

**TOWNSHIP OF PENNSAUKEN  
COUNTY OF CAMDEN  
REPORT OF AUDIT  
FOR THE YEAR ENDED DECEMBER 31, 2016**



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**TOWNSHIP OF PENNSAUKEN**  
**PART I**  
**REPORT OF AUDIT OF FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

## **INDEPENDENT AUDITOR'S REPORT**

The Honorable Mayor and  
Members of the Township Committee  
Township of Pennsauken  
Pennsauken, New Jersey 08110

### **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 Pennsauken, in the County of Camden, State of New Jersey, as of December 31, 2016 and 2015, 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 asset group of accounts - regulatory basis for the year ended December 31, 2016, 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.

13800

## 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 Pennsauken, in the County of Camden, State of New Jersey, as of December 31, 2016 and 2015, 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 Pennsauken, in the County of Camden, State of New Jersey, as of December 31, 2016 and 2015, 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 asset group of accounts - regulatory basis, for the year ended December 31, 2016, in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, as described in note 1.

## Other Matters

### *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. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the financial statements.

The supplemental statements and schedules presented for the various funds and the schedule of expenditures of federal awards 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 June 29, 2017 on our consideration of the Township of Pennsauken, in the County of Camden, 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 Pennsauken's internal control over financial reporting and compliance.

Respectfully submitted,



BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants



Scott P. Barron  
Certified Public Accountant  
Registered Municipal Accountant

Voorhees, New Jersey  
June 29, 2017

**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 Pennsauken  
Pennsauken, New Jersey 08110

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 Pennsauken, in the County of Camden, State of New Jersey, as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements, and have issued our report thereon dated June 29, 2017. That report indicated that the Township of Pennsauken'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.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Township of Pennsauken'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 Pennsauken's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township of Pennsauken'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 Pennsauken'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



Scott P. Barron  
Certified Public Accountant  
Registered Municipal Accountant

Voorhees, New Jersey  
June 29, 2017

**TOWNSHIP OF PENNSAUKEN**  
**CURRENT FUND**  
 Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis  
 As of December 31, 2016 and 2015

ASSETS:	Ref.	2016	2015
Regular Fund:			
Cash -- Treasurer	SA-1	\$ 8,906,871.10	\$ 7,479,210.30
Cash -- Collector	SA-2	672,965.69	470,850.86
Cash -- Change Funds	SA-3	1,525.00	1,525.00
Cash -- Petty Cash	SA-4		400.00
Due from State of New Jersey -- Veterans' and Senior Citizens' Deductions	SA-14		1,335.57
		<u>9,581,361.79</u>	<u>7,953,321.73</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	SA-5	2,122,541.21	2,308,964.44
Tax Title Liens Receivable	SA-6	805,606.71	567,712.60
Municipal Assessments Receivable	SA-7	21,789.00	21,789.00
Payments in Lieu of Taxes Receivable	SA-8	2,471.32	5,042.57
Protested Checks Receivable	SA-9	10,795.04	6,638.00
Due from Bank	SA-10	5,529.80	906.24
Revenue Accounts Receivable	SA-11	228,429.13	228,445.90
Property Acquired for Taxes (at Assessed Valuation)	A	2,550,800.00	2,550,800.00
Due from Township of Pennsauken Library	SA-12		940.81
Due from Federal and State Grant Fund	SA-34	17,572.75	37,008.86
Due from Trust Other Fund	SB-8		1,771.84
		<u>5,765,534.96</u>	<u>5,730,020.26</u>
Deferred Charges:			
Special Emergency (N.J.S.A.40A:4-53)	SA-13	860,000.00	1,200,000.00
		<u>860,000.00</u>	<u>1,200,000.00</u>
Total Regular Fund		<u>16,206,896.75</u>	<u>14,883,341.99</u>
Federal and State Grant Fund:			
Federal and State Grants Receivable	SA-33	64,483.58	115,979.81
Total Federal and State Grant Fund		<u>64,483.58</u>	<u>115,979.81</u>
Total Assets		<u>\$ 16,271,380.33</u>	<u>\$ 14,999,321.80</u>

(Continued)

**TOWNSHIP OF PENNSAUKEN**  
**CURRENT FUND**  
 Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis  
 As of December 31, 2016 and 2015

LIABILITIES, RESERVES AND FUND BALANCE:	<u>Ref.</u>	<u>2016</u>	<u>2015</u>
Regular Fund:			
Liabilities:			
Due State of New Jersey - Veterans and Senior Citizens' Deductions	SA-14	\$ 5,904.74	
Prepaid Fees and Permits	SA-15	8,467.80	\$ 39,500.00
Prepaid Merchantville-Pennsauken Water Commission Antenna Fee - Share	SA-16		48,137.16
Prepaid Payments in Lieu of Taxes	SA-17	14,897.07	12,203.75
Reserve for Encumbrances	SA-18	432,900.00	234,795.11
Appropriation Reserves	A-3, SA-19	553,158.55	78,528.06
Due to Pennsauken Garbage District	SA-20	11,316.57	12,390.94
Prepaid Taxes	SA-21	868,456.47	781,719.07
Tax Overpayments	SA-22	8,641.18	
Due to State of New Jersey:			
Training Fees -- Surcharge	SA-23	18,768.00	15,202.00
Marriage and Domestic Partner Licenses	SA-24	3,181.00	2,028.00
Due to County for Added and Omitted Taxes	SA-26	46,442.45	146,483.43
Local School Taxes Payable	SA-27	3,353,739.31	3,296,930.25
Special Emergency Notes	SA-30	860,000.00	1,200,000.00
Reserve for Revaluation Program	SA-31	29,244.97	48,756.72
Reserve for Election Expenses	SA-32	2,100.00	1,900.00
Due to Animal Control Fund	SB-3	77.68	890.09
Due to Trust - Other Fund	SB-8	11,622.16	
Due to General Capital Fund	SC-6	276,920.56	110,557.06
Due to Golf Course Utility Operating Fund	SD-5	2,449.50	3,264.90
Due to Golf Course Utility Capital Fund	SD-8	127,375.00	97,500.00
		<u>6,635,663.01</u>	<u>6,130,786.54</u>
Reserves for Receivables and Other Assets		5,765,534.96	5,730,020.26
Fund Balance	A-1	<u>3,805,698.78</u>	<u>3,022,535.19</u>
Total Regular Fund		<u>16,206,896.75</u>	<u>14,883,341.99</u>
Federal and State Grant Fund:			
Due to Current Fund	SA-34	17,572.75	37,008.86
Reserve for Federal and State Grants -- Unappropriated	SA-35	29,542.23	31,554.76
Appropriated	SA-36	6,405.01	42,631.98
Reserve for Encumbrances	SA-36	<u>10,963.59</u>	<u>4,784.21</u>
Total Federal and State Grant Fund		<u>64,483.58</u>	<u>115,979.81</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 16,271,380.33</u>	<u>\$ 14,999,321.80</u>

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

**TOWNSHIP OF PENNSAUKEN**  
CURRENT FUND

Statements of Operations and Changes in Fund Balance -- Regulatory Basis  
For the Years Ended December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
<u>Revenue and Other Income Realized</u>		
Surplus Utilized	\$ 600,000.00	\$ 255,079.87
Miscellaneous Revenues Anticipated	13,246,941.62	13,539,193.39
Receipts from Delinquent Taxes	2,230,681.67	2,167,657.55
Receipts from Current Taxes	85,279,951.27	83,848,802.70
Non-Budget Revenues	271,873.49	342,166.43
Other Credits to Income:		
Refund of Prior Year Expenditures:		
Due County for Added and Omitted Taxes	14,010.39	
Local School Taxes	11,699.50	
Receipts	7,442.58	5,000.00
Due Trust Other Fund -- Cancelled Reserve		2.13
Cancelled Federal and State Grants Appropriated	814.55	792.74
Unexpended Balance of Appropriation Reserves	110,947.54	11,005.75
Liquidation of Reserves for:		
Due from Federal and State Grant Fund	19,436.11	
Due from Trust Other Fund	1,771.84	
Due from Pennsauken Free Public Library	940.81	
	<u>101,796,511.37</u>	<u>100,169,700.56</u>
 Total Income		
	<u>101,796,511.37</u>	<u>100,169,700.56</u>
<u>Expenditures</u>		
Budget and Emergency Appropriations:		
Operations Within "CAPS":		
Salaries and Wages	15,861,460.00	16,230,245.00
Other Expenses	11,717,380.00	10,999,185.00
Deferred Charges and Regulatory Expenditures Within "CAPS"	3,859,345.36	3,871,213.36
Operations Excluded from "CAPS":		
Salaries and Wages	47,368.21	23,400.00
Other Expenses	1,038,027.43	993,109.26
Capital Improvements Excluded from "CAPS"	115,000.00	110,000.00
Municipal Debt Service Excluded from "CAPS"	2,828,514.76	3,054,311.87
Deferred Charges - Municipal - Excluded from "CAPS"	340,000.00	340,000.00
Prior Year Veterans' and Senior Citizens' Deductions Disallowed	30,250.00	28,790.75
County Taxes	20,604,568.41	20,287,686.46
Due County for Added and Omitted Taxes	46,442.45	146,483.43
Local School District Taxes	39,833,823.00	38,545,834.00
Garbage District Taxes	4,060,000.00	3,995,000.00
Cancellation of Federal and State Grant Receivable	295.00	
Refund of Prior Year Revenue:		
Disbursements	21,999.60	15,818.08
Due Trust Other Funds	92.96	1,000.00

(Continued)

**TOWNSHIP OF PENNSAUKEN**  
**CURRENT FUND**  
 Statements of Operations and Changes in Fund Balance -- Regulatory Basis  
 For the Years Ended December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
<u>Expenditures (Cont'd)</u>		
Creation of Reserves for:		
Due from Federal and State Grant Fund		\$ 36,377.27
Due from Trust Other Fund		1,771.84
Due from Bank	\$ 4,623.56	906.24
Due from Library		940.81
Protested Checks Receivable	4,157.04	5,090.00
	<u>100,413,347.78</u>	<u>98,687,163.37</u>
Total Expenditures		
Excess in Revenue	1,383,163.59	1,482,537.19
<u>Fund Balance</u>		
Balance January 1	<u>3,022,535.19</u>	<u>1,795,077.87</u>
	4,405,698.78	3,277,615.06
Decreased by:		
Utilization as Anticipated Revenue	<u>600,000.00</u>	<u>255,079.87</u>
Balance December 31	<u>\$ 3,805,698.78</u>	<u>\$ 3,022,535.19</u>

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

**TOWNSHIP OF PENNSAUKEN**  
**CURRENT FUND**  
Statement of Revenues -- Regulatory Basis  
For the Year Ended December 31, 2016

	<u>Anticipated</u>		<u>Realized</u>	<u>Excess or (Deficit)</u>
	<u>Budget</u>	<u>Special N.J.S. 40A:4-87</u>		
Surplus Anticipated	\$ 600,000.00		\$ 600,000.00	
Miscellaneous Revenues - Local Revenues:				
Licenses:				
Alcoholic Beverages	60,600.00		61,000.00	\$ 400.00
Other	35,075.00		30,676.00	(4,399.00)
Fees and Permits	550,000.00		731,677.51	181,677.51
Fines and Costs:				
Municipal Court	950,000.00		939,469.27	(10,530.73)
Interest and Costs on Taxes	588,774.07		618,186.34	29,412.27
Interest on Investments and Deposits	12,690.00		12,518.35	(171.65)
Swimming Pool Admissions	49,530.00		58,560.00	9,030.00
Cable Franchise Fees	163,330.93		163,330.93	
Miscellaneous Revenues - State Aid Without Offsetting Appropriations:				
Consolidated Municipal Property Tax Relief Aid	229,730.00		229,730.00	
Energy Receipts Tax (P.L. 1997, Chapter 162 & 167)	5,269,420.00		5,269,420.00	
Miscellaneous Revenues - Dedicated Uniform Construction Code Fees				
Offset with Appropriations:				
Uniform Construction Code Fees	700,000.00		784,206.40	84,206.40

(Continued)



**TOWNSHIP OF PENNSAUKEN**  
**CURRENT FUND**  
Statement of Revenues -- Regulatory Basis  
For the Year Ended December 31, 2016

	<u>Budget</u>	<u>Anticipated</u> Special N.J.S. 40A:4-87	<u>Realized</u>	<u>Excess or</u> <u>(Deficit)</u>
Miscellaneous Revenues - Special Items of Revenue Anticipated with Prior Written Consent of Director of Local Government Services - Public and Private Revenues Offset with Appropriations:				
Camden County Recreational Facilities Enhancement Grant		\$ 25,000.00	\$ 25,000.00	
Alcohol Education and Rehabilitation Fund	\$ 353.60		353.60	
Camden County DWI Checkpoint Grant		1,850.00	1,850.00	
Drunk Driving Enforcement Fund	23,518.21		23,518.21	
NJHTS Drive Sober or Get Pulled Over		10,000.00	10,000.00	
Emergency Management Assistance Program		7,000.00	7,000.00	
Body Armor Replacement Fund Grant	6,982.95		6,982.95	
"Click It or Ticket" Grant		5,000.00	5,000.00	
Justice Assistance Grant (JAG)	700.00	10,591.00	11,291.00	
Miscellaneous Revenues - Special Items of General Revenue Anticipated with Prior Written Consent of Director of Local Government Services - Other Special Items:				
Emergency Medical Technician Billing Fees	1,155,917.24		1,154,541.24	\$ (1,376.00)
Payments in Lieu of Taxes	1,669,425.00		1,967,602.53	298,177.53
Lease of Municipal Assets -- Landfill	250,000.00		250,000.00	
Golf Course Utility -- Payment in Lieu of Taxes	180,000.00		180,000.00	
Uniform Fire Safety Act -- Life Hazard Use Fees	195,000.00		195,030.17	30.17
Pennsauken Sewerage Authority - Payment in Lieu of Taxes	150,000.00		150,000.00	
Merchantville - Pennsauken Water Commission Antenna Fee - Share	400,000.00		316,044.12	(83,955.88)
General Capital Fund Balance	43,953.00		43,953.00	
Total Miscellaneous Revenues	<u>12,685,000.00</u>	<u>59,441.00</u>	<u>13,246,941.62</u>	<u>502,500.62</u>

(Continued)

**TOWNSHIP OF PENNSAUKEN**  
**CURRENT FUND**  
Statement of Revenues -- Regulatory Basis  
For the Year Ended December 31, 2016

	<u>Anticipated</u>		<u>Realized</u>	<u>Excess or (Deficit)</u>
	<u>Budget</u>	<u>Special N.J.S. 40A:4-87</u>		
Receipts from Delinquent Taxes	\$ 2,230,000.00		\$ 2,230,681.67	\$ 681.67
Amount to be Raised by Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes	22,085,977.89		22,576,095.30	490,117.41
Minimum Library Tax	814,022.11		814,022.11	
Total Amount to be Raised by Taxes for Support of Municipal Budget	22,900,000.00		23,390,117.41	490,117.41
Budget Totals	38,415,000.00	\$ 59,441.00	39,467,740.70	993,299.70
Non-Budget Revenues			271,873.49	271,873.49
Total Revenues	<u>\$ 38,415,000.00</u>	<u>\$ 59,441.00</u>	<u>\$ 39,739,614.19</u>	<u>\$ 1,265,173.19</u>

(Continued)

**TOWNSHIP OF PENNSAUKEN**  
**CURRENT FUND**  
Statement of Revenues -- Regulatory Basis  
For the Year Ended December 31, 2016

Analysis of Realized Revenues

Allocation of Current Tax Collections:

Revenue from Collections		\$ 85,279,951.27
Allocated to:		
School, County and Special District Taxes		64,544,833.86
Balance for Support of Municipal Budget Appropriations		20,735,117.41
Add: Appropriation "Reserve for Uncollected Taxes"		2,655,000.00
Amount for Support of Municipal Budget Appropriations		\$ 23,390,117.41

Receipts from Delinquent Taxes:

Delinquent Tax Collections		\$ 2,218,825.33
Tax Title Lien Collections		11,856.34
		\$ 2,230,681.67

Licenses -- Other:

Construction Code Official:		
Builder		\$ 14,995.00
Clerk:		
Bingo	\$ 20.00	
Board of Health	4,335.00	
Kennel	25.00	
Limousine	325.00	
Marriage	741.00	
Peddler / Solicitor	2,125.00	
Precious Metals	400.00	
Raffle	460.00	
Taxicab	4,750.00	
Used Car Lot	2,500.00	
		15,681.00
		\$ 30,676.00

Fees and Permits:

Construction Code Official:		
Building Permits		\$ 399,708.40
Certificates of Compliance -- Elevator		32,242.00
Certificates of Occupancy		14,050.00
Electrical Permits		185,572.00
Fire Sub code Permits		19,614.00
Plumbing Permits		107,650.00
Street Opening Permits		25,370.00
		\$ 784,206.40

Fees and Permits -- Other:

Construction Code Official:		
Abandoned Property Registrations	\$ 279,500.00	
Housing Code Letters	58,550.00	
Rent Board Applications	53,600.00	
Trash Dumpster Permit	7,800.00	
		\$ 399,450.00

(Continued)

**TOWNSHIP OF PENNSAUKEN**  
**CURRENT FUND**  
Statement of Revenues -- Regulatory Basis  
For the Year Ended December 31, 2016

Analysis of Realized Revenues (Cont'd)

## Fees and Permits -- Other (Cont'd):

Recreation		\$	7,525.00
Clerk:			
Bid Specifications	\$		1,520.00
Burial Permits			5.00
Coin Operated Device Permits			350.00
Municipal Impound Searches			10.00
Vital Statistics			<u>6,160.00</u>
			8,045.00
Fire Department:			
Fire Inspection Fees			177,712.50
Police Department:			
Accident and Police Reports			13,719.50
Planning and Zoning:			
Planning Board Fees			2,800.00
Zoning Board Fees			<u>15,510.00</u>
			18,310.00
Treasurer:			
Cellular Telephone Lease Agreements			37,378.42
Outdoor Sign Rental			13,175.70
State Death Certificates			12,935.00
State Hotel Fee			3,756.39
Tax Search			<u>170.00</u>
			67,415.51
Prepaid Fees and Permits Revenue Collected in Prior Year			<u>39,500.00</u>
		<u>\$</u>	<u>731,677.51</u>

Analysis of Non-Budget Revenues

## Miscellaneous Revenues not Anticipated:

## Revenue Accounts Receivable:

## Construction Code Official:

Penalties and Fines

\$ 16,725.00

Photocopies

0.25

\$ 16,725.25

## Clerk:

Photocopies

52.72

## Tax Office:

Certificates of Redemption

\$ 8,775.00

Duplicate Bills

8.00

Grasscutting/Property Maintenance Fees

123,667.83

Interest on Payment in Lieu of Taxes

1,009.69133,460.52\$ 150,238.49  
(Continued)

**TOWNSHIP OF PENNSAUKEN**  
**CURRENT FUND**  
Statement of Revenues -- Regulatory Basis  
For the Year Ended December 31, 2016

Analysis of Non-Budget Revenues (Cont'd)

Miscellaneous Revenues not Anticipated (Cont'd):

Treasurer:

Receipts:

Auction Sales -- Township Property	\$ 26,279.36	
Board Up Charges	500.00	
Forfeited Foreclosure Fees	1,507.00	
Forfeiture of Tax Sale Premiums	200.00	
Grass Cutting Charges	4,932.46	
Homestead Rebate - Administrative Costs	2,282.40	
Insufficient Funds Fees	190.00	
Miscellaneous Refunds	20,068.06	
Premium on Special Emergency Notes	8,058.20	
Rental of Township Owned Property	45,666.48	
Sale of Scrap Metal	905.30	
Senior Citizen and Veteran Deductions - Administrative Fee	6,448.06	
Showmobile	<u>1,307.06</u>	
		\$ 118,344.38
Due Animal Control Fund:		
Insufficient Funds Fees		20.00
Due Trust Other Fund:		
Collected by the Trust Other Fund -- Miscellaneous Refunds		3,226.42
Due Pennsauken Garbage District:		
Collected on Behalf of the Township -- Sale of Scrap Metal		<u>44.20</u>
		<u>\$ 271,873.49</u>

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

**TOWNSHIP OF PENNSAUKEN**  
**CURRENT FUND**  
Statement of Expenditures -- Regulatory Basis  
For the Year Ended December 31, 2016

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>			<u>Unexpended Balance Canceled</u>
			<u>Expended</u>	<u>Encumbered</u>	<u>Reserved</u>	
OPERATIONS -- WITHIN "CAPS"						
General Government:						
Mayor and Township Committee						
Salaries and Wages	\$ 82,515.00	\$ 82,515.00	\$ 81,212.12		\$ 1,302.88	
Other Expenses	4,500.00	4,500.00	3,543.55	\$ 600.00	356.45	
Administrative and Executive						
Salaries and Wages	385,130.00	385,130.00	385,127.95		2.05	
Other Expenses	4,500.00	9,925.00	9,736.08	186.89	2.03	
Municipal Clerk's Office						
Salaries and Wages	140,450.00	140,450.00	140,448.08		1.92	
Other Expenses	41,000.00	41,000.00	39,707.35	411.78	880.87	
Data Processing Center						
Other Expenses	88,500.00	88,500.00	58,351.67	29,000.00	1,148.33	
Purchasing Department						
Salaries and Wages	79,015.00	79,015.00	78,991.94		23.06	
Other Expenses	15,750.00	16,375.00	15,085.75	1,273.33	15.92	
Financial Administration						
Salaries and Wages	331,415.00	332,740.00	332,728.09		11.91	
Other Expenses	106,500.00	106,500.00	98,016.64	2,350.00	6,133.36	
Assessment of Taxes						
Salaries and Wages	151,480.00	151,880.00	151,853.04		26.96	
Other Expenses	7,000.00	7,000.00	6,770.29		229.71	
Collection of Taxes						
Salaries and Wages	211,510.00	211,535.00	211,521.43		13.57	
Other Expenses	38,500.00	38,500.00	34,334.28		4,165.72	
Audit Services						
Other Expenses	101,500.00	99,000.00	99,000.00			
Human Resources						
Salaries and Wages	87,240.00	87,240.00	87,235.96		4.04	
Other Expenses	5,000.00	5,000.00	4,945.03		54.97	
Legal Services and Costs						
Other Expenses	235,000.00	235,000.00	222,570.80	9,392.09	3,037.11	
Engineering Services and Costs						
Salaries and Wages	147,830.00	147,830.00	147,828.12		1.88	
Other Expenses	1,200.00	2,075.00	2,062.68		12.32	

(Continued)

**TOWNSHIP OF PENNSAUKEN**  
**CURRENT FUND**  
Statement of Expenditures -- Regulatory Basis  
For the Year Ended December 31, 2016

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>			<u>Unexpended Balance Canceled</u>
			<u>Expended</u>	<u>Encumbered</u>	<u>Reserved</u>	
OPERATIONS -- WITHIN "CAPS" (CONT'D)						
General Government (Cont'd):						
Public Buildings and Grounds						
Salaries and Wages	\$ 42,295.00	\$ 42,295.00	\$ 41,896.01		\$ 398.99	
Other Expenses	31,600.00	37,050.00	33,447.38	\$ 3,581.75	20.87	
Municipal Prosecutor						
Salaries and Wages	65,360.00	67,260.00	67,259.84		0.16	
Municipal Court						
Salaries and Wages	521,695.00	503,920.00	503,899.77		20.23	
Other Expenses	46,550.00	48,875.00	46,995.84	1,116.39	762.77	
Maintenance of Township Owned Property						
Other Expenses	2,500.00	2,500.00	1,785.00	30.00	685.00	
Rent Leveling Board						
Other Expenses	420.00	420.00	420.00			
Municipal Land Use Law (N.J.S.A. 40:55D-1)						
Planning Board						
Salaries and Wages	79,215.00	77,665.00	77,659.40		5.60	
Other Expenses	3,400.00	3,400.00	3,095.92		304.08	
Zoning Board						
Salaries and Wages	67,160.00	63,910.00	63,908.04		1.96	
Other Expenses	2,250.00	2,250.00	2,142.92		107.08	
Insurance:						
Employee Group Health	6,716,245.00	6,716,245.00	6,695,904.33	395.00	19,945.67	
General Liability	704,015.00	704,015.00	685,578.52	18,221.83	214.65	
Workers' Compensation	435,945.00	406,995.00	214,906.26		192,088.74	
Economic Development						
Salaries and Wages	189,425.00	189,425.00	189,423.98		1.02	
Other Expenses	70,000.00	70,000.00	67,078.88	51.30	2,869.82	
Dog Warden						
Other Expenses	185,670.00	185,670.00	185,670.00			

(Continued)

**TOWNSHIP OF PENNSAUKEN**  
**CURRENT FUND**  
Statement of Expenditures -- Regulatory Basis  
For the Year Ended December 31, 2016

