	SB-6	3,221.48	37,619.50
Public Defender	SB-6	4,967.36	5,243.88
Recreation Commission	SB-6	103,475.83	88,130.43
Recreation	SB-6	583,509.58	602,936.31
Recreation - Adult Community	SB-6	62,903.47	62,809.19
Senior Recreation	SB-6	7,861.54	4,750.72
Snow Removal	SB-6	39,768.72	24,529.52
Tax Map Fees	SB-6	52,373.00	52,373.00
Unemployment Compensation	SB-6	42,376.77	27,672.66
Walnut Glen Escrow	SB-6	4,190.46	4,184.19
Total Trust Other Funds		<u>3,210,523.13</u>	<u>3,725,059.42</u>
Municipal Open Space Trust Fund:			
Reserve for Future Use	SB-7	<u>1,584,860.96</u>	<u>1,541,354.24</u>
		<u>1,584,860.96</u>	<u>1,541,354.24</u>
Total Trust Funds		<u>\$ 4,849,556.07</u>	<u>\$ 5,323,490.37</u>

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

TOWNSHIP OF HARRISON
TRUST FUND - MUNICIPAL OPEN SPACE
Statement of Revenues -- Regulatory Basis
For The Year Ended December 31, 2015

	Anticipated <u>Budget</u>	<u>Realized</u>	Excess or <u>(Deficit)</u>
Amount to Be Raised By Taxation	\$ 835,603.00	\$ 843,035.79	\$ 7,432.79
Miscellaneous		<u>1,148.45</u>	<u>1,148.45</u>
Total Open Space Revenues	<u>\$ 835,603.00</u>	<u>\$ 844,184.24</u>	<u>\$ 8,581.24</u>

Analysis of Realized Revenues

Amount to be Raised by Taxation:

Receipts:

2015 Municipal Open Space Tax Levy

\$ 835,603.00

2015 Added & Omitted Taxes

7,432.79

\$ 843,035.79

Miscellaneous:

Receipts

Interest Earned on Deposits

\$ 1,148.45

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

TOWNSHIP OF HARRISON
TRUST FUND - MUNICIPAL OPEN SPACE
Statement of Expenditures -- Regulatory Basis
For The Year Ended December 31, 2015

	Appropriations		Expended			Unexpended Balance Cancelled
	Adopted Budget	Budget After Modifications	Paid or Charged	Encumbrances Payable	Reserved	
Debt Service:						
Payment of Bond Principal	\$ 400,000.00	\$ 400,000.00	\$ 400,000.00			
Payment of Bond Interest	400,677.50	400,677.50	400,677.50			
Reserve for Future Use	34,925.50	34,925.50	34,925.50			
Total Open Space Appropriations	<u>\$ 835,603.00</u>	<u>\$ 835,603.00</u>	<u>\$ 835,603.00</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

TOWNSHIP OF HARRISON
GENERAL CAPITAL FUND
 Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis
 As of December 31, 2015 and 2014

<u>ASSETS</u>	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
Cash - Treasurer	SC-1	\$ 12,861,051.64	\$ 5,703,106.73
Due from Federal and State Grant Fund	SC-2		127,331.19
Grant-In-Aid Receivable	SC-7	51,332.90	244,143.41
Deferred Charges to Future Taxation:			
Funded	SC-4	24,196,000.00	25,596,000.00
Unfunded	SC-5	12,298,393.00	11,638,743.00
		<u>\$ 49,406,777.54</u>	<u>\$ 43,309,324.33</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Due Current Fund	SC-3		\$ 1,146.60
Bond Anticipation Notes Payable	SC-9	\$ 12,298,393.00	5,086,643.00
Bonds Payable	SC-10	24,196,000.00	25,596,000.00
Improvement Authorizations:			
Funded	SC-8	2,108,005.03	2,343,420.90
Unfunded	SC-8	8,312,105.88	9,564,625.07
Encumbrances Payable	SC-8	2,024,335.55	272,670.68
Reserve for Preliminary Costs	SC-2	3,391.86	3,391.86
Reserve for Payment of Debt	SC-2	61,918.54	61,918.54
Capital Improvement Fund	SC-6	50,740.00	49,990.00
Fund Balance	C-1	351,887.68	329,517.68
		<u>\$ 49,406,777.54</u>	<u>\$ 43,309,324.33</u>

There were bonds and notes authorized but not issued in the amounts of \$0.00 and \$6,552,100.00 as of December 31, 2015 and 2014, respectively.

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

TOWNSHIP OF HARRISON
GENERAL CAPITAL FUND
Statement of Fund Balance -- Regulatory Basis
For the Year Ended December 31, 2015

Balance December 31, 2014	\$ 329,517.68
Increased by:	
Cancellation of Funded Improvement Authorizations	<u>22,370.00</u>
Balance December 31, 2015	<u><u>\$ 351,887.68</u></u>

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

TOWNSHIP OF HARRISON
SEWER UTILITY OPERATING FUND
 Statements of Assets, Liabilities, Reserves and Fund Balance--Regulatory Basis
 As of December 31, 2015 and 2014

<u>ASSETS</u>	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
Cash and Cash Equivalents:			
Municipal Financial Officer	SD-1	\$ 1,698,422.80	\$ 1,763,078.45
Sewer Clerk	SD-1	150,118.94	91,305.36
Change Fund	D	50.00	50.00
Total Cash and Cash Equivalents		1,848,591.74	1,854,433.81
Due from Sewer Utility Capital Fund	SE-3	0.47	
Due from Current Fund	SD-6	35,275.00	2,777.10
		1,883,867.21	1,857,210.91
Receivables with Full Reserves:			
Consumer Accounts Receivable	SD-2	624,095.47	680,402.61
		624,095.47	680,402.61
		<u>\$ 2,507,962.68</u>	<u>\$ 2,537,613.52</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Appropriation Reserves	D-3;SD-3	\$ 122,125.78	\$ 150,595.61
Other Liabilities and Reserves:			
Reserve for Encumbrances	D-3;SD-3	7,811.36	27,076.26
Accrued Interest on Bonds and Notes	SD-4	130,825.00	144,339.00
Sewer Rent Overpayments	SD-5	1,193.78	1,851.72
Reserve for Payment of Debt	SD-1	54,510.92	
Due Sewer Utility Capital Fund	SE-3		5,347.57
		316,466.84	329,210.16
Reserve for Receivables	D	624,095.47	680,402.61
Fund Balance	D-1	1,567,400.37	1,528,000.75
		<u>\$ 2,507,962.68</u>	<u>\$ 2,537,613.52</u>

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

TOWNSHIP OF HARRISON
SEWER UTILITY OPERATING FUND
 Statements of Operations and Changes in Operating Fund Balance -- Regulatory Basis
 For the Years Ended December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
REVENUE AND OTHER INCOME REALIZED:		
Operating Surplus Anticipated	\$ 471,982.00	\$ 377,315.00
Sewer Rents	1,890,454.70	1,949,093.09
Penalties and Interest	17,416.68	20,689.77
Miscellaneous	80,769.81	147,814.89
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	97,640.16	159,415.92
	<u>2,558,263.35</u>	<u>2,654,328.67</u>
Total Income		
EXPENDITURES:		
Budget Appropriations:		
Operating	1,114,000.00	1,064,300.00
Capital Improvements	52,500.00	52,500.00
Debt Service	825,899.73	821,915.89
Deferred Charges and Statutory Expenditures	54,482.00	58,414.14
	<u>2,046,881.73</u>	<u>1,997,130.03</u>
Total Expenditures		
Excess in Revenue	511,381.62	657,198.64
FUND BALANCE:		
Balance January 1	<u>1,528,000.75</u>	<u>1,248,117.11</u>
	2,039,382.37	1,905,315.75
Decreased by:		
Utilized as Revenue	<u>471,982.00</u>	<u>377,315.00</u>
Balance December 31	<u>\$ 1,567,400.37</u>	<u>\$ 1,528,000.75</u>

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

TOWNSHIP OF HARRISON
SEWER UTILITY OPERATING FUND
Statement of Revenues -- Regulatory Basis
For The Year Ended December 31, 2015

	<u>Anticipated Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Operating Surplus Anticipated	\$ 471,982.00	\$ 471,982.00	
Rent	1,510,000.00	1,890,454.70	\$ 380,454.70
Penalties and Interest	10,000.00	17,416.68	7,416.68
Miscellaneous	100,000.00	80,769.81	(19,230.19)
	1,620,000.00	1,988,641.19	368,641.19
	\$ 2,091,982.00	\$ 2,460,623.19	\$ 368,641.19
Other Additions to Income:			
Unexpended Balance of Appropriation Reserves			\$ 97,640.16
<u>Analysis of Realized Revenue</u>			
Rents:			
Consumer Accounts Receivable: Collected			\$ 1,890,454.70
Miscellaneous:			
Sewer Connection Fees			\$ 43,281.06
Miscellaneous			3,959.51
Interest Earned on Deposits:			
Sewer Operating Fund EIT Credits			28,866.21
Sewer Operating Fund			1,803.82
Sewer Utility Capital Fund			2,859.21
			2,859.21
Total Miscellaneous			\$ 80,769.81
Treasurer Cash Receipts			\$ 4,662.56
Collector Cash Receipts			47,240.57
EIT Credits			28,866.21
Due from Sewer Utility Capital Fund - Interest Earned on Investments			0.47
			\$ 80,769.81

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

TOWNSHIP OF HARRISON
SEWER UTILITY OPERATING FUND
Statement of Expenditures -- Regulatory Basis
For The Year Ended December 31, 2015

	Appropriations		Expended				Unexpended Balance Canceled
	Adopted Budget	Budget After Modifications	Paid or Charged	Encumbrances	Reimbursements	Reserved	
Operating:							
Salaries and Wages	\$ 444,000.00	\$ 454,000.00	\$ 446,377.22			\$ 7,622.78	
Other Expenses	670,000.00	660,000.00	599,152.43	\$ 7,811.36	\$ 9,341.35	62,377.56	
Capital Improvement Fund	2,500.00	2,500.00	2,500.00				
Capital Outlay	50,000.00	50,000.00				50,000.00	
Total Operating	1,166,500.00	1,166,500.00	1,048,029.65	7,811.36	9,341.35	120,000.34	
Debt Service:							
Payment of Bond Principal	486,000.00	486,000.00	485,962.87				\$ 37.13
Capital Notes	16,500.00	16,500.00	16,500.00				
Interest on Bonds	329,000.00	324,000.00	314,340.00		35,275.00		44,935.00
Interest on Notes	39,500.00	44,500.00	44,371.86				128.14
Total Debt Service	871,000.00	871,000.00	861,174.73	-	35,275.00	-	45,100.27
Statutory Expenditures:							
Contribution to							
Public Employees' Retirement System	19,282.00	19,282.00	19,281.00			1.00	
Social Security System (O.A.S.I.)	35,000.00	35,000.00	32,875.56			2,124.44	
Unemployment Compensation Insurance	200.00	200.00	200.00				
Total Statutory Expenditures	54,482.00	54,482.00	52,356.56	-	-	2,125.44	-
Total Expenditures	\$ 2,091,982.00	\$ 2,091,982.00	\$ 1,961,560.94	\$ 7,811.36	\$ 44,616.35	\$ 122,125.78	\$ 45,100.27
Accrued Interest on Bonds and Loans			\$ 314,340.00				
Accrued Interest on Notes			44,371.86				
Cash Disbursements			1,602,849.08				
Cash Reimbursements - Received in Current Fund					\$ 35,275.00		
Cash Reimbursements - Operating					9,341.35		
			<u>\$ 1,961,560.94</u>		<u>\$ 44,616.35</u>		

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

TOWNSHIP OF HARRISON
SEWER UTILITY CAPITAL FUND
 Statements of Assets, Liabilities, Reserves and Fund Balance--Regulatory Basis
 As of December 31, 2015 and 2014

<u>ASSETS</u>	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
Cash and Cash Equivalents	SE-1	\$ 2,897,919.48	\$ 2,576,714.68
Due from Current Fund	SE-2	16,500.00	
Due from Sewer Utility Operating Fund	SE-3	-	5,347.57
Fixed Capital	SE-5	13,199,280.73	13,199,280.73
Fixed Capital Authorized and Uncompleted	SE-6	7,198,166.00	6,396,166.00
		<u>\$ 23,311,866.21</u>	<u>\$ 22,177,508.98</u>
 <u>LIABILITIES AND RESERVES</u> 			
Due Sewer Utility Operating Fund	SE-3	\$ 0.47	
Serial Bonds Payable	SE-8	5,724,000.00	\$ 5,839,000.00
Sewer Loans Payable	SE-9	2,879,888.63	3,250,851.50
Bond Anticipation Notes Payable	SE-10	4,748,338.00	3,810,532.00
Improvement Authorizations:			
Funded	SE-7	53,843.65	102,101.83
Unfunded	SE-7	1,294,923.78	2,111,681.17
Encumbrances Payable	SE-7	1,057,816.31	15,249.98
Reserve for:			
Developer Contribution	E	118,143.00	118,143.00
Preliminary Expenditures	E	1,113.25	1,113.25
Payment of Debt	E	91,637.34	91,637.34
Capital Improvement Fund	SE-4	57,016.00	54,516.00
Reserve for Amortization	SE-13	7,069,844.80	6,567,381.93
Fund Balance	E-1	215,300.98	215,300.98
		<u>\$ 23,311,866.21</u>	<u>\$ 22,177,508.98</u>

There were bonds and notes authorized but not issued in the amounts of \$21,190.00 and \$173,496.00 as of December 31, 2015 and 2014 respectively.

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

TOWNSHIP OF HARRISON
SEWER UTILITY CAPITAL FUND
Schedule of Fund Balance -- Regulatory Basis
As of December 31, 2015 and 2014

Balance December 31, 2015 and 2014	<u>\$ 215,300.98</u>
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The accompanying Notes to the Financial Statements are an integral part of this statement.

TOWNSHIP OF HARRISON
Statement Of General Fixed Asset Group Of Accounts -- Regulatory Basis
For The Year Ended December 31, 2015

	Balance December 31, 2014	Additions	Deletions	Balance December 31, 2015
General Fixed Assets:				
Land	\$ 17,100,889.00			\$ 17,100,889.00
Buildings	2,628,853.00			2,628,853.00
Equipment	<u>3,671,702.00</u>	\$ 62,712.00	\$ 175,524.00	<u>3,558,890.00</u>
Investment in General Fixed Assets	<u>\$ 23,401,444.00</u>	<u>\$ 62,712.00</u>	<u>\$ 175,524.00</u>	<u>\$ 23,288,632.00</u>
Total Investment in General Fixed Assets	<u>\$ 23,401,444.00</u>	<u>\$ 62,712.00</u>	<u>\$ 175,524.00</u>	<u>\$ 23,288,632.00</u>

The accompanying notes to the financial statements are an integral part of this statement.

TOWNSHIP OF HARRISON
Notes to Financial Statements
For the Year Ended December 31, 2015

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Financial Reporting Entity - The Township of Harrison was incorporated in 1844 and is located in southeastern corner of Gloucester County, New Jersey approximately twenty miles south of the City of Philadelphia. The present population according to the 2010 estimated census is 12,417.

The Municipality has a Township form of government consisting of five members who hold office for a term of three years. The Mayor is appointed by the remaining members of the Township Committee each year. Executive and administrative responsibility rests with the Mayor, who is assisted by the Township Administrator and Township Clerk.

Component Units - The Township of Harrison had no component units as defined by Governmental Accounting Standards Board Statement No. 14, as amended by GASB Statements No. 39 and No. 61.

Measurement Focus, Basis of Accounting and Financial Statement Presentation - The financial statements of the Township contain all funds and account groups in accordance with the "Requirements of Audit" as promulgated by the State of New Jersey, Department of Community Affairs, Division of Local Government Services. The principles and practices established by the Requirements 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 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.

Sewer Utility Operating and Capital Funds - The sewer utility operating and capital funds account for the operations and acquisition of capital facilities of the municipally owned sewer operations.

General Fixed Asset Group of Accounts - The general fixed asset group of accounts is utilized to account for property, land, buildings, and equipment that have been acquired by other governmental funds.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Budgets and Budgetary Accounting - The Township must adopt an annual budget for its current, municipal open space and sewer utility funds 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 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 requires it to deposit funds in public depositories protected from loss under the provisions of the Act.

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

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

General Fixed Assets - Accounting for governmental fixed assets, as required by N.J.A.C. 5:30-5.6, differs in certain respects from accounting principles generally accepted in the United States of America. In accordance with the regulations, all local units, including municipalities, must maintain a general fixed assets reporting system that establishes and maintains a physical inventory of nonexpendable, tangible property as defined and limited by the U.S. Office of Management and *Budget's Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Part 200, §200.12), except that the useful life of such property is at least five years. The Township has adopted a capitalization threshold of \$5,000.00, 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. 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 asset group of accounts, 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.

Utility Fixed Assets - Property and equipment purchased by a utility fund are recorded in the utility capital account at cost and are adjusted for disposition and abandonment. The amounts shown do not represent replacement cost or current value. The reserve for amortization and deferred reserve for amortization accounts in the utility capital fund represent charges to operations for the cost of acquisition of property and equipment and improvements and contributed capital.

Foreclosed Property - Foreclosed property is recorded in the current fund at the assessed valuation when such property was acquired and is fully reserved. Ordinarily it is the intention of the municipality to resell foreclosed property in order to recover all or a portion of the delinquent taxes or assessments and to return the property to a taxpaying basis. For this reason the value of foreclosed property has not been included in the general fixed assets account group. If such property is converted to a municipal use, it will be recorded in the general fixed assets account group.

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

Liens Sold for Other Governmental Units - Liens sold on behalf of other governmental units are not recorded on the records of the tax collector until such liens are collected. Upon their collection, such liens are recorded as a liability due to the governmental unit net of the costs of the initial sale. The related costs of sale are recognized as revenue when received.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Fund Balance - Fund balances included in the current fund and sewer utility operating fund represent amounts available for anticipation as revenue in future years' 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 Gloucester, Township of Harrison School District, Clearview Regional High School District, and Township of Harrison Fire District No. 1. 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 Township of Harrison School District and the Clearview Regional High School District. Operations is charged for the Township's share of the amount required to be raised by taxation to operate the school districts for the period from July 1 to June 30, increased by the amount deferred at December 31, 2014 and decreased by the amount deferred at December 31, 2015.