	Budget	Budget After Modification	Paid or Charged			Unexpended Balance Canceled
			Expended	Encumbered	Reserved	
OPERATIONS -- WITHIN "CAPS" (CONT'D)						
Department of Public Safety:						
Fire Department						
Salaries and Wages	\$ 1,459,400.00	\$ 1,485,550.00	\$ 1,485,549.77		\$ 0.23	
Other Expenses:						
Fire Department	314,875.00	314,875.00	217,955.95	\$ 50,481.84	46,437.21	
Fire Hydrant Service	50,875.00	50,875.00	42,394.00	4,239.40	4,241.60	
Aid to Volunteer Fire Companies	25,500.00	25,500.00	25,500.00			
Police						
Salaries and Wages	8,080,420.00	8,080,420.00	7,990,175.80		90,244.20	
Other Expenses	255,380.00	257,655.00	199,762.27	57,811.63	81.10	
Police Reserve						
Salaries and Wages	173,940.00	219,565.00	219,555.00		10.00	
Traffic Control						
Salaries and Wages	249,900.00	258,150.00	258,130.00		20.00	
Other Expenses	15,550.00	23,900.00	21,384.91	2,494.41	20.68	
First Aid Organization						
Salaries and Wages	1,311,540.00	1,294,915.00	1,294,901.76		13.24	
Other Expenses	131,600.00	131,600.00	109,515.87	12,595.33	9,488.80	
Emergency Management Services						
Salaries and Wages	4,430.00	4,430.00	4,428.12		1.88	
Other Expenses	2,000.00	2,000.00	365.00		1,635.00	
Uniform Fire Safety Act (P.L. 1983, Ch. 383)						
Salaries and Wages	289,900.00	274,200.00	274,175.44		24.56	
Other Expenses	14,200.00	15,250.00	12,262.76	2,968.25	18.99	
Streets and Roads:						
Public Works						
Salaries and Wages	697,600.00	688,700.00	688,681.44		18.56	
Other Expenses	48,650.00	48,650.00	39,926.85	3,044.94	5,678.21	
Township Garage						
Salaries and Wages	301,485.00	256,060.00	256,043.95		16.05	
Other Expenses	129,650.00	129,650.00	103,006.24	17,146.29	9,497.47	
Street Lighting	739,660.00	739,660.00	576,118.29	120,893.67	42,648.04	
Health and Welfare:						
Senior Citizens of Pennsauken Township						
Salaries and Wages	23,360.00	23,360.00	23,359.94		0.06	
Other Expenses	11,050.00	11,050.00	1,704.83	5,534.15	3,811.02	

(Continued)



**TOWNSHIP OF PENNSAUKEN**  
**CURRENT FUND**  
Statement of Expenditures -- Regulatory Basis  
For the Year Ended December 31, 2016

	Budget	Budget After Modification	Paid or Charged			Unexpended Balance Canceled
			Expended	Encumbered	Reserved	
<b>OPERATIONS -- WITHIN "CAPS" (CONT'D)</b>						
Utility Expenses:						
Motor Fuels	\$ 135,525.00	\$ 135,525.00	\$ 119,710.16	\$ 5,858.81	\$ 9,956.03	
Electricity	303,000.00	303,000.00	226,800.87	35,320.35	40,878.78	
Telephone	103,185.00	103,185.00	99,537.14	2,608.65	1,039.21	
Natural Gas or Propane	44,050.00	44,050.00	24,561.09	3,395.90	16,093.01	
Sewerage Authority	6,585.00	6,585.00	5,984.00		601.00	
Recreation and Education:						
Recreation						
Salaries and Wages	101,640.00	101,740.00	101,736.04		3.96	
Other Expenses	27,950.00	29,800.00	29,191.32	601.51	7.17	
Swimming Pool						
Salaries and Wages	47,155.00	54,205.00	54,202.29		2.71	
Other Expenses	20,600.00	22,225.00	22,215.82		9.18	
Celebration of Public Events, Anniversary or Holiday						
Other Expenses	35,000.00	35,800.00	34,228.62	1,563.22	8.16	
Shade Tree Commission						
Other Expenses	750.00	750.00	740.00		10.00	
Historical Preservation						
Other Expenses	11,000.00	11,000.00	7,449.20	3,531.07	19.73	
Uniform Construction Code - Appropriations Offset by Dedicated Revenues (N.J.A.C. 5:23-4.17):						
Construction Code Official						
Salaries and Wages	461,210.00	469,185.00	469,161.60		23.40	
Other Expenses	444,000.00	444,000.00	404,500.66	36,200.22	3,299.12	
Unclassified:						
Sick Pay	88,170.00	88,170.00	88,167.55		2.45	
<b>Total Operations within "CAPS"</b>	<b>27,590,065.00</b>	<b>27,578,840.00</b>	<b>26,625,227.49</b>	<b>432,900.00</b>	<b>520,712.51</b>	
Detail:						
Salaries and Wages	15,871,885.00	15,861,460.00	15,769,262.47		92,197.53	
Other Expenses (Including Contingent)	11,718,180.00	11,717,380.00	10,855,965.02	432,900.00	428,514.98	

(Continued)

**TOWNSHIP OF PENNSAUKEN**  
**CURRENT FUND**  
Statement of Expenditures -- Regulatory Basis  
For the Year Ended December 31, 2016

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>			<u>Unexpended Balance Canceled</u>
			<u>Expended</u>	<u>Encumbered</u>	<u>Reserved</u>	
<b>DEFERRED CHARGES AND STATUTORY EXPENDITURES</b>						
<b>MUNICIPAL -- WITHIN "CAPS"</b>						
Statutory Expenditures:						
Contribution to:						
Public Employees' Retirement System and ERI Liability	\$ 978,069.00	\$ 978,069.00	\$ 978,069.00			
Social Security System (O.A.S.I.)	620,922.36	632,147.36	631,914.43		\$ 232.93	
Unemployment Insurance	54,940.00	54,940.00	22,726.89		32,213.11	
Police and Fireman's Retirement System of N.J.	2,194,189.00	2,194,189.00	2,194,189.00			
<b>Total Deferred Charges and Statutory Expenditures Municipal -- Within "CAPS"</b>	<b>3,848,120.36</b>	<b>3,859,345.36</b>	<b>3,826,899.32</b>		<b>32,446.04</b>	
<b>Total General Appropriations for Municipal Purposes -- Within "CAPS"</b>	<b>31,438,185.36</b>	<b>31,438,185.36</b>	<b>30,452,126.81</b>	<b>\$ 432,900.00</b>	<b>553,158.55</b>	
<b>OPERATIONS -- EXCLUDED FROM "CAPS"</b>						
Employee Group Health	106,102.00	106,102.00	106,102.00			
Maintenance of Free Public Library (P.L. 1985, Ch. 82 & 541)	888,297.88	888,297.88	888,297.88			
<b>Total Other Operations Excluded from "CAPS"</b>	<b>994,399.88</b>	<b>994,399.88</b>	<b>994,399.88</b>			
<b>Public and Private Programs Off-Set by Revenues:</b>						
<b>Drunk Driving Enforcement Fund</b>						
Police						
Salaries and Wages	23,518.21	23,518.21	23,518.21			
<b>Drive Sober or Get Pulled Over</b>						
Police						
Salaries and Wages (N.J.S. 40A:4-87, \$10,000.00+)		10,000.00	10,000.00			
<b>Body Armor Replacement Fund</b>						
Police						
Other Expenses	6,982.95	6,982.95	6,982.95			
<b>New Jersey Division of Highway Safety Traffic:</b>						
<b>"Click it Or Ticket" Grant</b>						
Police						
Salaries and Wages (N.J.S. 40A:4-87, \$5,000.00+)		5,000.00	5,000.00			

(Continued)

**TOWNSHIP OF PENNSAUKEN**  
**CURRENT FUND**  
Statement of Expenditures -- Regulatory Basis  
For the Year Ended December 31, 2016

	Budget	Budget After Modification	Paid or Charged			Unexpended Balance Canceled
			Expended	Encumbered	Reserved	
OPERATIONS -- EXCLUDED FROM "CAPS" (Cont'd)						
Public and Private Programs Off-Set by Revenues (Cont'd):						
Justice Assisstance Grant (JAG)						
Police						
Other Expenses (N.J.S. 40A:4-87, \$10,591.00+)	\$ 700.00	\$ 11,291.00	\$ 11,291.00			
Emergency Management Assistance Grant						
Salary and Wages (N.J.S. 40A:4-87, \$7,000.00+)		7,000.00	7,000.00			
Camden County DWI Checkpoint Grant						
Salary and Wages (N.J.S. 40A:4-87, \$1,850.00+)		1,850.00	1,850.00			
Municipal Court Alcohol, Education and Rehabilitation Fund						
Municipal Court						
Other Expenses	353.60	353.60	353.60			
Camden County Recreation Facilities						
Enhancement Grant						
Other Expenses (N.J.S. 40A:4-87. \$25,000.00+)		25,000.00	25,000.00			
<b>Total Public and Private Programs Offset by Revenues</b>	<b>31,554.76</b>	<b>90,995.76</b>	<b>90,995.76</b>			
<b>Total Operations - Excluded from "CAPS"</b>	<b>1,025,954.64</b>	<b>1,085,395.64</b>	<b>1,085,395.64</b>			
Detail:						
Salaries and Wages	23,518.21	47,368.21	47,368.21			
Other Expenses	1,002,436.43	1,038,027.43	1,038,027.43			
CAPITAL IMPROVEMENTS -- EXCLUDED FROM "CAPS"						
Capital Improvement Fund	115,000.00	115,000.00	115,000.00			
<b>Total Capital Improvement Program -- Excluded from "CAPS"</b>	<b>115,000.00</b>	<b>115,000.00</b>	<b>115,000.00</b>			
MUNICIPAL DEBT SERVICE -- EXCLUDED FROM "CAPS"						
Payment of Bond Principal	2,085,000.00	2,085,000.00	2,085,000.00			
Interest on Bonds	610,795.00	610,795.00	610,793.76			\$ 1.24
Interest on Notes	145,065.00	145,065.00	132,721.00			12,344.00
<b>Total Municipal Debt Service -- Excluded from "CAPS"</b>	<b>2,840,860.00</b>	<b>2,840,860.00</b>	<b>2,828,514.76</b>			<b>12,345.24</b>

(Continued)

**TOWNSHIP OF PENNSAUKEN**  
**CURRENT FUND**  
Statement of Expenditures -- Regulatory Basis  
For the Year Ended December 31, 2016

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>			<u>Unexpended Balance Canceled</u>
			<u>Expended</u>	<u>Encumbered</u>	<u>Reserved</u>	
DEFERRED CHARGES - MUNICIPAL- EXCLUDED FROM "CAPS"						
Special Emergency Authorizations -- 5 Years (N.J.S. 40A:4-55)	\$ 340,000.00	\$ 340,000.00	\$ 340,000.00			
Total Deferred Charges - Municipal- Excluded from "CAPS"	<u>340,000.00</u>	<u>340,000.00</u>	<u>340,000.00</u>			
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	<u>4,321,814.64</u>	<u>4,381,255.64</u>	<u>4,368,910.40</u>			\$ 12,345.24
Subtotal General Appropriations	35,760,000.00	35,819,441.00	34,821,037.21	\$ 432,900.00	\$ 553,158.55	12,345.24
Reserve for Uncollected Taxes	<u>2,655,000.00</u>	<u>2,655,000.00</u>	<u>2,655,000.00</u>			
Total General Appropriations	<u>\$ 38,415,000.00</u>	<u>\$ 38,474,441.00</u>	<u>\$ 37,476,037.21</u>	<u>\$ 432,900.00</u>	<u>\$ 553,158.55</u>	<u>\$ 12,345.24</u>
Appropriated by 40A:4-87 Budget		\$ 59,441.00 <u>38,415,000.00</u>				
		<u>\$ 38,474,441.00</u>				
Refunds:						
Receipts			\$ (2,623,765.06)			
Disbursements			36,686,445.58			
Reserve for Federal and State Grants -- Appropriated			90,995.76			
Deferred Charge			340,000.00			
Reserve for Uncollected Taxes			2,655,000.00			
Due Animal Control Fund			185,670.00			
Due Trust - Other Fund			26,690.93			
Due General Capital Fund			<u>115,000.00</u>			
			<u>\$ 37,476,037.21</u>			

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

**TOWNSHIP OF PENNSAUKEN**  
**TRUST FUNDS**  
 Statements of Assets, Liabilities and Reserves -- Regulatory Basis  
 As of December 31, 2016 and 2015

ASSETS:	<u>Ref.</u>	<u>2016</u>	<u>2015</u>
Animal Control Fund:			
Cash	SB-1	\$ 1,670.31	\$ 9,080.05
Miscellaneous Accounts Receivable	SB-2		170,824.76
Due from Current Fund	SB-3	77.68	890.09
Deferred Charge -- Deficit in Reserve for Animal Control Expenditures	SB-5	<u>8,275.41</u>	
Total Animal Control Fund		<u>10,023.40</u>	<u>180,794.90</u>
Other Funds:			
Cash	SB-1	2,463,854.92	2,551,467.86
Mortgages Receivable	B	8,983.25	8,983.25
Housing Rehabilitation Program Inventory	SB-6	219,785.85	166,305.29
Community Development Block Grant Receivable	SB-7	231,543.50	374,484.89
Due from Current Fund	SB-8	<u>11,622.16</u>	
Total Other Funds		<u>2,935,789.68</u>	<u>3,101,241.29</u>
Total Assets		<u>\$ 2,945,813.08</u>	<u>\$ 3,282,036.19</u>

(Continued)

**TOWNSHIP OF PENNSAUKEN**  
**TRUST FUNDS**  
 Statements of Assets, Liabilities and Reserves -- Regulatory Basis  
 As of December 31, 2016 and 2015

LIABILITIES AND RESERVES:	<u>Ref.</u>	<u>2016</u>	<u>2015</u>
Animal Control Fund:			
Due to State of New Jersey	SB-4	\$ 23.40	\$ 10.80
Reserve for Animal Control Fund Expenditures	SB-5		30,784.10
Due to General Capital Fund	SC-7	10,000.00	150,000.00
Total Animal Control Fund		<u>10,023.40</u>	<u>180,794.90</u>
Other Funds:			
Due to Current Fund	SB-8		1,771.84
Due to Bank	SB-9	82.80	83.28
Due to General Capital Fund	SC-8	6,000.00	211,000.00
Reserve for Payroll Deductions Payable	SB-10	564,694.38	200,436.90
Reserve for Economic Development -- Urban Development Action Grant	SB-11	3,978.76	2,222.87
Reserve Community Development Block Grant	SB-12	196,495.40	128,295.56
Reserve for Section 8 Program:			
Restricted for Housing Assistance Payments	SB-13	66,351.31	12,889.82
Unrestricted	SB-13	41,775.99	33,138.22
Miscellaneous Trust Reserves:			
Reserve for Street Opening Deposits	SB-14	4,600.00	5,100.00
Reserve for Escrow Deposits	SB-14	19,441.93	21,206.77
Reserve for Unemployment Compensation Insurance	SB-14	7,491.78	350.12
Reserve for Parking Offense Adjudication Act	SB-14	1,610.71	957.21
Reserve for Public Defender	SB-14	14,610.31	7,726.52
Reserve for Planning and Zoning Deposits	SB-14	239,511.58	223,970.44
Reserve for Special Law Enforcement Officers:			
State Allocation	SB-14	65,343.37	75,594.45
Federal Allocation	SB-14	756.74	756.62
Reserve for Housing Rehabilitation Program	SB-14	230,466.08	174,741.72
Reserve for Tax Title Lien Redemption	SB-14	1,472,578.54	1,999,924.87
Reserve for Worker's Compensation Insurance	SB-14	1,074.08	1,074.08
Total Other Funds		<u>2,935,789.68</u>	<u>3,101,241.29</u>
Total Liabilities and Reserves		<u>\$ 2,945,813.08</u>	<u>\$ 3,282,036.19</u>

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

**TOWNSHIP OF PENNSAUKEN**  
**GENERAL CAPITAL FUND**  
 Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis  
 As of December 31, 2016 and 2015

ASSETS:	<u>Ref.</u>	<u>2016</u>	<u>2015</u>
Cash	SC-1	\$ 186,691.67	\$ 120,091.76
Deferred Charges to Future Taxation:			
Funded	SC-3	28,816,000.00	17,665,000.00
Unfunded	SC-4	3,450.00	10,666,375.00
Due from State of New Jersey:			
Transportation Trust Fund Grant Receivable	SC-5	58,387.25	228,260.50
Due from Current Fund	SC-6	276,920.56	110,557.06
Due from Animal Control Fund	SC-7	10,000.00	150,000.00
Due from Trust Other Fund	SC-8	6,000.00	211,000.00
Due from Garden State Preservation Trust Fund	C	322,000.00	322,000.00
<b>Total Assets</b>		<b><u>\$ 29,679,449.48</u></b>	<b><u>\$ 29,473,284.32</u></b>
LIABILITIES, RESERVES AND FUND BALANCE:			
Improvement Authorizations:			
Funded	SC-9	\$ 665,013.23	\$ 123,422.16
Unfunded	SC-9	950.00	709,521.69
Contracts Payable	SC-10	192,512.35	267,488.57
Capital Improvement Fund	SC-11	4,921.90	346.90
Bond Anticipation Notes	SC-12		10,663,500.00
General Serial Bonds	SC-13	28,816,000.00	17,665,000.00
Due to Bank	C	52.00	52.00
Fund Balance	C-1		43,953.00
<b>Total Liabilities, Reserves and Fund Balance</b>		<b><u>\$ 29,679,449.48</u></b>	<b><u>\$ 29,473,284.32</u></b>

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

**TOWNSHIP OF PENNSAUKEN**  
**GENERAL CAPITAL FUND**  
Statement of Fund Balance - Regulatory Basis  
For the Year Ended December 31, 2016

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Balance December 31, 2015	\$ 43,953.00
Decreased by:	
Anticipated as Revenue in Current Fund Budget:	
General Capital Fund Balance	<u>\$ 43,953.00</u>

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



**TOWNSHIP OF PENNSAUKEN**  
**GOLF COURSE UTILITY FUND**  
 Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis  
 As of December 31, 2016 and 2015

ASSETS:	Ref.	2016	2015
Operating Fund:			
Cash	SD-1	\$ 140,661.93	\$ 129,990.28
Cash -- Change Fund	SD-3	800.00	800.00
Due from Current Fund	SD-5	2,449.50	3,264.90
Due from Golf Course Utility Capital Fund	SD-9	<u>3,880.75</u>	<u>                    </u>
Total Operating Fund		<u>147,792.18</u>	<u>134,055.18</u>
Capital Fund:			
Cash	SD-1	14,676.00	10,647.81
Fixed Capital	SD-6	6,899,854.04	5,940,287.51
Fixed Capital Authorized and Uncompleted	SD-7	531,500.00	1,332,500.00
Due from Current Fund	SD-8	127,375.00	97,500.00
Due from Golf Course Utility Operating Fund	SD-9	<u>                    </u>	<u>376.87</u>
Total Capital Fund		<u>7,573,405.04</u>	<u>7,381,312.19</u>
Total Assets		<u>\$ 7,721,197.22</u>	<u>\$ 7,515,367.37</u>
LIABILITIES, RESERVES AND FUND BALANCE:			
Operating Fund:			
Due to Golf Course Utility Capital Fund	SD-9	<u>                    </u>	\$ 376.87
Appropriation Reserves	D-3, SD-10	\$ 28,283.51	17,360.35
Reserve for Encumbrances	D-3, SD-10	33,584.97	13,162.26
Accrued Interest on Bonds and Notes	SD-11	<u>11,578.69</u>	<u>11,393.78</u>
		<u>73,447.17</u>	<u>42,293.26</u>
Fund Balance	D-1	<u>74,345.01</u>	<u>91,761.92</u>
Total Operating Fund		<u>147,792.18</u>	<u>134,055.18</u>
Capital Fund:			
Due to Golf Course Utility Operating Fund	SD-9	3,880.75	<u>                    </u>
Improvement Authorizations:			
Funded	SD-12	89,873.23	485.30
Unfunded	SD-12	<u>                    </u>	<u>100,041.80</u>
Contracts Payable	SD-13	45,229.44	4,930.00
Reserve for Amortization	SD-14	5,952,354.04	5,895,287.51
Bond Anticipation Notes	SD-15	<u>                    </u>	<u>872,500.00</u>
Serial Bonds	SD-16	1,479,000.00	505,000.00
Capital Improvement Fund	D	3,029.00	3,029.00
Reserve for Preliminary Expenses	D	<u>38.58</u>	<u>38.58</u>
Total Capital Fund		<u>7,573,405.04</u>	<u>7,381,312.19</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 7,721,197.22</u>	<u>\$ 7,515,367.37</u>

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

**TOWNSHIP OF PENNSAUKEN**  
**GOLF COURSE UTILITY OPERATING FUND**  
 Statements of Operations and Changes in Fund Balance -- Regulatory Basis  
 For the Years Ended December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
<u>Revenue and Other Income Realized</u>		
Surplus Utilized	\$ 45,000.00	\$ 60,000.00
Playing Fees	941,023.00	943,494.00
Equipment Rental Fees	474,084.00	468,873.00
Miscellaneous	233,014.45	231,930.95
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	473.47	2,105.47
	<u>1,693,594.92</u>	<u>1,706,403.42</u>
<u>Expenditures</u>		
Operating	1,517,680.00	1,512,990.00
Capital Improvements	25,000.00	22,500.00
Debt Service	69,085.67	71,241.27
Deferred Charges and Statutory Expenditures	50,835.00	50,285.00
Refund of Prior Year Revenue	3,411.16	1,490.00
	<u>1,666,011.83</u>	<u>1,658,506.27</u>
Total Expenditures		
	<u>1,666,011.83</u>	<u>1,658,506.27</u>
Excess in Revenue	27,583.09	47,897.15
<u>Fund Balance</u>		
Balance January 1	91,761.92	103,864.77
	119,345.01	151,761.92
Decreased by:		
Utilized as Revenue in Golf Course Utility Operating Budget	45,000.00	60,000.00
	<u>74,345.01</u>	<u>91,761.92</u>
Balance December 31	<u>\$ 74,345.01</u>	<u>\$ 91,761.92</u>

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

**TOWNSHIP OF PENNSAUKEN**  
**GOLF COURSE UTILITY OPERATING FUND**  
Statement of Revenues -- Regulatory Basis  
For the Year Ended December 31, 2016

	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Operating Surplus Anticipated	\$ 45,000.00	\$ 45,000.00	
Playing Fees	940,000.00	941,023.00	\$ 1,023.00
Equipment Rental Fees	465,000.00	474,084.00	9,084.00
Miscellaneous	225,000.00	233,014.45	8,014.45
	<u>1,630,000.00</u>	<u>1,648,121.45</u>	<u>18,121.45</u>
	<u>\$ 1,675,000.00</u>	<u>\$ 1,693,121.45</u>	<u>\$ 18,121.45</u>
<u>Analysis of Realized Revenues:</u>			
Playing Fees:			
Greens Fees		\$ 684,328.00	
Golf Memberships		256,695.00	
			<u>\$ 941,023.00</u>
Equipment Rental Fees:			
Gas Carts		\$ 467,115.00	
Hand Carts		3,619.00	
Locker Rental		3,350.00	
			<u>\$ 474,084.00</u>
Miscellaneous:			
Receipts:			
Concessionaire Lease		\$ 195,000.00	
Interest on Investments and Deposits		382.13	
Miscellaneous		37,627.00	
			<u>\$ 233,009.13</u>
Due from Golf Course Utility Capital Fund:			
Interest on Investments and Deposits			<u>5.32</u>
			<u>\$ 233,014.45</u>

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

**TOWNSHIP OF PENNSAUKEN**  
**GOLF COURSE UTILITY OPERATING FUND**  
**Statement of Expenditures -- Regulatory Basis**  
**For the Year Ended December 31, 2016**

	<u>Appropriations</u>		<u>Paid or Charged</u>			<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Expended</u>	<u>Encumbered</u>	<u>Reserved</u>	
Operating:						
Salaries and Wages	\$ 684,230.00	\$ 664,230.00	\$ 654,134.03		\$ 10,095.97	
Other Expenses	653,450.00	673,450.00	632,365.98	\$ 25,667.07	15,416.95	
Payment in Lieu of Taxes -- Current Fund	180,000.00	180,000.00	180,000.00			
<b>Total Operating</b>	<u>1,517,680.00</u>	<u>1,517,680.00</u>	<u>1,466,500.01</u>	<u>25,667.07</u>	<u>25,512.92</u>	
Capital Improvements:						
Capital Outlay	25,000.00	25,000.00	17,066.53	7,917.90	15.57	
<b>Total Capital Improvements</b>	<u>25,000.00</u>	<u>25,000.00</u>	<u>17,066.53</u>	<u>7,917.90</u>	<u>15.57</u>	
Debt Service:						
Payment of Bond Principal	40,000.00	40,000.00	40,000.00			
Interest on Bonds	37,425.00	37,425.00	25,026.91			\$ 12,398.09
Interest on Notes	4,060.00	4,060.00	4,058.76			1.24
<b>Total Debt Service</b>	<u>81,485.00</u>	<u>81,485.00</u>	<u>69,085.67</u>			<u>12,399.33</u>
Deferred Charges and Statutory Expenditures:						
Statutory Expenditures:						
Contribution to:						
Social Security System (O.A.S.I.)	50,835.00	50,835.00	48,079.98		2,755.02	
<b>Total Utility Appropriations (Carried Forward)</b>	<u>\$ 1,675,000.00</u>	<u>\$ 1,675,000.00</u>	<u>\$ 1,600,732.19</u>	<u>\$ 33,584.97</u>	<u>\$ 28,283.51</u>	<u>\$ 12,399.33</u>

(Continued)

**TOWNSHIP OF PENNSAUKEN**  
**GOLF COURSE UTILITY OPERATING FUND**  
**Statement of Expenditures -- Regulatory Basis**  
**For the Year Ended December 31, 2016**

	<u>Appropriations</u>		<u>Paid or Charged</u>			<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Expended</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Balance Canceled</u>
Total Utility Appropriations (Brought Forward)	<u>\$ 1,675,000.00</u>	<u>\$ 1,675,000.00</u>	<u>\$ 1,600,732.19</u>	<u>\$ 33,584.97</u>	<u>\$ 28,283.51</u>	<u>\$ 12,399.33</u>
Refunds:						
Due Golf Course Utility Capital Fund			\$ (4,252.30)			
Receipts			(53,499.30)			
Disbursements			1,407,413.63			
Accrued Interest:						
Interest on Bonds			25,026.91			
Interest on Notes			4,058.76			
Due Current Fund--Payment in Lieu of Taxes			180,000.00			
Disbursements made by Current Fund			<u>41,984.49</u>			
			<u>\$ 1,600,732.19</u>			

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

**TOWNSHIP OF PENNSAUKEN**  
**GENERAL FIXED ASSETS GROUP OF ACCOUNTS**  
 Statement of General Fixed Asset Group of Accounts  
 For the Year Ended December 31, 2016

<u>Fixed Assets</u>	<u>Balance</u> <u>Dec. 31, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>Dec. 31, 2016</u>
Land and Buildings (at Assessed Valuation)	\$ 33,527,100.00	\$ 2,066,200.00		\$ 35,593,300.00
Computers and Computer Equipment	218,932.98	34,107.84		253,040.82
Furniture and Equipment	11,487,213.71	551,031.10	\$ 82,718.00	11,955,526.81
Vehicles	10,934,251.75	528,288.04	285,845.80	11,176,693.99
<b>Total Fixed Assets</b>	<b>\$ 56,167,498.44</b>	<b>\$ 3,179,626.98</b>	<b>\$ 368,563.80</b>	<b>\$ 58,978,561.62</b>
<b>Total Investment in Fixed Assets</b>	<b>\$ 56,167,498.44</b>	<b>\$ 3,179,626.98</b>	<b>\$ 368,563.80</b>	<b>\$ 58,978,561.62</b>

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

**TOWNSHIP OF PENNSAUKEN**  
Notes to Financial Statements  
For the Year Ended December 31, 2016

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**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Description of Financial Reporting Entity** - The Township of Pennsauken (hereafter referred to as the "Township") was incorporated as a township by an act of the New Jersey legislature on February 18, 1892 from portions of the now-defunct Stockton Township. The Township, located in Camden County, New Jersey, has a total area of approximately twelve square miles with approximately two miles of frontage along the Delaware River directly across from the City of Philadelphia, Pennsylvania. In New Jersey, the Township borders Camden, Cherry Hill, Collingswood and Merchantville in Camden County and Cinnaminson Township, Maple Shade Township and Palmyra Borough in Burlington County. According to the 2010 census, the population is 35,885.

The Township is governed under the Township Committee form of government, with a five-member Committee. The Committee is elected directly by the voters in partisan elections to serve three-year terms of office on a staggered basis, with one or two seats coming up for election each year. At an annual reorganization meeting, the Committee selects one of its members to serve as Mayor and another as Deputy Mayor. Legislative and executive power is vested in the Committee.

**Component Units** - The financial statements of the component units of the Township are not presented in accordance with Governmental Accounting Standards Board GASB Statements No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34*. If the provisions of GASBS No. 14, as amended by GASBS No. 39 and GASBS No. 61, had been complied with, the financial statements of the following component units would have been either blended or discretely presented with the financial statements of the Township, the primary government:

Pennsauken Sewerage Authority  
1250 John Tipton Blvd.  
Pennsauken, New Jersey 08110

Pennsauken Free Public Library  
5605 N. Crescent Blvd.  
Pennsauken, New Jersey 08110

Pennsauken Garbage District  
5605 N. Crescent Blvd.  
Pennsauken, New Jersey 08110

Merchantville - Pennsauken Water Commission  
20 W. Maple Ave.  
Merchantville, NJ 08109

Annual financial reports may be inspected directly at the offices of these component units during regular business hours.

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

**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* ("*Requirements*") 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* 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.

**Golf Course Utility Operating and Capital Funds** - The golf course utility operating and capital funds account for the operations and acquisition of capital facilities of the municipally owned golf course 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.

**Budgets and Budgetary Accounting** - The Township must adopt an annual budget for its current and golf course 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.



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

**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; therefore, unrealized gains or losses on investments have not been recorded.

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.

**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 acquisition value as of the date of the transaction. 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.

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

**General Fixed Assets (Cont'd)** - 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 include 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, 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 asset group of accounts. If such property is converted to a municipal use, it will be recorded in the general fixed asset group of accounts.

**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.

**Fund Balance** - Fund balances included in the current fund and golf course 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 is 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 Camden, the Township of Pennsauken School District, and the Township of Pennsauken Garbage District. Unpaid property taxes are subject to tax sale in accordance with the statutes.

**School Taxes** - The Township is responsible for levying, collecting, and remitting school taxes for the Township of Pennsauken School District. Operations is charged for the full amount required to be raised from taxation to operate the local school district for the period from January 1 to December 31.

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

**County Taxes** - The municipality is responsible for levying, collecting, and remitting county taxes for the County of Camden. 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 to 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.

**Garbage District Taxes** - The municipality is responsible for levying, collecting, and remitting garbage district taxes for the Township of Pennsauken Garbage District. Operations is charged for the full amount required to be raised from taxation to operate the Garbage 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.

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.

**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.

As of December 31, 2016 the Township's bank balances of \$12,355,043.91 were exposed to custodial credit risk as follows:

Insured by FDIC and GUDPA	\$ 10,134,746.29
Uninsured and Uncollateralized	<u>2,220,297.62</u>
Total	<u>\$ 12,355,043.91</u>

**New Jersey Cash Management Fund** - During the year, the Township participated in the New Jersey Cash Management Fund. The Fund is governed by regulations of the State Investment Council, who prescribe standards designed to insure the quality of investments in order to minimize risk to the Funds participants. Deposits with the New Jersey Cash Management Fund are not subject to custodial credit risk as defined above. At December 31, 2016, the Township's deposits with the New Jersey Cash Management Fund were \$5,880.02.

**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 calendar years:

**Comparative Schedule of Tax Rates**

	<u>Year Ended</u>				
	<u>2016</u>	<u>2015 *</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Tax Rate	<u>\$ 3.725</u>	<u>\$ 3.658</u>	<u>\$ 5.561</u>	<u>\$ 5.488</u>	<u>\$ 5.304</u>
Apportionment of Tax Rate:					
Municipal	\$ .941	\$ .943	\$ 1.451	\$ 1.458	\$ 1.359
Municipal Library	.034	.036	.054	.053	.056
County	.880	.865	1.290	1.258	1.219
Local School	1.697	1.644	2.504	2.447	2.406
Special District Tax:					
Garbage District	.173	.170	.262	.272	.264

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\* Revaluation

**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):

**Assessed Valuation**

<u>Year</u>	<u>Amount</u>
2016	\$ 2,346,443,560.00
2015 *	2,345,766,571.00
2014	1,525,323,350.00
2013	1,526,448,279.00
2012	1,539,119,253.00

\* Revaluation

**Comparison of Tax Levies and Collections**

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2016	\$ 87,601,004.42	\$ 85,279,951.27	97.35%
2015	86,368,349.63	83,848,802.70	97.08%
2014	84,949,378.79	82,511,022.38	97.13%
2013	83,839,123.00	81,526,377.47	97.24%
2012	81,710,617.32	78,529,131.18	96.11%

**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>
2016	\$ 805,606.71	\$ 2,122,541.21	\$ 2,928,147.92	3.34%
2015	567,712.60	2,308,964.44	2,876,677.04	3.33%
2014	424,527.41	2,253,848.10	2,678,375.51	3.15%
2013	350,655.47	2,131,767.90	2,482,423.37	2.96%
2012	266,874.61	2,858,719.39	3,125,594.00	3.83%

The following comparison is made of the number of tax title liens receivable on December 31 for the current and previous four calendar years:

<u>Year</u>	<u>Number</u>
2016	63
2015	55
2014	49
2013	43
2012	49

**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>
2016	\$ 2,550,800.00
2015	2,550,800.00
2014	2,550,800.00
2013	2,550,800.00
2012	2,550,800.00

**Note 5: MUNICIPAL ASSESSMENTS RECEIVABLE**

When owners do not maintain their properties in accordance with Township ordinances, assessments are imposed for the maintenance of the property. The balance due for the current and previous four years was as follows:

<u>Year</u>	<u>Amount</u>
2016	\$ 21,789.00
2015	21,789.00
2014	23,295.86
2013	30,674.51
2012	38,199.84

**Note 6: MORTGAGES RECEIVABLE**

At December 31, 2016, the Township has loans receivable recorded in the Trust Other Funds from various families that were granted funds for the purposes of property improvements under the Township's housing rehabilitation program. The term of the loans call for an interest rate of one percent and principal to be repaid monthly over two-hundred and forty months or at the time the property is sold or title transferred, which is decided by the family at the inception of the loan. Some of the loans are to be repaid on a monthly basis and others are to be repaid at the time of the sale or title transfer. The balance of these loans at December 31, 2016 was \$8,983.25.

**Note 7: FUND BALANCES APPROPRIATED**

The following schedules detail 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:

**Current Fund**

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
2016	\$ 3,805,698.78	\$ 200,000.00	5.26%
2015	3,022,535.19	600,000.00	19.85%
2014	1,795,077.87	255,079.87	14.21%
2013	1,164,284.23	378,920.36	32.55%
2012	238,144.28	115,000.00	48.29%

**Note 7: FUND BALANCES APPROPRIATED (CONT'D)**

The following schedules detail 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 (Cont'd):

**Golf Course Utility Fund**

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
2016	\$ 74,345.01	\$ 35,000.00	47.08%
2015	91,761.92	45,000.00	49.04%
2014	103,864.77	60,000.00	57.77%
2013	136,438.82	87,500.00	64.13%
2012	182,112.76	75,000.00	41.18%

**Note 8: 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, 2016:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
Current	\$ 17,572.75	\$ 418,444.90
Federal and State Grant		17,572.75
Trust - Animal Control	77.68	10,000.00
Trust - Other	11,622.16	6,000.00
General Capital	292,920.56	
Golf Course Utility - Operating	6,330.25	
Golf Course Utility - Capital	127,375.00	3,880.75
	<u>\$ 455,898.40</u>	<u>\$ 455,898.40</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 2017, the Township expects to liquidate such interfunds, depending upon the availability of cash flow.

**Note 9: 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, Township employees may 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.

**Note 9: PENSION PLANS (CONT'D)**

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.nj.gov/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.

**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 and 43:3B. The PERS provides retirement, death and disability benefits. All benefits vest after 10 years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of the PERS.



**Note 9: PENSION PLANS (CONT'D)****General Information about the Pension Plans (Cont'd)****Vesting and Benefit Provisions (Cont'd)**

**Public Employees' Retirement System (Cont'd)** - 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 1/55<sup>th</sup> of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60<sup>th</sup> of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and 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 10 years of service credit and have not reached the service retirement age for the respective tier.

**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 10 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.

**Note 9: PENSION PLANS (CONT'D)****General Information about the Pension Plans (Cont'd)****Vesting and Benefit Provisions (Cont'd)**

**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 non-forfeitable. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employer contributions shall be vested and non-forfeitable on the date the participant commences the second year of employment or upon his or her attainment of age 65, while employed by an employer, whichever occurs first.

**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 7 years beginning in July 2012. The member contribution rate was 7.06% in State fiscal year 2016. 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' contribution amounts are based on an actuarially determined rate. The Township's contribution amounts are based on an actuarially determined rate which included the normal cost and unfunded accrued liability.

The Township's contractually required contribution rate for the year ended December 31, 2016 was 12.91% of the Township's covered 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.

Based on the most recent PERS measurement date of June 30, 2016, the Township's contractually required contribution to the pension plan for the year ended December 31, 2016 is \$897,705.00, and is payable by April 1, 2017. 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, 2015, the Township's contractually required contribution to the pension plan for the year ended December 31, 2015 was \$876,326.00, which was paid on April 1, 2016. Employee contributions to the plan during the year ended December 31, 2016 were \$505,575.09.

**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.

**Note 9: PENSION PLANS (CONT'D)****General Information about the Pension Plans (Cont'd)****Contributions (Cont'd)**

**Police and Firemen's Retirement System (Cont'd) - 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, 2016 was 26.65% of the Township's covered 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, 2016, the Township's contractually required contribution to the pension plan for the year ended December 31, 2016 is \$2,257,480.00, and is payable by April 1, 2017. 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, 2015, the Township's contractually required contribution to the pension plan for the year ended December 31, 2015 was \$2,194,189.00, which was paid on April 1, 2016. Employee contributions to the plan during the year ended December 31, 2016 were \$857,199.46.

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, 2016 was 2.01% of the Township's covered payroll.

Based on the most recent PFRS measurement date of June 30, 2016, the State's contractually required contribution, on-behalf of the Township, to the pension plan for the year ended December 31, 2016 is \$170,184.00, and is payable by April 1, 2017. Based on the 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 was \$205,255.00, which was paid on April 1, 2016.

**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, 2016, the Township had no employees participating in this plan.

**Note 9: PENSION PLANS (CONT'D)****Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

**Public Employees' Retirement System** - At December 31, 2016, the Township's proportionate share of the PERS net pension liability was \$29,927,819.00. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015. 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, 2016. 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, 2016 measurement date, the Township's proportion was 0.1010490132%, which was a decrease of (0.0008811464%) from its proportion measured as of June 30, 2015.

At December 31, 2016, the Township's proportionate share of the PERS pension expense, calculated by the plan as of the June 30, 2016 measurement date is \$2,777,937.00. 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, 2016, the Township's contribution to PERS was \$876,326.00, and was paid on April 1, 2016.

**Police and Firemen's Retirement System** - At December 31, 2016, 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	\$ 52,890,342.00
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Township	<u>4,441,477.00</u>
	<u>\$ 57,331,819.00</u>

The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015. 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, 2016. 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, 2016 measurement date, the Township's proportion was 0.2768757032%, which was an increase of 0.0069382336% from its proportion measured as of June 30, 2015. Likewise, at June 30, 2016, the State of New Jersey's proportion, on-behalf of the Township, was 0.2768757032%, which was an increase of 0.0069382336% from its proportion, on-behalf of the Township, measured as of June 30, 2015.

At December 31, 2016, the Township's proportionate share of the PFRS pension expense, calculated by the plan as of the June 30, 2016 measurement date is \$5,201,768.00. 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, 2016, the Township's contribution to PFRS was \$2,194,189.00, and was paid on April 1, 2016.

At December 31, 2016, the State's proportionate share of the PFRS pension expense, associated with the Township, calculated by the plan as of the June 30, 2016 measurement date is \$567,281.00. This on-behalf expense is not recognized by the Township because of the regulatory basis of accounting as described in note 1.

**Note 9: 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** - At December 31, 2016, 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		
	PERS	PFRS	Total	PERS	PFRS	Total
Differences between Expected and Actual Experience	\$ 556,567.00		\$ 556,567.00		\$ 346,704.00	\$ 346,704.00
Changes of Assumptions	6,199,446.00	\$ 7,325,747.00	13,525,193.00			
Net Difference between Projected and Actual Earnings on Pension Plan Investments	1,141,175.00	3,705,920.00	4,847,095.00			
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions	382,215.00	798,122.00	1,180,337.00	\$ 735,156.00	2,173,695.00	2,908,851.00
Township Contributions Subsequent to the Measurement Date	448,853.00	1,128,740.00	1,577,593.00			
	<u>\$ 8,728,256.00</u>	<u>\$ 12,958,529.00</u>	<u>\$ 21,686,785.00</u>	<u>\$ 735,156.00</u>	<u>\$ 2,520,399.00</u>	<u>\$ 3,255,555.00</u>

\$448,853.00 and \$1,128,740.00 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, 2017. These amounts were based on an estimated April 1, 2018 contractually required contribution, prorated from the pension plans measurement date of June 30, 2016 to the Township's year end of December 31, 2016.

**Note 9: 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:

	<u>PERS</u>		<u>PFRS</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience				
Year of Pension Plan Deferral:				
June 30, 2014	-	-	-	-
June 30, 2015	5.72	-	-	5.53
June 30, 2016	5.57	-	-	5.58
Changes of Assumptions				
Year of Pension Plan Deferral:				
June 30, 2014	6.44	-	6.17	-
June 30, 2015	5.72	-	5.53	-
June 30, 2016	5.57	-	5.58	
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
June 30, 2016	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
June 30, 2016	5.57	5.57	5.58	5.58

**Note 9: 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:

<b>Year Ending</b>			
<b><u>Dec 31,</u></b>	<b><u>PERS</u></b>	<b><u>PFRS</u></b>	<b><u>Total</u></b>
2017	\$ 1,698,646.00	\$ 2,100,395.00	\$ 3,799,041.00
2018	1,698,646.00	2,100,395.00	3,799,041.00
2019	1,980,516.00	2,988,926.00	4,969,442.00
2020	1,633,548.00	1,933,220.00	3,566,768.00
2021	532,891.00	186,454.00	719,345.00
	<u>\$ 7,544,247.00</u>	<u>\$ 9,309,390.00</u>	<u>\$ 16,853,637.00</u>

**Actuarial Assumptions**

The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015. 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, 2016. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	<b><u>PERS</u></b>	<b><u>PFRS</u></b>
Inflation	3.08%	3.08%
Salary Increases:		
Through 2026	1.65% - 4.15% Based on Age	2.10% - 8.98% Based on Age
Thereafter	2.65% - 5.15% Based on Age	3.10% - 9.98% Based on Age
Investment Rate of Return	7.65%	7.65%
Mortality Rate Table	RP-2000	RP-2000
Period of Actuarial Experience		
Study upon which Actuarial Assumptions were Based	July 1, 2011 - June 30, 2014	July 1, 2010 - June 30, 2013

For PERS, pre-retirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. Mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on mortality improvement Scale AA.

**Note 9: PENSION PLANS (CONT'D)****Actuarial Assumptions (Cont'd)**

In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale.

For PFRS, pre-retirement mortality rates were based on the RP-2000 Pre-Retirement mortality tables projected thirteen years using Projection Scale BB and then projected on a generational basis using the plan actuary's modified 2014 projection scales. Post-retirement mortality rates for male service retirements and beneficiaries are based the RP-2000 Combined Healthy Mortality Tables projected one year using Projection Scale AA and two years using the plan actuary's modified 2014 projection scales, which was further projected on a generational basis using the plan actuary's modified 2014 projection scales. Postretirement mortality rates for female service retirements and beneficiaries were based the RP-2000 Combined Healthy Mortality Tables projected thirteen years using Projection Scale BB and then two years using the plan actuary's modified 2014 projection scales, which was further projected on a generational basis using the plan actuary's modified 2014 projection scales. Disability mortality rates were based on special mortality tables used for the period after disability retirement.

For PERS and PFRS, in accordance with State statute, the long-term expected rate of return on plan investments (7.65% at June 30, 2016) 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, 2016 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%	0.87%
U.S. Treasuries	1.50%	1.74%
Investment Grade Credit	8.00%	1.79%
Mortgages	2.00%	1.67%
High Yield Bonds	2.00%	4.56%
Inflation-Indexed Bonds	1.50%	3.44%
Broad U.S. Equities	26.00%	8.53%
Developed Foreign Equities	13.25%	6.83%
Emerging Market Equities	6.50%	9.95%
Private Equity	9.00%	12.40%
Hedge Funds / Absolute Return	12.50%	4.68%
Real Estate (Property)	2.00%	6.91%
Commodities	0.50%	5.45%
Global Debt ex U.S.	5.00%	-0.25%
REIT	5.25%	5.63%
	<u>100.00%</u>	



**Note 9: PENSION PLANS (CONT'D)****Actuarial Assumptions (Cont'd)**

**Discount Rate** - The discount rate used to measure the total pension liability at June 30, 2016 was 3.98% for PERS and 5.55% 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 7.65%, and a municipal bond rate of 2.85% as of June 30, 2016, 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 the nonemployer contributing entity will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 30% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2034 for PERS and through 2050 for PFRS. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2034 for PERS and through 2050 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, 2016, the plans measurement date, calculated using a discount rate of 3.98%, 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:

	<b>PERS</b>		
	<b>1% Decrease (2.98%)</b>	<b>Current Discount Rate (3.98%)</b>	<b>1% Increase (4.98%)</b>
Township's Proportionate Share of the Net Pension Liability	<u>\$ 36,673,050.00</u>	<u>\$ 29,927,819.00</u>	<u>\$ 24,359,047.00</u>

**Note 9: PENSION PLANS (CONT'D)****Sensitivity of Township's Proportionate Share of Net Pension Liability to Changes in the Discount Rate (Cont'd)**

**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, 2016, the plans measurement date, for the Township and the State of New Jersey, calculated using a discount rate of 5.55%, as well as using a discount rate that is 1% lower or 1% higher than the current rates used is as follows:

	<b>PFRS</b>		
	<b>1% Decrease (4.55%)</b>	<b>Current Discount Rate (5.55%)</b>	<b>1% Increase (6.55%)</b>
Township's Proportionate Share of the Net Pension Liability	\$ 68,198,218.00	\$ 52,890,342.00	\$ 40,407,690.00
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Township	<u>5,726,958.92</u>	<u>4,441,477.00</u>	<u>3,393,243.82</u>
	<u>\$ 73,925,176.92</u>	<u>\$ 57,331,819.00</u>	<u>\$ 43,800,933.82</u>

**Pension Plan Fiduciary Net Position**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the respective fiduciary net position of the PERS and PFRS and additions to/deductions from PERS and PFRS' respective fiduciary net position have been determined on the same basis as they are reported by PERS and PFRS. Accordingly, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. For additional information about PERS and PFRS, please refer to the plan's Comprehensive Annual Financial Report (CAFR) which can be found at [www.nj.gov/treasury/pensions](http://www.nj.gov/treasury/pensions).

**Note 9: PENSION PLANS (CONT'D)****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 Four Years)***

	<u>Measurement Date Ended June 30,</u>			
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Township's Proportion of the Net Pension Liability	0.1010490132%	0.1019301596%	0.1066554322%	0.1029114824%
Township's Proportionate Share of the Net Pension Liability	\$ 29,927,819.00	\$ 22,881,278.00	\$ 19,968,814.00	\$ 19,668,429.00
Township's Covered Payroll (Plan Measurement Period)	\$ 6,942,460.00	\$ 7,029,892.00	\$ 7,357,840.00	\$ 7,039,184.00
Township's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	431.08%	325.49%	271.40%	279.41%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	40.14%	47.93%	52.08%	48.72%

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

	<u>Year Ended December 31,</u>			
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Township's Contractually Required Contribution	\$ 897,705.00	\$ 876,326.00	\$ 879,252.00	\$ 775,417.00
Township's Contribution in Relation to the Contractually Required Contribution	(897,705.00)	(876,326.00)	(879,252.00)	(775,417.00)
Township's Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -
Township's Covered Payroll (Calendar Year)	\$ 6,953,551.00	\$ 6,936,061.00	\$ 7,110,665.00	\$ 7,258,296.00
Township's Contributions as a Percentage of its Covered Payroll	12.91%	12.63%	12.37%	10.68%

**Note 9: 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 Four Years)***

	<u>Measurement Date Ended June 30,</u>			
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Township's Proportion of the Net Pension Liability	0.2768757032%	0.2699374696%	0.2896178346%	0.2968137408%
Township's Proportionate Share of the Net Pension Liability	\$ 52,890,342.00	\$ 44,962,173.00	\$ 36,431,237.00	\$ 39,458,708.00
State's Proportionate Share of the Net Pension Liability associated with the Township	4,441,477.00	3,943,032.00	3,932,032.00	3,678,031.00
<b>Total</b>	<b>\$ 57,331,819.00</b>	<b>\$ 48,905,205.00</b>	<b>\$ 40,363,269.00</b>	<b>\$ 43,136,739.00</b>
Township's Covered Payroll (Plan Measurement Period)	\$ 8,866,668.00	\$ 8,641,260.00	\$ 9,086,620.00	\$ 9,315,008.00
Township's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	596.51%	520.32%	400.93%	423.60%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	52.01%	56.31%	62.41%	58.70%

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

	<u>Year Ended December 31,</u>			
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Township's Contractually Required Contribution	\$ 2,257,480.00	\$ 2,194,189.00	\$ 2,224,465.00	\$ 2,165,487.00
Township's Contribution in Relation to the Contractually Required Contribution	(2,257,480.00)	(2,194,189.00)	(2,224,465.00)	(2,165,487.00)
Township's Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -
Township's Covered Payroll (Calendar Year)	\$ 8,472,342.00	\$ 8,672,192.00	\$ 8,708,801.00	\$ 8,944,369.00
Township's Contributions as a Percentage of its Covered Payroll	26.65%	25.30%	25.54%	24.21%

**Other Notes to Supplementary Pension Information*****Public Employees' Retirement System (PERS)***

Changes in Benefit Terms - None

Changes in Assumptions - For 2016, the discount rate changed to 3.98%, the long-term expected rate of return changed to 7.65%, demographic assumptions were revised in accordance with the results of the July 1, 2011 - June 30, 2014 experience study and the mortality improvement scale incorporated the plan actuary's modified MP-2014 projection scale. Further, salary increases were assumed to increase between 1.65% and 4.15% (based on age) through fiscal year 2026 and 2.65% and 5.15% (based on age) for each fiscal year thereafter. For 2015, the discount rate changed to 4.90%. In addition, the social security wage base was set at \$118,500 for 2015, increasing 4.00% per annum, compounded annually and the 401(a)(17) pay limit was set at \$265,000 for 2015, increasing 3.00% per annum, compounded annually. For 2014, the discount rate was 5.39%.