County Taxes - The municipality is responsible for levying, collecting and remitting county taxes for the County of Gloucester. County taxes are determined on a calendar year by the County Board of Taxation based upon the ratables required to be certified to them on January 10 of each year. 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.

Fire District Taxes - The municipality is responsible for levying, collecting, and remitting fire district taxes for Township of Harrison Fire District No. 1. Operations are charged for the full amount required to be raised from taxation to operate the Fire District for the period from January 1 to December 31.

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.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Expenditures (Cont'd) - Appropriations for principal payments on outstanding general capital and utility bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis; whereas interest on utility indebtedness is on the accrual basis.

Appropriation Reserves - Appropriation reserves covering unexpended appropriation balances are automatically created at year-end and recorded as liabilities, except for amounts which may be canceled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding 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 and Utility Capital Funds. Where an improvement is a "local improvement", i.e. assessable upon completion, long-term debt associated with that portion of the cost of the improvement to be funded by assessments is transferred to the trust fund upon the confirmation of the assessments or when the improvement is fully and permanently funded.

Compensated Absences and Postemployment Benefits - Compensated absences for vacation, sick leave and other compensated absences are recorded and provided for in the annual budget in the year in which they are paid, on a pay-as-you-go basis. Likewise, no accrual is made for postemployment benefits, if any, which are also funded on a pay-as-you-go basis.

Impact of Recently Issued Accounting Principles**Recently Issued and Adopted Accounting Pronouncements**

For the year ended December 31, 2015, the Township adopted GASB 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*, and GASB 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*. As a result of adopting such Statements, the Township was required to measure and disclose liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures related to their defined benefit pensions. As a result of the regulatory basis of accounting previously described in note 1, the implementation of these Statements only required financial statement disclosures. There exists no impact on the financial statements of the Township.

Note 2: CASH AND CASH EQUIVALENTS

Custodial Credit Risk Related to Deposits - Custodial credit risk is the risk that, in the event of a bank failure, the Township's deposits might not be recovered. Although the Township does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). Under the Act, the first \$250,000.00 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the municipality in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled agency funds such as salary withholdings, bail funds, or funds that may pass to the municipality relative to the happening of a future condition. Such funds are classified as uninsured and uncollateralized in the schedule below. As of December 31, 2015, the Township's bank balances of \$30,107,008.41 were exposed to custodial credit risk as follows:

Insured by FDIC and GUDPA	\$ 28,646,797.13
Uninsured and Uncollateralized	<u>1,460,211.28</u>
Total	<u><u>\$ 30,107,008.41</u></u>

Note 3: PROPERTY TAXES

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

	<u>Year Ended</u>				
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Tax Rate	\$ 2.905	\$ 2.787	\$ 2.728	\$ 2.634	\$ 2.580
Apportionment of Tax Rate:					
Municipal	\$ 0.444	\$ 0.411	\$ 0.365	\$ 0.347	\$ 0.287
County	0.638	0.588	0.574	0.539	0.541
County Library	0.049	0.047	0.045	0.045	0.044
County Open Space	0.043	0.041	0.042	0.043	0.044
Local School	0.893	0.878	0.877	0.859	0.860
Regional High School	0.696	0.679	0.668	0.644	0.646
Fire District	0.082	0.083	0.097	0.097	0.098
Municipal Open Space	0.060	0.060	0.060	0.060	0.060

Assessed Valuation

<u>Year</u>	<u>Amount</u>
2015	\$ 1,392,670,506.00
2014	1,369,955,043.00
2013	1,349,931,288.00
2012	1,340,009,975.00
2011	1,326,110,524.00

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2015	\$ 40,816,188.26	\$ 40,278,468.98	98.68%
2014	38,802,008.42	38,206,004.30	98.46%
2013	37,345,536.01	36,805,142.91	98.55%
2012	35,614,966.77	35,014,258.10	98.31%
2011*	34,611,903.32	33,963,459.40	98.13%

*State tax appeals pursuant to R.S. 54:3-21 et seq and/or R.S. 54:48-1 et seq approved by resolution of the governing body prior to introduction of municipal budget may be deducted from the tax levy when determining tax collection percentage. Judgments in the amount of \$100,294.92 were adjusted above for the year ended December 31, 2011.

Note 3: PROPERTY TAXES (CONT'D)

Five-year comparison of certain statistical information relative to property taxes and property tax collections for the current and previous four calendar years (cont'd):

Delinquent Taxes and Tax Title Liens

<u>Year</u>	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2015	\$ 199,907.99	\$ 311,879.73	\$ 511,787.72	1.25%
2014	181,546.38	508,067.52	689,613.90	1.78%
2013	219,390.09	464,459.89	683,849.98	1.83%
2012	184,469.17	495,522.00	679,991.17	1.91%
2011	177,121.18	522,585.51	699,706.69	2.02%

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

<u>Year</u>	<u>Number</u>
2015	16
2014	15
2013	41
2012	36
2011	30

Note 4: PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

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

<u>Year</u>	<u>Amount</u>
2015	None
2014	None
2013	None
2012	None
2011	None

Note 5: SEWER UTILITY SERVICE CHARGES

The following is a five-year comparison of sewer utility service charges (rents) for the current and previous four years.

<u>Year</u>	<u>Balances Beginning of Year</u>		<u>Levy</u>	<u>Total</u>	<u>Collections</u>	<u>Percentage of Collections</u>
	<u>Receivable</u>	<u>Liens</u>				
2015	\$ 680,402.61	None	\$ 1,834,147.56	\$ 2,514,550.17	\$ 1,890,454.70	75.18%
2014	646,404.84	None	1,983,090.86	2,629,495.70	1,949,093.09	74.12%
2013	541,397.52	None	1,881,592.17	2,422,989.69	1,776,584.85	73.32%
2012	223,188.80	\$ 1,549.32	2,316,994.78	2,541,732.90	2,000,487.55	78.71%
2011	142,255.22	1,427.32	1,590,392.58	1,734,075.12	1,509,337.00	87.04%

Note 6: FUND BALANCES APPROPRIATED

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

<u>Year</u>	<u>Balance December 31</u>	<u>Utilized In Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
<u>Current Fund</u>			
2015	\$ 3,540,282.81	\$ 2,277,000.00	64.32%
2014	3,231,136.75	2,054,400.00	63.58%
2013	1,971,291.47	531,000.00	26.94%
2012	3,019,154.86	2,595,917.00	85.98%
2011	3,775,563.21	3,060,511.00	81.06%
<u>Sewer Utility Operating Fund</u>			
2015	\$ 1,567,400.37	\$ 669,464.00	42.71%
2014	1,528,000.75	471,982.00	30.89%
2013	1,248,117.11	377,315.00	30.23%
2012	847,610.28	321,154.00	37.89%
2011	362,403.99	102,495.00	28.28%

Note 7: 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:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
Current Fund	\$ 9,291.98	\$ 62,472.31
Federal and State Grant Fund	5,864.48	
Trust - Animal Control Fund		9,291.98
Trust - Other Fund	4,832.83	
Sewer Utility Operating Fund	35,275.47	
Sewer Utility Capital Fund	16,500.00	0.47
	<u>\$ 71,764.76</u>	<u>\$ 71,764.76</u>

The interfund receivables and payables above predominately resulted from collections and payments made by certain funds on behalf of other funds. During the year 2016, the Township expects to liquidate such interfunds, depending upon the availability of cash flow.

Note 8: PENSION PLANS

A substantial number of the Township's employees participate in one of the following defined benefit pension plans: the Public Employees' Retirement System ("PERS") and the Police and Firemen's Retirement System ("PFRS"), which are administered by the New Jersey Division of Pensions and Benefits. In addition, several Township employees participate in the Defined Contribution Retirement Program ("DCRP"), which is a defined contribution pension plan. This plan is administered by Prudential Financial for the New Jersey Division of Pensions and Benefits. Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to:

State of New Jersey
Division of Pensions and Benefits
P.O. Box 295
Trenton, New Jersey 08625-0295
<http://www.state.nj.us/treasury/pensions>

General Information about the Pension Plans**Plan Descriptions**

Public Employees' Retirement System - The Public Employees' Retirement System is a cost-sharing multiple-employer defined benefit pension plan which was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A. The PERS's designated purpose is to provide retirement, death, disability and medical benefits to certain qualified members. Membership in the PERS is mandatory for substantially all full-time employees of the Township, provided the employee is not required to be a member of another state-administered retirement system or other state pensions fund or local jurisdiction's pension fund. The PERS's Board of Trustees is primarily responsible for the administration of the PERS.

Note 8: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Plan Descriptions (Cont'd)**

Police and Firemen's Retirement System - The Police and Firemen's Retirement System is a cost-sharing multiple-employer defined benefit pension plan which was established as of July 1, 1944, under the provisions of N.J.S.A. 43:16A. The PFRS's designated purpose is to provide retirement, death, disability and medical benefits to certain qualified members. Membership in the PFRS is mandatory for substantially all full-time police and firemen of the Township. The PFRS's Board of Trustees is primarily responsible for the administration of the PFRS.

Defined Contribution Retirement Program - The Defined Contribution Retirement Program is a multiple-employer defined contribution pension fund established on July 1, 2007 under the provisions of Chapter 92, P.L. 2007, and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et. seq.). The DCRP is a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) § 401(a) et seq., and is a "governmental plan" within the meaning of IRC § 414(d). The DCRP provides retirement benefits for eligible employees and their beneficiaries. Individuals covered under DCRP are employees enrolled in PERS on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits; employees enrolled in PFRS after May 21, 2010, who earn salary in excess of established "maximum compensation" limits; employees otherwise eligible to enroll in PERS on or after November 2, 2008, who do not earn the minimum annual salary for tier 3 enrollment but who earn salary of at least \$5,000.00 annually; and employees otherwise eligible to enroll in PERS after May 21, 2010 who do not work the minimum number of hours per week required for tiers 4 or 5 enrollment, but who earn salary of at least \$5,000.00 annually.

Vesting and Benefit Provisions

Public Employees' Retirement System - The vesting and benefit provisions are set by N.J.S.A. 43:15A. The 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 the PERS.

The following represents the membership tiers for PERS:

Tier Definition

- 1 Members who were enrolled prior to July 1, 2007
- 2 Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
- 3 Members who were eligible to enroll on or after November 2, 2008 and prior to May 21, 2010
- 4 Members who were eligible to enroll after May 21, 2010 and prior to June 28, 2011
- 5 Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th 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 retirement is available to members who have at least ten years of service credit and have not reached the service retirement age for the respective tier.

Note 8: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Vesting and Benefit Provisions (Cont'd)**

Police and Firemen's Retirement System - The vesting and benefit provisions are set by N.J.S.A. 43:16A. The PFRS provides retirement, death and disability benefits. All benefits vest after ten years of service, except disability benefits, which vest after four years of service.

The following represents the membership tiers for PFRS:

Tier Definition

- 1 Members who were enrolled prior to May 22, 2010
- 2 Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
- 3 Members who were eligible to enroll on or after June 28, 2011

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

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

Contributions

Public Employees' Retirement System - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Members contribute at a uniform rate. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over seven years beginning in July 2012. The member contribution rate was 6.92% in State fiscal year 2015. The phase-in of the additional incremental member contribution rate takes place in July of each subsequent State fiscal year. The rate for members who are eligible for the Prosecutors Part of PERS (Chapter 366, P.L. 2001) increased from 8.5% of base salary to 10%. Employers' contributions are based on an actuarially determined amount which includes the normal cost and unfunded accrued liability.

The Township's contractually required contribution rate for the year ended December 31, 2015 was 11.70% of the Township's covered-employee payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Note 8: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Contributions (Cont'd)**

Public Employees' Retirement System (Cont'd) – Based on the most recent PERS measurement date of June 30, 2015, the Township's contractually required contribution to the pension plan for the year ended December 31, 2015 is \$176,389.00, and is payable by April 1, 2016. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. Based on the PERS measurement date of June 30, 2014, the Township's contractually required contribution to the pension plan for the year ended December 31, 2014 was \$160,354.00, which was paid on April 1, 2015. Employee contributions to the plan during the year ended December 31, 2015 were \$107,874.68.

Police and Firemen's Retirement System - The contribution policy is set by N.J.S.A. 43:16A and requires contributions by active members and contributing employers. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 8.5% to 10.0% in October 2011. Employers' contributions are based on an actuarially determined amount which includes the normal cost and unfunded accrued liability.

Special Funding Situation Component - Under N.J.S.A. 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. The legislation which legally obligates the State is as follows: Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed on behalf of the local participating employers under this legislation is considered to be a *special funding situation* as defined by GASB Statement No. 68, and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to disclose in the notes to the financial statements of the local participating employers related to this legislation.

The Township's contractually required contribution rate for the year ended December 31, 2015 was 25.37% of the Township's covered-employee payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Based on the most recent PFRS measurement date of June 30, 2015, the Township's contractually required contribution to the pension plan for the year ended December 31, 2015 is \$321,053.00, and is payable by April 1, 2016. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. Based on the PFRS measurement date of June 30, 2014, the Township's contractually required contribution to the pension plan for the year ended December 31, 2014 was \$299,967.00, which was paid on April 1, 2015. Employee contributions to the plan during the year ended December 31, 2015 were \$130,697.20.

The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the Township, for the year ended December 31, 2015 was 2.37% of the Township's covered-employee payroll.

Note 8: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Contributions (Cont'd)**

Police and Firemen's Retirement System (Cont'd) - Based on the most recent PFRS measurement date of June 30, 2015, the State's contractually required contribution, on-behalf of the Township, to the pension plan for the year ended December 31, 2015 is \$30,033.00, and is payable by April 1, 2016. Based on the PFRS measurement date of June 30, 2014, the State's contractually required contribution, on-behalf of the Township, to the pension plan for the year ended December 31, 2014 was \$21,966.00, which was paid on April 1, 2015.

Defined Contribution Retirement Program - The contribution policy is set by N.J.S.A. 43:15C-3 and requires contributions by active members and contributing employers. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the Township contributes 3% of the employees' base salary, for each pay period, to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period.

For the year ended December 31, 2015, employee contributions totaled \$311.72 and the Township's contributions were \$170.05. There were no forfeitures during the year.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Public Employees' Retirement System - At December 31, 2015, the Township's proportionate share of the PERS net pension liability was \$4,605,599.00. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2015. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2015 measurement date, the Township's proportion was .0205167471%, which was an increase of .00010654121% from its proportion measured as of June 30, 2014.

At December 31, 2015, the Township's proportionate share of the PERS pension expense, calculated by the plan as of the June 30, 2015 measurement date is \$293,002.00. This expense is not recognized by the Township because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2015, the Township's contributions to PERS were \$160,354.00, and were paid on April 1, 2015.

Police and Firemen's Retirement System - At December 31, 2015, the Township's and State of New Jersey's proportionate share of the PFRS net pension liability were as follows:

Township's Proportionate Share of Net Pension Liability	\$ 6,578,850.00
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Township	<u>576,943.00</u>
	<u>\$ 7,155,793.00</u>

Note 8: PENSION PLANS (CONT'D)**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

Police and Firemen's Retirement System (Cont'd) - The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2015. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State of New Jersey, actuarially determined. For the June 30, 2015 measurement date, the Township's proportion was .0394971602%, which was an increase of .0004424693% from its proportion measured as of June 30, 2014. Likewise, at June 30, 2015, the State of New Jersey's proportion, on-behalf of the Township, was .0394971602%, which was an increase of .0004424693% from its proportion, on-behalf of the Township, measured as of June 30, 2014.

At December 31, 2015, the Township's proportionate share of the PFRS pension expense, calculated by the plan as of the June 30, 2015 measurement date is \$530,524.00. This expense is not recognized by the Township because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2015, the Township's contributions to PFRS were \$299,967.00, and were paid on April 1, 2015.

At December 31, 2015, the State's proportionate share of the PFRS pension expense, associated with the Township, calculated by the plan as of the June 30, 2015 measurement date is \$71,965.00. This on-behalf expense is not recognized by the Township because of the regulatory basis of accounting as described in note 1.

Deferred Outflows of Resources and Deferred Inflows of Resources - At December 31, 2015, the Township had deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources			Deferred Inflows of Resources		
	<u>PERS</u>	<u>PFRS</u>	<u>Total</u>	<u>PERS</u>	<u>PFRS</u>	<u>Total</u>
Differences between Expected and Actual Experience	\$ 109,873.00	\$ -	\$ 109,873.00	\$ -	\$ 56,745.00	\$ 56,745.00
Changes of Assumptions	494,605.00	1,214,619.00	1,709,224.00	-	-	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	-	-	74,049.00	114,499.00	188,548.00
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions	169,233.00	48,534.00	217,767.00	199,711.00	199,597.00	399,308.00
Township Contributions Subsequent to the Measurement Date	88,195.00	160,527.00	248,722.00	-	-	-
	<u>\$ 861,906.00</u>	<u>\$ 1,423,680.00</u>	<u>\$ 2,285,586.00</u>	<u>\$ 273,760.00</u>	<u>\$ 370,841.00</u>	<u>\$ 644,601.00</u>

\$88,195.00 and \$160,527.00 for PERS and PFRS, respectively, included in deferred outflows of resources, will be included as a reduction of the net pension liability in the year ending December 31, 2016. These amounts were based on an estimated April 1, 2017 contractually required contribution, prorated from the pension plans measurement date of June 30, 2015 to the Township's year end of December 31, 2015.