**Note 9: PENSION PLANS (CONT'D)****Other Notes to Supplementary Pension Information (Cont'd)*****Police and Firemen's Retirement System (PFRS)***

Changes in Benefit Terms - None

Changes in Assumptions - For 2016, the discount rate changed to 5.55%, the long-term expected rate of return changed to 7.65%, and the mortality improvement scale incorporated the plan actuary's modified 2014 projection scale. Further, salary increases were assumed to increase between 2.10% and 8.98% (based on age) through fiscal year 2026 and 3.10% and 9.98% (based on age) for each fiscal year thereafter. For 2015, the discount rate changed to 5.79% and demographic assumptions were revised in accordance with the results of the July 1, 2010 - June 30, 2013 experience study. For 2014, the discount rate was 6.32%.

**Early Retirement Incentive Program** – Legislation enacted in 1991 and 1993 made early retirement available through Early Retirement Incentive Programs. These programs, which were subject to the approval of the Township's governing body, were available to employees who met certain minimum requirements. The Township participates in three Early Retirement Incentive Programs, ERIP 1, 2 and 4. Under each of these programs, there is an accrued liability. Under Program 1, the accrued liability as of December 31, 2016 was \$30,650.00 payable in annual installments of \$6,130.00 with the last installment due on April 1, 2021. For Program 2, the accrued liability as of December 31, 2016 was \$124,049.00 payable in annual installments of \$7,297.00 with the last installment due on April 1, 2033. For Program 4, the accrued liability as of December 31, 2016 was \$441,580.00 payable in annual installments of \$88,316.00 with the last installment due on April 1, 2021.

**Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS**

**Plan Description** - The Township contributes to the State Health Benefits Program ("SHBP"), a cost-sharing, multiple-employer defined benefit post-employment healthcare plan, administered by the State of New Jersey Division of Pensions and Benefits. SHBP was established in 1961 under N.J.S.A. 52:14-17.25 et seq., to provide health benefits to State employees, retirees, and their dependents. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents.

The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the SHBP. Several years ago, the Township authorized participation in the SHBP's post-retirement benefit program through a resolution adopted by the governing body. The Township provides postemployment health care benefits, at its cost, to Township employees retiring under an early retirement incentive program.

The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295 or by visiting their website at [www.state.nj.us/treasury/pensions/](http://www.state.nj.us/treasury/pensions/).

**Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**

**Funding Policy** - Participating employers are contractually required to contribute based on the amount of premiums attributable to their retirees. Post-retirement medical benefits under the plan have been funded on a pay-as-you-go basis since 1994. Prior to 1994, medical benefits were funded on an actuarial basis. Contributions to pay for the health premiums of participating retirees in the SHBP are billed to the Township on a monthly basis. The Township funds these benefits on a pay-as-you-go basis and, therefore, does not record accrued expenses related to these benefits. The Township's contributions to SHBP for the years ended December 31, 2016, 2015, and 2014, were \$50,820.48, \$60,921.33, and \$64,888.32, respectively, which equaled the required contributions each year. There were 6 retired participants eligible at December 31, 2016, 2015 and 2014.

In addition to the benefits described above, the Township provides post-employment health care benefits, at its cost, to certain eligible retirees and dependents under a separate plan.

**Plan Description** - The Township provides postretirement health care benefits through a health plan for retirees and their dependents, which includes a medical, dental, prescription drug and vision plan. The Township's plan provides an agent multiple-employer post-employment healthcare plan which covers the following retiree population: eligible retirees who retire from active employment with the Township who have at least thirty (30) years of service with the Township and are members of the New Jersey Public Employees Retirement System (PERS) or eligible retirees who retire with at least twenty-five (25) years of service with the Township and have at least 25 years of service in the New Jersey Police and Firemen's Retirement System (PFRS). Once Medicare age is attained by either the retired employee or spouse, Medicare is primary and the Township provides supplementary medical insurance benefits. Currently, one hundred twenty-six (126) retirees meet these eligibility requirements. The plan is administered by the Township; therefore, premium payments are made directly to the insurance carriers.

**Funding Policy** - The contribution requirements of plan members and the Township are established and may be amended by the Township's governing body. If required by Chapter 78 of P.L. 2011 which was effective June 28, 2011, the percentage of premium contribution by plan members receiving benefits is derived from base salary or retirement allowance and type of coverage tier is multiplied by the total premium for the cost of the coverage received.

**Retirees** - The Township presently funds its current retiree postemployment benefit costs on a "pay-as-you-go" basis and as shown above, receives monthly contributions from retirees if required to offset a portion of the cost. The Township's contributions to the plan for the years ended December 31, 2016, 2015, and 2014 were \$3,159,796.84, \$2,587,618.25, and \$2,537,953.50, respectively.

**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 \$5,579,912.00 at an unfunded discount rate of 5.0%. As stated above, the Township has funded the cost of existing retirees in the amount of \$3,159,796.84, and has incurred the benefit costs for future eligible employees, but has not yet begun funding this outstanding liability.

**Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**

**Annual OPEB Cost** - For year ended December 31, 2016, the Township's annual OPEB cost (expense) of \$5,579,912.00 for the plan was equal to 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 the year 2016 is as follows:

	<b><u>2016</u></b>
Annual Required Contribution (ARC)	\$ 5,579,912.00
Interest on the Net OPEB Obligation	-
Adjustment to the ARC	-
	<hr/>
Annual OPEB Cost	5,579,912.00
Pay-as-You Go Cost (Existing Retirees)	(3,159,796.84)
	<hr/>
Increase (Decrease) in the Net OPEB Obligation	2,420,115.16
Net OPEB Obligation, January 1	-
	<hr/>
Net OPEB Obligation, December 31	<u>\$ 2,420,115.16</u>
Percentage of Annual OPEB Cost Contributed	56.6%

**Funded Status and Funding Progress** - The funded status of the plan as of the December 31, 2016 actuarial valuation date is as follows:

	<b><u>2016</u></b>
Actuarial Accrued Liability (AAL)	\$ 64,309,955.00
Actuarial Value of Plan Assets	-
	<hr/>
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$ 64,309,955.00</u>
Funded Ratio (Actuarial Value of Plan Assets / AAL)	0.0%
Covered Payroll (Active Plan Members)	\$ 15,425,893.00
UAAL as a Percentage of Covered Payroll	416.9%

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 above, 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.

**Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**

**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, 2016 actuarial valuation, the projected 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.
- *Turnover.* Termination of employment other than for death or retirement in accordance with the U.S. Office of Personnel Management regarding the experience of the employee group covered by the Federal Employees Retirement System.
- *Assumed Retirement Age.* At first eligibility but no earlier than age 55.
- *Full Attribution Period.* service to assumed retirement age.
- *Annual Discount Rate.* Future costs have been discounted at the rate of 5.0% compounded annually for GASB 45 purposes.
- *Healthcare Cost Inflation.* Increase at an annual rate of 7.0% for pre-Medicare benefits and 5.0% for post-Medicare benefits.
- *Retiree Contributions.* When applicable, a percentage of the annual premium coverage is required from eligible retirees in accordance with Chapter 78, P.L. 2011 which was effective June 28, 2011.

**Note 11: COMPENSATED ABSENCES**

Non-uniformed Township employees are entitled to fifteen paid sick leave days each year and uniformed employees are entitled to seventeen paid sick leave days each year. Police and fire employees are entitled to seventeen paid sick leave days each year. Unused sick leave may be accumulated and carried forward. Vacation days not used during the year may be accumulated and carried forward; however, only a maximum of one's year unused vacation days may be carried forward. All full-time employees are entitled to three personal holidays, plus fourteen or thirteen holidays depending upon whether they are uniformed or non-uniformed employees respectively. All police and fire employees may carry forward an unlimited number of unused vacation days and holidays but are compensated for a maximum of one hundred upon termination.

Permanent part-time employees are entitled to compensated absences; however, regular part-time employees are not compensated for absences.

The Township compensates employees with more than thirty years of service for one half of their unused sick leave upon termination or retirement. Employees with less than thirty-five years of service are not compensated.

The Township does not record accrued expenses related to compensated absences. However, it is estimated that, at December 31, 2016, accrued benefits for compensated absences are valued at \$1,280,484.13.



**Note 12: DEFERRED COMPENSATION SALARY ACCOUNT**

The Township offers its employees a deferred compensation plan in accordance with Internal Revenue Code Section 457, which has been approved by the Director of the Division of Local Government Services. The Plan, available to all full time employees at their option, permits employees to defer a portion of their salary to future years. The deferred compensation is not available to participants until termination, retirement, death, or unforeseeable emergency.

Amounts deferred under Section 457 plans must be held in trust for the exclusive benefit of participating employees and not be accessible by the Township or its creditors. Since the Township does not have a fiduciary relationship with the Plan, the balances and activities of the Plan are not reported in the Township's financial statements.

**Note 13: LEASE OBLIGATIONS**

At December 31, 2016, the Township had lease agreements in effect for the following:

- Capital:
  - Seventy-eight (78) Golf Carts
- Operating:
  - One (1) 2011 Chevrolet Equinox
  - One (1) 2015 Ford Escape

**Capital leases** - The following is an analysis of the Township's capital leases:

<u>Description</u>	<u>Balance at December 31,</u>	
	<u>2016</u>	<u>2015</u>
Golf Carts	\$ 29,465.39	\$ 98,384.80

The following schedule represents the remaining principal and interest payments, through maturity, for capital leases:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	<u>\$ 29,465.39</u>	<u>\$ 270.46</u>	<u>\$ 29,735.85</u>
	<u>\$ 29,465.39</u>	<u>\$ 270.46</u>	<u>\$ 29,735.85</u>

**Operating Leases** - Future minimum lease payments under operating lease agreements are as follows:

<u>Year</u>	<u>Amount</u>
2017	\$ 4,555.00
2018	4,500.00
2019	4,500.00
2020	1,175.00

Rental payments under operating leases for the year 2016 were \$4,920.00.

**Note 14: CAPITAL DEBT****General Improvement Bonds**

General Obligation Bonds, Series 2008 - On September 1, 2008, the Township issued \$9,940,000.00 of general obligation bonds, with interest rates ranging from 3.5% to 4.0%. The purpose of the bonds is to fund various capital ordinances in the Township. The final maturity of the bonds is September 1, 2023.

General Obligation Bonds, Series 2011 - On August 31, 2011, the Township issued \$12,850,000.00 in general obligation bonds, with interest rates ranging from 2.5% to 4.0%. The purpose of the bonds is to fund various capital ordinances in the Township. The final maturity of the bonds is August 15, 2026.

General Obligation Bonds, Series 2016 - On June 22, 2016, the Township issued \$13,236,000.00 in general obligation bonds, with interest rates ranging from 1.0% to 2.375%. The purpose of the bonds is to fund various capital ordinances in the Township. The final maturity of the bonds is March 1, 2029.

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>
2017	\$ 2,419,535.00	\$ 846,111.76	3,265,646.76
2018	2,549,198.00	732,267.76	3,281,465.76
2019	2,618,131.00	661,844.76	3,279,975.76
2020	2,696,707.00	584,746.76	3,281,453.76
2021	2,780,284.00	505,126.76	3,285,410.76
2022-2026	12,352,583.00	1,332,221.52	13,684,804.52
2027-2029	<u>3,399,562.00</u>	<u>118,235.00</u>	<u>3,517,797.00</u>
	<u>\$ 28,816,000.00</u>	<u>\$ 4,780,554.32</u>	<u>\$ 33,596,554.32</u>

**Golf Course Utility Debt – General Obligation Bonds**

General Obligation Bonds, Series 2008 - On September 1, 2008, the Township issued \$810,000.00 of general obligation bonds, with interest rates ranging from 3.5% to 4.0%. The purpose of the bonds is to fund various ordinances in the Township's golf course utility. The final maturity of the bonds is September 1, 2023.

General Obligation Bonds, Series 2016 - On June 22, 2016, the Township issued \$1,014,000.00 in general obligation bonds, with interest rates ranging from 1.0% to 2.375%. The purpose of the bonds is to fund various capital ordinances in the Township's golf course utility. The final maturity of the bonds is March 1, 2029.

**Note 14: CAPITAL DEBT (CONT'D)**

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 125,465.00	\$ 42,314.00	\$ 167,779.00
2018	130,802.00	35,014.00	165,816.00
2019	136,869.00	31,187.00	168,056.00
2020	138,293.00	27,135.00	165,428.00
2021	144,716.00	23,055.00	167,771.00
2022-2026	542,417.00	57,802.00	600,219.00
2027-2029	260,438.00	9,058.00	269,496.00
	<u>\$ 1,479,000.00</u>	<u>\$ 225,565.00</u>	<u>\$ 1,704,565.00</u>

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b><u>Issued</u></b>			
General:			
Bonds and Notes	\$ 28,816,000.00	\$ 28,328,500.00	\$ 27,997,500.00
Water Utility:			
Bonds and Notes (Note A)	5,219,304.39	6,318,744.31	7,603,150.92
Golf Course Utility:			
Bonds and Notes	1,479,000.00	1,377,500.00	1,352,500.00
Total Issued	<u>35,514,304.39</u>	<u>36,024,744.31</u>	<u>36,953,150.92</u>
<b><u>Authorized but not Issued</u></b>			
General:			
Bonds and Notes	3,450.00	2,875.00	158,625.00
Total Authorized but not Issued	<u>3,450.00</u>	<u>2,875.00</u>	<u>158,625.00</u>
Total Issued and Authorized but not Issued	<u>35,517,754.39</u>	<u>36,027,619.31</u>	<u>37,111,775.92</u>
<b><u>Deductions</u></b>			
Water Utility:			
Self-Liquidating (Note A)	5,219,304.39	6,318,744.31	7,603,150.92
Golf Course Utility:			
Self-Liquidating	1,479,000.00	1,377,500.00	1,352,500.00
Total Deductions	<u>6,698,304.39</u>	<u>7,696,244.31</u>	<u>8,955,650.92</u>
<b>Net Debt</b>	<u>\$ 28,819,450.00</u>	<u>\$ 28,331,375.00</u>	<u>\$ 28,156,125.00</u>

Note A - Represents the Township of Pennsauken's share of the debt of the Merchantville-Pennsauken Water Commission. The Commission is jointly owned by the Township of Pennsauken and the Borough of Merchantville.

**Note 14: CAPITAL DEBT (CONT'D)****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 1.166%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
School Purposes	\$ 10,385,000.00	\$ 10,385,000.00	
Self-Liquidating	6,698,304.39	6,698,304.39	
General	28,819,450.00		\$ 28,819,450.00
	<u>\$ 45,902,754.39</u>	<u>\$ 17,083,304.39</u>	<u>\$ 28,819,450.00</u>

Net debt \$28,819,450.00 divided by the equalized valuation basis per N.J.S.A.40A:2-2, as amended, \$2,472,051,922.00, equals 1.166%.

**Borrowing Power Under N.J.S.A. 40A:2-6 as Amended**

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 86,521,817.27
Less: Net Debt	<u>28,819,450.00</u>
Remaining Borrowing Power	<u>\$ 57,702,367.27</u>

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

Cash Receipts from Fees, Rents, Fund Balance Anticipated, Interest and Other Investment Income, and Other Charges for the Year	\$ 1,693,121.45
Deductions:	
Operating and Maintenance Costs \$	1,593,515.00
Debt Service	<u>69,085.67</u>
Total Deductions	<u>1,662,600.67</u>
Excess in Revenue	<u>\$ 30,520.78</u>

**Calculation of "Self-Liquidating Purpose,"  
Merchantville-Pennsauken Water Commission Per N.J.S.A. 40:2-45**

Cash Receipts from Fees, Rents, Fund Balance Anticipated, Interest and Other Investment Income, and Other Charges for the Year	\$ 9,062,555.73
Deductions:	
Operating and Maintenance Costs \$	6,894,944.74
Debt Service	<u>1,196,335.86</u>
Total Deductions	<u>8,091,280.60</u>
Excess in Revenue	<u>\$ 971,275.13</u>

**Note 15: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS**

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2016, the following deferred charges are shown on the statements of assets, liabilities, reserves and fund balance of the following fund(s):

<u>Description</u>	<u>Balance December 31, 2016</u>	<u>2017 Budget Appropriation</u>
Current Fund:		
Special Emergency Authorization	\$ 860,000.00	\$ 340,000.00
Animal Control Fund:		
Deficit in Reserve for Animal Control Expenditures	8,275.41	8,275.41

The appropriations in the 2017 Budget as adopted are not less than that required by the statutes.

**Note 16: 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.

**Property and Liability Insurance** - The Township maintains commercial insurance coverage for property, liability, vehicle, surety bonds, etc.

**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>Interest Earnings</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2016	\$ 27,780.19	\$ 0.46	\$ 20,638.99	\$ 7,491.78
2015	104,514.67	0.75	109,405.34	350.12
2014	54,319.96	0.94	50,362.17	5,240.04

It is estimated that unreimbursed payments on behalf of the Township at December 31, 2016 are \$6,582.76.

**Note 16: RISK MANAGEMENT (CONT'D)**

**Self-Insurance Plan** - The Township has adopted a plan of self-insurance for workers' compensation insurance, and as a result, has established a trust fund to fund potential claims up to \$500,000.00 per any one accident. Scibal Associates acts as administrator of the plan. The Township purchases commercial coverage for claims in excess of \$500,000.00. There have been no settlements that exceed the Township's coverage for years ended December 31, 2016, 2015, and 2014.

Payments from the reserve for 2016 and 2015 were \$212,382.04 and \$502,764.86, respectively. At December 31, 2016, there is no balance in the reserve. The 2017 adopted budget includes an appropriation in the amount of \$225,200.00 to fund the reserve for future claims. The management of the Township believes that the 2017 budget appropriation to fund the reserve is adequate to meet the needs of the Township and any additional funding required for claims in excess of the trust fund's reserve will be paid and charged to future budgets.

**Note 17: TAX ABATEMENTS**

The Township is authorized to enter into property tax abatement agreements for commercial and industrial structures under N.J.S.A. 40A:21-1 (Chapter 441, P.L. 1991) known as the "Five Year Exemption and Abatement Law" and adopted Ordinance 1997-2. Under these laws, the Township may grant property tax abatements for a period of five years from the date of completion of construction for the purpose of encouraging the construction of new commercial and industrial structures. The first calendar year following completion, 0 percent of taxes are due, and each subsequent calendar the percentage of taxes due increases by 20 percent. During the 6<sup>th</sup> calendar year, 100 percent of taxes are assessed and due. The property owner agrees that the payment in lieu of taxes shall be made to the Township in quarterly installments on those dates when real estate tax payments are due. Failure to make timely payments shall result in interest being assessed at the highest rate permitted for unpaid taxes and a real property tax lien on the land.

For the year ended December 31, 2016, the Township abated property taxes totaling \$63,374.92 under this program, including the following property tax abatement agreements for property improvements or new construction that each exceeded 10 percent of the total, which is the percentage the Township considers to be material for purposes of individual disclosure:

<u>Purpose</u>	<b>Property Taxes Abated during the Year Ended December 31, 2016</b>	
	<u>Percent</u>	<u>Amount</u>
Retail Convenience Store	80%	\$ 11,409.68
Apparel Manufacturing	40%	30,409.41
Manufacturer of Food, Beverages and Spirits	40%	15,066.14

**Note 18: REDEVELOPMENT ZONES**

Industrial operations in the Township cover a broad spectrum of activities, including warehousing, light manufacturing from raw materials, assembly operations, transportation and a limited number of heavy industrial uses such as metal and aluminum extruding and oil and gasoline storage facilities.

The Township has created five redevelopment zones. One encompasses Waterfront properties with more than 700 acres of underused industrial property. The Township is uniquely situated on an urban waterfront which mirrors a growing international trend. Communities across the country and around the world are rediscovering and capitalizing on the potential of urban waterfronts. The Township is in the process of investigating various alternatives from interested parties to either oversee the entire redevelopment process or possibly divide the parcels for independent development to best utilize this unique environment. Substantial studies, planning and testing have already been conducted to facilitate the redevelopment effort. The Township has signed an agreement with a developer to construct a combination of seventy-four (74) apartments and townhouses on nine acres of land along the waterfront which opened in the spring of 2015. The New Jersey Department of Environmental Protection and the Township have executed a Brownfield's Development Area Initiative Memorandum of Understanding to promote environmental protection for the waterfront development area and foster neighborhood revitalization.

The other development sites are along the Route 130, Route 73 and Westfield Avenue corridors. The mission is to redevelop an old retail complex into a mixed use development, creating a unique South Jersey destination, along with maximizing the Township's business district.

**Note 19: INTERGOVERNMENTAL SERVICE AGREEMENTS**

**Pennsauken Sewerage Authority** - The Township has entered into a service agreement with the Pennsauken Sewerage Authority, a component unit of the Township, whereby the Township has agreed to pay any shortfall the Authority may encounter in making payments for either operating expenses or debt service requirements. Should the Township make any payments in accordance with this agreement, the Authority would be required to repay any amounts advanced by the Township plus interest at a rate of 1% per year above the highest rate paid by the Authority on any outstanding bonds.

**Merchantville - Pennsauken Water Commission** - The Township has entered into a service agreement with the Merchantville - Pennsauken Water Commission, which is a component unit of the Township of Pennsauken and the Borough of Merchantville. Both municipalities act as guarantors of all Commission bonds and loans in accordance with the following percentages:

Township of Pennsauken	88.42%
Borough of Merchantville	11.58%

No payments were required to be made by the Township relative to any intergovernmental service agreements during the year 2016.

**Note 20: 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.

**Note 21: 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 22: 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>
<b>General Capital Fund:</b>		
Various Capital Improvements and the Acquisition of Various Capital Equipment	02/22/17	\$ 2,401,030.00
Replacement of the HVAC System in the Township Library	05/24/17	323,000.00
<b>Golf Course Utility Capital Fund:</b>		
Improvements to and the Acquisition of Equipment for the Township Country Club	02/22/17	<u>116,470.00</u>
		<u>\$ 2,840,500.00</u>

**Debt Issuance** - On June 15, 2017, the Township issued \$4,820,000.00 in General Obligation Refunding Bonds with an interest rate of 1.95% and a final maturity of September 1, 2023 to advance refund \$4,220,000.00 of outstanding General Improvement Bonds, Series 2008 and \$345,000.00 of Golf Course Utility Bonds, Series 2008 with an interest rate of 4.00%. The net proceeds of \$4,769,693.00 (after payment of issuance costs of \$50,307.00) were used to purchase securities. These securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 2008 series bonds. As a result of the current refunding, the Township will reduce its total debt service payments over the next seven years by \$189,782.67, which results in an economic gain (difference between the present values of the debt service payments of the old and new debt) of \$181,581.68, or 3.97% of the principal amount being refunded. The current refunding meets the requirements of an in-substance defeasance and the liability for the refunded bonds will be removed from the Township's financial statements.



**SUPPLEMENTAL EXHIBITS**

**SUPPLEMENTAL EXHIBITS**

**CURRENT FUND**

**TOWNSHIP OF PENNSAUKEN**  
**CURRENT FUND**  
Statement of Current Cash  
Per N.J.S. 40A:5-5 -- Treasurer  
For the Year Ended December 31, 2016

	<u>Regular</u>	<u>Federal and State Grant</u>
Balance December 31, 2015	\$ 7,479,210.30	
Increased by Receipts:		
Refund of Prior Year Expenditures	\$ 7,442.58	
Miscellaneous Revenue not Anticipated	118,344.38	
2016 Appropriation Refunds	2,623,765.06	
2015 Appropriation Reserves Refunds	504,060.48	
Tax Collector	88,159,213.99	
Petty Cash Funds	2,150.00	
Reserve for Election Expenses	2,100.00	
Protested Checks	2,628.28	
Revenue Accounts Receivable	11,916,395.86	
Due Township of Pennsauken Library	2,555.55	
Prepaid Fees and Permits	8,467.80	
Due Pennsauken Garbage District	3,255,489.97	
Due State of New Jersey -- Veteran and Senior Citizen Deductions	322,403.01	
Due State of New Jersey -- Training Fees Surcharge	50,712.00	
Due State of New Jersey -- Marriage Licenses	6,203.00	
Federal and State Grants Receivable		\$ 134,818.08
Tax Anticipation Notes	6,500,000.00	
Special Emergency Notes	860,000.00	
Due Federal and State Grant Fund	19,955.66	
Due Animal Control Fund	22.00	
Due Trust - Other Funds	182,370.75	
Due General Capital Fund	13,608,897.62	
Due Golf Course Utility Operating Fund	250,069.85	
Due Golf Course Utility Capital Fund	<u>1,017,375.00</u>	
	<u>129,420,622.84</u>	
	136,899,833.14	<u>\$ 134,818.08</u>
		134,818.08 (Continued)

**TOWNSHIP OF PENNSAUKEN**  
**CURRENT FUND**  
Statement of Current Cash  
Per N.J.S. 40A:5-5 -- Treasurer  
For the Year Ended December 31, 2016

	<u>Regular</u>	<u>Federal and State Grant</u>
Decreased by Disbursements:		
Refund of Prior Year Revenue	\$ 21,999.60	
2016 Appropriations	36,686,445.58	
Petty Cash Funds	1,750.00	
Reserve for Election Expenses	1,900.00	
Protested Checks	5,134.28	
2015 Appropriation Reserves	670,529.57	
Due Pennsauken Garbage District	3,256,520.14	
Due Pennsauken Free Public Library	1,614.74	
Tax Overpayments	26,138.60	
Due State of New Jersey -- Training Fees Surcharge	47,146.00	
Due State of New Jersey -- Marriage Licenses	5,050.00	
County Taxes Payable	20,604,568.41	
Due County for Added and Omitted Taxes	132,473.04	
Local School District Tax Payable	39,765,314.44	
Special District Tax Payable	4,060,000.00	
Due Bank	11,229.94	
Reserve for Federal and State Grants -- Appropriated		\$ 114,862.42
Tax Anticipation Notes	6,500,000.00	
Special Emergency Notes	1,200,000.00	
Reserve for Payment of Revaluation Program	19,511.75	
Due Current Fund		19,955.66
Due Animal Control Fund	186,506.00	
Due Trust - Other Fund	192,244.70	
Due General Capital Fund	13,538,500.00	
Due Golf Course Utility Operating Fund	70,885.25	
Due Golf Course Utility Capital Fund	987,500.00	
	\$ 127,992,962.04	\$ 134,818.08
Balance December 31, 2016	\$ 8,906,871.10	\$ -

**TOWNSHIP OF PENNSAUKEN**  
**CURRENT FUND**  
Statement of Current Cash  
Per N.J.S. 40A:5-5 -- Collector  
For the Year Ended December 31, 2016

Balance December 31, 2015		\$	470,850.86
Increased by Receipts:			
Interest and Costs on Taxes	\$ 618,186.34		
Taxes Receivable	86,328,293.65		
Tax Title Liens	11,856.34		
Payment in Lieu of Taxes Receivable	311,690.71		
Protested Checks	68,209.16		
Revenue Accounts Receivable	134,315.73		
Prepaid Payment in Lieu of Taxes	14,897.07		
Prepaid Taxes	868,456.47		
Tax Overpayments	82,191.60		
Due to Tax Title Lien Redemption Account	1,466,511.04		
Due to Camden County Municipal Utility Authority	722,688.21		
Due to Pennsauken Sewerage Authority	75,526.79		
	90,702,823.11		90,702,823.11
			91,173,673.97
Decreased by Disbursements:			
Payments to Treasurer	88,159,213.99		
Due Bank	2,832.41		
Tax Overpayments	4,060.64		
Due to Tax Title Lien Redemption Account	1,466,511.04		
Due to Camden County Municipal Utility Authority	722,688.21		
Due to Pennsauken Sewerage Authority	75,526.79		
Protested Checks	69,875.20		
	90,500,708.28		90,500,708.28
Balance December 31, 2016		\$	672,965.69

**TOWNSHIP OF PENNSAUKEN**  
**CURRENT FUND**  
 Schedule of Change Funds  
 As of December 31, 2016

---

<u>Office</u>	<u>Amount</u>
Fire Prevention	\$ 100.00
Tax Collector	875.00
Treasurer	200.00
Clerk of Municipal Court	350.00
	\$ 1,525.00

**Exhibit SA-4**

**TOWNSHIP OF PENNSAUKEN**  
**CURRENT FUND**  
 Statement of Petty Cash Funds  
 For the Year Ended December 31, 2016

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<u>Office</u>	<u>Balance</u> <u>Dec. 31, 2015</u>	<u>Received</u> <u>from</u> <u>Treasurer</u>	<u>Returned</u> <u>to</u> <u>Treasurer</u>
Fire Prevention	\$ 400.00		\$ 400.00
Treasurer		\$ 1,000.00	1,000.00
Police Department		750.00	750.00
	\$ 400.00	\$ 1,750.00	\$ 2,150.00

**TOWNSHIP OF PENNSAUKEN**  
**CURRENT FUND**  
 Statement of Taxes Receivable  
 For the Year Ended December 31, 2016

Year	Balance	2016 Levy	Added Taxes	Collections		Due from State of New Jersey	Transferred to Tax Title Liens	Overpayments Applied	Cancellations	Balance
	Dec. 31, 2015			2015	2016					Dec. 31, 2016
2011	\$ 3,651.57		\$ 72.66		\$ 3,651.57					\$ 72.66
2012	6,022.88		74.26		880.84					5,216.30
2013	1,166.57		76.83							1,243.40
2014	63,211.93		77.87		54,991.72		\$ 878.80			7,419.28
2015	2,234,911.49		30,429.25		2,113,700.02	\$ 2,250.00	68,102.13	\$ 43,351.18	\$ 690.56	37,246.85
	2,308,964.44		30,730.87		2,173,224.15	2,250.00	68,980.93	43,351.18	690.56	51,198.49
2016		\$ 87,601,004.42		\$ 781,719.07	84,155,069.50	343,162.70	164,783.30		84,927.13	2,071,342.72
	\$ 2,308,964.44	\$ 87,601,004.42	\$ 30,730.87	\$ 781,719.07	\$ 86,328,293.65	\$ 345,412.70	\$ 233,764.23	\$ 43,351.18	85,617.69	\$ 2,122,541.21

Tax Title Lien Adjustments	\$ 480.87
Due State of New Jersey - Veteran and Senior Citizen Deductions Disallowed	<u>30,250.00</u>
	<u>\$ 30,730.87</u>

Analysis of 2016 Property Tax Levy:

Tax Yield:	
General Purpose Tax	\$ 83,345,028.71
Special District Tax	4,060,000.00
Added / Omitted Taxes	<u>195,975.71</u>
	<u>\$ 87,601,004.42</u>

Tax Levy:	
Local District School Tax	\$ 39,833,823.00
County Taxes:	
County Tax	\$ 20,604,568.41
Due County for Added and Omitted Taxes	<u>46,442.45</u>
Total County Taxes	20,651,010.86
Garbage District Taxes	4,060,000.00
Local Tax for Municipal Purposes	22,085,977.89
Levied for Municipal Library	814,022.11
Add: Additional Tax Levied	<u>156,170.56</u>
Local Tax for Municipal Purposes Levied	<u>23,056,170.56</u>
	<u>\$ 87,601,004.42</u>

**TOWNSHIP OF PENNSAUKEN**  
**CURRENT FUND**  
 Statement of Tax Title Liens  
 For the Year Ended December 31, 2016

Balance December 31, 2015		\$ 567,712.60
Increased by:		
Interest and Costs from Tax Sales of June 27, 2016	\$ 16,467.09	
Transferred from Taxes Receivable:		
2016	\$ 164,783.30	
2015	68,102.13	
2014	<u>878.80</u>	
	<u>233,764.23</u>	<u>250,231.32</u>
		817,943.92
Decreased by:		
Adjustments -- Taxes Receivable	480.87	
Receipts:		
Collector	<u>11,856.34</u>	<u>12,337.21</u>
Balance December 31, 2016		<u><u>\$ 805,606.71</u></u>



**TOWNSHIP OF PENNSAUKEN**  
CURRENT FUND  
Schedule of Municipal Assessments Receivable  
As of December 31, 2016

---

Balance December 31, 2016

\$ 21,789.00

**TOWNSHIP OF PENNSAUKEN**  
**CURRENT FUND**  
Statement of Payment in Lieu of Taxes Receivable  
For the Year Ended December 31, 2016

---

Balance December 31, 2015		\$ 5,042.57
Increased by:		
Accrued in 2016		<u>321,323.21</u>
		326,365.78
Decreased by:		
Application of 2015 Prepaid Payment in Lieu of Taxes	\$ 12,203.75	
Receipts:		
Collector	<u>311,690.71</u>	
		<u>323,894.46</u>
Balance December 31, 2016		<u><u>\$ 2,471.32</u></u>

**TOWNSHIP OF PENNSAUKEN**  
**CURRENT FUND**  
Statement of Protested Checks Receivable  
For the Year Ended December 31, 2016

Balance December 31, 2015		\$ 6,638.00
Increased by:		
Disbursements:		
Checks Protested -- Treasurer	\$ 5,134.28	
Checks Protested -- Collector	<u>69,875.20</u>	
		<u>75,009.48</u>
		81,647.48
Decreased by:		
Collected by the Animal Control Fund	15.00	
Receipts:		
Checks Protested -- Treasurer	2,628.28	
Checks Protested -- Collector	<u>68,209.16</u>	
		<u>70,852.44</u>
Balance December 31, 2016		<u><u>\$ 10,795.04</u></u>

**TOWNSHIP OF PENNSAUKEN**  
**CURRENT FUND**  
Statement of Due from Bank  
For the Year Ended December 31, 2016

Balance December 31, 2015		\$ 906.24
Increased by:		
Charges Paid by the Animal Control Fund	\$ 62.34	
Charges Paid by the Trust - Other Fund:		
Payroll	\$ 1,076.56	
Planning and Zoning	3.48	
Tax Title Lien Redemption	<u>325.07</u>	
	1,405.11	
Disbursements:		
Collector	2,832.41	
Treasurer	<u>11,229.94</u>	
		<u>15,529.80</u>
		16,436.04
Decreased by:		
2015 Appropriation Reserves		<u>10,906.24</u>
Balance December 31, 2016		<u><u>\$ 5,529.80</u></u>

**TOWNSHIP OF PENNSAUKEN**  
**CURRENT FUND**  
Statement of Revenue Accounts Receivable  
For the Year Ended December 31, 2016

	Balance <u>Dec. 31, 2015</u>	Accrued <u>in 2016</u>	Collected		Interfunds	Balance <u>Dec. 31, 2016</u>
			<u>Collector</u>	<u>Treasurer</u>		
Treasurer:						
Cable Franchise Fees	\$ 163,330.93	\$ 168,793.55		\$ 163,330.93		\$ 168,793.55
Consolidated Municipal Property Tax Relief Aid		229,730.00		229,730.00		
Energy Receipts Tax		5,269,420.00		5,269,420.00		
Payments in Lieu of Taxes		1,643,708.07		1,643,708.07		
Lease of Municipal Assets -- Landfill		250,000.00		250,000.00		
Golf Course Utility -- Payment in Lieu of Taxes		180,000.00			\$ 180,000.00	
Uniform Fire Safety Act -- Life Hazard Use Fees		195,030.17		195,030.17		
Pennsauken Sewerage Authority -- Payment in Lieu of Taxes		150,000.00		150,000.00		
Merchantville - Pennsauken Water Commission Antenna Fee		267,906.96		267,906.96		
Fees and Permits:						
Cellular Telephone Lease Agreements		37,378.42		37,378.42		
Outdoor Sign Rental		13,175.70		13,175.70		
State Death Certificates		12,935.00		12,935.00		
Hotel Tax		3,756.39		3,756.39		
Tax Searches		170.00		170.00		
Construction Code Official:						
Licenses -- Other:						
Builder		14,995.00		14,995.00		
Fees and Permits:						
Abandoned Property Registration		279,500.00		279,500.00		
Building Permits		399,708.40		399,708.40		
Certificates of Compliance -- Elevator		32,242.00		32,242.00		
Certificates of Occupancy		14,050.00		14,050.00		
Electrical Permits		185,572.00		185,572.00		
Fire Sub-code Permits		19,614.00		19,614.00		
Housing Code Letters		58,550.00		58,550.00		
Plumbing Permits		107,650.00		107,650.00		
Rent Board Applications		53,600.00		53,600.00		
Street Opening Permits		25,370.00		25,370.00		
Trash Dumpster Permits		7,800.00		7,800.00		
Penalties and Fines		16,725.00		16,725.00		
Photocopies		0.25		0.25		
Clerk:						
Licenses -- Alcoholic Beverages		61,000.00		61,000.00		

(Continued)

**TOWNSHIP OF PENNSAUKEN**  
**CURRENT FUND**  
Statement of Revenue Accounts Receivable  
For the Year Ended December 31, 2016

	Balance <u>Dec. 31, 2015</u>	Accrued <u>in 2016</u>	Collected		Interfunds	Balance <u>Dec. 31, 2016</u>
			<u>Collector</u>	<u>Treasurer</u>		
Clerk (Cont'd):						
Licenses -- Other:						
Bingo		\$ 20.00		\$ 20.00		
Board of Health		4,335.00		4,335.00		
Kennel License		25.00		25.00		
Limousine License		325.00		325.00		
Marriage		741.00		741.00		
Peddler / Solicitor		2,125.00		2,125.00		
Precious Metal		400.00		400.00		
Raffle		460.00		460.00		
Taxicab		4,750.00		4,750.00		
Used Car Lot		2,500.00		2,500.00		
Fees and Permits:						
Bid Specifications		1,520.00		1,520.00		
Burial Permits		5.00		5.00		
Coin Operated Device Permits		350.00		350.00		
Municipal Improvement Searches		10.00		10.00		
Vital Statistics		6,160.00		6,160.00		
Photocopies		52.72		52.72		
Fire Department:						
Fees and Permits:						
Fire Inspection Fees		177,712.50		177,712.50		
Police Department:						
Accident and Police Reports		13,719.50		13,719.50		
Emergency Medical Squad:						
Emergency Medical Technician Billing Fees		1,154,541.24		1,154,541.24		
Municipal Court:						
Fines and Costs	\$ 65,114.97	933,989.88		939,469.27		\$ 59,635.58
Recreation Department:						
Swimming Pool Admissions		58,560.00		58,560.00		
Fees and Permits:						
Recreation		7,525.00		7,525.00		
Planning and Zoning:						
Fees and Permits:						
Planning Board Fees		2,800.00		3,300.00	\$ (500.00)	
Zoning Board Fees		15,510.00		15,510.00		

(Continued)

**TOWNSHIP OF PENNSAUKEN**  
**CURRENT FUND**  
Statement of Revenue Accounts Receivable  
For the Year Ended December 31, 2016

	Balance <u>Dec. 31, 2015</u>	Accrued in 2016	Collected		Interfunds	Balance <u>Dec. 31, 2016</u>
			<u>Collector</u>	<u>Treasurer</u>		
Interest on Investments and Deposits		\$ 12,518.35	\$ 855.21	\$ 9,361.34	\$ 2,301.80	
Tax Office:						
Certificates of Redemption		8,775.00	8,775.00			
Duplicate Bills		8.00	8.00			
Grasscutting/Property Maintenance Fees		123,667.83	123,667.83			
Interest on Payments in Lieu of Taxes		1,009.69	1,009.69			
	<u>\$ 228,445.90</u>	<u>\$ 12,232,496.62</u>	<u>\$ 134,315.73</u>	<u>\$ 11,916,395.86</u>	<u>\$ 181,801.80</u>	<u>\$ 228,429.13</u>
Due Animal Control Fund:						
Collected by Animal Control Fund					\$ 25.75	
Due Trust - Other Fund:						
Collected by Trust Other Fund					2,194.93	
Refunded by Trust Other Fund					(500.00)	
Due General Capital Fund:						
Collected by General Capital Fund					81.12	
Due Golf Course Utility Operating Fund					180,000.00	
					<u>\$ 181,801.80</u>	

**TOWNSHIP OF PENNSAUKEN**  
CURRENT FUND  
Statement of Due from Township of Pennsauken Library  
For the Year Ended December 31, 2016

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Balance December 31, 2015	\$ 940.81
Increased by:	
Disbursements	<u>1,614.74</u>
	2,555.55
Decreased by:	
Receipts	<u><u>\$ 2,555.55</u></u>



**TOWNSHIP OF PENNSAUKEN**  
**CURRENT FUND**  
Statement of Deferred Charges  
N.J.S. 40A:4-53 Special Emergency  
For the Year Ended December 31, 2016

<u>Date Authorized</u>	<u>Purpose</u>	<u>Amount Authorized</u>	<u>Not Less Than 1/5 of Amount Authorized</u>	<u>Balance Dec. 31, 2015</u>	<u>Raised in 2016 Budget</u>	<u>Balance Dec. 31, 2016</u>
6/5/2013	Contractually Required Severance Liabilities	\$ 800,000.00	\$ 160,000.00	\$ 480,000.00	\$ 160,000.00	\$ 320,000.00
5/21/2014	Revaluation Program	900,000.00	180,000.00	720,000.00	180,000.00	540,000.00
		<u>\$ 1,700,000.00</u>	<u>\$ 340,000.00</u>	<u>\$ 1,200,000.00</u>	<u>\$ 340,000.00</u>	<u>\$ 860,000.00</u>

**TOWNSHIP OF PENNSAUKEN**  
**CURRENT FUND**  
Statement of Due from/ to State of New Jersey  
Veterans' and Senior Citizens' Deductions  
For the Year Ended December 31, 2016

Balance December 31, 2015 (Due from)		\$	1,335.57
Increased by:			
Accrued in 2016:			
Per the Tax Billings:			
Senior Citizen	\$ 108,750.00		
Disabled Persons	25,500.00		
Surviving Spouse	1,000.00		
Veterans	153,500.00		
Widow of a Veteran	<u>52,000.00</u>		
	340,750.00		
Adjustments by Collector:			
Allowed	10,052.73		
Disallowed	<u>(7,640.03)</u>		
	\$ 343,162.70		
Prior Year Veteran and Senior Citizens' Deductions			
Allowed per Collector:			
2015	<u>2,250.00</u>		
			<u>345,412.70</u>
			346,748.27
Decreased by:			
Receipts	322,403.01		
Prior Year Veteran and Senior Citizens' Deductions			
Disallowed per Collector	<u>30,250.00</u>		
			<u>352,653.01</u>
Balance December 31, 2016 (Due to)		\$	<u><u>5,904.74</u></u>

**TOWNSHIP OF PENNSAUKEN**  
**CURRENT FUND**  
Statement of Prepaid Fees and Permits  
For the Year Ended December 31, 2016

---

Balance December 31, 2015	\$ 39,500.00
Increased by:	
Receipts:	<u>8,467.80</u>
	47,967.80
Decreased by:	
Applied to Payments in Fees and Permits Revenue	<u>39,500.00</u>
Balance December 31, 2016	<u><u>\$ 8,467.80</u></u>

Exhibit SA-16

**TOWNSHIP OF PENNSAUKEN**  
**CURRENT FUND**  
Statement of Prepaid Merchantville - Pennsauken Water Commission Antenna Fee - Share  
For the Year Ended December 31, 2016

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Balance December 31, 2015	\$ 48,137.16
Decreased by:	
Applied to Payments in Miscellaneous Revenue Anticipated	<u><u>\$ 48,137.16</u></u>

**TOWNSHIP OF PENNSAUKEN**  
**CURRENT FUND**  
Statement of Prepaid Payments in Lieu of Taxes  
For the Year Ended December 31, 2016

---

Balance December 31, 2015	\$	12,203.75
Increased by:		
Receipts:		
Collector		14,897.07
		27,100.82
Decreased by:		
Applied to Payments in Lieu of Taxes Receivable		12,203.75
Balance December 31, 2016	\$	14,897.07

Exhibit SA-18

**TOWNSHIP OF PENNSAUKEN**  
**CURRENT FUND**  
Statement of Reserve for Encumbrances  
For the Year Ended December 31, 2016

---

Balance December 31, 2015	\$	234,795.11
Increased by:		
2016 Budget Appropriations		432,900.00
		667,695.11
Decreased by:		
Transfer to 2015 Appropriation Reserves		234,795.11
Balance December 31, 2016	\$	432,900.00

**TOWNSHIP OF PENNSAUKEN**  
**CURRENT FUND**  
Statement of 2015 Appropriation Reserves  
For the Year Ended December 31, 2016

	Balance Dec. 31, 2015		Budget After Modification	Paid or Charged	Refunds	Balance Lapsed
	Encumbered	Reserved				
<b>OPERATIONS -- WITHIN "CAPS"</b>						
General Government:						
Mayor and Township Committee						
Salaries and Wages		\$ 11,028.89	\$ 11,028.89	\$ 10,750.00		\$ 278.89
Other Expenses		537.00	237.00	220.00		17.00
Administrative and Executive						
Salaries and Wages		4.29	4.29			4.29
Other Expenses		747.48	922.48	1,194.80	\$ 280.00	7.68
Municipal Clerk's Office						
Salaries and Wages		23.25	23.25			23.25
Other Expenses	\$ 324.50	569.38	493.88	493.60		0.28
Data Processing Center						
Other Expenses	21,500.00	9.23	21,509.23	21,500.00		9.23
Purchasing Department						
Salaries and Wages		12.67	12.67			12.67
Other Expenses	244.95	21.45	816.40	806.64		9.76
Financial Administration						
Salaries and Wages		17.99	17.99			17.99
Other Expenses	3,400.00	264.89	21,389.89	21,375.68		14.21
Assessment of Taxes						
Salaries and Wages		3.95	3.95			3.95
Other Expenses		1,163.61	13.61			13.61
Collection of Taxes						
Salaries and Wages		2.60	2.60			2.60
Other Expenses	487.60	11.87	1,974.47	1,480.00		494.47
Human Resources						
Salaries and Wages		1.08	1.08			1.08
Legal Services and Costs						
Other Expenses	4,105.25	54.49	5,359.74	5,346.16		13.58
Engineering Services and Costs						
Salaries and Wages		18.55	18.55			18.55
Other Expenses		798.80	298.80	294.84		3.96

(Continued)

**TOWNSHIP OF PENNSAUKEN**  
**CURRENT FUND**  
Statement of 2015 Appropriation Reserves  
For the Year Ended December 31, 2016

	Balance Dec. 31, 2015		Budget After Modification	Paid or Charged	Refunds	Balance Lapsed
	Encumbered	Reserved				
OPERATIONS -- WITHIN "CAPS" (CONT'D)						
General Government (Cont'd):						
Public Buildings and Grounds						
Salaries and Wages		\$ 22.99	\$ 22.99			\$ 22.99
Other Expenses	\$ 1,640.24	526.84	3,842.08	\$ 2,552.70		1,289.38
Municipal Prosecutor						
Salaries and Wages		0.16	0.16			0.16
Municipal Court						
Salaries and Wages		23.08	23.08			23.08
Other Expenses	1,236.78	28.54	3,965.32	3,164.83		800.49
Maintenance of Township Owned Property						
Other Expenses		5.00	5.00			5.00
Rent Leveling Board						
Other Expenses		5.00	5.00			5.00
Municipal Land Use Law (N.J.S.A. 40:55D-1)						
Planning Board						
Salaries and Wages		9.88	9.88			9.88
Other Expenses		158.72	808.72	805.00		3.72
Zoning Board						
Salaries and Wages		0.91	0.91			0.91
Other Expenses		67.22	67.22	55.00		12.22
Insurance:						
Employee Group Health	629.40	24.54	4,553.94	3,860.80		693.14
General Liability	751.51	3,779.24	9,805.75	106,557.63	\$ 132,505.83	35,753.95
Workers' Compensation		21.78	75,021.78	75,021.78		
Unemployment Insurance		72.01	72.01			72.01
Economic Development						
Salaries and Wages		7.77	7.77			7.77
Other Expenses		20.84	120.84	109.45		11.39
Department of Public Safety:						
Fire Department						
Salaries and Wages		19.87	19.87			19.87
Other Expenses:						
Fire Department	52,710.18	801.50	54,311.68	48,479.82		5,831.86
Fire Hydrant Service		8,035.34	8,485.34	8,478.80		6.54

(Continued)

**TOWNSHIP OF PENNSAUKEN**  
**CURRENT FUND**  
Statement of 2015 Appropriation Reserves  
For the Year Ended December 31, 2016