Note 8: PENSION PLANS (CONT'D)**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd) - The Township will amortize the above other deferred outflow of resources and deferred inflows of resources related to pensions over the following number of years:

	PERS		PFRS	
	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between Expected and Actual Experience				
Year of Pension Plan Deferral:				
June 30, 2014	-	-	-	-
June 30, 2015	5.72	-	-	5.53
Changes of Assumptions				
Year of Pension Plan Deferral:				
June 30, 2014	6.44	-	6.17	-
June 30, 2015	5.72	-	5.53	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments				
Year of Pension Plan Deferral:				
June 30, 2014	-	5.00	-	5.00
June 30, 2015	-	5.00	-	5.00
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions				
Year of Pension Plan Deferral:				
June 30, 2014	6.44	6.44	6.17	6.17
June 30, 2015	5.72	5.72	5.53	5.53

Note 8: PENSION PLANS (CONT'D)**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd) - Other amounts included as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in future periods as follows:

Year Ending Dec 31,	<u>PERS</u>	<u>PFRS</u>	<u>Total</u>
2016	\$ 87,028.00	\$ 160,955.00	\$ 247,983.00
2017	87,028.00	160,955.00	247,983.00
2018	87,027.00	160,957.00	247,984.00
2019	141,288.00	286,286.00	427,574.00
2020	97,580.00	123,159.00	220,739.00
	<u>\$ 499,951.00</u>	<u>\$ 892,312.00</u>	<u>\$ 1,392,263.00</u>

Actuarial Assumptions

The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2015. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	<u>PERS</u>	<u>PFRS</u>
Inflation	3.04%	3.04%
Salary Increases:		
2012-2021	2.15% - 4.40% Based on Age	2.60% - 9.48% Based on Age
Thereafter	3.15% - 5.40% Based on Age	3.60% - 10.48% Based on Age
Investment Rate of Return	7.90%	7.90%
Mortality Rate Table	RP-2000	RP-2000
Period of Actuarial Experience		
Study upon which Actuarial		
Assumptions were Based	July 1, 2008 - June 30, 2011	July 1, 2010 - June 30, 2013

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

Note 8: PENSION PLANS (CONT'D)**Actuarial Assumptions (Cont'd)**

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

For PERS and PFRS, in accordance with State statute, the long-term expected rate of return on plan investments (7.90% at June 30, 2015) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's and PFRS's target asset allocation as of June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	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 U.S. 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 U.S.	3.50%	-0.40%
REIT	4.25%	5.12%
	<u>100.00%</u>	

Note 8: PENSION PLANS (CONT'D)**Actuarial Assumptions**

Discount Rate - The discount rate used to measure the total pension liability at June 30, 2015 was 4.90% for PERS and 5.79% for PFRS. For both PERS and PFRS, the respective single blended discount rates were based on the long-term expected rate of return on pension plan investments of 7.90%, and a municipal bond rate of 3.80% as of June 30, 2015, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rates assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and for PFRS, the non-employer contributing entity, will be made based on the average of the last five years of contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033 for PERS and through 2045 for PFRS. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033 for PERS and through 2045 for PFRS, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liabilities.

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

Public Employees' Retirement System (PERS) - The following presents the Township's proportionate share of the net pension liability at June 30, 2015, the plans measurement date, calculated using a discount rate of 4.90%, as well as what the Township's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

	1% Decrease (3.90%)	Current Discount Rate (4.90%)	1% Increase (5.90%)
Township's Proportionate Share of the Net Pension Liability	<u>\$ 5,724,196.00</u>	<u>\$ 4,605,599.00</u>	<u>\$ 3,667,775.00</u>

Police and Firemen's Retirement System (PFRS) - As previously mentioned PFRS has a special funding situation, where the State of New Jersey pays a portion of the Township's annual required contribution. As such, the net pension liability as of June 30, 2015, the plans measurement date, for the Township and the State of New Jersey, calculated using a discount rate of 5.79%, as well as using a discount rate that is 1% lower or 1% higher than the current rates used is as follows:

	1% Decrease (4.79%)	Current Discount Rate (5.79%)	1% Increase (6.79%)
Township's Proportionate Share of the Net Pension Liability	\$ 8,673,013.00	\$ 6,578,850.00	\$ 4,871,247.00
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Township	<u>760,594.00</u>	<u>576,943.00</u>	<u>427,192.00</u>
	<u>\$ 9,433,607.00</u>	<u>\$ 7,155,793.00</u>	<u>\$ 5,298,439.00</u>

Note 8: PENSION PLANS (CONT'D)**Pension Plan Fiduciary Net Position**

Detailed information about each pension plan's fiduciary net position is available in the separately issued New Jersey Division of Pension and Benefits financial report. Information on where to obtain the report is indicated at the beginning of this note.

Supplementary Pension Information

In accordance with GASB 68, the following information is also presented for the PERS and PFRS Pension Plans. These schedules are presented to illustrate the requirements to show information for 10 years; however, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

Schedule of the Township's Proportionate Share of the Net Pension Liability - Public Employees' Retirement System (PERS) (Last Three Years)

	<u>Measurement Date Ended June 30,</u>		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
Township's Proportion of the Net Pension Liability	0.0205167471%	0.0194513350%	0.0209669917%
Township's Proportionate Share of the Net Pension Liability	\$ 4,605,599.00	\$ 3,641,822.00	\$ 4,007,209.00
Township's Covered-Employee Payroll	\$ 1,462,396.00	\$ 1,324,916.00	\$ 1,402,524.00
Township's Proportionate Share of the Net Pension Liability as a Percentage of it's Covered-Employee Payroll	314.94%	274.87%	285.71%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	47.93%	52.08%	48.72%

Schedule of the Township's Contributions - Public Employees' Retirement System (PERS) (Last Three Years)

	<u>Year Ended December 31,</u>		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
Township's Contractually Required Contribution	\$ 176,389.00	\$ 160,354.00	\$ 157,982.00
Township's Contribution in Relation to the Contractually Required Contribution	<u>(176,389.00)</u>	<u>(160,354.00)</u>	<u>(157,982.00)</u>
Township's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Township's Covered-Employee Payroll	\$ 1,507,685.00	\$ 1,442,234.00	1,358,573.00
Township's Contributions as a Percentage of it's Covered-Employee Payroll	11.70%	11.12%	11.63%

Note 8: PENSION PLANS (CONT'D)**Supplementary Pension Information (Cont'd)*****Schedule of the Township's Proportionate Share of the Net Pension Liability - Police and Firemen's Retirement System (PFRS) (Last Three Years)***

	<u>Measurement Date Ended June 30,</u>		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
Township's Proportion of the Net Pension Liability	0.0394971602%	0.0390546909%	0.0412762042%
Township's Proportionate Share of the Net Pension Liability	\$ 6,578,850.00	\$ 4,912,718.00	\$ 5,487,299.00
State's Proportionate Share of the Net Pension Liability associated with the Township	<u>576,943.00</u>	<u>529,017.00</u>	<u>511,483.00</u>
Total	<u>\$ 7,155,793.00</u>	<u>\$ 5,441,735.00</u>	<u>\$ 5,998,782.00</u>
Township's Covered-Employee Payroll	\$ 1,250,804.00	\$ 1,205,092.00	\$ 1,295,384.00
Township's Proportionate Share of the Net Pension Liability as a Percentage of it's Covered-Employee Payroll	525.97%	407.66%	423.60%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	56.31%	62.41%	58.70%

Schedule of the Township's Contributions - Police and Firemen's Retirement System (PFRS) (Last Three Years)

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Township's Contractually Required Contribution	\$ 321,053.00	\$ 299,967.00	\$ 301,142.00
Township's Contribution in Relation to the Contractually Required Contribution	<u>(321,053.00)</u>	<u>(299,967.00)</u>	<u>(301,142.00)</u>
Township's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Township's Covered-Employee Payroll	\$ 1,265,643.00	\$ 1,224,332.00	\$ 1,230,324.00
Township's Contributions as a Percentage of it's Covered-Employee Payroll	25.37%	24.50%	24.48%

Note 8: PENSION PLANS (CONT'D)**Other Notes to Supplementary Pension Information*****Public Employees' Retirement System (PERS)***

Changes in Benefit Terms - None

Changes in Assumptions - The discount rate changed from 5.39% as of June 30, 2014, to 4.90% as of June 30, 2015, in accordance with Paragraph 44 of GASB Statement No. 67.

Other Changes in Assumptions – New assumptions related to future increases on Social Security Wage Base and the 401(a)(17) compensation limit have been added as follows:

401(a)(17) Pay Limit – 3.00 per annum
Social Security Wage Base – 4.00 per annum

Police and Firemen's Retirement System (PFRS)

Changes in Benefit Terms - None

Changes in Assumptions - The discount rate changed from 6.32% as of June 30, 2014, to 5.79% as of June 30, 2015, in accordance with Paragraph 44 of GASB Statement No. 67.

Other Changes in Assumptions – Demographic assumptions with respect to no-vested withdrawal, disability, service retirement, active death, salary increases rates and inactive mortality were revised in accordance with the results of the July 1, 2010 – June 30, 2013 experience study and approved by the Board of Trustees of the PERS Pension Plan at its February 9, 2015 Board Meeting.

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

Plan Description – The Township provides postretirement health care benefits, at its cost, to certain police officers and their spouses or surviving spouses. This entitlement requires that police officers retire from service with the Township, be covered by any collective bargaining agreement between the Township and the Fraternal Order of Police, Local 178, have at least twenty years of service with the Township and have served at least twenty-five years as a police officer in any capacity and in any jurisdiction in which that service is eligible for credit in the Police and Firemen's Pension System (PFRS). The health care benefits will be in a form consistent with that provided to all active members of the Township Police whose service is covered by any collective bargaining agreement between the Township and the Fraternal Order of Police, Local 178. Once Medicare age is attained by either the retired employee or the spouse Medicare is primary and the Township provides supplementary medical insurance. Currently there are seven (7) retirees with an average age of fifty-two (52). Four (4) retirees are receiving employee/spouse coverage. There are seventeen (17) active employees with an average age of thirty-five (35) and average accrued service of nine (9) years.

Funding Policy - The contribution requirements of plan members and the Township are established and may be amended by the Township's governing body and collective bargaining agreement between the Township and the Fraternal Order of Police, Local 178. Plan members receive benefits at no cost to the retiree.

Retirees - The Township presently funds its current retiree postemployment benefit costs on a "pay-as-you-go" basis. The Township's contributions to the plan for the years ended December 31, 2015, 2014, and 2013 were \$177,409.75, \$185,302.58, and \$121,152.39, respectively.

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**Funding Policy (Cont'd)**

Future Retirees - In accordance with Statement No. 45 of the Governmental Accounting Standards Board, the Township is required to disclose the *annual required contribution of the employer (ARC)*, an amount actuarially determined in accordance with the parameters of Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty (30) years. The ARC includes the costs of both current and future retirees. The current ARC was determined to be \$454,239.00 at an unfunded discount rate of 5.0%. As stated above, the Township has funded the cost of existing retirees in the amount of \$177,409.75, and has incurred the benefit costs for future eligible employees, but has not yet begun funding this outstanding liability.

Annual OPEB Cost - For year ended December 31, 2015, the Township's annual OPEB cost (expense) of \$454,239.00 for the plan was equal to the ARC plus certain adjustments because the Township's actual contributions in prior years differed from the ARC. The Township's annual required contribution (ARC), the interest on the net OPEB obligation, the adjustment to the ARC, the increase or decrease in the net OPEB obligation, the net OPEB obligation, and the percentage of annual OPEB cost contributed to the plan for year 2015 is as follows:

	<u>2015</u>
Annual Required Contribution (ARC)	\$ 454,239
Interest on the Net OPEB Obligation	-
Adjustment to the ARC	-
	<hr/>
Annual OPEB Cost	454,239
Pay-as-You Go Cost (Existing Retirees)	(177,410)
	<hr/>
Increase in the Net OPEB Obligation	276,829
Net OPEB Obligation - Beginning of year	-
	<hr/>
Net OPEB Obligation - End of year	\$ 276,829
	<hr/> <hr/>
Percentage of Annual OPEB Cost Contributed	39.1%

Funded Status and Funding Progress - The funded status of the plan as of the actuarial valuation dates is as follows:

	<u>2015</u>
Actuarial Accrued Liability (AAL)	\$ 4,641,341
Actuarial Value of Plan Assets	-
	<hr/>
Unfunded Actuarial Accrued Liability (UAAL)	\$ 4,641,341
	<hr/> <hr/>
Funded Ratio (Actuarial Value of Plan Assets / AAL)	0.0%
Covered Payroll (Active Plan Members)	\$ 3,136,000
UAAL as a Percentage of Covered Payroll	148.0%

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**Funded Status and Funding Progress (Cont'd)**

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, as shown on the previous page, presents multiyear trend information that shows whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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

In the December 31, 2015 actuarial valuation, the unit credit actuarial cost method was used. Under this method, an actuarial accrued liability is determined as the actuarial present value of the portion of projected benefits which is allocated to service before the current plan year. In addition, a normal cost is determined as the actuarial present value of the portion of projected benefits which is allocated to service in the current plan year for each active participant under the assumed retirement age. The UAAL is being amortized (straight-line) for thirty (30) years on an open basis. The actuarial assumptions included the following:

- *Mortality.* 1994 sex distinct Group Annuity Mortality Table.
- *Discount Rate.* 5.00%
- *Turnover.* U.S Office of Personnel Management employee group covered by the Federal Employees Retirement System
- *Disability.* No terminations of employment due to disability.
- *Age at Retirement.* No earlier than age 55.
- *Final Average Salary.* Over \$112,000 for retirees at age 55.
- *Spousal Coverage.* Married employees will remain married.
- *Health Care Cost Inflation.* Increase 7.0% annually for Pre-Medicare benefits and 5.0% for Post-Medicare benefits.
- *Administrative Expenses.* Approximately 2% is included in health care costs to administer retiree claims.

Note 10: COMPENSATED ABSENCES

According to the policy effective February 17, 2004 and revised April 21, 2008, full-time employees and part-time employees working at least twenty hours a week receive sick, vacation, and personal days. Vacation time granted is based on the number of years of completed service. Vacation time must be used in the calendar year. Carryover of vacation time must be approved by the Township Administrator and cannot exceed two work weeks. Part-time employees receive vacation time on a prorated basis. Upon termination or retirement, employees with at least one year of service are paid for all accumulated vacation time. Full-time employees receive three personnel days per year and part-time employees receive personal days on a prorated basis. Personal days may not be carried over into the next year and are not paid upon termination or retirement. Full-time employees receive ten sick days per year and part-time employees receive sick days on a prorated basis. Sick days may be accumulated up to fifty days.

Note 10: COMPENSATED ABSENCES (CONT'D)

Upon retirement, employees with at least fifteen years of service may be paid for accumulated sick time up to fifty days not to exceed \$2,500.00. Employees with at least twenty years of service may be paid for accumulated sick time up to fifty days not to exceed \$3,000.00. Employees with at least twenty-five years of service may be paid for accumulated sick time up to fifty days not to exceed \$3,500.00.

According to the police contract effective January 1, 2010, officers receive sick, vacation, and personal days. Vacation time granted is based on the number of years of service. Upon termination or retirement, accumulated vacation time is not paid. Officers receive three personnel days per year which may not be carried over into the next year. Upon termination or retirement, accumulated vacation time is not paid. Officers receive one-hundred and twelve hours of sick time per year of employment not to exceed 2,250 hours. Upon retirement, officers may be paid for sick hours at a rate of two for every five hours earned.

The Township does not record accrued expenses related to compensated absences. However, it is estimated that at December 31, 2015, accrued benefits for compensated absences are valued at \$123,525.26.

Note 11: CAPITAL DEBT**General Improvement Bonds**

General Improvement Bonds, Series 2006 - On August 1, 2006, the Township issued \$8,500,000.00 of general improvement bonds, with interest rates ranging from 4.125% to 4.25%. The bonds were issued for the purpose of funding various capital projects in the Township. The final maturity of the bonds is August 1, 2016.

General Improvement Refunding Bonds, Series 2009 - On November 3, 2009, the Township issued \$3,165,000.00 in general improvement refunding bonds, with interest rates ranging from 3.0% to 5.0%, to advance refund \$3,238,000.00 outstanding 1998 and 2001 general improvement bonds with an interest rate of 4.875 and 4.70%. The final maturity of the bonds is December 1, 2018.

General Improvement Bonds, Series 2010 - On August 18, 2010, the Township issued \$20,111,000.00 of general improvement bonds, with interest rates ranging from 2.0% to 4.0%. The bonds were issued for the purpose of funding various capital projects in the Township. The final maturity of the bonds is August 1, 2035.

General Improvement Refunding Bonds, Series 2014 - On August 5, 2014, the Township issued \$4,810,000.00 in general improvement refunding bonds, with interest rates ranging from 3.0% to 4.0%, to advance refund \$4,940,000.00 outstanding 2006 general improvement bonds with an interest rate of 4.25%. The final maturity of the bonds is August 1, 2025.

Note 11: CAPITAL DEBT (CONT'D)**General Improvement Bonds (Cont'd)**

The following schedule represents the remaining debt service, through maturity, for the general improvement bonds:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 1,515,000.00	\$ 617,102.50	\$ 2,132,102.50
2017	1,610,000.00	778,902.50	2,388,902.50
2018	1,685,000.00	723,202.50	2,408,202.50
2019	1,780,000.00	663,077.50	2,443,077.50
2020	1,830,000.00	609,677.50	2,439,677.50
2021-2025	8,980,000.00	2,112,937.50	11,092,937.50
2026-2030	3,300,000.00	1,041,825.00	4,341,825.00
2031-2035	3,496,000.00	417,450.00	3,913,450.00
	<u>\$24,196,000.00</u>	<u>\$ 6,964,175.00</u>	<u>\$31,160,175.00</u>

Sewer Utility Improvement Bonds

General Improvement Bonds, Series 2006 - On August 1, 2006, the Township issued \$1,475,000.00 of general improvement bonds, with interest rates ranging from 4.125% to 4.25%. The bonds were issued for the purpose of funding various sewer capital projects in the Township. The final maturity of the bonds is August 1, 2016.

General Improvement Bonds, Series 2010 - On August 18, 2018, the Township issued \$5,014,000.00 of general improvement bonds, with interest rates ranging from 2.0% to 4.0%. The bonds were issued for the purpose of funding various sewer capital projects in the Township. The final maturity of the bonds is August 1, 2035.