	Balance Dec. 31, 2015		Budget After Modification	Paid or Charged	Refunds	Balance Lapsed
	<u>Encumbered</u>	<u>Reserved</u>				
OPERATIONS -- WITHIN "CAPS" (CONT'D)						
Department of Public Safety (Cont'd):						
Police						
Salaries and Wages		\$ 1.85	\$ (306,073.15)	\$ 246.46	\$ 348,853.25	\$ 42,533.64
Other Expenses	\$ 50,267.70	6,515.10	56,782.80	53,747.39		3,035.41
Police Reserve						
Salaries and Wages		15.00	15.00			15.00
Traffic Control						
Salaries and Wages		7.75	7.75			7.75
Other Expenses		14.08	3,264.08	3,260.00		4.08
First Aid Organization						
Salaries and Wages		12.38	12.38			12.38
Other Expenses	5,011.18	11.78	23,922.96	22,960.84		962.12
Emergency Management Services						
Salaries and Wages		1.88	1.88			1.88
Other Expenses		125.00	125.00			125.00
Uniform Fire Safety Act (P.L. 1983, Ch. 383)						
Salaries and Wages		6.49	6.49			6.49
Other Expenses	760.00	21.17	1,056.17	1,053.48		2.69
Streets and Roads:						
Public Works						
Salaries and Wages		10.61	10.61		14,240.91	14,251.52
Other Expenses	1,509.27	6.43	1,715.70	4,171.34	5,670.20	3,214.56
Township Garage						
Salaries and Wages		8.85	(666.15)		776.67	110.52
Other Expenses	4,962.05	2,624.32	9,386.37	9,956.03	808.08	238.42
Street Lighting	64,750.60	27,422.50	130,098.10	130,087.00		11.10
Health and Welfare:						
Senior Citizens of Pennsauken Township						
Salaries and Wages		0.95	0.95			0.95
Other Expenses	5,000.00	1,500.00	6,500.00	6,049.47		450.53

(Continued)

**TOWNSHIP OF PENNSAUKEN**  
**CURRENT FUND**  
Statement of 2015 Appropriation Reserves  
For the Year Ended December 31, 2016

	Balance Dec. 31, 2015		Budget After Modification	Paid or Charged	Refunds	Balance Lapsed
	<u>Encumbered</u>	<u>Reserved</u>				
OPERATIONS -- WITHIN "CAPS" (CONT'D)						
Utility Expenses:						
Motor Fuels	\$ 1,156.75	\$ 55.96	\$ 1,212.71	\$ 1,156.75		\$ 55.96
Electricity	11,315.53	19.33	32,184.86	32,183.99		0.87
Telephone	613.98	1,298.25	2,687.23	2,675.07		12.16
Natural Gas or Propane	2,417.64	7,180.73	3,898.37	3,882.15		16.22
Sewerage Authority		213.30	213.30			213.30
Recreation and Education:						
Recreation						
Salaries and Wages		23.80	23.80			23.80
Other Expenses		182.56	457.56	449.55		8.01
Swimming Pool						
Salaries and Wages		10.30	10.30			10.30
Other Expenses		15.50	115.50	100.00		15.50
Celebration of Public Events, Anniversary or Holiday						
Other Expenses		744.04	369.04	354.50		14.54
Shade Tree Commission						
Other Expenses		15.00	15.00			15.00
Historical Preservation						
Other Expenses		21.67	21.67			21.67
Uniform Construction Code - Appropriations Offset by Dedicated Revenues (N.J.A.C. 5:23-4.17):						
Construction Code Official						
Salaries and Wages		13.62	13.62			13.62
Other Expenses		15.94	95,640.94	96,554.56	\$ 925.54	11.92
Unclassified:						
Salary Adjustment		601.69	1.69			1.69
Sick Pay		6.37	6.37			6.37
	<u>234,795.11</u>	<u>77,646.90</u>	<u>288,317.01</u>	<u>681,436.11</u>	<u>504,060.48</u>	<u>110,941.38</u>
Total Operations within "CAPS"	<u>234,795.11</u>	<u>77,646.90</u>	<u>288,317.01</u>	<u>681,436.11</u>	<u>504,060.48</u>	<u>110,941.38</u>

(Continued)



**TOWNSHIP OF PENNSAUKEN**  
**CURRENT FUND**  
Statement of 2015 Appropriation Reserves  
For the Year Ended December 31, 2016

	Balance Dec. 31, 2015		Budget After Modification	Paid or Charged	Refunds	Balance Lapsed
	<u>Encumbered</u>	<u>Reserved</u>				
DEFERRED CHARGES AND STATUTORY EXPENDITURES MUNICIPAL -- WITHIN "CAPS"						
Statutory Expenditures:						
Contribution to:						
Social Security System (O.A.S.I.)		\$ 881.16	\$ 6.16			\$ 6.16
Total Deferred Charges and Statutory Expenditures Municipal -- Within "CAPS"		881.16	6.16			6.16
Total General Appropriations for Municipal Purposes -- Within "CAPS"	\$ 234,795.11	78,528.06	288,323.17	\$ 681,436.11	\$ 504,060.48	110,947.54
CAPITAL IMPROVEMENTS -- EXCLUDED FROM "CAPS"						
Capital Improvement Fund			25,000.00	25,000.00		
Total Capital Improvement Program Excluded from "CAPS"			25,000.00	25,000.00		
Total General Appropriations	\$ 234,795.11	\$ 78,528.06	\$ 313,323.17	\$ 706,436.11	\$ 504,060.48	\$ 110,947.54
Refunded:						
Receipts					\$ 504,060.48	
Due Trust Other Fund				\$ 0.30		
Due General Capital Fund				25,000.00		
Due Bank				10,906.24		
Disbursed				670,529.57		
				\$ 706,436.11	\$ 504,060.48	

**TOWNSHIP OF PENNSAUKEN**  
**CURRENT FUND**  
Statement of Due to Pennsauken Garbage District  
For the Year Ended December 31, 2016

---

Balance December 31, 2015		\$ 12,390.94
Increased by:		
Receipts		<u>3,255,489.97</u>
		3,267,880.91
Decreased by:		
Miscellaneous Revenue Not Anticipated --		
Collected by the Pennsauken Garbage District	\$ 44.20	
Disbursements	<u>3,256,520.14</u>	<u>3,256,564.34</u>
Balance December 31, 2016		<u><u>\$ 11,316.57</u></u>

**TOWNSHIP OF PENNSAUKEN**  
**CURRENT FUND**  
Statement of Prepaid Taxes  
For the Year Ended December 31, 2016

---

Balance December 31, 2015 (2016 Taxes)		\$ 781,719.07
Increased by:		
Receipts:		
Collector		<u>868,456.47</u>
		1,650,175.54
Decreased by:		
Application to 2016 Taxes Receivable		<u>781,719.07</u>
Balance December 31, 2016 (2017 Taxes)		<u><u>\$ 868,456.47</u></u>

## Exhibit SA-22

**TOWNSHIP OF PENNSAUKEN**  
**CURRENT FUND**  
Statement of Tax Overpayments  
For the Year Ended December 31, 2016

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Increased by:		
Receipts:		
Collector		\$ 82,191.60
Decreased by:		
Applied to Taxes Receivable:		
2015 Taxes	\$ 43,351.18	
Refunds:		
Disbursements:		
Collector	4,060.64	
Treasurer	<u>26,138.60</u>	
		<u>73,550.42</u>
Balance December 31, 2016		<u><u>\$ 8,641.18</u></u>

**TOWNSHIP OF PENNSAUKEN**  
**CURRENT FUND**  
Statement of Due to State of New Jersey --  
Training Fees Surcharge  
For the Year Ended December 31, 2016

---

Balance December 31, 2015	\$ 15,202.00
Increased by:	
Receipts	50,712.00
	65,914.00
Decreased by:	
Disbursements	47,146.00
	65,914.00
Balance December 31, 2016	\$ 18,768.00
 <u>Analysis of Balance December 31, 2016</u>	
<u>Month</u>	<u>Amount</u>
Fourth Quarter 2016	\$ 18,768.00

Exhibit SA-24

**TOWNSHIP OF PENNSAUKEN**  
**CURRENT FUND**  
Statement of Due to State of New Jersey --  
Marriage and Domestic Partnership Licenses  
For the Year Ended December 31, 2016

---

Balance December 31, 2015	\$ 2,028.00
Increased by:	
Receipts	6,203.00
	8,231.00
Decreased by:	
Disbursements	5,050.00
	8,231.00
Balance December 31, 2016	\$ 3,181.00
 <u>Analysis of Balance December 31, 2016</u>	
Third and Fourth Quarter 2016 -- Licenses	\$ 3,181.00

**TOWNSHIP OF PENNSAUKEN**  
**CURRENT FUND**  
 Statement of County Taxes Payable  
 For the Year Ended December 31, 2016

---

2016 Levy:		
County Tax		\$ 20,604,568.41
Decreased by:		
Disbursements		<u>\$ 20,604,568.41</u>

**Exhibit SA-26**

**TOWNSHIP OF PENNSAUKEN**  
**CURRENT FUND**  
 Statement of Due County for Added and Omitted Taxes  
 For the Year Ended December 31, 2016

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Balance December 31, 2015		\$ 146,483.43
Increased by:		
County Share of 2016 Taxes		<u>46,442.45</u>
		192,925.88
Decreased by:		
Cancelled Overcharged Amount	\$ 14,010.39	
Disbursements	<u>132,473.04</u>	
		<u>146,483.43</u>
Balance December 31, 2016		<u>\$ 46,442.45</u>

**TOWNSHIP OF PENNSAUKEN**  
**CURRENT FUND**  
 Statement of Local School District Tax Payable  
 For the Year Ended December 31, 2016

---

Balance December 31, 2015		\$	3,296,930.25
2016 Levy -- Calendar Year			<u>39,833,823.00</u>
			43,130,753.25
Decreased by:			
Cancelled	\$	11,699.50	
Disbursements		<u>39,765,314.44</u>	
			<u>39,777,013.94</u>
Balance December 31, 2016		\$	<u><u>3,353,739.31</u></u>

**TOWNSHIP OF PENNSAUKEN**  
**CURRENT FUND**  
 Statement of Special District Tax  
 For the Year Ended December 31, 2016

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2016 Levy -- Garbage District Tax		\$	4,060,000.00
Decreased by:			
Disbursements			<u><u>\$ 4,060,000.00</u></u>

**TOWNSHIP OF PENNSAUKEN**  
**CURRENT FUND**  
 Statement of Tax Anticipation Notes  
 For the Year Ended December 31, 2016

---

<u>Resolution Number</u>	<u>Purpose</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Issued For Cash</u>	<u>Paid With Cash</u>
2016:185	Tax Anticipation Note	06/22/16	09/09/16	2.00%	<u>\$ 6,500,000.00</u>	<u>\$ 6,500,000.00</u>

**TOWNSHIP OF PENNSAUKEN**  
 CURRENT FUND  
 Statement of Special Emergency Notes  
 For the Year Ended December 31, 2016

<u>Resolution Number</u>	<u>Purpose</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2015</u>	<u>Issued</u>	<u>Paid</u>	<u>Paid Balance Dec. 31, 2016</u>
2015:176	Special Emergency Notes	06/24/15	06/23/16	1.00%	\$ 1,200,000.00		\$ 1,200,000.00	
2016:184	Special Emergency Notes	06/22/16	06/21/17	2.00%		\$ 860,000.00		\$ 860,000.00
					<u>\$ 1,200,000.00</u>	<u>\$ 860,000.00</u>	<u>\$ 1,200,000.00</u>	<u>\$ 860,000.00</u>



**TOWNSHIP OF PENNSAUKEN**  
CURRENT FUND  
Statement of Reserve for Revaluation Program  
For the Year Ended December 31, 2016

---

Balance December 31, 2015	\$ 48,756.72
Decreased by:	
Disbursements	<u>19,511.75</u>
Balance December 31, 2016	<u><u>\$ 29,244.97</u></u>

**TOWNSHIP OF PENNSAUKEN**  
CURRENT FUND  
Statement of Reserve Election Expenses  
For the Year Ended December 31, 2016

---

Balance December 31, 2015	\$ 1,900.00
Increased by:	
Receipts	<u>2,100.00</u>
	4,000.00
Decreased by:	
Disbursements	<u>1,900.00</u>
Balance December 31, 2016	<u><u>\$ 2,100.00</u></u>

**TOWNSHIP OF PENNSAUKEN**  
**FEDERAL AND STATE GRANT FUND**  
Statement of Federal, State and Local Grants Receivable  
For the Year Ended December 31, 2016

<u>Grant</u>	<u>Balance Dec. 31, 2015</u>	<u>Accrued</u>	<u>Received</u>	<u>Cancellations</u>	<u>Balance Dec. 31, 2016</u>
Federal Grants:					
Bulletproof Vest Partnership Program	\$ 20,537.81		\$ 3,794.60		\$ 16,743.21
Click It or Ticket		\$ 5,000.00	4,659.32	\$ 340.68	
Distracted Driving Statewide Crackdown Grant					
NJHTS Drive Sober or Get Pulled Over		10,000.00	4,975.00	5,025.00	
FEMA Emergency Management Assistance Program		10,000.00	10,000.00		
Justice Assistance Grant (JAG)	36,119.00	10,591.00	23,969.63		22,740.37
<b>Total Federal Grants</b>	<b>56,656.81</b>	<b>35,591.00</b>	<b>47,398.55</b>	<b>5,365.68</b>	<b>39,483.58</b>
State Grants:					
Body Armor Replacement		6,595.09	6,595.09		
Governor's Council on Alcoholism and Drug Abuse	29,323.00		29,027.30	295.70	
New Jersey Division of Motor Vehicles - Drunk Driving Enforcement Grant		19,947.14	19,947.14		
Sustainable New Jersey Small Grant Program	5,000.00		5,000.00		
<b>Total State Grants</b>	<b>34,323.00</b>	<b>26,542.23</b>	<b>60,569.53</b>	<b>295.70</b>	
<b>Total Federal and State Grants</b>	<b>90,979.81</b>	<b>62,133.23</b>	<b>107,968.08</b>	<b>5,661.38</b>	<b>39,483.58</b>
Local Grants:					
Camden County DWI Checkpoint Grant		1,850.00	1,850.00		
Camden County Recreation Facility Enhancement Grant	25,000.00	25,000.00	25,000.00		25,000.00
<b>Total Other Grants</b>	<b>25,000.00</b>	<b>26,850.00</b>	<b>26,850.00</b>		<b>25,000.00</b>
<b>Total Federal, State and Local Grants</b>	<b>\$ 115,979.81</b>	<b>\$ 88,983.23</b>	<b>\$ 134,818.08</b>	<b>\$ 5,661.38</b>	<b>\$ 64,483.58</b>
Receipts			<u>\$ 134,818.08</u>		
Current Fund Balance				\$ 295.00	
Reserve for Federal and State Grants -- Appropriated				<u>5,366.38</u>	
				<u>\$ 5,661.38</u>	

**TOWNSHIP OF PENNSAUKEN**  
**FEDERAL AND STATE GRANT FUND**  
 Statement of Due to Current Fund  
 For the Year Ended December 31, 2016

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Balance December 31, 2015		\$ 37,008.86
Increased by:		
Fund Balance:		
Federal and State Grants Appropriated Canceled		<u>814.55</u>
		37,823.41
Decreased by:		
Fund Balance:		
Federal and State Grants Receivable Canceled	\$ 295.00	
Disbursements	<u>19,955.66</u>	
		<u>20,250.66</u>
Balance December 31, 2016		<u><u>\$ 17,572.75</u></u>

**TOWNSHIP OF PENNSAUKEN**  
**FEDERAL AND STATE GRANT FUND**  
Statement of Reserve for Federal, State and Local Grants -- Unappropriated  
For the Year Ended December 31, 2016

<u>Grant</u>	<u>Balance Dec. 31, 2015</u>	<u>Federal and State Grants Receivable</u>	<u>Realized as Revenue in 2016</u>	<u>Balance Dec. 31, 2016</u>
Federal Grants:				
Click It or Ticket		\$ 5,000.00	\$ 5,000.00	
NJHTS Drive Sober or Get Pulled Over		10,000.00	10,000.00	
FEMA Emergency Management Assistance Program		10,000.00	7,000.00	\$ 3,000.00
Justice Assistance Grant (JAG)	\$ 700.00	10,591.00	11,291.00	
Total Federal Grants	700.00	35,591.00	33,291.00	3,000.00
State Grants:				
Body Armor Replacement Fund Grant	6,982.95	6,595.09	6,982.95	6,595.09
Municipal Court Alcohol, Education and Rehabilitation Grant	353.60		353.60	
New Jersey Division of Motor Vehicles - Drunk Driving Enforcement Grant	23,518.21	19,947.14	23,518.21	19,947.14
Total State Grants	30,854.76	26,542.23	30,854.76	26,542.23
Total Federal and State Grants	31,554.76	62,133.23	64,145.76	29,542.23
Local Grants:				
Camden County DWI Enforcement Grant		1,850.00	1,850.00	
Camden County Recreation Facility Enhancement Grant		25,000.00	25,000.00	
Total Local Grants		26,850.00	26,850.00	
Total Federal and State Grants	\$ 31,554.76	\$ 88,983.23	\$ 90,995.76	\$ 29,542.23

**TOWNSHIP OF PENNSAUKEN**  
**FEDERAL AND STATE GRANT FUND**  
Statement of Reserve for Federal and State Grants -- Appropriated  
For the Year Ended December 31, 2016

Grant	Balance Dec. 31, 2015		Transferred from Budget Appropriations	Paid or Charged	Encumbrances	Cancellations	Balance Dec. 31, 2016
	Encumbered	Reserved					
<b>Federal Grants:</b>							
Bulletproof Vest Partnership Program	\$ 1,881.64			\$ 1,881.64			
Click It or Ticket			\$ 5,000.00	4,659.32		\$ 340.68	
NJHTS Drive Sober or Get Pulled Over			10,000.00	4,975.00		5,025.00	
FEMA Emergency Management Assistance Program			7,000.00	5,000.00			\$ 2,000.00
Justice Assistance Grant (JAG)	2,612.57	\$ 12,489.43	11,291.00	11,668.00	\$ 10,469.59		4,255.41
<b>Total Federal Grants</b>	<b>4,494.21</b>	<b>12,489.43</b>	<b>33,291.00</b>	<b>28,183.96</b>	<b>10,469.59</b>	<b>5,365.68</b>	<b>6,255.41</b>
<b>State Grants:</b>							
Body Armor Replacement Fund Grant			6,982.95	6,982.95			
Governor's Council on Alcoholism and Drug Abuse		29,028.00		29,027.30		0.70	
Municipal Court Alcohol, Education and Rehabilitation Grant			353.60		338.00		15.60
New Jersey Division of Motor Vehicles -- Drunk Driving Enforcement Grant			23,518.21	23,518.21			
Sustainable New Jersey Small Grant Program	290.00	404.92		300.00	156.00	104.92	134.00
<b>Total State Grants</b>	<b>290.00</b>	<b>29,432.92</b>	<b>30,854.76</b>	<b>59,828.46</b>	<b>494.00</b>	<b>105.62</b>	<b>149.60</b>
<b>Total Federal and State Grants</b>	<b>4,784.21</b>	<b>41,922.35</b>	<b>64,145.76</b>	<b>88,012.42</b>	<b>10,963.59</b>	<b>5,471.30</b>	<b>6,405.01</b>
<b>Local Grants</b>							
Camden County DWI Enforcement Grant			1,850.00	1,850.00			
Camden County Recreation Facility Enhancement Grant		709.63	25,000.00	25,000.00		709.63	
<b>Total Local Grants</b>		<b>709.63</b>	<b>26,850.00</b>	<b>26,850.00</b>		<b>709.63</b>	
<b>Total Federal, State and Local Grants</b>	<b>\$ 4,784.21</b>	<b>\$ 42,631.98</b>	<b>\$ 90,995.76</b>	<b>\$ 114,862.42</b>	<b>\$ 10,963.59</b>	<b>\$ 6,180.93</b>	<b>\$ 6,405.01</b>
<b>Disbursements</b>				<b>\$ 114,862.42</b>			
<b>Federal, State and Local Grants Receivable</b>						<b>\$ 5,366.38</b>	
<b>Due Current Fund</b>						<b>814.55</b>	
						<b>\$ 6,180.93</b>	

**SUPPLEMENTAL EXHIBITS**

**TRUST FUND**

**TOWNSHIP OF PENNSAUKEN**  
**TRUST FUNDS**  
Statement of Trust Fund Cash  
Per N.J.S. 40A:5-5 -- Treasurer  
For the Year Ended December 31, 2016

	<u>Animal Control Fund</u>			<u>Other</u>
Balance December 31, 2015	\$ 9,080.05		\$	2,551,467.86
Increased by Receipts:				
Miscellaneous Accounts Receivable	\$ 170,824.76			
Due Current Fund	186,566.75		\$	1,620,001.10
Due State of New Jersey	1,306.20			
Reserve for Animal Control Expenditures	9,859.80			
Community Development Block Grant Receivable				233,641.39
Due Bank				52.20
Reserve for Payroll Deductions Payable				11,729,567.60
Net Payroll				11,262,487.69
Reserve for Economic Development -- Urban Development Action Grant				3,978.76
Reserve for Section 8 Program				689,889.70
Miscellaneous Reserves:				
Reserve for Street Opening Deposits				2,000.00
Reserve for Escrow Deposits				1,000.00
Reserve for Unemployment Compensation Insurance				2,780.65
Reserve for Planning and Zoning Deposits				20,000.00
Reserve for Special Law Enforcement Officers:				
State Allocation				17,472.69
Federal Allocation				0.12
Reserve for Housing Rehabilitation Program				57,475.69
Reserve for Tax Title Lien Redemption				3,694,286.03
Reserve for Worker's Compensation Insurance				211,307.96
	368,557.51			29,545,941.58
				(Continued)



**TOWNSHIP OF PENNSAUKEN**  
**TRUST FUNDS**  
Statement of Trust Fund Cash  
Per N.J.S. 40A:5-5 -- Treasurer  
For the Year Ended December 31, 2016

	<u>Animal Control Fund</u>			<u>Other</u>
	\$ 377,637.56			\$ 32,097,409.44
Decreased by Disbursements:				
Miscellaneous Accounts Receivable	\$ 22.00			
Due Current Fund	62.34		\$ 10,152.89	
Due General Capital Fund	140,000.00		205,000.00	
State Registration Fees	1,293.60			
Reserve for Animal Control Expenditures	234,589.31			
Due Bank			52.68	
Housing Rehabilitation Program Inventory			53,480.56	
Reserve for Payroll Deductions Payable			11,367,001.05	
Net Payroll			11,262,487.69	
Reserve for Economic Development -- Urban Development Action Grant			2,222.87	
Reserve for Community Development Block Grant Program			20,000.00	
Reserve for Section 8 - Housing Assistance Payments			575,219.00	
Reserve for Section 8 - Unrestricted			47,392.20	
Miscellaneous Reserves:				
Reserve for Street Opening Deposits			4,000.00	
Reserve for Escrow Deposits			3,264.84	
Reserve for Unemployment Compensation Insurance			20,638.99	
Reserve for Planning and Zoning Deposits			134,255.97	
Reserve for Special Law Enforcement Officers: State Allocation			27,723.77	
Reserve for Housing Rehabilitation Program			136.57	
Reserve for Tax Title Lien Redemption			5,688,143.40	
Reserve for Worker's Compensation Insurance			212,382.04	
	<u>375,967.25</u>			<u>29,633,554.52</u>
Balance December 31, 2016	<u>\$ 1,670.31</u>			<u>\$ 2,463,854.92</u>

**TOWNSHIP OF PENNSAUKEN**  
**ANIMAL CONTROL FUND**  
 Statement of Miscellaneous Accounts Receivable  
 For the Year Ended December 31, 2016

---

Balance December 31, 2015		\$ 170,824.76
Increased by:		
Disbursements		<u>22.00</u>
		170,846.76
Decreased by:		
Collections made by the Current Fund	\$ 22.00	
Receipts	<u>170,824.76</u>	
		<u><u>\$ 170,846.76</u></u>

**TOWNSHIP OF PENNSAUKEN**  
**ANIMAL CONTROL FUND**  
Statement of Due from Current Fund  
For the Year Ended December 31, 2016

Balance December 31, 2015		\$ 890.09
Increased by:		
Collections made by the Current Fund:		
Miscellaneous Accounts Receivable	\$ 22.00	
Disbursements:		
Made on behalf of the Current Fund --		
Due from Bank	62.34	
2016 Budget Appropriation:		
Dog Warden - Other Expenses	<u>185,670.00</u>	
		<u>185,754.34</u>
		186,644.43
Decreased by:		
Receipts:		
Interest Earned on Deposits	25.75	
Collected for the Current Fund -- Protested Checks	15.00	
Miscellaneous Revenue Not Anticipated -- Insufficient Funds Fees	20.00	
Interfunds Received	<u>186,506.00</u>	
		<u>186,566.75</u>
Balance December 31, 2016		<u><u>\$ 77.68</u></u>

**TOWNSHIP OF PENNSAUKEN**  
**ANIMAL CONTROL FUND**  
Statement of Due to State of New Jersey -- State Registration Fees  
For the Year Ended December 31, 2016

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Balance December 31, 2015	\$ 10.80
Increased by:	
Receipts:	
2016 Licenses	<u>1,306.20</u>
	1,317.00
Decreased by:	
Disbursements	<u>1,293.60</u>
Balance December 31, 2016	<u><u>\$ 23.40</u></u>

**TOWNSHIP OF PENNSAUKEN**  
**ANIMAL CONTROL FUND**  
 Statement of Reserve for Animal Control Expenditures  
 For the Year Ended December 31, 2016

<hr/>	
Balance December 31, 2015	\$ 30,784.10
Increased by:	
Deferred Charge -- Deficit in Reserve for Animal Control Expenditures	\$ 8,275.41
Receipts:	
Registrar	9,859.80
Due Current Fund:	
2016 Budget Appropriation:	
Dog Warden - Other Expenses	185,670.00
	203,805.21
	234,589.31
Decreased by:	
Expenditures under R.S. 4:19-15.11:	
Disbursements	\$ 234,589.31
 <u>Animal License Fees Collected:</u>	
 <u>Year</u>	
2014	\$ 9,770.60
2015	8,838.85
	\$ 18,609.45

**TOWNSHIP OF PENNSAUKEN**  
**TRUST - OTHER FUND**  
Statement of Housing Rehabilitation Program Inventory  
For the Year Ended December 31, 2016

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Balance December 31, 2015	\$ 166,305.29
Increased by:	
Purchases and Rehabilitation - Disbursements	53,480.56
Balance December 31, 2016	\$ 219,785.85

Exhibit SB-7

**TOWNSHIP OF PENNSAUKEN**  
**TRUST - OTHER FUND**  
Statement of Community Development Block Grant Program Receivable  
For the Year Ended December 31, 2016

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Balance December 31, 2015	\$ 374,484.89
Increased by:	
Accrued in 2016	90,700.00
	465,184.89
Decreased by:	
Receipts	233,641.39
Balance December 31, 2016	\$ 231,543.50
<u>Analysis of Balance December 31, 2016</u>	
Year XXXIV	\$ 78,639.89
Year XXXV	21,700.00
Year XXXVII	40,503.61
Year XXXVIII	90,700.00
	\$ 231,543.50

**TOWNSHIP OF PENNSAUKEN**  
**TRUST - OTHER FUND**  
 Statement of Due Current Fund  
 For the Year Ended December 31, 2016

	Total	Street Opening and Other Escrow Deposits	Community Development Block Grant	Payroll	Planning and Zoning Deposits	Unemployment Compensation	Housing Rehabilitation Program	Section 8 Program	Tax Title Lien Redemption	Workers' Compensation	Urban Development Action Grant -- Revolving Loan Account	Reserve for Public Defender	Reserve for Housing Trust	Reserve for Parking Offense Adjudication Act
Balance December 31, 2015 (Due to)	\$ (1,771.84)	\$ (122,616.26)	\$ (41,541.36)	\$ (13,230.41)	\$ 209,032.20			\$ (1,360.52)	\$ (2,088.93)	\$ (19,272.83)	\$ (19,241.34)	\$ 7,726.52	\$ (136.12)	\$ 957.21
Increased by:														
Disbursements:														
Interfunds Returned	8,154.52						\$ 1,614.76	6,539.76						
Bank Fees -- Due from Bank	1,405.11			1,076.56	3.48				325.07					
Made on behalf of Current Fund:														
2015 Appropriation Reserves	0.30	0.30												
Fees and Permits Refunded	500.00				500.00									
Current Fund Balance - Refund Prior Year Revenue	92.96			92.96										
2016 Budget Appropriations	26,690.93			1,690.93		\$ 25,000.00								
Collections made by Current Fund:														
Collector	1,466,511.04								1,466,511.04					
Treasurer	174,216.23	2,000.00			129,797.11							41,765.62		653.50
	1,677,571.09	2,000.30		2,860.45	130,300.59	25,000.00	1,614.76	6,539.76	1,466,836.11			41,765.62		653.50
Decreased by:	1,675,799.25	(120,615.96)	(41,541.36)	(10,369.96)	339,332.79	25,000.00	1,614.76	5,179.24	1,464,747.18	(19,272.83)	(19,241.34)	49,492.14	(136.12)	1,610.71
Receipts:														
Interest on Investments and Deposits	2,194.93	0.99	17.41	546.74	8.78				1,479.68	16.90			124.43	
Interfunds Received	148,068.71		2,500.00	10,568.71	110,000.00	25,000.00								
Interfunds Received from Collector	1,466,511.04								1,466,511.04					
Collections made on behalf of Current Fund:														
Miscellaneous Revenue not Anticipated:														
Miscellaneous Refunds	3,226.42			2,463.96						762.46				
Payments made by Current Fund:														
Reserve for Community Development Block Grant	2,500.16		2,500.16											
Reserve for Section 8 Program	5,179.24							5,179.24						
Miscellaneous Reserves	36,496.59						1,614.76					34,881.83		
	1,664,177.09	0.99	5,017.57	13,579.41	110,008.78	25,000.00	1,614.76	5,179.24	1,467,990.72	779.36		34,881.83	124.43	
Balance December 31, 2016 (Due from)	\$ 11,622.16	\$ (120,616.95)	\$ (46,558.93)	\$ (23,949.37)	\$ 229,324.01	\$ -	\$ -	\$ -	\$ (3,243.54)	\$ (20,052.19)	\$ (19,241.34)	\$ 14,610.31	\$ (260.55)	\$ 1,610.71

**TOWNSHIP OF PENNSAUKEN**  
TRUST - OTHER FUND  
Statement of Due to Bank  
For the Year Ended December 31, 2016

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Balance December 31, 2015	\$ 83.28
Increased by:	
Receipts	<u>52.20</u>
	135.48
Decreased by:	
Disbursements	<u>52.68</u>
Balance December 31, 2016	<u><u>\$ 82.80</u></u>



**TOWNSHIP OF PENNSAUKEN**  
**TRUST - OTHER FUND**  
Statement of Reserve for Payroll Deductions Payable  
For the Year Ended December 31, 2016

Balance December 31, 2015		\$ 200,436.90
Increased by:		
Due from Current Fund:		
2016 Budget Appropriations	\$ 1,690.93	
Receipts	11,729,567.60	
		11,731,258.53
		11,931,695.43
Decreased by:		
Disbursements		11,367,001.05
Balance December 31, 2016		\$ 564,694.38
 <u>Analysis of Balance (Deficit), December 31, 2016</u>		
AFLAC I & II		\$ 6,439.03
Boston Mutual and ASI - (ELO I & II)		130.25
Flexible Spending Accounts		(0.72)
Miscellaneous		1,597.42
Pennsauken Neighbors Helping Neighbors		105.00
Police and Firemen's Retirement System		343,382.78
Public Employees' Retirement System		194,309.73
Public Employees' Retirement System -- Contributory Insurance		8,653.52
Public Employees' Retirement System -- Supplemental		322.44
State of New Jersey Unemployment Insurance - Employer		4,135.01
Union Dues -- AFSME		3,171.98
Union Dues -- F.O.P.		1,440.00
Union Dues -- Firemen's		1,170.60
Valic - Deferred Compensation		(162.66)
		\$ 564,694.38

**TOWNSHIP OF PENNSAUKEN**  
TRUST - OTHER FUND  
Statement of Reserve for Economic Development --  
Urban Development Action Grant  
For the Year Ended December 31, 2016

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Balance December 31, 2015		\$ 2,222.87
Receipts:		
Interest on Investments and Deposits	\$ 10.72	
Loan Repayment -- 6300 Westfield Avenue	<u>3,968.04</u>	
		<u>3,978.76</u>
		6,201.63
Decreased by:		
Disbursements		<u>2,222.87</u>
Balance December 31, 2016		<u><u>\$ 3,978.76</u></u>

**TOWNSHIP OF PENNSAUKEN**  
**TRUST - OTHER FUND**  
Statement of Reserve for Community Development Block Grant Program  
For the Year Ended December 31, 2016

Balance December 31, 2015		\$ 128,295.56
Increased by:		
Accrued in 2016		90,700.00
		218,995.56
Decreased by:		
Due Current Fund:		
Payments made by Current Fund	\$ 2,500.16	
Disbursements	20,000.00	
		22,500.16
Balance December 31, 2016		\$ 196,495.40
<u>Analysis of Balance December 31, 2016</u>		
Year XXXIV		\$ 43,591.81
Year XXXV		21,700.00
Year XXXVII		40,503.59
Year XXXVIII		90,700.00
		\$ 196,495.40

**TOWNSHIP OF PENNSAUKEN**  
**TRUST - OTHER FUND**  
Statement of Reserve for Section 8 Program  
For the Year Ended December 31, 2016

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Balance December 31, 2015:			
Restricted for Housing Assistance Payments	\$ 12,889.82		
Unrestricted	<u>33,138.22</u>		
		\$	46,028.04
Increased by:			
Receipts:			
U.S. Department of Housing and Urban Development --			
Section 8 Housing Choice Vouchers:			
Restricted for Housing Assistance Payments	\$ 628,630.77		
Unrestricted Administrative Fees	<u>61,173.00</u>		
			689,803.77
Miscellaneous:			
Restricted for Housing Assistance Payments	49.72		
Unrestricted	<u>36.21</u>		
			<u>85.93</u>
			<u>689,889.70</u>
			735,917.74
Decreased by:			
Disbursements:			
Restricted for Housing Assistance Payments	575,219.00		
Unrestricted	<u>47,392.20</u>		
			622,611.20
Due Current Fund:			
Payments made by the Current Fund - Unrestricted		<u>5,179.24</u>	
			<u>627,790.44</u>
Balance December 31, 2016:			
Restricted for Housing Assistance Payments	66,351.31		
Unrestricted	<u>41,775.99</u>		
		\$	<u><u>108,127.30</u></u>

**TOWNSHIP OF PENNSAUKEN**  
**TRUST - OTHER FUND**  
Statement of Miscellaneous Trust Reserves  
For the Year Ended December 31, 2016

	Balance Dec. 31, 2015	Increased by		Decreased by		Balance Dec. 31, 2016
		Receipts	Due Current Fund	Disbursements	Due Current Fund	
Reserve for Street Opening Deposits	\$ 5,100.00	\$ 2,000.00	\$ 1,500.00	\$ 4,000.00		\$ 4,600.00
Reserve for Escrow Deposits	21,206.77	1,000.00	500.00	3,264.84		19,441.93
Reserve for Unemployment Compensation Insurance	350.12	2,780.65	25,000.00	20,638.99		7,491.78
Reserve for Parking Offense Adjudication Act	957.21		653.50			1,610.71
Reserve for Public Defender	7,726.52		41,765.62		\$ 34,881.83	14,610.31
Reserve for Planning and Zoning Deposits	223,970.44	20,000.00	129,797.11	134,255.97		239,511.58
Reserve for Special Law Enforcement Officers:						
State Allocation	75,594.45	17,472.69		27,723.77		65,343.37
Federal Allocation	756.62	0.12				756.74
Reserve for Housing Trust						
Reserve for Housing Rehabilitation Program	174,741.72	57,475.69		136.57	1,614.76	230,466.08
Reserve for Tax Title Lien Redemption	1,999,924.87	3,694,286.03	1,466,511.04	5,688,143.40		1,472,578.54
Reserve for Worker's Compensation Insurance	1,074.08	211,307.96		212,382.04		
	<u>\$ 2,511,402.80</u>	<u>\$ 4,006,323.14</u>	<u>\$ 1,665,727.27</u>	<u>\$ 6,090,545.58</u>	<u>\$ 36,496.59</u>	<u>\$ 2,056,411.04</u>
Budget Appropriation - Reserve for Unemployment Compensation Insurance			\$ 25,000.00			
Collections by Current Fund:						
Treasurer			174,216.23			
Collector			1,466,511.04			
			<u>\$ 1,665,727.27</u>			

**SUPPLEMENTAL EXHIBITS**

**GENERAL CAPITAL FUND**

**TOWNSHIP OF PENNSAUKEN**  
**GENERAL CAPITAL FUND**  
Statement of General Capital Cash  
Per N.J.S. 40A:5-5 -- Treasurer  
For the Year Ended December 31, 2016

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Balance December 31, 2015		\$ 120,091.76
Increased by Receipts:		
Due Current Fund	\$ 2,875,081.12	
Due Animal Control Fund	140,000.00	
Due Trust Other Fund	205,000.00	
Improvement Authorizations	6,725.00	
		3,226,806.12
		3,346,897.88
Decreased by Disbursements:		
Improvement Authorizations	2,899,774.67	
Contracts Payable	260,431.54	
		3,160,206.21
Balance December 31, 2016		\$ 186,691.67

**TOWNSHIP OF PENNSAUKEN**  
**GENERAL CAPITAL FUND**  
 Analysis of General Capital Cash  
 For the Year Ended December 31, 2016

	Balance (Overdraft) Dec. 31, 2015	Receipts		Disbursements			Balance (Overdraft) Dec. 31, 2016
		Improvement Authorizations	Miscellaneous	Improvement Authorizations	Miscellaneous	Transfers From To	
Due from Garden State Preservation Trust Fund	\$ (322,000.00)						\$ (322,000.00)
Due from State of New Jersey:							
Transportation Trust Fund Grant Receivable	(228,260.50)					\$ 233,600.00	(58,387.25)
Due Current Fund	(110,557.06)		\$ 2,875,081.12			13,748,897.62	(276,920.56)
Due Animal Control Fund	(150,000.00)		140,000.00				(10,000.00)
Due Trust Other Fund	(211,000.00)		205,000.00				(6,000.00)
Contracts Payable	267,488.57				\$ 260,431.54	7,057.03	192,512.35
Capital Improvement Fund	346.90					135,425.00	4,921.90
Due Bank	52.00						52.00
Fund Balance	43,953.00					43,953.00	
<b>Improvement Authorizations:</b>							
<b>Ordinance</b>							
<b>Number</b>							
07-03	Completion of Various Capital Improvements and Acquisition of Capital Equipment	2,954.68					2,954.68
09-05	Completion of Various Capital Improvements and Acquisition of Capital Equipment	(2,000.00)					(2,000.00)
10-05	Completion of Various Capital Improvements and Acquisition of Capital Equipment	1,138.21		\$ 1,138.21			
11-05	Completion of Various Capital Improvements and Acquisition of Capital Equipment	5,072.89		5,572.89			(500.00)
11-15	Acquisition of and Improvements to Various Abandoned Homes	83,943.78		47,470.00			36,473.78
12-06	Completion of Various Capital Improvements and Acquisition of Capital Equipment	473.50		473.50			
13-06	Completion of Various Capital Improvements and Acquisition of Capital Equipment	43,611.57		34,846.37		8,000.00	765.20
14-04	Completion of Various Capital Improvements and Acquisition of Capital Equipment	312,277.57		234,356.17		44,689.99	33,231.41
14-11	Storm Water Drainage Improvements for Baldwins Run	9,175.41					9,175.41
15-04;16-03	Completion of Various Capital Improvements and Acquisition of Capital Equipment	373,421.24		275,473.89		659.00	104,345.38
16-02	Completion of Various Capital Improvements and Acquisition of Capital Equipment		\$ 6,725.00	2,300,443.64		169,738.99	478,067.37
		\$ 120,091.76	\$ 3,220,081.12	\$ 2,899,774.67	\$ 260,431.54	\$ 14,392,020.63	\$ 186,691.67



**TOWNSHIP OF PENNSAUKEN**  
**GENERAL CAPITAL FUND**  
Statement of Deferred Charges to Future Taxation -- Funded  
For the Year Ended December 31, 2016

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Balance December 31, 2015	\$ 17,665,000.00
Increased by:	
General Serial Bonds Issued	<u>13,236,000.00</u>
	30,901,000.00
Decreased by:	
2016 Budget Appropriation to Pay Bonds	<u>2,085,000.00</u>
Balance December 31, 2016	<u><u>\$ 28,816,000.00</u></u>

**TOWNSHIP OF PENNSAUKEN**  
**GENERAL CAPITAL FUND**  
Statement of Deferred Charges to Future Taxation -- Unfunded  
For the Year Ended December 31, 2016

Ordinance Number	Improvement Description	Balance Dec. 31, 2015	2016 Authorizations	Transferred to Deferred Taxation Funded	Balance Dec. 31, 2016	Analysis of Balance December 31, 2016	
						Expenditures	Unexpended Improvement Authorizations
General Improvements:							
09-05	Completion of Various Capital Improvements and Acquisition of Capital Equipment	\$ 2,000.00			\$ 2,000.00	\$ 2,000.00	
11-05	Completion of Various Capital Improvements and Acquisition of Capital Equipment	2,400.00		\$ 1,900.00	500.00	500.00	
12-06	Completion of Various Capital Improvements and Acquisition of Capital Equipment	2,551,050.00		2,551,050.00			
12-08	Construction and Completion of Various Parks and Recreation Improvements	733,800.00		733,800.00			
12-14	Completion of Improvements to Various Parks and Recreation Facilities	321,000.00		321,000.00			
13-06	Completion of Various Capital Improvements and Acquisition of Capital Equipment	1,937,875.00		1,937,500.00	375.00		\$ 375.00
13-21	Completion of Various Capital Improvements and Acquisition of Capital Equipment	50,000.00		50,000.00			
14-04	Completion of Various Capital Improvements and Acquisition of Capital Equipment	2,517,500.00		2,517,500.00			
14-11	Storm Water Drainage Improvements for Baldwins Run	142,500.00		142,500.00			
15-04;16-03	Completion of Various Capital Improvements and Acquisition of Capital Equipment	2,408,250.00		2,408,250.00			
16-02	Completion of Various Capital Improvements and Acquisition of Capital Equipment		\$ 2,573,075.00	2,572,500.00	575.00		575.00
		<u>\$ 10,666,375.00</u>	<u>\$ 2,573,075.00</u>	<u>\$ 13,236,000.00</u>	<u>\$ 3,450.00</u>	<u>\$ 2,500.00</u>	<u>\$ 950.00</u>
Improvement Authorizations Unfunded							<u>\$ 950.00</u>

**TOWNSHIP OF PENNSAUKEN**  
**GENERAL CAPITAL FUND**  
Statement of Due from State of New Jersey --  
Transportation Trust Fund Grant Receivable  
For the Year Ended December 31, 2016

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Balance December 31, 2015		\$ 228,260.50
Increased by:		
Accrued in 2016:		
2016 Improvement Authorizations -- Funded		<u>233,600.00</u>
		461,860.50
Decreased by:		
Improvement Authorizations Canceled	\$ 30,575.63	
Collected by the Current Fund	<u>372,897.62</u>	
		<u>403,473.25</u>
Balance December 31, 2016		<u><u>\$ 58,387.25</u></u>

**TOWNSHIP OF PENNSAUKEN**  
**GENERAL CAPITAL FUND**  
Statement of Due from Current Fund  
For the Year Ended December 31, 2016

Balance December 31, 2015					\$ 110,557.06
Increased by:					
Capital Improvement Fund:					
2015 Appropriation Reserves	\$ 25,000.00				
2016 Budget Appropriation	<u>115,000.00</u>				
				\$ 140,000.00	
Collections by Current Fund:					
New Jersey Transportation Trust Fund Receivable	372,897.62				
Bonds Issued	<u>13,236,000.00</u>				
				<u>13,608,897.62</u>	
					<u>13,748,897.62</u>
					13,859,454.68
Decreased by:					
Anticipated as Revenue in Current Fund Budget:					
General Capital Fund Balance				43,953.00	
Payments made by Current Fund:					
Bond Anticipation Notes Paid				10,663,500.00	
Receipts:					
Interfunds Received	2,875,000.00				
Interest Earned	<u>81.12</u>				
				<u>2,875,081.12</u>	
					<u>13,582,534.12</u>
Balance December 31, 2016					<u><u>\$ 276,920.56</u></u>

**TOWNSHIP OF PENNSAUKEN**  
**GENERAL CAPITAL FUND**  
 Statement of Due from Animal Control Fund  
 For the Year Ended December 31, 2016

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Balance December 31, 2015	\$ 150,000.00
Decreased by:	
Receipts	140,000.00
Balance December 31, 2016	\$ 10,000.00

**TOWNSHIP OF PENNSAUKEN**  
**GENERAL CAPITAL FUND**  
 Statement of Due from Trust Other Fund  
 For the Year Ended December 31, 2016

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Balance December 31, 2015	\$ 211,000.00
Decreased by:	
Receipts	205,000.00
Balance December 31, 2016	\$ 6,000.00

**TOWNSHIP OF PENNSAUKEN**  
**GENERAL CAPITAL FUND**  
 Statement of Improvement Authorizations  
 For the Year Ended December 31, 2016

Ordinance Number	Improvement Descriptions	Date	Ordinance Amount	Balance December 31, 2015		Capital Improvement Fund	Grants	Deferred Charges to Future Taxation - Unfunded	Paid or Charged	Cancellation of Contracts Payable	Refunds	Canceled	Balance December 31, 2016	
				Funded	Unfunded								Funded	Unfunded
General Improvements:														
07-03	Completion of Various Capital Improvements and Acquisition of Capital Equipment	3/28/2007	\$ 2,364,000.00	\$ 2,954.68										\$ 2,954.68
10-05	Completion of Various Capital Improvements and Acquisition of Capital Equipment	4/21/2010	2,012,700.00	1,138.21				\$ 1,138.21						
11-05	Completion of Various Capital Improvements and Acquisition of Capital Equipment	3/25/2011	2,450,000.00	3,172.89	\$ 2,400.00			5,572.89						
11-15	Acquisition of and Improvements to Various Abandoned Homes	6/29/2011	200,000.00	83,943.78				47,470.00						36,473.78
12-06	Completion of Various Capital Improvements and Acquisition of Capital Equipment	3/21/2012	3,124,000.00		473.50			473.50						
13-06	Completion of Various Capital Improvements and Acquisition of Capital Equipment	3/20/2013	2,312,500.00		43,986.57			42,846.37						765.20 \$ 375.00
14-04	Completion of Various Capital Improvements and Acquisition of Capital Equipment	3/19/2014	3,267,980.00	32,212.60	280,064.97			248,470.53			\$ 30,575.63			33,231.41
14-11	Storm Water Drainage Improvements for Baldwins Run	8/13/2014	150,000.00		9,175.41									9,175.41
15-04;16-03	Completion of Various Capital Improvements and Acquisition of Capital Equipment	3/25/2015	2,770,120.00		373,421.24			276,132.89	\$ 7,057.03					104,345.38
16-02	Completion of Various Capital Improvements and Acquisition of Capital Equipment	3/22/2016	2,942,100.00			\$ 135,425.00	\$ 233,600.00	\$ 2,573,075.00	2,470,182.63		\$ 6,725.00			478,067.37 575.00
				<u>\$ 123,422.16</u>	<u>\$ 709,521.69</u>	<u>\$ 135,425.00</u>	<u>\$ 233,600.00</u>	<u>\$ 2,573,075.00</u>	<u>\$ 3,092,287.02</u>	<u>\$ 7,057.03</u>	<u>\$ 6,725.00</u>	<u>\$ 30,575.63</u>	<u>\$ 665,013.23</u>	<u>\$ 950.00</u>
New Jersey Transportation Trust Fund Grant Receivable							<u>\$ 233,600.00</u>							
Refunds - Receipts											<u>\$ 6,725.00</u>			
Disbursements									\$ 2,899,774.67					
Contracts Payable									<u>192,512.35</u>					
									<u>\$ 3,092,287.02</u>					

**TOWNSHIP OF PENNSAUKEN**  
**GENERAL CAPITAL FUND**  
**Statement of Contracts Payable**  
**For the Year Ended December 31, 2016**

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Balance December 31, 2015		\$ 267,488.57
Increased by:		
Accrued in 2016		<u>192,512.35</u>
		460,000.92
Decreased by:		
Disbursements	\$ 260,431.54	
Cancellations:		
Improvement Authorizations	<u>7,057.03</u>	<u>267,488.57</u>
Balance December 31, 2016		<u><u>\$ 192,512.35</u></u>

**TOWNSHIP OF PENNSAUKEN**  
GENERAL CAPITAL FUND  
Statement of Capital Improvement Fund  
For the Year Ended December 31, 2016

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Balance December 31, 2015		\$	346.90
Increased by:			
Due Current Fund:			
2015 Appropriation Reserves	\$	25,000.00	
2016 Budget Appropriation		<u>115,000.00</u>	
			<u>140,000.00</u>
			140,346.90
Decreased by:			
Appropriated to Finance Improvement Authorizations			<u>135,425.00</u>
Balance December 31, 2016		\$	<u><u>4,921.90</u></u>



**TOWNSHIP OF PENNSAUKEN**  
**GENERAL CAPITAL FUND**  
**Statement of Bonds Anticipation Notes**  
**For the Year Ended December 31, 2016**