General Improvement Refunding Bonds, Series 2014 - On August 5, 2014, the Township issued \$810,000.00 in general improvement refunding bonds, with interest rates ranging from 3.0% to 4.0%, to advance refund \$830,000.00 outstanding 2006 general improvement bonds with an interest rate of 4.25%. The final maturity of the bonds is August 1, 2025.

The following schedule represents the remaining debt service, through maturity, for the general improvement bonds:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 125,000.00	\$ 168,947.50	\$ 293,947.50
2017	135,000.00	200,035.00	335,035.00
2018	150,000.00	195,597.50	345,597.50
2019	165,000.00	190,647.50	355,647.50
2020	180,000.00	185,697.50	365,697.50
2021-2025	1,460,000.00	816,337.50	2,276,337.50
2026-2030	1,580,000.00	551,093.76	2,131,093.76
2031-2035	1,929,000.00	236,912.50	2,165,912.50
	<u>\$ 5,724,000.00</u>	<u>\$ 2,545,268.76</u>	<u>\$ 8,269,268.76</u>

Note 11: CAPITAL DEBT (CONT'D)**Sewer Utility Debt - New Jersey Environmental Infrastructure Loans**

On August 1, 1997, the Township entered into a loan agreement with the New Jersey Environmental Infrastructure Trust to provide \$217,417.00, at no interest, from the fund loan, and \$230,000.00 at interest rates ranging from 4.0% to 5.0% from the trust loan. The proceeds were used to fund improvements to the sanitary sewer system. Semiannual debt payments are due February 1st and August 1st through 2017.

On October 15, 2002, the Township entered into a loan agreement with the New Jersey Environmental Infrastructure Trust to provide \$1,860,390.00, at no interest, from the fund loan, and \$2,080,000.00 at interest rates ranging from 3.0% to 5.25% from the trust loan. The proceeds were used to fund the construction of a wastewater treatment plant. Semiannual debt payments are due February 1st and August 1st through 2022.

On November 1, 2003, the Township entered into a loan agreement with the New Jersey Environmental Infrastructure Trust to provide \$1,148,023.00, at no interest, from the fund loan, and \$1,260,000.00 at interest rates ranging from 3.0% to 5.0% from the trust loan. The proceeds were used to fund upgrades and rehabilitation of three pump stations. Semiannual debt payments are due February 1st and August 1st through 2023.

The following schedule represents the remaining debt service, through maturity, for the New Jersey Environmental Infrastructure loans:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 373,361.16	\$ 81,312.50	\$ 454,673.66
2017	388,221.66	71,768.50	459,990.16
2018	368,712.10	61,112.50	429,824.60
2019	378,812.20	51,175.00	429,987.20
2020	396,137.35	40,175.00	436,312.35
2021-2023	974,644.16	49,562.50	1,024,206.66
	<u>\$ 2,879,888.63</u>	<u>\$ 355,106.00</u>	<u>\$ 3,234,994.63</u>

Note 11: CAPITAL DEBT (CONT'D)

The following schedule represents the Township's summary of debt for the current and two previous years:

	<u>2015</u>	<u>2014</u>	<u>2013</u>
<u>Issued:</u>			
General:			
Bond and Notes	\$ 36,494,393.00	\$ 30,682,643.00	\$ 31,588,343.00
Sewer:			
Bond, Loan and Notes	13,352,226.63	12,900,383.50	11,502,109.43
Total Issued	<u>49,846,619.63</u>	<u>43,583,026.50</u>	<u>43,090,452.43</u>
<u>Authorized but Not Issued</u>			
General:			
Bond and Notes	-	6,552,100.00	-
Sewer:			
Bond and Notes	21,190.00	173,496.00	-
Total Authorized but Not Issued	<u>21,190.00</u>	<u>6,725,596.00</u>	<u>-</u>
Total Issue and Authorized but Not Issued	<u>49,867,809.63</u>	<u>50,308,622.50</u>	<u>43,090,452.43</u>
<u>Deductions</u>			
Reserve for Payment of Debt	203,104.09	61,918.54	24,310.00
Self-Liquidating Debt	13,373,416.63	13,073,879.50	11,502,109.43
Total Deductions	<u>13,576,520.72</u>	<u>13,135,798.04</u>	<u>11,526,419.43</u>
Net Debt	<u>\$ 36,291,288.91</u>	<u>\$ 37,172,824.46</u>	<u>\$ 31,564,033.00</u>

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicated a statutory net debt of 2.562%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Regional School District	\$ 9,738,538.99	\$ 9,738,538.99	-
Local School District	6,480,000.00	6,480,000.00	-
Sewer Utility	13,373,416.63	13,373,416.63	-
General	36,494,393.00	203,104.09	\$ 36,291,288.91
	<u>\$ 66,086,348.62</u>	<u>\$ 29,795,059.71</u>	<u>\$ 36,291,288.91</u>

Net Debt \$36,291,288.91 divided by the Equalized Valuation Basis per N.J.S.A.40A:2-2 as amended, \$1,416,440,277.33 equals 2.562%.

Note 11: CAPITAL DEBT (CONT'D)**Summary of Statutory Debt Condition - Annual Debt Statement (Cont'd)****Borrowing Power Under N.J.S.A. 40A:2-6 As Amended**

3 1/2% of Equalized Valuation Basis (Municipal)	\$49,575,409.71
Less: Net Debt	<u>36,291,288.91</u>
Remaining Borrowing Power	<u><u>\$13,284,120.80</u></u>

**Calculation of "Self Liquidating Purpose"
Sewer Utility Per N.J.S.A. 40A:2-45**

Cash Receipts from Fees, Rents, Fund Balance Anticipated, Interest and Other Investment Income, and Other Credits for the Year	\$ 2,558,263.35
Deductions:	
Operating and Maintenance Cost	\$ 1,220,982.00
Debt Service	<u>825,899.73</u>
Total Deductions	<u>2,046,881.73</u>
Excess in Revenue	<u><u>\$ 511,381.62</u></u>

A revised Annual Debt Statement should be filed by the Chief Financial Officer.

Note 12: SCHOOL TAXES

The Township of Harrison School District and the Clearview Regional School District Tax have been raised and the liability deferred by statutes, resulting in the school tax payable set forth in the Current Fund liabilities as follows:

	Balance Dec. 31	
	<u>2015</u>	<u>2014</u>
Local School Tax:		
Balance of Tax	\$ 6,215,604.50	\$ 6,012,871.50
Deferred	<u>5,669,506.50</u>	<u>5,669,506.50</u>
Local School Tax Payable	<u><u>\$ 546,098.00</u></u>	<u><u>\$ 343,365.00</u></u>
Regional School Tax:		
Balance of Tax	\$ 4,850,780.50	\$ 4,657,093.00
Deferred	<u>4,257,399.86</u>	<u>4,257,399.86</u>
Regional School Tax Payable	<u><u>\$ 593,380.64</u></u>	<u><u>\$ 399,693.14</u></u>

Note 13: 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.

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

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

<u>Year</u>	<u>Township Contributions</u>	<u>Employee Contributions</u>	<u>Interest Earnings</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2015	\$ 10,000.00	\$ 4,954.08	\$ 45.51	\$ 695.48	\$ 42,376.77
2014	10,000.00	5,348.55	22.04	2,628.23	28,072.66
2013	10,400.00	5,495.41	2.04	2,434.13	15,330.30

It is estimated that there are no unreimbursed payments on behalf of the Township at December 31, 2015.

Joint Insurance Pool - The Township of Harrison is a member of the Gloucester County Municipal Joint Insurance Fund. The Fund provides its members with the following coverage:

- Workers' Compensation and Employer's Liability
- Liability other than Motor Vehicles
- Property Damage other than Motor Vehicles
- General Liability
- Automobile Liability
- Public Employees Blanket Bond
- Property Including Boiler and Machinery

Contributions to the Fund, including a reserve for contingencies, are payable in two installments and are based on actuarial assumptions determined by the Fund's actuary. The Commissioner of Insurance may order additional assessments to supplement the Fund's claim, loss retention or administrative accounts to assure the payment of the Fund's obligations.

The Fund publishes its own financial report for the year ended December 31, 2015, which can be obtained from:

Gloucester, Salem and Cumberland County
Municipal Joint Insurance Fund
P.O. Box 442
Hammonton, New Jersey 08037

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 following deferred charges are shown on the statement of assets, liabilities, reserves and fund balance of the following fund:

	Balance <u>Dec. 31, 2015</u>	2016 Budget <u>Appropriation</u>
Current Fund:		
Special Emergency Authorization	\$ 100,000.00	\$ 50,000.00

The appropriations in the 2016 Budget as adopted are not less than that required by the statutes.

Note 15: LEASE OBLIGATIONS

At December 31, 2015, the Township had lease agreements in effect for the following:

- Operating:
 - Six (6) Copiers

The following is an analysis of operating leases.

Future minimum lease payments under operating lease agreements are as follows:

<u>Year</u>	<u>Amount</u>
2016	\$ 11,588.64
2017	11,588.64
2018	11,588.64
2019	11,588.64
2020	10,622.92

Rental payments under operating leases for the year 2015 were \$13,152.06.

Note 16: OPEN SPACE, RECREATION AND FARMLAND PRESERVATION TRUST

On November 4, 1997, November 5, 2002 and November 8, 2005 pursuant to P.L. 1997, c. 24 (N.J.S.A. 40:12-15.1 et seq.), the voters of the Township of Harrison authorized the establishment of the Township of Harrison Open Space, Recreation and Farmland Preservation Trust Fund effective January 1, 1998, for the purpose of raising revenue for the acquisition of lands and interests in lands for the conservation of farmland and open space. Overall, as a result of the three referendums, the Township levies a tax not to exceed six cents per one hundred dollars of equalized valuation. Amounts raised by taxation are assessed, levied and collected in the same manner and at the same time as other taxes. Future increases in the tax rate or to extend the authorization must be authorized by referendum. All revenue received is accounted for in a Trust Fund dedicated by rider (N.J.S.A. 40A:4-39) for the purposed stated. Interest earned on the investment of these funds is credited to the Township of Harrison Open Space, Recreation and Farmland Preservation Trust Funds.

Note 17: CONTINGENCIES

Grantor Agencies - Amounts received or receivable from grantor agencies could be subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the Township expects such amount, if any, to be immaterial.

Litigation - The Township is a defendant in several legal proceedings that are in various stages of litigation. It is believed that the outcome, or exposure to the Township, from such litigation is either unknown or potential losses, if any, would not be material to the financial statements.

Note 18: CONCENTRATIONS

The Township depends on financial resources flowing from, or associated with, both the federal government and the State of New Jersey. As a result of this dependency, the Township is subject to changes in specific flows of intergovernmental revenues based on modifications to federal and State laws and federal and State appropriations.

Note 19: SUBSEQUENT EVENTS

Authorization of Debt - Subsequent to December 31, the Township authorized additional bonds and notes as follows:

<u>Purpose</u>	<u>Adoption</u>	<u>Authorization</u>
General Improvements		
Various Pieces of Equipment and Various Capital Improvements	May 2, 2016	\$ 4,695,090.00
Sewer Utility Improvements		
Various Pieces of Equipment and Various Capital Improvements	May 2, 2016	\$ 1,328,400.00

SUPPLEMENTAL EXHIBITS

SUPPLEMENTAL EXHIBITS

CURRENT FUND

TOWNSHIP OF HARRISON
CURRENT FUND
Statement of Current Cash -- Treasurer
For the Year Ended December 31, 2015

	<u>Current Fund</u>	<u>Federal and State Grant Fund</u>
Balance December 31, 2014	\$ 4,800,052.80	\$ 315,119.73
Increased by Receipts:		
Tax Collector	\$ 41,017,291.25	
Revenue Accounts Receivable	1,091,127.35	
Miscellaneous Revenue Not Anticipated	412,800.06	
Due State of New Jersey:		
Senior Citizen and Veterans Deductions	73,658.91	
Marriage License Fees	975.00	
Due from Trust Other Fund	196.13	
Due from Animal Control Trust Fund	10,080.93	
Due from General Capital Fund	1,146.60	
Due Sewer Utility Operating Fund	35,275.00	
Due Sewer Utility Capital Fund	16,500.00	
Federal and State Grants Unappropriated		\$ 30,244.80
Reimbursements:		
Reimbursement of 2015 Appropriations	408,270.93	
Reimbursement of Appropriation Reserves	3,144.88	
Reserve for Master Plan Revision	19,500.00	
Reserve for Payment of Debt	141,185.55	
Special Emergency Notes Payable Renewal	100,000.00	
Petty Cash Fund	100.00	
	43,331,252.59	30,244.80
	48,131,305.39	345,364.53
Decreased by Disbursements:		
2015 Appropriations	8,095,825.27	
2014 Appropriation Reserves	345,887.40	
Reserve for Federal and State Grants - Appropriated		17,686.55
County Taxes Payable	10,302,998.76	
Regional High School District Taxes Payable	9,507,873.50	
Local District School Taxes Payable	12,228,476.00	
Fire District Taxes Payable	1,139,000.00	
Municipal Open Space Taxes Payable	868,050.07	
Refund of Tax Overpayments	20,410.24	
Due State of New Jersey:		
Marriage License Fees	925.00	
Due General Capital Fund		127,331.19
Due Sewer Utility Operating Fund	2,777.10	
Special Emergency Notes Payable Renewal	100,000.00	
Special Emergency Notes Payable	50,000.00	
Accounts Payable	1,756.00	
Reserve For:		
Master Plan Revisions	49,254.26	
Refund of Prior Year Revenue	435.00	
Prior Year SFSP Funds Due Fire District	9,592.00	
Petty Cash	100.00	
	42,723,360.60	145,017.74
Total Cash Disbursements	42,723,360.60	145,017.74
Balance December 31, 2015	\$ 5,407,944.79	\$ 200,346.79

TOWNSHIP OF HARRISON
CURRENT FUND
Statement of Current Cash - Tax Collector
For the Year Ended December 31, 2015

Balance December 31, 2014		\$	669,158.58
Increased by:			
Receipts:			
Taxes Receivable	\$	40,497,175.15	
Tax Overpayments		4,710.53	
Tax Title Liens		2,917.32	
Prepaid Taxes		222,902.02	
Revenue Accounts Receivable:			
Interest and Costs on Taxes	\$	119,221.61	
Fees and Permits - Tax Searches		10.00	
		119,231.61	
Miscellaneous Revenue Not Anticipated:			
Payment in Lieu of Taxes		263,157.00	
Advertising Fees		1,571.01	
Municipal Lien Recording Fees		20.00	
		264,748.01	
			41,111,684.64
			41,780,843.22
Decreased by:			
Disbursements:			
Disbursed to Treasurer			41,017,291.25
Balance December 31, 2015		\$	763,551.97

TOWNSHIP OF HARRISON
CURRENT FUND
 Statement of Revenue Accounts Receivable
 For the Year Ended December 31, 2015

	Balance Dec. 31, 2014	Accrued in 2015	Collected	Balance Dec. 31, 2015
Miscellaneous Revenues:				
Local Revenues				
Fees and Permits		\$ 32,786.25	\$ 32,376.25	\$ 410.00
Fines and Costs:				
Municipal Court	\$ 15,108.33	248,597.54	246,744.48	16,961.39
Interest and Costs on Taxes		119,221.61	119,221.61	
Interest on Investments and Deposits		10,639.99	10,639.99	
State Aid Without Offsetting Appropriations				
Energy Receipts Tax		542,592.00	542,592.00	
Dedicated Uniform Construction Code Fees Offset				
With Appropriations (N.J.S.40A:4-36 and N.J.A.C.5:23-4.17)				
Uniform Construction Code Fees	31,748.16	197,306.01	215,660.42	13,393.75
Special Items of General Revenue Anticipated with Prior Written Consent of the Director of the Division of Local Gov't Services:				
Other Special Items:				
Cable Television		43,376.98	43,376.98	
 Total	 <u>\$ 46,856.49</u>	 <u>\$ 1,194,520.38</u>	 <u>\$ 1,210,611.73</u>	 <u>\$ 30,765.14</u>
 Tax Collector		 \$ 119,231.61	 \$ 119,231.61	
Treasurer		<u>1,075,036.00</u>	<u>1,091,127.35</u>	
		<u>\$ 1,194,520.38</u>	<u>\$ 1,210,611.73</u>	

TOWNSHIP OF HARRISON
CURRENT FUND
Statement of Taxes Receivable and Analysis of Property Tax Levy
For The Year Ended December 31, 2015

Year	Balance Dec. 31, 2014	2015 Levy	Added	2014 Collections	2015 Collections	Due From / (To) State of New Jersey	Canceled	Penalty Assessment	Transferred To Tax Title Liens	Balance Dec. 31, 2015
2012								\$ 250.00		\$ 250.00
2013								250.00		250.00
2014	\$ 508,067.52				\$ 508,817.52	\$ (750.00)		250.00		250.00
	508,067.52				508,817.52	(750.00)		750.00		750.00
2015		\$ 40,457,080.71	\$ 359,107.55	\$ 213,361.35	\$ 39,988,357.63	\$ 76,750.00	\$ 208,724.87	\$ 3,414.25	\$ 21,278.93	\$ 311,129.73
	\$ 508,067.52	\$ 40,457,080.71	\$ 359,107.55	\$ 213,361.35	\$ 40,497,175.15	\$ 76,000.00	\$ 208,724.87	\$ 4,164.25	\$ 21,278.93	\$ 311,879.73

Analysis of 2015 Property Tax Levied

Tax Yield:

General Property Tax	\$ 39,318,080.71
Fire District Tax	1,139,000.00
Added Taxes (54:4-63.1 et seq.)	359,107.55
	<u>\$ 40,816,188.26</u>

Tax Levy:

Regional High School Tax (Abstract)	\$ 9,701,561.00
Local District School Tax (Abstract)	12,431,209.00
County Taxes:	
County Tax (Abstract)	\$ 8,883,708.45
County Library Tax (Abstract)	669,704.04
County Open Space Preservation (Abstract)	598,723.63
Due County for Added and Omitted Taxes	<u>90,102.66</u>
Total County Taxes	10,242,238.78
Fire District Taxes (Amount Certified)	1,139,000.00
Municipal Open Space Tax:	
Municipal Open Space (Abstract)	835,603.00
Municipal Open Space for Added and Omitted Tax	<u>7,432.79</u>
Total Municipal Open Space Tax	843,035.79
Local Tax for Municipal Purposes Levied (Abstract)	6,192,489.02
Add: Added and Omitted Tax	261,572.10
Add: Additional Tax Levied	<u>5,082.57</u>
Local Tax for Municipal Purposes Levied	<u>6,459,143.69</u>
	<u>\$ 40,816,188.26</u>

TOWNSHIP OF HARRISON
CURRENT FUND
Statement of Tax Title Liens
For The Year Ended December 31, 2015

Balance December 31, 2014	\$ 181,546.38
Increased by:	
Transferred from Taxes Receivable - 2015	<u>21,278.93</u>
	202,825.31
Decreased by:	
Collections	<u>2,917.32</u>
Balance December 31, 2015	<u><u>\$ 199,907.99</u></u>

TOWNSHIP OF HARRISON
CURRENT FUND
 Statement of Deferred Charges
 Special Emergency Appropriation Per N.J.S.A. 40A:4-55
 For The Year Ended December 31, 2015

<u>Date</u> <u>Authorized</u>	<u>Purpose</u>	<u>Amount</u> <u>Authorized</u>	<u>1/5 of</u> <u>Net Amount</u> <u>Authorized</u>	<u>Balance</u> <u>Dec. 31, 2014</u>	<u>Amount</u> <u>Raised in the</u> <u>2015 Budget</u>	<u>Balance</u> <u>Dec. 31, 2015</u>
02/06/12	Master Plan Revisions	\$ 250,000.00	\$ 50,000.00	<u>\$ 150,000.00</u>	<u>\$ 50,000.00</u>	<u>\$ 100,000.00</u>

TOWNSHIP OF HARRISON
CURRENT FUND
 Statement of Special Emergency Notes Payable
 For The Year Ended December 31, 2015

<u>Purpose</u>	<u>Original Issue</u>	<u>Date of Original Issue</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2014</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2015</u>
Revisions to Master Plan	\$ 250,000.00	03/21/12	03/17/14 03/13/15	03/16/15 03/11/16	1.05% 1.05%	\$ 150,000.00		\$ 150,000.00	
							\$ 100,000.00		\$ 100,000.00
						<u>\$ 150,000.00</u>	<u>\$ 100,000.00</u>	<u>\$ 150,000.00</u>	<u>\$ 100,000.00</u>
							Renewed \$ 100,000.00	\$ 100,000.00	
							Paid	50,000.00	
							<u>\$ 100,000.00</u>	<u>\$ 150,000.00</u>	

TOWNSHIP OF HARRISON
CURRENT FUND
 Statement of Due to State of New Jersey -- Marriage License Fees
 For the Year Ended December 31, 2015

Balance December 31, 2014	\$	125.00
Increased by:		
Receipts		975.00
		1,100.00
Decreased by:		
Disbursements		925.00
Balance December 31, 2015	\$	175.00

Exhibit SA-9

CURRENT FUND
 Schedule of Change Funds
 As of December 31, 2015 and 2014

		Balance Dec. 31, 2015 and 2014
Tax Collector	\$	50.00
Municipal Clerk		100.00
Municipal Court		100.00
	\$	250.00

TOWNSHIP OF HARRISON
CURRENT FUND
Statement of Due to / (from) State of New Jersey
Senior Citizens and Veterans' Deductions
For the Year Ended December 31, 2015

Balance December 31, 2014 (Due to)		\$ 23,426.52
Increased by:		
Received from State of New Jersey		73,658.91
		97,085.43
Decreased by:		
Deductions per Tax Billing:		
Senior Citizens	\$ 8,750.00	
Veterans	65,750.00	
Deductions Allowed by Collector:		
Senior Citizens - 2015 Taxes	250.00	
Veterans - 2015 Taxes	3,000.00	
Cancellation of Prior Year Payable	23,585.43	
	\$ 101,335.43	
Less:		
Deductions Disallowed by Collector:		
Senior Citizens - 2015 Taxes	750.00	
Veterans - 2015 Taxes	250.00	
Senior Citizens - 2014 Taxes	750.00	
	1,750.00	
Total State Share Applied to Taxes Receivable		99,585.43
Balance December 31, 2015 (Due from)		\$ (2,500.00)

TOWNSHIP OF HARRISON
CURRENT FUND
 Statement of Appropriation Reserves
 For The Year Ended December 31, 2015

	Balance December 31, 2014		Transfers	Balance After Modification	Paid or Charged	Lapsed to Fund Balance
	Encumbered	Reserved				
OPERATIONS WITHIN "CAPS"						
General Government:						
Administrative and Executive:						
Salaries and Wages		\$ 13,672.83	\$ (7,300.00)	\$ 6,372.83		\$ 6,372.83
Other Expenses		12,630.12		12,630.12	\$ 3,186.10	9,444.02
Mayor and Committee:						
Salaries and Wages		4.52		4.52		4.52
Other Expenses	\$ 75.00	5.20		80.20		80.20
Township Clerk:						
Other Expenses	96.56	1,202.99		1,299.55	958.41	341.14
Financial Administration:						
Salaries and Wages		286.59		286.59		286.59
Other Expenses		35,614.24		35,614.24	27,859.82	7,754.42
Automated Data Processing:						
Other Expenses		1,213.20		1,213.20	1,081.70	131.50
Collection of Taxes:						
Salaries and Wages		773.69		773.69		773.69
Other Expenses		1,716.68		1,716.68		1,716.68
Legal Services and Costs:						
Other Expenses		101,039.00		101,039.00	19,859.37	81,179.63
Engineering Services and Costs:						
Other Expenses		6,684.42		6,684.42	1,407.50	5,276.92
Economic Development Council:						
Salaries and Wages		27,885.00		27,885.00		27,885.00
Other Expenses		2,597.97		2,597.97		2,597.97
Historic Preservation Committee:						
Salaries and Wages		0.26		0.26		0.26
Other Expenses		2,261.25		2,261.25	135.00	2,126.25
Municipal Land Use Law:						
Planning Board:						
Salaries and Wages		396.20		396.20		396.20
Other Expenses		17,287.86		17,287.86	2,160.00	15,127.86
Zoning Board of Adjustment:						
Salaries and Wages		0.80		0.80		0.80
Other Expenses		67.80		67.80		67.80
Public Safety:						
Police:						
Salaries and Wages		128,088.98		128,088.98	1,987.76	126,101.22
Other Expenses	2,067.70	41,123.28		43,190.98	28,243.27	14,947.71
Emergency Management Services:						
Salaries and Wages		5.20		5.20		5.20
Other Expenses		581.11		581.11		581.11
Municipal Prosecutor:						
Other Expenses		200.00		200.00		200.00
Public Works:						
Streets and Roads:						
Road Repair and Maintenance:						
Salaries and Wages		32,251.35		32,251.35	673.34	31,578.01
Other Expenses		24,363.01		24,363.01	17,019.06	7,343.95
Solid Waste Collection:						
Other Expenses		1,724.07	800.00	2,524.07		2,524.07
Waste Disposal		34,489.05	100.00	34,589.05	34,519.10	69.95
Public Buildings and Grounds:						
Salaries and Wages		2,760.88		2,760.88		2,760.88
Other Expenses	196.62	22,587.69		22,784.31	6,608.05	16,176.26
Vehicle Maintenance:						
Salaries and Wages		5,620.37		5,620.37		5,620.37
Other Expenses		6,816.04	400.00	7,216.04	7,209.38	6.66
Health and Human Services:						
Board of Health:						
Salaries and Wages		0.26		0.26		0.26
Other Expenses		50.00		50.00		50.00
Donation to Harrison Township Historical Society		1,000.00		1,000.00		1,000.00
Environmental Commission						
Other Expenses		2,968.73		2,968.73	199.99	2,768.74

(Continued)

TOWNSHIP OF HARRISON
CURRENT FUND
 Statement of Appropriation Reserves
 For The Year Ended December 31, 2015

	Balance December 31, 2014		Transfers	Balance After Modification	Paid or Charged	Lapsed to Fund Balance
	Encumbered	Reserved				
OPERATIONS WITHIN "CAPS" (Cont'd)						
Park and Recreation Functions:						
Parks and Playgrounds:						
Salaries and Wages		\$ 682.29		\$ 682.29	\$ 47.50	\$ 634.79
Other Expenses		1,419.88		1,419.88	279.55	1,140.33
Veterans Commission		500.00		500.00		500.00
Municipal Court:						
Other Expenses	\$ 403.50	2,430.51		2,834.01	1,403.50	1,430.51
Public Defender:						
Other Expenses		2,100.00		2,100.00		2,100.00
JIF Administration:						
Salaries and Wages		900.00		900.00		900.00
Insurance						
Employee Group Health		161,383.89		161,383.89	84,132.62	77,251.27
Employee Health Insurance Waivers		10.05		10.05		10.05
Code Enforcement & Administrator:						
Construction Official:						
Salaries and Wages		3,269.44		3,269.44		3,269.44
Other Expenses		1,085.64		1,085.64	170.0	915.64
Unclassified - Utilities:						
Electricity		20,508.04		20,508.04	11,042.54	9,465.50
Street Lighting		3,948.29	\$ 2,000.00	5,948.29	5,147.27	801.02
Telephone		4,083.91		4,083.91	2,576.27	1,507.64
Water		2,107.53		2,107.53	289.22	1,818.31
Natural Gas		940.20	4,000.00	4,940.20	3948.54	991.66
Fuel Oil		1,266.71		1,266.71		1,266.71
Gasoline	2,586.48	51,744.26		54,330.74	1,549.34	52,781.40
Contingent		100.00		100.00		100.00
Total Operations Within "CAP"	5,425.86	788,451.28	-	793,877.14	263,694.20	530,182.94
Deferred Charges and Statutory Expenditures - Municipal Within "CAP"						
Statutory Expenditures:						
Contribution to:						
Public Employees' Retirement System		3.19		3.19		3.19
Social Security System (O.A.S.I.)		12,851.70		12,851.70		12,851.70
Defined Contribution Retirement Program		332.91		332.91		332.91
Total Deferred Charges and Statutory Expenditures		13,187.80		13,187.80		13,187.80
OPERATIONS EXCLUDED FROM "CAP"						
General Government Outside "CAPS"						
Shared Service Agreements:						
Solid Waste Collection - Logan Township		113,270.01		113,270.01	79,048.32	34,221.69
Total Shared Service Agreements		113,270.01		113,270.01	79,048.32	34,221.69
	\$ 5,425.86	\$ 914,909.09	\$ -	\$ 920,334.95	\$ 342,742.52	\$ 577,592.43
					\$ 345,887.40	
					(3,144.88)	
					\$ 342,742.52	

TOWNSHIP OF HARRISON
CURRENT FUND
Statement of Tax Overpayments
For the Year Ended December 31, 2015

Balance December 31, 2014	\$	18,995.49
Increased by:		
Overpayments Received by Collector		4,710.53
		23,706.02
Decreased by:		
Refunded		20,410.24
Balance December 31, 2015	\$	3,295.78

Exhibit SA-13

CURRENT FUND
Statement of Prepaid Taxes
For the Year Ended December 31, 2015

Balance December 31, 2014	\$	213,361.35
Increased by:		
Collections - 2016 Taxes		222,902.02
		436,263.37
Decreased by:		
Applied to 2015 Taxes Receivable		213,361.35
Balance December 31, 2015	\$	222,902.02

TOWNSHIP OF HARRISON
CURRENT FUND
Statement of Local District School Taxes Payable
For The Year Ended December 31, 2015

<hr/>		
Balance December 31, 2014		
School Tax Payable	\$ 343,365.00	
School Tax Deferred	<u>5,669,506.50</u>	
		\$ 6,012,871.50
Increased by:		
School Year Levy - July 1, 2015 - June 30, 2016		<u>12,431,209.00</u>
		18,444,080.50
Decreased by:		
Disbursements		<u>12,228,476.00</u>
Balance December 31, 2015		
School Tax Payable	546,098.00	
School Tax Deferred	<u>5,669,506.50</u>	
Total Local District School Taxes Payable		<u><u>\$ 6,215,604.50</u></u>
2015 Liability for Local District Tax		
Tax Paid		\$ 12,228,476.00
Tax Payable - December 31, 2015		<u>546,098.00</u>
		12,774,574.00
Less: Tax Payable - December 31, 2014		<u>343,365.00</u>
Amount Charged to 2015 Operations		<u><u>\$ 12,431,209.00</u></u>

TOWNSHIP OF HARRISON
CURRENT FUND
 Statement of Regional High School Taxes Payable
 For The Year Ended December 31, 2015

<hr/>		
Balance December 31, 2014		
School Tax Payable	\$ 399,693.14	
School Tax Deferred	<u>4,257,399.86</u>	
		\$ 4,657,093.00
Increased by:		
School Year Levy - July 1, 2015 - June 30, 2016		<u>9,701,561.00</u>
		14,358,654.00
Decreased by:		
Disbursements		<u>9,507,873.50</u>
Balance December 31, 2015		
School Tax Payable	593,380.64	
School Tax Deferred	<u>4,257,399.86</u>	
Total Regional High School Taxes Payable		<u><u>\$ 4,850,780.50</u></u>
2015 Liability for Regional High School Tax		
Tax Paid		\$ 9,507,873.50
Tax Payable - December 31, 2015		<u>593,380.64</u>
		10,101,254.14
Less: Tax Payable - December 31, 2014		<u>399,693.14</u>
Amount Charged to 2015 Operations		<u><u>\$ 9,701,561.00</u></u>

TOWNSHIP OF HARRISON
CURRENT FUND
Statement of County Taxes Payable
For The Year Ended December 31, 2015

Balance December 31, 2014		\$ 150,862.62
Increased by:		
2015 Tax Levy:		
General County	\$ 8,883,708.45	
County Library	669,704.04	
Open Space Preservation	598,723.63	
Added and Omitted Taxes	<u>90,102.66</u>	
		<u>10,242,238.78</u>
		10,393,101.40
Decreased by:		
Disbursements		<u>10,302,998.76</u>
Balance December 31, 2015		<u><u>\$ 90,102.64</u></u>
County Taxes Payable - Added and Omitted Taxes		<u><u>\$ 90,102.64</u></u>

TOWNSHIP OF HARRISON
CURRENT FUND
Statement of Municipal Open Space Taxes Payable
For The Year Ended December 31, 2015

Balance December 31, 2014		\$	25,014.28
Increased by:			
2015 Tax Levy:			
Open Space Preservation	\$	835,603.00	
Added and Omitted Taxes		<u>7,432.79</u>	
			<u>843,035.79</u>
			868,050.07
Decreased by:			
Disbursements		\$	<u><u>868,050.07</u></u>

TOWNSHIP OF HARRISON
CURRENT FUND
Statement of Fire District Taxes Payable
For The Year Ended December 31, 2015

Increased by:		
2015 Tax Levy		\$ 1,139,000.00
Decreased by:		
Disbursements		<u>\$ 1,139,000.00</u>

TOWNSHIP OF HARRISON
CURRENT FUND
Statement of Reserve for Master Plan Revision
For The Year Ended December 31, 2015

Balance December 31, 2014	\$ 127,859.40
Increased by:	
Reimbursements	<u>19,500.00</u>
	147,359.40
Decreased by:	
Disbursements	<u>49,254.26</u>
Balance December 31, 2015	<u>\$ 98,105.14</u>

TOWNSHIP OF HARRISON
FEDERAL AND STATE GRANT FUND
Statement of Federal and State Grants Receivable
For the Year Ended December 31, 2015

Program	Balance Dec. 31, 2014	Anticipated as Revenue in 2015 Budget	Received	Balance Dec. 31, 2015
Federal Grants:				
Bulletproof Vest Partnership Grant	\$ 785.50			\$ 785.50
Local Domestic Preparedness Equipment Grant Award	4,551.00			4,551.00
Click It or Ticket	200.00			200.00
Municipal Stormwater Regulation Program	4,234.00			4,234.00
N.J. Transportation Trust Fund Authority Act - Union Road	2,208.37			2,208.37
N.J. Transportation Trust Fund Authority Act - Bishop Road	43,622.16			43,622.16
N.J. Transportation Trust Fund Authority Act - Union Road Phase II	54,490.57			54,490.57
N.J. Transportation Trust Fund Authority Act - Bishop Road Phase II	29,461.02			29,461.02
N.J. Transportation Trust Fund Authority Act - Bishop Road Phase III	67,319.43			67,319.43
N.J. Transportation Trust Fund Authority Act - Bishop Road Phase IV	60,883.83			60,883.83
Total Federal Grants	267,755.88	-	-	267,755.88
State Grants:				
Body Armor Replacement Fund Program		\$ 3,188.32	\$ 3,188.32	
Over the Limit, Under Arrest Impaired Driving Crackdown Grant	2,625.00			\$ 2,625.00
Alcohol Education, Rehab and Enforcement Fund		472.64	472.64	
Drunk Driving Enforcement		2,837.31	2,837.31	
Drug Abuse Resistance Education		1,845.38	1,845.38	
Municipal Alliance on Alcoholism and Drug Abuse	29,718.00			29,718.00
Recycling Tonnage Grant		23,802.44	23,802.44	
Clean Communities Program		22,182.74	22,182.74	
Total State Grants	32,343.00	54,328.83	54,328.83	32,343.00
Total All Grants	\$ 300,098.88	\$ 54,328.83	\$ 54,328.83	\$ 300,098.88
Anticipated in Budget		\$ 54,328.83		
Unappropriated Grants			\$ 54,328.83	
		\$ 54,328.83	\$ 54,328.83	

TOWNSHIP OF HARRISON
FEDERAL AND STATE GRANT FUND
Statement of Reserve for Federal and State Grants--Appropriated
For the Year Ended December 31, 2015

Program	Balance Dec. 31, 2014	2015 Budget Appropriations	Paid or Charged	Balance Dec. 31, 2015
Federal Grants:				
Bulletproof Vest Partnership Grant	\$ 1,266.98			\$ 1,266.98
Local Domestic Preparedness Equipment Grant Award	332.00			332.00
Municipal Stormwater Regulation Program	14,852.22			14,852.22
N.J. Transportation Trust Fund Authority Act - Colson Lane/Union Road	4,990.24			4,990.24
N.J. Transportation Trust Fund Authority Act - Union Road	2,208.37			2,208.37
N.J. Transportation Trust Fund Authority Act - Bishop Road	24,271.39			24,271.39
N.J. Transportation Trust Fund Authority Act - Union Road Phase II	42,730.56			42,730.56
N.J. Transportation Trust Fund Authority Act - Bishop Road Phase II	24,712.52			24,712.52
N.J. Transportation Trust Fund Authority Act - Bishop Road Phase III	43,822.83			43,822.83
N.J. Transportation Trust Fund Authority Act - Bishop Road Phase IV	50,276.89			50,276.89
Total Federal Grants	209,464.00	-	-	209,464.00
State Grants:				
Body Armor Replacement Fund Program	6,292.28	\$ 3,188.32		9,480.60
Municipal Drug Alliance Program	4,963.00			4,963.00
Over the Limit, Under Arrest 2007 Impaired Driving Crackdown Grant	2,400.00			2,400.00
Over the Limit, Under Arrest Impaired Driving Crackdown Grant	200.00			200.00
Recycling Tonnage Grant	39,207.76	23,802.44	\$ 7,445.69	55,564.51
Drug Abuse Resistance Education		1,845.38		1,845.38
Drunk Driving Enforcement Fund	6,516.55	2,837.31	4,513.86	4,840.00
Clean Communities Program	111,291.22	22,182.74	67,962.49	65,511.47
Neighborhood Preservation Balanced Housing Program	121.72			121.72
Municipal Court Alcohol Education, Rehabilitation and Enforcement Fund	18,747.47	472.64		19,220.11
Municipal Alliance to Prevent Alcoholism and Drug Abuse	7,190.00			7,190.00
Match Due Township of Mantua	5,578.75			5,578.75
State and Local All Hazards Emergency Operation Planning Program	42.14			42.14
Total State Grants	202,550.89	54,328.83	79,922.04	176,957.68
Total All Grants	\$ 412,014.89	\$ 54,328.83	\$ 79,922.04	\$ 386,421.68
Cash Disbursements by Federal and State Grant Fund			\$ 17,686.55	
Reserve for Encumbrances			89,643.67	
Liquidation of Prior Year Encumbrances			(27,408.18)	
			<u>\$ 79,922.04</u>	

TOWNSHIP OF HARRISON
FEDERAL AND STATE GRANT FUND
Statement of Federal and State Grants Unappropriated
For the Year Ended December 31, 2015

Program	Balance Dec. 31, 2014	2015 Budget Revenue Realized	Received	Balance Dec. 31, 2015
State Grants:				
Recycling Tonnage Grant	\$ 23,802.44	\$ 23,802.44		
Alcohol Education, Rehab and Enforcement Fund	472.64	472.64	\$ 412.53	\$ 412.53
Drunk Driving Enforcement	2,837.31	2,837.31		
Drug Abuse Resistance Education	1,845.38	1,845.38		
Body Armor Replacement Fund	3,188.32	3,188.32	2,769.49	2,769.49
Clean Communities Program	22,182.74	22,182.74	27,062.78	27,062.78
Total State Grants	<u>54,328.83</u>	<u>54,328.83</u>	<u>30,244.80</u>	<u>30,244.80</u>
Total All Grants	<u>\$ 54,328.83</u>	<u>\$ 54,328.83</u>	<u>\$ 30,244.80</u>	<u>\$ 30,244.80</u>
Cash Received in Federal and State Grant Fund			<u>\$ 30,244.80</u>	

TOWNSHIP OF HARRISON
FEDERAL AND STATE GRANT FUND
Statement of Due From Current Fund
For the Year Ended December 31, 2015

Balance December 31, 2014	\$ 5,864.48
Decreased by:	
Grant Funds Anticipated in Current Fund	<u>54,328.83</u>
	(48,464.35)
Increased by:	
Grant Funds Appropriated in Current Fund	<u>54,328.83</u>
Balance December 31, 2015	<u><u>\$ 5,864.48</u></u>

SUPPLEMENTAL EXHIBITS

TRUST FUND

TOWNSHIP OF HARRISON
TRUST FUNDS
Statement of Trust Cash Per N.J.S. 40A:5-5 - Treasurer
For the Year Ended December 31, 2015

	<u>Animal Control Fund</u>	<u>Trust Other Fund</u>	<u>Municipal Open Space</u>
Balance December 31, 2014	\$ 57,006.51	\$ 3,718,772.09	\$ 1,516,339.96
Increased by Receipts:			
Animal Control License Fees	\$ 20,685.70		
State Registration Fees Collected	2,839.80		
Due Current Fund - Interest Earned on Deposits	0.17	\$ 252.60	
Due Current Fund - Cat License Fees	2,629.00		
Due from Current Fund			\$ 25,014.28
Due Unemployment Trust		303.48	
Due from Payroll		328.10	
Municipal Open Space Tax Levy			843,035.79
Interest Earned on Deposits		4,321.47	1,148.45
Trust Fund Reserve Deposits		<u>5,149,744.65</u>	
Total Receipts	<u>26,154.67</u>	<u>5,154,950.30</u>	<u>869,198.52</u>
	83,161.18	8,873,722.39	2,385,538.48
Decreased by Disbursements:			
Expenditures Under R.S. 4:19-15.11	16,144.67		
State of New Jersey	2,763.60		
Due Current Fund	10,080.93	196.13	
Due Unemployment		328.10	
Trust Fund Reserve Expenditures		<u>5,668,881.27</u>	<u>800,677.52</u>
Total Disbursements	<u>28,989.20</u>	<u>5,669,405.50</u>	<u>800,677.52</u>
Balance December 31, 2015	<u>\$ 54,171.98</u>	<u>\$ 3,204,316.89</u>	<u>\$ 1,584,860.96</u>

TOWNSHIP OF HARRISON
TRUST FUND - ANIMAL CONTROL FUND
 Statement of Reserve for Animal Control Expenditures
 For The Year Ended December 31, 2015

Balance December 31, 2014		\$ 45,748.80
Increased by:		
License Fees Collected		20,685.70
		66,434.50
Decreased by:		
Expenditures Under R.S. 4:19-15.11	\$ 16,144.67	
Statutory Excess Due Current Fund	5,415.83	
		21,560.50
Balance December 31, 2015		\$ 44,874.00

<u>License Fees Collected</u>	
Year	Amount
2013	\$ 23,832.60
2014	21,041.40
	\$ 44,874.00

TOWNSHIP OF HARRISON
TRUST FUND - ANIMAL CONTROL FUND
 Statement of Due Current Fund
 For The Year Ended December 31, 2015

Balance December 31, 2014		\$ 11,327.91
Increased by:		
Interest Earned on Deposits	\$ 0.17	
Cat License Fees	2,629.00	
Statutory Excess	5,415.83	
		8,045.00
		19,372.91
Decreased by:		
Disbursed to Current Fund:		
Due Current Fund		10,080.93
Balance December 31, 2015		\$ 9,291.98

Exhibit SB-4

TRUST FUND - ANIMAL CONTROL FUND
 Statement of Due From / (To) State of New Jersey
 For The Year Ended December 31, 2015

Balance December 31, 2014 - Due from		\$ 70.20
Increased by:		
Disbursements to State of New Jersey		2,763.60
		2,833.80
Decreased by:		
State Registration Fees		2,839.80
Balance December 31, 2015 - Due to		\$ (6.00)

TOWNSHIP OF HARRISON
TRUST OTHER FUND
Statement of Due from Current Fund
For the Year Ended December 31, 2015

<u>Trust Other Fund</u>	Balance (Deficit)	<u>Increased by</u>	<u>Decreased by</u>	Balance (Deficit)
	Dec. 31, 2014	<u>Disbursements</u>	Interest Earnings	Dec. 31, 2015
	Due Current			
Developers Escrow	\$ (193.40)	\$ 196.13	\$ 139.19	\$ (136.46)
Mill Valley Escrow	(532.52)		27.60	(560.12)
Outside Police Employment	(3.59)			(3.59)
Net Payroll	5,946.04		7.18	5,938.86
Tax Title Lien Premium	(303.49)			(303.49)
Tax Title Lien Redemption	(10.67)			(10.67)
Tax Map Fees	(13.07)		78.63	(91.70)
Total	<u>\$ 4,889.30</u>	<u>\$ 196.13</u>	<u>\$ 252.60</u>	<u>\$ 4,832.83</u>

TOWNSHIP OF HARRISON
TRUST OTHER FUND
Statement of Reserves and Special Deposits
For The Year Ended December 31, 2015

	Balance	Increased by			Decreased by	Balance
	<u>Dec. 31, 2014</u>	<u>Interest Earnings</u>	<u>Due from Payroll Trust</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Dec. 31, 2015</u>
Cash Bond	\$ 946,736.39	\$ 1,072.40		\$ 128,449.65	\$ 16,558.49	\$ 1,059,699.95
Compensatory Plantings	6,469.84			600.00		7,069.84
Compensated Absences	62,795.35	94.26				62,889.61
Developers Escrow	182,651.47			449,560.09	416,533.69	215,677.87
Economic Development and Improvement	131,735.75	197.74				131,933.49
Forfeited Funds	7,255.01			26,227.93	4,013.26	29,469.68
Growth Share COAH Fees	71,288.85	35.13				71,323.98
Housing Savings Trust	344,392.79	366.24		74,801.76	52,259.19	367,301.60
Affordable Housing	600,090.80	1,735.25			595,000.00	6,826.05
Mill Valley Escrow	17,857.10					17,857.10
Outside Police Employment	19,153.62			119,834.00	105,303.36	33,684.26
Parade	11,892.92			300.00	541.28	11,651.64
Payroll	42,519.16			3,595,425.98	3,603,703.88	34,241.26
POAA Trust	172.94	0.24		2.00		175.18
Tax Title Lien Premium	368,400.00			215,400.00	329,100.00	254,700.00
Tax Title Lien Redemption	37,619.50			319,220.23	353,618.25	3,221.48
Public Defender	5,243.88	8.48		5,015.00	5,300.00	4,967.36
Recreation Commission	88,130.43			133,506.46	118,161.06	103,475.83
Recreation	602,936.31	622.20			20,048.93	583,509.58
Recreation - Adult Community	62,809.19	94.28				62,903.47
Senior Recreation	4,750.72	0.10		46,155.70	43,044.98	7,861.54
Snow Removal	24,529.52	43.37		20,195.25	4,999.42	39,768.72
Tax Map Fees	52,373.00					52,373.00
Unemployment Compensation	27,672.66	45.51	\$ 303.48	15,050.60	695.48	42,376.77
Walnut Glen Escrow	4,184.19	6.27				4,190.46
TOTAL	\$ 3,723,661.39	\$ 4,321.47	\$ 303.48	\$ 5,149,744.65	\$ 5,668,881.27	\$ 3,209,149.72

TOWNSHIP OF HARRISON
TRUST FUND - MUNICIPAL OPEN SPACE
Statement of Reserve for Future Use
For The Year Ended December 31, 2015

Balance December 31, 2014		\$ 1,541,354.24
Increased by:		
2015 Levy	\$ 835,603.00	
2015 Added/Omitted Taxes	7,432.79	
Interest Earned on Deposits	1,148.45	
		844,184.24
		2,385,538.48
Decreased by:		
Expended		800,677.52
Balance December 31, 2015		\$ 1,584,860.96
 <u>Analysis of Balance:</u>		
Cash		\$ 1,584,860.96
Reserve for Future Use		\$ 1,584,860.96

SUPPLEMENTAL EXHIBITS
GENERAL CAPITAL FUND

TOWNSHIP OF HARRISON
GENERAL CAPITAL FUND
Statement of General Capital Cash Per N.J.S. 40A:5-5 -- Treasurer
For the Year Ended December 31, 2015

Balance December 31, 2014		\$ 5,703,106.73
Increased by Receipts:		
Budget Appropriations:		
Capital Improvement Fund	\$ 40,000.00	
Improvement Authorization Reimbursements	875.57	
Due from Federal and State Grant Fund	127,331.19	
Grant Receivable	192,810.51	
Bond Anticipation Notes	7,297,850.00	
Improvement Authorization Down Payment from Trust Fund	165,771.72	
		7,824,638.99
		13,527,745.72
Decreased by Disbursements:		
Improvement Authorizations	665,547.48	
Disbursed to Current Fund:		
Due Current Fund	1,146.60	
		666,694.08
Balance December 31, 2015		\$ 12,861,051.64

TOWNSHIP OF HARRISON
GENERAL CAPITAL FUND
 Analysis of General Capital Cash and Investments
 For the Year Ended December 31, 2015

	Balance Dec. 31, 2014	Receipts			Disbursements		Transfers		Balance Dec. 31, 2015
		Budget Appropriation	Bond Anticipation Notes	Miscellaneous	Improvement Authorizations	Miscellaneous	From	To	
General Capital Fund Balance	\$ 329,517.68								\$ 351,887.68
Capital Improvement Fund	49,990.00	\$ 40,000.00							50,740.00
Due to Current Fund	1,146.60					\$ 1,146.60			
Due from Federal and State Grant Fund	(127,331.19)			\$ 127,331.19					
Grants Receivable	(244,143.41)			192,810.51					(51,332.90)
Reserve for Preliminary Costs	3,391.86								3,391.86
Reserve for Payment of Debt	61,918.54								61,918.54
Reserve for Encumbrances	272,670.68						272,670.68	2,024,335.55	2,024,335.55
Improvement Authorizations:									
Ordinance Number									
25-2001	Acquisition of Various Pieces of Equipment and Completion of Various Capital Improvements	37,307.75			\$ 519.86				36,787.89
37-2001	Renovations to the Municipal Building including the Construction of an Addition with the Acquisition of All Materials and Equipment and Completion of All Work Necessary	0.66							0.66
38-2001	Engineering (Phase I) for the Shared Services Facility with the Acquisition of All Materials and Equipment and Completion of All Work Necessary	44,075.86					65,767.00	65,767.00	44,075.86
17-2003	Completion of Phase II Construction for the Public Works Complex	54,000.00							54,000.00
14-2004	Acquisition and Development of Real Property	163,573.68			3,830.00				159,743.68
31-2005	Completion of Phase II Construction for the Public Works Complex and Shared Services Facility as Amended	63,717.51						13,150.00	76,867.51
32-2005	Acquisition of Various Pieces of Equipment and Completion of Various Capital Improvements	54,117.35			8,651.24		1,134.00		44,332.11
16-2006	Acquisition of Various Pieces of Equipment and Completion of Various Capital Improvements	42,420.72			1,079.65				41,341.07
26-2006	Acquisition of Various Pieces of Equipment and Completion of Various Capital Improvements						22,370.00	22,370.00	
08-2007	Various Capital Improvements to the Walters Road Athletic Complex and the Acquisition of Various Capital Equipment and the Completion of Various Capital Improvements for the Public Works Facility	474,968.24					65,528.00		409,440.24
26-2007	Acquisition of Various Pieces of Equipment and the Completion of Various Capital Improvements	17,094.45			4,248.80				12,845.65
01-2009	Acquisition of Various Pieces of Equipment and Completion of Various Capital Improvements	3,718.81			1,632.69				2,086.12
36-2011	Completion of Various Improvements to Recreational Facilities in and for the Township	1,037,615.05					169,742.71	1,055.47	868,927.81
40-2011	Acquisition of Various Pieces of Equipment and Completion of Various Capital Improvements	729,533.77			21,375.56		189,354.45	49,354.45	568,158.21
31-2012	Acquisition of Various Pieces of Equipment	95,633.54			2,382.53		7,134.55	4,298.10	90,414.56
26-2013	Acquisition of Various Pieces of Equipment and Completion of Various Capital Improvements	1,662,591.30			62,745.63		923,938.98	56,493.49	733,275.75
28-2013;									
05-2014	Reconstruction of Heilig Road	10,351.49							10,351.49
21-2014	Acquisition of Various Pieces of Equipment and Completion of Various Capital Improvements	764,508.47	\$ 6,552,100.00		448,196.86		397,475.21	60,182.17	6,531,118.57
36-2014	Acquisition of Equipment for Public Works Department	100,717.32			138.00				100,579.32
08-2015	Completion of the Brookside at Harrison Site Improvements				9,560.66				156,211.06
09-2015	Acquisition of Various Pieces of Equipment and Completion of Various Capital Improvements								
				745,750.00	101,186.00		204,260.65	39,250.00	479,553.35
	\$ 5,703,106.73	\$ 40,000.00	\$ 7,297,850.00	\$ 486,788.99	\$ 665,547.48	\$ 1,146.60	\$ 2,358,626.23	\$ 2,358,626.23	\$ 12,861,051.64

TOWNSHIP OF HARRISON
GENERAL CAPITAL FUND
Statement of Due to Current Fund
For the Year Ended December 31, 2015

Balance December 31, 2014	\$	1,146.60
Decreased by:		
Disbursed to Current Fund:		
Due Current Fund	\$	<u>1,146.60</u>

Exhibit SC-4

GENERAL CAPITAL FUND
Statement of Deferred Charges to Future Taxation - Funded
For the Year Ended December 31, 2015

Balance December 31, 2014	\$	25,596,000.00
Decreased by:		
Budget Appropriation:		
Payment of Bonds Payable		<u>1,400,000.00</u>
Balance December 31, 2015	\$	<u>24,196,000.00</u>

TOWNSHIP OF HARRISON
GENERAL CAPITAL FUND
 Statement of Deferred Charges to Future Taxation--Unfunded
 For the Year Ended December 31, 2015

Ordinance Number	Improvement Description	Balance Dec. 31, 2014	2015 Authorizations	Payment of Bond Anticipation Notes	Balance Dec. 31, 2015	Analysis of Balance December 31, 2015	
						Financed by Bond Anticipation Notes	Unexpended Improvement Authorization
40-2011	Acquisition of Various Pieces of Equipment and Completion of Various Capital Improvements	\$ 1,636,081.00		\$ 86,100.00	\$ 1,549,981.00	\$ 1,549,981.00	
26-2013	Acquisition of Various Pieces of Equipment and Completion of Various Capital Improvements	2,830,162.00			2,830,162.00	2,830,162.00	
21-2014	Acquisition of Various Pieces of Equipment and Completion of Various Capital Improvements	7,172,500.00			7,172,500.00	7,172,500.00	
09-2015	Acquisition of Various Pieces of Equipment and Completion of Various Capital Improvements		\$ 745,750.00		745,750.00	745,750.00	
		<u>\$ 11,638,743.00</u>	<u>\$ 745,750.00</u>	<u>\$ 86,100.00</u>	<u>\$ 12,298,393.00</u>	<u>\$ 12,298,393.00</u>	<u>\$ -</u>
Improvement Authorizations - Unfunded							\$ 8,312,105.88
Less: Unexpended Proceeds of Bond Anticipation Notes Issued:							
Ordinance No. 40-2011						\$ 568,158.21	
Ordinance No. 26-2013						733,275.75	
Ordinance No. 21-2014						6,531,118.57	
Ordinance No. 09-2015						<u>479,553.35</u>	
							<u>8,312,105.88</u>
							<u>\$ -</u>

TOWNSHIP OF HARRISON
GENERAL CAPITAL FUND
Statement of Capital Improvement Fund
For the Year Ended December 31, 2015

Balance December 31, 2014	\$	49,990.00
Increased by:		
2015 Budget Appropriation		40,000.00
		89,990.00
Decreased by:		
Appropriation to Finance Improvement Authorizations		39,250.00
Balance December 31, 2015	\$	50,740.00

Exhibit SC-7

GENERAL CAPITAL FUND
Statement of Grant-In-Aid Receivable
For the Year Ended December 31, 2015

Balance December 31, 2014	\$	244,143.41
Decreased by:		
Grants Received		192,810.51
Balance December 31, 2015	\$	51,332.90

TOWNSHIP OF HARRISON
GENERAL CAPITAL FUND
 Statement of Improvement Authorizations
 For the Year Ended December 31, 2015

Ordinance Number	Improvement Description	Date	Ordinance		Balance December 31, 2014		2015 Authorizations	Liquidation of Prior Year Encumbrances	Paid or Charged	Canceled by Resolution	Balance December 31, 2015	
			Amount	Funded	Unfunded	Funded					Unfunded	
25-2001	Acquisition of Various Pieces of Equipment and Completion of Various Capital Improvements	06/04/01	\$ 1,680,576.00	\$ 37,307.75					\$ 519.86		\$ 36,787.89	
37-2001	Renovations to the Municipal Building Including the Construction of an Addition with the Acquisition of all Materials and Equipment and Completion of All Work Necessary	10/01/01	650,000.00	0.66							0.66	
38-2001	Engineering (Phase I) for the Shared Services Facility, with the Acquisition of all Materials and Equipment and Completion of all Work Necessary	10/01/01	449,100.00	44,075.86			\$ 65,767.00	65,767.00			44,075.86	
17-2003	Completion of Phase II Construction for the Public Works Complex	04/21/03	1,100,000.00	54,000.00							54,000.00	
14-2004	Acquisition and Development of Real Property	04/05/04	725,000.00	163,573.68					3,830.00		159,743.68	
31-2005	Completion of Phase II Construction for the Public Works Complex and Shared Services Facility, As Amended	07/05/05	700,000.00	63,717.51				13,150.00			76,867.51	
32-2005	Acquisition of Various Pieces of Equipment and Completion of Various Capital Improvements	07/05/05	2,016,928.00	54,117.35					9,785.24		44,332.11	
16-2006	Acquisition of Various Pieces of Equipment and Completion of Various Capital Improvements	06/05/06	1,728,778.00	42,420.72					1,079.65		41,341.07	
26-2006	Acquisition of Various Pieces of Equipment and Completion of Various Capital Improvements	09/18/06	1,900,920.00					22,370.00		\$ 22,370.00	-	
08-2007	Various Capital Improvements to the Walters Road Athletic Complex and the Acquisition of Various Capital Equipment and the Completion of Various Capital Improvements for the Public Works Facility	02/20/07	900,000.00	474,968.24					65,528.00		409,440.24	
26-2007	Acquisition of Various Pieces of Equipment and the Completion of Various Capital Improvements	06/18/07	3,687,502.00	17,094.45					4,248.80		12,845.65	
01-2009	Acquisition of Various Pieces of Equipment and Completion of Various Capital Improvements	02/17/09	377,000.00	3,718.81					1,632.69		2,086.12	
36-2011	Completion of Various Improvements to Recreational Facilities in and for the Township	07/18/11	1,908,741.01	1,037,615.05				1,055.47	169,742.71		868,927.81	
40-2011	Acquisition of Various Pieces of Equipment and Completion of Various Capital Improvements	10/22/11	2,091,770.00		\$ 729,533.77			49,354.45	210,730.01			\$ 568,158.21
31-2012	Acquisition of Various Pieces of Equipment	07/02/12	585,488.00	95,633.54				4,298.10	9,517.08		90,414.56	
26-2013	Acquisition of Various Pieces of Equipment and Completion of Various Capital Improvements	07/15/13	2,979,117.00		1,662,591.30			56,493.49	985,809.04		733,275.75	
05-2014	Reconstruction of Hellig Road	02/19/14	175,000.00	10,351.49							10,351.49	
21-2014	Acquisition of Various Pieces of Equipment and Completion of Various Capital Improvements	08/04/14	7,550,000.00	144,108.47	7,172,500.00			60,182.17	845,672.07		6,531,118.57	
36-2014	Acquisition of Equipment for Public Works Department	12/01/14	100,717.32	100,717.32					138.00		100,579.32	
08-2015	Completion of the Brookside at Harrison Site Improvements	06/01/15	165,771.72				\$ 165,771.72		9,560.66		156,211.06	
09-2015	Acquisition of Various Pieces of Equipment and Completion of Various Capital Improvements	06/01/15	785,000.00				785,000.00		305,446.65		479,553.35	
			\$ 2,343,420.90	\$ 9,564,625.07	\$ 950,771.72	\$ 272,670.68	\$ 2,689,007.46	\$ 22,370.00	\$ 2,108,005.03	\$ 8,312,105.88		
							Capital Improvement Fund	\$ 39,250.00				
							Funded from Trust Fund	165,771.72				
							Deferred Charges to Future Taxation-Unfunded	745,750.00				
							Cash Disbursements	\$ 665,547.48				
							Encumbrances Payable	2,024,335.55				
							Reimbursements	(875.57)				
							Fund Balance		\$ 22,370.00			
							\$ 950,771.72	\$ 2,689,007.46	\$ 22,370.00			

TOWNSHIP OF HARRISON
GENERAL CAPITAL FUND
Statement of Bond Anticipation Notes Payable
For the Year Ended December 31, 2015

Ordinance Number	Improvement Description	Original Issue	Date of Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2014	Increased	Decreased	Balance Dec. 31, 2015
40-2011	Acquisition of Various Pieces of Equipment and Completion of Various Capital Improvements	\$ 1,987,181.00	11/23/11	11/14/14 11/12/15	11/13/15 11/10/16	1.00% 1.75%	\$ 1,636,081.00	\$ 1,549,981.00	\$ 1,636,081.00	\$ 1,549,981.00
26-2013	Acquisition of Various Pieces of Equipment and Completion of Various Capital Improvements	2,830,162.00	11/18/13	11/14/14 11/12/15	11/13/15 11/10/16	1.00% 1.75%	2,830,162.00	2,830,162.00	2,830,162.00	2,830,162.00
21-2014	Acquisition of Various Pieces of Equipment and Completion of Various Capital Improvements	620,400.00	11/14/14	11/14/14 11/12/15	11/13/15 11/10/16	1.00% 1.75%	620,400.00	7,172,500.00	620,400.00	7,172,500.00
09-2015	Acquisition of Various Pieces of Equipment and Completion of Various Capital Improvements	745,750.00	11/12/15	11/12/15	11/10/16	1.75%		745,750.00		745,750.00
							<u>\$ 5,086,643.00</u>	<u>\$ 12,298,393.00</u>	<u>\$ 5,086,643.00</u>	<u>\$ 12,298,393.00</u>
								\$ 5,000,543.00	\$ 5,000,543.00	
									86,100.00	
								<u>7,297,850.00</u>		
								<u>\$ 12,298,393.00</u>	<u>\$ 5,086,643.00</u>	

Renewed in Current Fund
Paid by Budget Appropriation
Issued

TOWNSHIP OF HARRISON
GENERAL CAPITAL FUND
 Statement of General Obligation Bonds
 For the Year Ended December 31, 2015

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding Dec. 31, 2015		Interest Rate	Balance Dec. 31, 2014	Paid by Budget Appropriation	Balance Dec. 31, 2015
			Date	Amount				
General Obligation Bonds	08/1/06	\$ 8,500,000.00	08/01/16	\$ 420,000.00	4.250%	\$ 815,000.00	\$ 395,000.00	\$ 420,000.00
General Obligation Refunding Bonds, Series 2009	11/03/09	3,165,000.00	12/01/16	420,000.00	4.000%	1,685,000.00	405,000.00	1,280,000.00
			12/01/17	425,000.00	5.000%			
			12/01/18	435,000.00	5.000%			
General Obligation Bonds, Series 2010	08/18/10	20,111,000.00	08/01/16	675,000.00	2.000%	18,286,000.00	600,000.00	17,686,000.00
			08/01/17	740,000.00	2.250%			
			08/01/18	775,000.00	2.500%			
			08/01/19	1,225,000.00	3.000%			
			08/01/20	1,275,000.00	3.000%			
			08/01/21	1,300,000.00	3.000%			
			08/01/22	1,375,000.00	3.000%			
			08/01/23	1,450,000.00	3.000%			
			08/01/24	1,475,000.00	3.000%			
			08/01/25	600,000.00	3.125%			
			08/01/26	625,000.00	3.250%			
			08/1/2027-28	650,000.00	3.375%			
			08/01/29	675,000.00	3.500%			
			08/01/30	700,000.00	3.625%			
			08/01/31	700,000.00	3.750%			
			08/1/2032-34	700,000.00	4.000%			
08/01/35	696,000.00	4.000%						
General Obligation Refunding Bonds, Series 2014	08/05/14	4,810,000.00	08/01/17	445,000.00	4.000%	4,810,000.00		4,810,000.00
			08/01/18	475,000.00	4.000%			
			08/01/19	555,000.00	3.000%			
			08/1/2020-23	555,000.00	4.000%			
			08/01/24	560,000.00	4.000%			
			08/01/25	555,000.00	4.000%			
						<u>\$ 25,596,000.00</u>	<u>\$ 1,400,000.00</u>	<u>\$ 24,196,000.00</u>
Paid by Current Fund Budget Appropriation							\$ 1,000,000.00	
Paid by Municipal Open Space Trust Fund							400,000.00	
							<u>\$ 1,400,000.00</u>	

TOWNSHIP OF HARRISON
GENERAL CAPITAL FUND
Statement of Bonds and Notes Authorized But Not Issued
For the Year Ended December 31, 2015

<u>Ordinance</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2014</u>	<u>2015 Authorizations</u>	<u>Bond Anticipation Notes Issued</u>	<u>Balance Dec. 31, 2015</u>
21-2014	Acquisition of Various Pieces of Equipment and Completion of Various Capital Improvements	\$ 6,552,100.00		\$ 6,552,100.00	
09-2015	Acquisition of Various Pieces of Equipment and Completion of Various Capital Improvements		\$ 745,750.00	745,750.00	
		<u>\$ 6,552,100.00</u>	<u>\$ 745,750.00</u>	<u>\$ 7,297,850.00</u>	<u>\$ -</u>

SUPPLEMENTAL EXHIBITS
SEWER UTILITY OPERATING FUND

TOWNSHIP OF HARRISON
SEWER UTILITY OPERATING FUND
Statement of Sewer Utility Cash
For The Year Ended December 31, 2015

	<u>Operating</u>	<u>Sewer Collector</u>
Balance December 31, 2014	\$ 1,763,078.45	\$ 91,305.36
Increased by Receipts:		
Consumer Accounts Receivable		\$ 1,888,602.98
Overpayments		1,193.78
Penalties and Interest on Rents		17,416.68
Miscellaneous Revenue:		
Connection Fees		43,281.06
Miscellaneous		3,959.51
Interest Earned on Deposits	\$ 4,662.56	
EIT Credits	28,866.21	
Reimbursements	10,870.51	
Sewer Clerk	1,895,640.43	
Due from Current Fund	2,777.10	
Reserve for Payment of Debt		
Premium on Bond Anticipation Notes	54,510.92	
	1,997,327.73	1,954,454.01
	3,760,406.18	2,045,759.37
Decreased by Disbursements:		
Disbursed to Sewer Utility Operating Fund		1,895,640.43
2015 Budget Appropriations	1,602,849.08	
2014 Appropriation Reserves	81,560.87	
Accrued Interest on Bonds and Notes	372,225.86	
Due Sewer Utility Capital Fund	5,347.57	
	2,061,983.38	1,895,640.43
Total Cash Disbursements	2,061,983.38	1,895,640.43
Balance December 31, 2015	\$ 1,698,422.80	\$ 150,118.94

TOWNSHIP OF HARRISON
SEWER UTILITY OPERATING FUND
Statement of Consumer Accounts Receivable
For The Year Ended December 31, 2015

Balance December 31, 2014		\$ 680,402.61
Increased by:		
Sewer Rents Levied - Net of Adjustments		1,834,147.56
		2,514,550.17
Decreased by:		
Collections	\$ 1,888,602.98	
Overpaid Sewer Rents Applied	1,851.72	
		1,890,454.70
Balance December 31, 2015		\$ 624,095.47

TOWNSHIP OF HARRISON
SEWER UTILITY OPERATING FUND
Statement of 2014 Appropriation Reserves
For The Year Ended December 31, 2015

	<u>Balance December 31, 2014</u>			<u>Lapsed to</u>
	<u>Appropriation</u>	<u>Reserve for</u>	<u>Paid or</u>	<u>Fund</u>
	<u>Reserves</u>	<u>Encumbrances</u>	<u>Charged</u>	<u>Balance</u>
Operating:				
Salaries and Wages	\$ 6,684.74			\$ 6,684.74
Other Expenses	90,751.51	\$ 27,076.26	\$ 80,031.71	37,796.06
Capital Outlay	50,000.00			50,000.00
Statutory Expenditures:				
Social Security System (O.A.S.I)	3,159.36			3,159.36
	\$ 150,595.61	\$ 27,076.26	\$ 80,031.71	\$ 97,640.16
Cash Disbursements			\$ 81,560.87	
Cash Reimbursements			(1,529.16)	
			\$ 80,031.71	

TOWNSHIP OF HARRISON
SEWER UTILITY OPERATING FUND
Statement of Accrued Interest on Bonds and Notes and Analysis of Balance
For The Year Ended December 31, 2015

Balance December 31, 2014		\$ 144,339.00
Increased by:		
Budget Appropriation for:		
Interest on Bonds	\$ 314,340.00	
Interest on Notes	<u>44,371.86</u>	
		<u>358,711.86</u>
		503,050.86
Decreased by:		
Cash Disbursements		<u>372,225.86</u>
Balance December 31, 2015		<u><u>\$ 130,825.00</u></u>

Analysis of Accrued Interest - December 31, 2015

<u>Issue</u>	<u>Principal Outstanding Dec. 31, 2015</u>	<u>Interest Rate</u>	<u>From</u>	<u>To</u>	<u>Period</u>	<u>Amount</u>
Sewer Serial Bonds	\$ 75,000.00	Various	08/01/15	12/31/15	153 Days	\$ 1,408.00
Sewer Serial Bonds	4,839,000.00	Various	08/01/15	12/31/15	153 Days	70,851.00
Sewer Serial Bonds	810,000.00	Various	08/01/15	12/31/15	153 Days	13,189.00
Sewer Serial Loans	35,000.00	Various	08/01/15	12/31/15	153 Days	732.00
Sewer Serial Loans	995,000.00	Various	08/01/15	12/31/15	153 Days	20,625.00
Sewer Serial Loans	660,000.00	Various	08/01/15	12/31/15	153 Days	12,636.00
Sewer Bond Anticipation Notes	4,748,338.00	1.75%	11/12/15	12/31/15	50 Days	<u>11,384.00</u>
						<u><u>\$ 130,825.00</u></u>

TOWNSHIP OF HARRISON
SEWER UTILITY OPERATING FUND
Statement of Utility Overpayments
For The Year Ended December 31, 2015

Balance December 31, 2014	\$ 1,851.72
Increased by:	
Overpayments Received by Collector	<u>1,193.78</u>
	3,045.50
Decreased by:	
Overpayments Applied to Consumer Accounts Receivable	<u>1,851.72</u>
Balance December 31, 2015	<u><u>\$ 1,193.78</u></u>

TOWNSHIP OF HARRISON
SEWER UTILITY OPERATING FUND
Statement of Due From Current Fund
For The Year Ended December 31, 2015

Balance December 31, 2014	\$ 2,777.10
Increased by:	
Cash Reimbursements - Received in Current Fund	<u>35,275.00</u>
	38,052.10
Decreased by:	
Received from Current Fund	<u>2,777.10</u>
Balance December 31, 2015	<u><u>\$ 35,275.00</u></u>

SUPPLEMENTAL EXHIBITS
SEWER UTILITY CAPITAL FUND

TOWNSHIP OF HARRISON
SEWER UTILITY CAPITAL FUND
Statement of Sewer Capital Cash per N.J.S. 40A:5-5 -- Treasurer
For the Year Ended December 31, 2015

Balance December 31, 2014		\$ 2,576,714.68
Increased by Receipts:		
Bond Anticipation Notes	\$ 954,306.00	
Capital Improvement Fund	2,500.00	
Due from Sewer Utility Operating Fund	5,347.57	
Due Sewer Utility Operating Fund - Interest Earned on Deposits	0.47	
		962,154.04
		3,538,868.72
Decreased by Disbursements:		
Improvement Authorizations	624,449.24	
Due from Current Fund	16,500.00	
		640,949.24
Balance December 31, 2015		\$ 2,897,919.48

TOWNSHIP OF HARRISON
SEWER UTILITY CAPITAL FUND
 Analysis of Sewer Utility Capital Cash and Investments
 For the Year Ended December 31, 2015

	Balance/ (Deficit) Dec. 31, 2014	Receipts		Disbursements			Transfers		Balance/ (Deficit) Dec. 31, 2015	
		Bond Anticipaton Notes	Miscellaneous	Improvement Authorizations	Bond Anticipaton Notes	Miscellaneous	From	To		
Capital Improvement Fund	\$ 54,516.00		\$ 2,500.00						\$ 57,016.00	
Due Sewer Utility Fund	(5,347.57)		5,348.04						0.47	
Due from Current Fund							\$ 16,500.00		(16,500.00)	
Reserve for Developer Contribution	118,143.00								118,143.00	
Reserve for Preliminary Expenditures	1,113.25								1,113.25	
Reserve for Payment of Debt	91,637.34		-						91,637.34	
Reserve for Encumbrances	15,249.98						\$ 15,249.98	\$ 1,057,816.31	1,057,816.31	
Excess Note Cash	45,814.70								45,814.70	
Fund Balance	215,300.98								215,300.98	
Improvement Authorizations:										
Ordinance										
Number										
27-2007	Acquisition of Various Pieces of Sewer Equipment and Construction of Various Sewer Improvements	102,101.83		\$ 47,232.87			17,580.80		37,288.16	
10-2013	Completion of Various Capital Improvements and Acquisition of Capital Equipment for the Sewer	116,700.71		77,068.74			19,467.00	12,476.00	32,640.97	
22-2014	Completion of Various Capital Improvements and Acquisition of Capital Equipment for the Sewer	1,821,484.46	\$ 152,306.00	211,393.21			1,021,724.00	2,773.98	743,447.23	
10-2015	Completion of Various Capital Improvements and Acquisition of Capital Equipment for the Sewer Utility		802,000.00	288,754.42			15,600.00		497,645.58	
24-2015	Acquisition of a Light Utility Truck and Associated Equipment							16,555.49	16,555.49	
		<u>\$ 2,576,714.68</u>	<u>\$ 954,306.00</u>	<u>\$ 7,848.04</u>	<u>\$ 624,449.24</u>	<u>\$ -</u>	<u>\$ 16,500.00</u>	<u>\$ 1,089,621.78</u>	<u>\$ 1,089,621.78</u>	<u>\$ 2,897,919.48</u>

TOWNSHIP OF HARRISON
SEWER UTILITY CAPITAL FUND
 Statement of Due from / (to) Sewer Utility Operating Fund
 For the Year Ended December 31, 2015

Balance December 31, 2014 - Due from	\$	5,347.57
Decreased by:		
Interest Earned on Deposits	\$	0.47
Received from Sewer Utility Operating Fund		<u>5,347.57</u>
Interest Earned on Deposits		<u>5,348.04</u>
Balance December 31, 2015 - Due to	\$	<u><u>(0.47)</u></u>

SEWER UTILITY CAPITAL FUND
 Statement of Capital Improvement Fund
 For the Year Ended December 31, 2015

Balance December 31, 2014 - Due from	\$	54,516.00
Increased by:		
2015 Budget Appropriation		<u>2,500.00</u>
Balance December 31, 2015 - Due to	\$	<u><u>57,016.00</u></u>

TOWNSHIP OF HARRISON
SEWER UTILITY CAPITAL FUND
 Schedule of Fixed Capital
 As of December 31, 2015 and 2014

<u>Account</u>	<u>Balance</u> <u>Dec. 31, 2015</u> <u>and 2014</u>
Sanitation Sewer	\$ 6,036,054.83
Sanitation Sewer Station Extension	198,216.96
General Equipment	454,585.24
Sludge Press	1,990,890.61
Auto Phone System	46,584.00
Preliminary Design Plant	300,000.00
Infiltration and Inflow Study	92,520.00
Sewer Equipment and Improvements	1,222,780.85
Pump Stations	2,857,648.24
	2,857,648.24
	\$ 13,199,280.73

TOWNSHIP OF HARRISON
SEWER UTILITY CAPITAL FUND
Statement of Fixed Capital Authorized and Uncompleted
For the Year Ended December 31, 2015

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date</u>	<u>Ordinance Amount</u>	<u>Balance Dec. 31, 2014</u>	<u>2015 Authorizations</u>	<u>Balance Dec. 31, 2015</u>
27-2007	Acquisition of Various Pieces of Sewer Equipment and Construction of Various Sewer Improvements	07/02/07	\$ 3,821,116.00	\$ 3,821,166.00	\$ (16,555.49)	\$ 3,804,610.51
10-2013	Completion of Various Capital Improvements and Acquisition of Capital Equipment for the Sewer Utility	04/01/13	525,000.00	525,000.00		525,000.00
22-2014	Completion of Various Capital Improvements and Acquisition of Capital Equipment for the Sewer Utility	08/04/14	2,050,000.00	2,050,000.00		2,050,000.00
10-2015	Completion of Various Capital Improvements and Acquisition of Capital Equipment for the Sewer Utility	06/01/15	802,000.00		802,000.00	802,000.00
24-2015	Acquisition of a Light Utility Truck and Associated Equipment	12/07/15	16,555.49		16,555.49	16,555.49
				<u>\$ 6,396,166.00</u>	<u>\$ 802,000.00</u>	<u>\$ 7,198,166.00</u>

TOWNSHIP OF HARRISON
SEWER UTILITY CAPITAL FUND
 Statement of Improvement Authorizations
 For the Year Ended December 31, 2015

Ordinance Number	Improvement Description	Date	Ordinance		Balance December 31, 2014		2015 Authorizations	Liquidation of Prior Year Encumbrances	Paid or Charged	Balance December 31, 2015		
			Amount		Funded	Unfunded				Funded	Unfunded	
27-2007	Acquisition of Various Pieces of Sewer Equipment and Construction of Various Sewer Improvements	07/02/07	\$ 3,821,116.00		\$ 102,101.83		\$ (16,555.49)		\$ 48,258.18	\$	37,288.16	
10-2013	Completion of Various Capital Improvements and Acquisition of Capital Equipment for the Sewer Utility	04/01/13	525,000.00			\$ 116,700.71		\$ 12,476.00	96,535.74		\$ 32,640.97	
22-2014	Completion of Various Capital Improvements and Acquisition of Capital Equipment for the Sewer Utility	08/04/14	2,050,000.00			1,994,980.46		2,773.98	1,233,117.21		764,637.23	
10-2015	Completion of Various Capital Improvements and Acquisition of Capital Equipment for the Sewer Utility	06/01/15	802,000.00				802,000.00		304,354.42		497,645.58	
24-2015	Acquisition of a Light Utility Truck and Associated Equipment	12/07/15	16,555.49				16,555.49				16,555.49	
					<u>\$ 102,101.83</u>	<u>\$ 2,111,681.17</u>	<u>\$ 802,000.00</u>	<u>\$ 15,249.98</u>	<u>\$ 1,682,265.55</u>	<u>\$</u>	<u>53,843.65</u>	<u>\$ 1,294,923.78</u>
Fixed Capital Authorized and Uncompleted							\$ 802,000.00					
Cash Disbursed									\$ 624,449.24			
Encumbrances Payable									<u>1,057,816.31</u>			
							<u>\$ 802,000.00</u>		<u>\$ 1,682,265.55</u>			

TOWNSHIP OF HARRISON
SEWER UTILITY CAPITAL FUND
Statement of Sewer Serial Bonds
For the Year Ended December 31, 2015

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds Outstanding Date</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2014</u>	<u>Paid by Budget Appropriation</u>	<u>Balance Dec. 31, 2015</u>
General Obligation Bonds, Series 2006	08/01/06	\$ 1,475,000.00	08/01/16	\$ 75,000.00	4.250%	\$ 145,000.00	\$ 70,000.00	\$ 75,000.00
General Obligation Bonds, Series 2010	08/18/10	5,014,000.00	08/01/16	50,000.00	2.000%			
			08/01/17	55,000.00	2.250%			
			08/01/18	70,000.00	2.500%			
			08/01/19	80,000.00	3.000%			
			08/01/20	95,000.00	3.000%			
			08/01/21	110,000.00	3.000%			
			08/01/22	120,000.00	3.000%			
			08/01/23	200,000.00	3.000%			
			08/01/24	270,000.00	3.000%			
			08/01/25	280,000.00	3.125%			
			08/01/26	290,000.00	3.250%			
			08/01/27	305,000.00	3.375%			
			08/01/28	315,000.00	3.375%			
			08/01/29	330,000.00	3.500%			
			08/01/30	340,000.00	3.625%			
			08/01/31	355,000.00	3.750%			
			08/01/32	370,000.00	4.000%			
			08/01/33	385,000.00	4.000%			
			08/01/34	400,000.00	4.000%			
			08/01/35	419,000.00	4.000%	4,884,000.00	45,000.00	4,839,000.00
General Obligation Refunding Bonds, Series 2014	08/05/14	810,000.00	08/01/2017-18	80,000.00	4.000%			
			08/01/19	85,000.00	3.000%			
			08/01/20	85,000.00	4.000%			
			08/01/2021-22	90,000.00	4.000%			
			08/01/23	95,000.00	4.000%			
			08/01/24	100,000.00	4.000%			
			08/01/25	105,000.00	4.000%	810,000.00		810,000.00
						<u>810,000.00</u>		<u>810,000.00</u>
						<u>\$ 5,839,000.00</u>	<u>\$ 115,000.00</u>	<u>\$ 5,724,000.00</u>

TOWNSHIP OF HARRISON
SEWER UTILITY CAPITAL FUND
Statement of Sewer Loans Payable
For the Year Ended December 31, 2015

<u>Purpose</u>	<u>Series</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2014</u>	<u>Paid by Budget Appropriation</u>	<u>Balance Dec. 31, 2015</u>
(1) Improvements to Sanitary Sewer System	1997A	08/01/97	08/01/17	4.00%-5.00%	\$ 50,000.00	\$ 15,000.00	\$ 35,000.00
(1) Improvements to Sanitary Sewer System	1997B	08/01/97	08/01/17	None	23,211.49	10,972.86	12,238.63
(1) Construction of Wastewater Treatment Plant	2002A	10/15/02	08/01/22	3.00%-5.25%	1,110,000.00	115,000.00	995,000.00
(1) Construction of Wastewater Treatment Plant	2002A	10/15/02	08/01/22	None	784,897.89	97,360.91	687,536.98
(1) Upgrade and Rehabilitation of Pump Stations No.'s 1,2,4 and 7	2003A	11/01/03	08/01/23	3.00%-5.00%	730,000.00	70,000.00	660,000.00
(1) Upgrade and Rehabilitation of Pump Stations No.'s 1,2,4 and 7	2003A	11/01/03	08/01/23	None	552,742.12	62,629.10	490,113.02
					<u>\$ 3,250,851.50</u>	<u>\$ 370,962.87</u>	<u>\$ 2,879,888.63</u>

(1) Environmental Infrastructure Trust Financing Program--State of New Jersey

TOWNSHIP OF HARRISON
SEWER UTILITY CAPITAL FUND
Statement of Sewer Capital Bond Anticipation Notes
For the Year Ended December 31, 2015

Ordinance Number	Improvement Description	Date of Original Issue	Amount of Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2014	Increased	Decreased	Balance Dec. 31, 2015
32-2011	Acquisition and Construction of a Sludge Press	12/28/12	\$ 1,300,000.00	11/14/14 11/12/15	11/13/15 11/10/16	1.00% 1.75%	\$ 1,300,000.00	\$ 1,283,500.00	\$ 1,300,000.00	\$ 1,283,500.00
10-2013	Completion of Various Capital Improvements and Acquisition of Capital Equipment for the Sewer Utility	05/09/13	525,000.00	11/14/14 11/12/15	11/13/15 11/10/16	1.00% 1.75%	525,000.00	525,000.00	525,000.00	525,000.00
11-2013	Completion of Various Sewer Utility Improvements	05/09/13	109,028.00	11/14/14 11/12/15	11/13/15 11/10/16	1.00% 1.75%	109,028.00	109,028.00	109,028.00	109,028.00
22-2014	Completion of Various Sewer Utility Improvements Acquisition of Capital Equipment for the Sewer Utility	11/14/14	1,876,504.00	11/14/14 11/12/15	11/13/15 11/10/16	1.00% 1.75%	1,876,504.00	2,028,810.00	1,876,504.00	2,028,810.00
10-2015	Completion of Various Sewer Utility Improvements	11/12/15	802,000.00	11/12/15	11/10/16	1.75%		802,000.00		802,000.00
							<u>\$ 3,810,532.00</u>	<u>\$ 4,748,338.00</u>	<u>\$ 3,810,532.00</u>	<u>\$ 4,748,338.00</u>
								\$ 3,794,032.00	\$ 3,794,032.00	
								954,306.00		
									16,500.00	
							<u>\$ 4,748,338.00</u>	<u>\$ 3,810,532.00</u>		

TOWNSHIP OF HARRISON
SEWER UTILITY CAPITAL FUND
 Statement of Bonds and Notes Authorized but Not Issued
 For the Year Ended December 31, 2015

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2014</u>	<u>2015 Authorizations</u>	<u>Notes Issued</u>	<u>Balance Dec. 31, 2015</u>
22-2014	Completion of Various Sewer Utility Improvements Acquisition of Capital Equipment for the Sewer Utility	\$ 173,496.00		\$ 152,306.00	\$ 21,190.00
10-2015	Acquisition of a Light Utility Truck and Associated Equipment		\$ 802,000.00	802,000.00	
		<u>\$ 173,496.00</u>	<u>\$ 802,000.00</u>	<u>\$ 954,306.00</u>	<u>\$ 21,190.00</u>

TOWNSHIP OF HARRISON
SEWER UTILITY CAPITAL FUND
Statement of Reserve for Amortization
For the Year Ended December 31, 2015

Balance December 31, 2014		\$ 6,567,381.93
Increased by:		
Serial Bonds Paid by Sewer Utility Operating Fund	\$ 115,000.00	
Sewer Loans Paid by Sewer Utility Operating Fund	370,962.87	
Bond Anticipation Notes Paid by Reserve for Payment of Debt	<u>16,500.00</u>	
		<u>502,462.87</u>
Balance December 31, 2015 - Due to		<u>\$ 7,069,844.80</u>

PART 2
SCHEDULE OF FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2015

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

Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with *Government Auditing Standards* and with audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

None

TOWNSHIP OF HARRISON
Summary Schedule of Prior Year Audit Findings
and Recommendations as Prepared by Management

This section identifies the status of prior year findings related to the financial statements are required to be reported in accordance with *Government Auditing Standards*.

FINANCIAL STATEMENT FINDINGS

Finding No. 2014-001

Condition

The general ledger required numerous adjusting entries in order to achieve proper presentation of the financial statements.

Current Status

This condition has been resolved.

TOWNSHIP OF HARRISON
 Officials in Office and Surety Bonds
 For the Year Ended December 31, 2015

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

<u>Name</u>	<u>Title</u>	<u>Amount of Surety Bond</u>
Louis Manzo	Township Committee-Mayor	\$1,000,000(A)(B)
Dennis Clowney	Township Committee-Deputy Mayor	\$1,000,000(A)(B)
Donald Heim	Township Committee	\$1,000,000(A)(B)
Robert Shearer	Township Committee	\$1,000,000(A)(B)
Matthew Diggins	Township Committee	\$1,000,000(A)(B)
Mark Gravinese	Township Administrator	\$1,000,000(A)(B)
Dennis Chambers	Deputy Township Administrator	\$1,000,000(A)(B)
Diane Malloy	Township Clerk, Public Agency Compliance Officer, Municipal Improvement Search Clerk and Registrar of Vital Statistics	\$1,000,000(A)(B)
Daneen Fuss	Deputy Clerk and Deputy Registrar of Vital Statistics, Dog/Cat License Officer	\$1,000,000(A)(B)
Yvonne Bullock	Chief Financial Officer	\$1,000,000(A)(B)
D. Michelle Allen	Tax Collector and Sewer Utility Clerk	\$1,000,000(A)(B)
Maria Berkett	Tax Clerk and Assistant Sewer Utility Clerk	\$1,000,000(A)(B)
Thomas F. Mills	Chief of Police	\$1,000,000(A)(B)
Thomas North	Municipal Magistrate	\$1,000,000(A)(B)
Carla Rios	Municipal Court Administrator	\$1,000,000(A)(B)
Karen S. Crackovich	Deputy Municipal Court Administrator	\$1,000,000(A)(B)
Jeff Kier	Construction Code Official, Fire Sub-Code Official, and Building Sub-Code Official	\$1,000,000(A)(B)
Richard Falasco	Plumbing Sub-Code Official	\$1,000,000(A)(B)
John Leech	Housing Officer/Inspector	\$1,000,000(A)(B)
Suzanne Champion	Zoning/Health Officer	\$1,000,000(A)(B)
Cyndi Quast	Construction Control Person	\$1,000,000(A)(B)
Charles Brown	Planning Board Secretary	\$1,000,000(A)(B)
Frank Czeronka	Electrical Sub-Code Official	\$1,000,000(A)(B)
Remington & Vernick	Substitute Plumbing Inspector	\$1,000,000(A)(B)
Brian Duffield	Township Engineer	
Michael Aimino	Township Solicitor	
	Public Defender	

(A) Public Employee's blanket coverage through the Gloucester, Salem, Cumberland Counties Municipal Joint Insurance Fund has been in effect beginning January 1, 1995.

(B) Additional blanket coverage to \$1,000,000.00 through the Municipal Excess Liability Joint Insurance Fund.

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APPRECIATION

I express my appreciation for the assistance and courtesies rendered by the Township officials during the course of the audit.

Respectfully submitted,

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

A handwritten signature in black ink, appearing to read "Henry Judwysen". The signature is written in a cursive style with a prominent initial "H".

Certified Public Accountant
Registered Municipal Accountant