Ordinance Number	Improvement Description	Amount of Original Issue	Date of Issue of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2015	Decreased	Balance Dec. 31, 2016
General Improvements:									
11-05	Completion of Various Capital Improvements and Acquisition of Capital Equipment	\$ 1,250.00	07/26/12	06/24/15	06/23/16	1.00%	\$ 1,900.00	\$ 1,900.00	
12-06	Completion of Various Capital Improvements and Acquisition of Capital Equipment	2,731,250.00	07/26/12	06/24/15	06/23/16	1.00%	2,551,050.00	2,551,050.00	
12-08	Construction and Completion of Various Parks and Recreation Improvements	760,000.00	07/26/12	06/24/15	06/23/16	1.00%	733,800.00	733,800.00	
12-14	Completion of Improvements to Various Parks and Recreation Facilities	332,500.00	07/26/12	06/24/15	06/23/16	1.00%	321,000.00	321,000.00	
13-06	Completion of Various Capital Improvements and Acquisition of Capital Equipment	1,987,500.00	07/24/13	06/24/15	06/23/16	1.00%	1,937,500.00	1,937,500.00	
13-21	Completion of Various Capital Improvements and Acquisition of Capital Equipment	89,492.13	07/24/13	06/24/15	06/23/16	1.00%	50,000.00	50,000.00	
14-04	Completion of Various Capital Improvements and Acquisition of Capital Equipment	2,505,000.00	06/26/14	06/24/15	06/23/16	1.00%	2,517,500.00	2,517,500.00	
14-11	Completion of Various Storm Water Drainage Improvements	142,500.00	06/24/15	06/24/15	06/23/16	1.00%	142,500.00	142,500.00	
15-04;16-03	Completion of Various Capital Improvements and Acquisition of Capital Equipment	2,408,250.00	06/24/15	06/24/15	06/23/16	1.00%	2,408,250.00	2,408,250.00	
							<u>\$ 10,663,500.00</u>	<u>\$ 10,663,500.00</u>	<u>\$ -</u>
	Paid from Bond Proceeds -- by the Current Fund							<u>\$ 10,663,500.00</u>	



**TOWNSHIP OF PENNSAUKEN**  
**GENERAL CAPITAL FUND**  
 Statement of Bonds and Notes Authorized but not Issued  
 For the Year Ended December 31, 2016

Ordinance Number	Improvement Description	Balance Dec. 31, 2015	Increased by 2016 Authorizations	Decreased by Bonds Issued	Balance Dec. 31, 2016
General Improvements:					
09-05	Completion of Various Capital Improvements and Acquisition of Capital Equipment	\$ 2,000.00			\$ 2,000.00
11-05	Completion of Various Capital Improvements and Acquisition of Capital Equipment	500.00			500.00
13-06	Completion of Various Capital Improvements and Acquisition of Capital Equipment	375.00			375.00
16-02	Completion of Various Capital Improvements and Acquisition of Capital Equipment		\$ 2,573,075.00	\$ 2,572,500.00	575.00
		<u>\$ 2,875.00</u>	<u>\$ 2,573,075.00</u>	<u>\$ 2,572,500.00</u>	<u>\$ 3,450.00</u>

**SUPPLEMENTAL EXHIBITS**  
**GOLF COURSE UTILITY FUND**

**TOWNSHIP OF PENNSAUKEN**  
**GOLF COURSE UTILITY FUND**  
Statement of Golf Course Utility Cash  
Per N.J.S. 40A:5-5 -- Treasurer  
For the Year Ended December 31, 2016

	<u>Operating</u>	<u>Capital</u>
Balance December 31, 2015	\$ 129,990.28	\$ 10,647.81
Increased by Receipts:		
Playing Fees	\$ 941,023.00	
Equipment Rental Fees	474,084.00	
Miscellaneous	233,009.13	
2016 Appropriation Refunds	53,499.30	
Petty Cash	80.15	
Due Current Fund		\$ 115,000.00
Due Golf Course Utility Operating Fund		4,257.62
2015 Appropriation Reserves Refunds	<u>4,643.91</u>	
	<u>1,706,339.49</u>	<u>119,257.62</u>
	1,836,329.77	129,905.43
Decreased by Disbursements:		
Refund of Prior Year Revenue	3,411.16	
2016 Appropriations	1,407,413.63	
Petty Cash	150.00	
2015 Appropriation Reserves	34,693.05	
Due Current Fund	250,000.00	
Contracts Payable		4,930.00
Improvement Authorizations		<u>110,299.43</u>
	<u>1,695,667.84</u>	<u>115,229.43</u>
Balance December 31, 2016	<u><u>\$ 140,661.93</u></u>	<u><u>\$ 14,676.00</u></u>

**TOWNSHIP OF PENNSAUKEN**  
**GOLF COURSE UTILITY CAPITAL FUND**  
 Analysis of Golf Course Utility Capital Cash  
 For the Year Ended December 31, 2016

	Balance	Receipts	Disbursements		Transfers		Balance	
	(Overdraft) Dec. 31, 2015	Miscellaneous	Improvement Authorizations	Miscellaneous	From	To	(Overdraft) Dec. 31, 2016	
Due Current Fund	\$ (97,500.00)	\$ 115,000.00			\$ 1,017,375.00	\$ 872,500.00	\$(127,375.00)	
Due Golf Course Utility Operating Fund	(376.87)	4,257.62					3,880.75	
Capital Improvement Fund	3,029.00						3,029.00	
Reserve for Preliminary Expenses	38.58						38.58	
Contracts Payable	4,930.00			\$ 4,930.00		45,229.44	45,229.44	
Improvement Authorizations:								
Ordinance								
<u>Number</u>								
08-10	Completion of Various Capital Improvements and Acquisition of Equipment	298.45	\$ 298.45					
08-19	Acquisition of Real Property	186.85	186.85					
13-01	Completion of Various Capital Improvements and Acquisition of Equipment	96,333.68	67,886.63		13,010.10		15,436.95	
13-06	Completion of Various Capital Improvements and Acquisition of Equipment	555.00	555.00					
14-04	Completion of Various Capital Improvements and Acquisition of Equipment	1,397.50	1,397.50					
15-04	Completion of Various Capital Improvements and Acquisition of Equipment	1,755.62				3,375.00	5,130.62	
16-02	Completion of Various Capital Improvements and Acquisition of Equipment		39,975.00		32,219.34	141,500.00	69,305.66	
		<u>\$ 10,647.81</u>	<u>\$ 119,257.62</u>	<u>\$ 110,299.43</u>	<u>\$ 4,930.00</u>	<u>\$ 1,062,604.44</u>	<u>\$ 1,062,604.44</u>	<u>\$ 14,676.00</u>

**TOWNSHIP OF PENNSAUKEN**  
**GOLF COURSE UTILITY OPERATING FUND**  
 Schedule of Change Funds  
 As of December 31, 2016

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Balance December 31, 2016	<u>\$ 800.00</u>
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**TOWNSHIP OF PENNSAUKEN**  
**GOLF COURSE UTILITY OPERATING FUND**  
 Statement of Petty Cash Funds  
 For the Year Ended December 31, 2016

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Increased by:			
Golf Course -- Received from Treasurer -- Disbursements		\$	150.00
Decreased by:			
Deposited in Current Fund		\$ 69.85	
Returned to Treasurer -- Receipts		80.15	
			<u>\$ 150.00</u>

**TOWNSHIP OF PENNSAUKEN**  
**GOLF COURSE UTILITY OPERATING FUND**  
Statement of Due from Current Fund  
For the Year Ended December 31, 2016

Balance December 31, 2015		\$ 3,264.90
Increased by:		
Collections made by the Current Fund:		
Petty Cash	\$ 69.85	
Disbursements:		
Interfunds Returned	<u>250,000.00</u>	<u>250,069.85</u>
		253,334.75
Decreased by:		
Anticipated as Revenue in Current Fund Budget:		
2016 Budget Appropriations:		
Golf Course Utility -- Payment in Lieu of Taxes	180,000.00	
Payments made by Current Fund:		
Accrued Interest on Bonds and Notes	\$ 28,900.76	
2016 Budget Appropriations:		
Bond Principal	\$ 40,000.00	
Salary and Wages	1,679.01	
Other Expense	<u>305.48</u>	
	<u>41,984.49</u>	<u>70,885.25</u>
		<u>250,885.25</u>
Balance December 31, 2016		<u><u>\$ 2,449.50</u></u>



**TOWNSHIP OF PENNSAUKEN**  
**GOLF COURSE UTILITY CAPITAL FUND**  
**Statement of Fixed Capital**  
**For the Year Ended December 31, 2016**

<u>Account</u>	<u>Balance</u> <u>Dec. 31, 2015</u>	<u>Additions</u>		<u>Balance</u> <u>Dec. 31, 2016</u>
		<u>Budgeted</u> <u>Capital</u> <u>Outlay</u>	<u>Ordinance</u>	
Construction of Clubhouse at the Golf Course	\$ 1,963,891.26			\$ 1,963,891.26
Improvements to Golf Course	2,385,243.86	\$ 17,066.53	\$ 464,077.29	2,866,387.68
Construction of a Clubhouse and the Restaurant Facility	150,000.00			150,000.00
Issuance Costs for Refunding Bonds	29,501.41			29,501.41
Construction of a Parking Lot	94,800.00			94,800.00
Construction of a Pool House and Maintenance Facility	181,925.00			181,925.00
Purchase of Golf Equipment	284,925.98		268,422.71	553,348.69
Construction of a Tunnel Under Haddonfield Road	850,000.00			850,000.00
Purchase of Real Property			210,000.00	210,000.00
	<u>\$ 5,940,287.51</u>	<u>\$ 17,066.53</u>	<u>\$ 942,500.00</u>	<u>\$ 6,899,854.04</u>

**TOWNSHIP OF PENNSAUKEN**  
**GOLF COURSE UTILITY CAPITAL FUND**  
 Statement of Fixed Capital Authorized and Uncompleted  
 For the Year Ended December 31, 2016

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Ordinance Date</u>	<u>Amount</u>	<u>Balance Dec. 31, 2015</u>	<u>2016 Authorizations</u>	<u>Costs to Fixed Capital</u>	<u>Balance Dec. 31, 2016</u>
General Improvements:							
08-10	Completion of Various Capital Improvements and Acquisition of Equipment	4/26/2008	\$ 250,000.00	\$ 250,000.00		\$ 250,000.00	
08-19	Acquisition of Real Property	6/18/2008	210,000.00	210,000.00		210,000.00	
13-01	Completion of Various Capital Improvements and Acquisition of Equipment	1/26/2013	325,000.00	325,000.00			\$ 325,000.00
13-06	Completion of Various Capital Improvements and Acquisition of Equipment	3/20/2013	307,500.00	307,500.00		307,500.00	
14-04	Completion of Various Capital Improvements and Acquisition of Equipment	3/19/2014	175,000.00	175,000.00		175,000.00	
15-04	Completion of Various Capital Improvements and Acquisition of Equipment	3/25/2015	65,000.00	65,000.00			65,000.00
16-02	Completion of Various Capital Improvements and Acquisition of Equipment	3/23/2016	141,500.00		\$ 141,500.00		141,500.00
				<u>\$ 1,332,500.00</u>	<u>\$ 141,500.00</u>	<u>\$ 942,500.00</u>	<u>\$ 531,500.00</u>

**TOWNSHIP OF PENNSAUKEN**  
**GOLF COURSE UTILITY CAPITAL FUND**  
 Statement of Due from Current Fund  
 For the Year Ended December 31, 2016

Balance December 31, 2015		\$ 97,500.00
Increased by:		
Collections made by the Current Fund:		
Improvement Authorization Refunds	\$ 3,375.00	
General Obligation Bonds	<u>1,014,000.00</u>	
		<u>1,017,375.00</u>
		1,114,875.00
Decreased by:		
Payments made by the Current Fund:		
Bond Anticipation Notes Paid	872,500.00	
Receipts:		
Interfunds Received	<u>115,000.00</u>	
		<u>987,500.00</u>
Balance December 31, 2016		<u><u>\$ 127,375.00</u></u>

## Exhibit SD-9

**TOWNSHIP OF PENNSAUKEN**  
**GOLF COURSE UTILITY CAPITAL FUND**  
 Statement of Due from/to Golf Course Utility Operating Fund  
 For the Year Ended December 31, 2016

Balance December 31, 2015 (Due from)		\$ 376.87
Decreased by:		
Receipts:		
Collections made on behalf of the Operating Fund:		
Refund of Budget Appropriations	\$ 4,252.30	
Interest on Investments and Deposits	<u>5.32</u>	
		<u>4,257.62</u>
Balance December 31, 2016 (Due to)		<u><u>\$ 3,880.75</u></u>

**TOWNSHIP OF PENNSAUKEN**  
**GOLF COURSE UTILITY OPERATING FUND**  
 Statement of 2015 Appropriation Reserves  
 For the Year Ended December 31, 2016

	Balance December 31, 2015		Balance After Modification	Paid or Charged	Balance Lapsed
	<u>Encumbered</u>	<u>Reserved</u>			
Operating:					
Salaries and Wages		\$ 4.22	\$ 4.22		\$ 4.22
Other Expenses	\$ 13,162.26	17,205.11	30,367.37	\$ 30,049.14	318.23
Total Operating	<u>13,162.26</u>	<u>17,209.33</u>	<u>30,371.59</u>	<u>30,049.14</u>	<u>322.45</u>
Capital Improvements:					
Capital Outlay		149.02	149.02		149.02
Deferred Charges and Statutory Expenditures:					
Statutory Expenditures:					
Contribution to:					
Social Security System (O.A.S.I.)		2.00	2.00		2.00
Total Utility Appropriations	<u>\$ 13,162.26</u>	<u>\$ 17,360.35</u>	<u>\$ 30,522.61</u>	<u>\$ 30,049.14</u>	<u>\$ 473.47</u>
Receipts:					
Refunds				\$ (4,643.91)	
Disbursements				<u>34,693.05</u>	
				<u>\$ 30,049.14</u>	

**TOWNSHIP OF PENNSAUKEN**  
**GOLF COURSE UTILITY OPERATING FUND**  
Statement of Accrued Interest on Bonds and Notes  
For the Year Ended December 31, 2016

Balance December 31, 2015		\$ 11,393.78
Increased by:		
2016 Budget Appropriation:		
Interest on Bonds	\$ 25,026.91	
Interest on Notes	<u>4,058.76</u>	
		<u>29,085.67</u>
		40,479.45
Decreased by:		
Paid by Current Fund		<u>28,900.76</u>
Balance December 31, 2016		<u><u>\$ 11,578.69</u></u>

Principal Outstanding <u>December 31, 2016</u>	<u>Interest Rate</u>	<u>From</u>	<u>To</u>	<u>Period (Days)</u>	<u>Amount</u>
General Improvement Bonds:					
2008 Issue:					
\$ 465,000.00	Varies	09/01/16	12/31/16	122	\$ 6,216.99
2016 Issue:					
1,014,000.00	Varies	06/22/16	12/31/16	193	<u>5,361.70</u>
					<u><u>\$ 11,578.69</u></u>

**TOWNSHIP OF PENNSAUKEN**  
**GOLF COURSE UTILITY CAPITAL FUND**  
**Statement of Improvement Authorizations**  
**For the Year Ended December 31, 2016**

Ordinance Number	Improvement Description	Date	Ordinance		Deferred Charges to Future Revenue	Paid or Charged	Refunds	Dec. 31, 2016	
			Amount	Funded				Unfunded	Funded
General Improvements:									
08-10	Completion of Various Capital Improvements and Acquisition of Equipment	4/26/2008	\$ 250,000.00	\$ 298.45		\$ 298.45			
08-19	Acquisition of Real Property	6/18/2008	210,000.00	186.85		186.85			
13-01	Completion of Various Capital Improvements and Acquisition of Equipment	1/26/2013	325,000.00		\$ 96,333.68	80,896.73		\$ 15,436.95	
13-06	Completion of Various Capital Improvements and Acquisition of Equipment	3/20/2013	307,500.00		555.00	555.00			
14-04	Completion of Various Capital Improvements and Acquisition of Equipment	3/19/2014	175,000.00		1,397.50	1,397.50			
15-04	Completion of Various Capital Improvements and Acquisition of Equipment	3/25/2015	65,000.00		1,755.62		\$ 3,375.00	5,130.62	
16-02	Completion of Various Capital Improvements and Acquisition of Equipment	3/23/2016	141,500.00		\$ 141,500.00	72,194.34		69,305.66	
				<u>\$ 485.30</u>	<u>\$ 100,041.80</u>	<u>\$ 141,500.00</u>	<u>\$ 155,528.87</u>	<u>\$ 3,375.00</u>	<u>\$ 89,873.23</u>
Refunds -- Collected by the Current Fund								<u>\$ 3,375.00</u>	
Disbursements						\$ 110,299.43			
Contracts Payable						45,229.44			
						<u>\$ 155,528.87</u>			

**TOWNSHIP OF PENNSAUKEN**  
**GOLF COURSE UTILITY CAPITAL FUND**  
 Statement of Contracts Payable  
 For the Year Ended December 31, 2016

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Balance December 31, 2015		\$ 4,930.00
Increased by:		
Improvement Authorizations		45,229.44
		50,159.44
Decreased by:		
Disbursements		4,930.00
Balance December 31, 2016		\$ 45,229.44

## Exhibit SD-14

**TOWNSHIP OF PENNSAUKEN**  
**GOLF COURSE UTILITY CAPITAL FUND**  
 Statement of Reserve for Amortization  
 For the Year Ended December 31, 2016

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Balance December 31, 2015		\$ 5,895,287.51
Increased by:		
Capital Outlay Expended - Operating Fund	\$ 17,066.53	
Payment of General Serial Bonds	40,000.00	
		57,066.53
Balance December 31, 2016		\$ 5,952,354.04

**TOWNSHIP OF PENNSAUKEN**  
**GOLF COURSE UTILITY CAPITAL FUND**  
 Statement of Bond Anticipation Notes  
 For the Year Ended December 31, 2016

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Amount of Original Issue</u>	<u>Date of Issue of Original Note</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2015</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2016</u>
13-01	Completion of Various Capital Improvements and Acquisition of Equipment	\$ 325,000.00	7/24/2013	6/24/2015	6/23/2016	1.00%	\$ 325,000.00		\$ 325,000.00	
13-06	Completion of Various Capital Improvements and Acquisition of Equipment	307,500.00	7/24/2013	6/24/2015	6/23/2016	1.00%	307,500.00		307,500.00	
14-04	Completion of Various Capital Improvements and Acquisition of Equipment	175,000.00	6/26/2014	6/24/2015	6/23/2016	1.00%	175,000.00		175,000.00	
15-04	Completion of Various Capital Improvements and Acquisition of Equipment	65,000.00	6/24/2015	6/24/2015	6/23/2016	1.00%	65,000.00		65,000.00	
							<u>\$ 872,500.00</u>	<u>\$ -</u>	<u>\$ 872,500.00</u>	<u>\$ -</u>
Paid from Bond Proceeds -- by the Current Fund									<u>\$ 872,500.00</u>	



**TOWNSHIP OF PENNSAUKEN**  
**GOLF COURSE UTILITY CAPITAL FUND**  
 Statement of Golf Course Utility Capital Serial Bonds  
 For the Year Ended December 31, 2016

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds Outstanding Dec. 31, 2016</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2015</u>	<u>Increased</u>	<u>Paid by Budget Appropriation</u>	<u>Balance Dec. 31, 2016</u>
			<u>Date</u>	<u>Amount</u>					
General Obligation Bonds	09/01/08	\$ 810,000.00	9/1/2017-18	\$ 60,000.00	4.00%	\$ 505,000.00		\$ 40,000.00	\$ 465,000.00
			9/1/2019-20	65,000.00	4.00%				
			9/1/2021-22	70,000.00	4.00%				
			9/1/2023	75,000.00	4.00%				
General Obligation Bonds	06/22/16	1,014,000.00	3/1/2017	65,465.00	1.00%				
			3/1/2018	70,802.00	2.00%				
			3/1/2019	71,869.00	2.00%				
			3/1/2020	73,293.00	2.00%				
			3/1/2021	74,716.00	2.00%				
			3/1/2022	76,139.00	2.00%				
			3/1/2023	77,918.00	2.00%				
			3/1/2024	79,341.00	2.00%				
			3/1/2025	81,120.00	2.00%				
			3/1/2026	82,899.00	2.00%				
			3/1/2027	84,678.00	2.00%				
			3/1/2028	86,813.00	2.25%				
			3/1/2029	88,947.00	2.375%				
							\$ 1,014,000.00		1,014,000.00
						\$ 505,000.00	\$ 1,014,000.00	\$ 40,000.00	\$ 1,479,000.00
Issued for Cash -- Collected by the Current Fund							\$ 1,014,000.00		

**TOWNSHIP OF PENNSAUKEN**  
**GOLF COURSE UTILITY CAPITAL FUND**  
 Statement of Bonds and Notes Authorized but not Issued  
 For the Year Ended December 31, 2016

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2015</u>	<u>Increased by</u>	<u>Decreased by</u>	<u>Balance Dec. 31, 2016</u>
			<u>2016 Authorizations</u>	<u>Bonds Issued</u>	
16-02	Completion of Various Capital Improvements and Acquisition of Equipment	_____	\$ 141,500.00	\$ 141,500.00	_____
		<u>\$ -</u>	<u>\$ 141,500.00</u>	<u>\$ 141,500.00</u>	<u>\$ -</u>

**PART II**  
**SINGLE AUDIT**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

**REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

**INDEPENDENT AUDITOR'S REPORT**

The Honorable Mayor and  
Members of the Township Committee  
Township of Pennsauken  
Pennsauken, New Jersey 08110

**Report on Compliance for Each Major Federal Program**

We have audited the Township of Pennsauken's, in the County of Camden, State of New Jersey, compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the Township of Pennsauken's major federal program for the year ended December 31, 2016. The Township of Pennsauken's major federal program is identified in the *Summary of Auditor's Results* section of the accompanying *Schedule of Findings and Questioned Costs*.

**Management's Responsibility**

Management is responsible for compliance with the statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for the Township of Pennsauken's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance 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; audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; and Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Township of Pennsauken's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the Township of Pennsauken's compliance.

**Opinion on Each Major Federal Program**

In our opinion, the Township of Pennsauken, in the County of Camden, State of New Jersey, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2016.

**Report on Internal Control over Compliance**

Management of the Township of Pennsauken is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Township of Pennsauken's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Township of Pennsauken's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,



BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants



Scott P. Barron  
Certified Public Accountant  
Registered Municipal Accountant

**TOWNSHIP OF PENNSAUKEN**  
 Schedule of Expenditures of Federal Awards  
 For the Year Ended December 31, 2016

Federal Grantor/ Pass Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Program or Award Amount	Matching Contribution	<u>Grant Period</u> From To	
<u>U.S. Department of Housing and Urban Development</u>						
Section 8 Housing Choice Vouchers	14.871	NJ118	\$ 689,803.77	N/A	1/1/16	12/31/16
Passed through County of Camden:						
CDBG - Entitlement Grants Cluster:						
Community Development Block Grants/Entitlement Grants:						
Year XXXIV	14.218	N/A	103,500.00	N/A	07/01/11	06/30/12
Year XXXV	14.218	N/A	90,700.00	N/A	07/01/12	06/30/13
Year XXXVI	14.218	N/A	90,700.00	N/A	07/01/13	06/30/14
Year XXXVII	14.218	N/A	114,445.00	N/A	07/01/14	06/30/15
Year XXXVIII	14.218	N/A	90,700.00	N/A	07/01/15	06/30/16
Total Community Development Block Grants/Entitlement Grants						
Total Department of Housing and Urban Development						
<u>U.S. Department of Homeland Security</u>						
Passed through New Jersey State Police:						
Public Assistance Grants	97.036	066-1200-100-B65	137,677.25	N/A	06/23/15	06/23/15
<u>U.S. Department of Justice</u>						
Bulletproof Vest Partnership Program	16.607	N/A	7,756.62	N/A	09/01/15	08/31/17
Edward Byrne Memorial --						
Justice Assistance Grant	16.738	N/A	13,266.00	N/A	10/01/11	09/30/15
Justice Assistance Grant	16.738	N/A	12,278.00	N/A	10/01/13	09/30/17
Justice Assistance Grant	16.738	N/A	12,978.00	N/A	10/01/14	09/30/18
Justice Assistance Grant	16.738	N/A	10,863.00	N/A	10/01/15	09/30/19
Justice Assistance Grant	16.738	N/A	10,591.00	N/A	10/01/16	09/30/20
Total U.S. Department of Justice						
<u>U.S. Department of Transportation</u>						
Passed through State Division of Highway Traffic Safety:						
National Priority Safety Programs:						
Drive Sober or Get Pulled Over	20.616	066-1160-100-157	5,000.00	N/A	12/11/15	01/01/16
Drive Sober or Get Pulled Over	20.616	066-1160-100-157	5,000.00	N/A	08/19/16	09/05/16
Occupant Protection Incentive Grants - Click it or Ticket	20.616	066-1160-100-155	5,000.00	N/A	05/23/16	06/05/16
Total State Division of Highway Safety						
Total U.S. Department of Transportation						
<u>U.S. Department of Homeland Security</u>						
FEMA Emergency Management Assistance Program	97.042	N/A	10,000.00	N/A	07/01/15	06/30/16
Total Federal Financial Assistance						

(A) Adjustments represent portions of awards which have been canceled.

The accompanying Notes to Financial Statements and Notes to Schedule of Expenditures of Federal Awards are an integral part of this schedule.

Balance Dec 31, 2015	Receipts or Revenues Realized	Adjustments (A)	Passed - Through to Subrecipients	Total Federal Disbursements / Expenditures	Encumbrances	Balance Dec 31, 2016	(Memo Only)	
							Cash Receipts	Accumulated Expenditures
	\$ 689,803.77			\$ (689,803.77)			\$ 689,803.77	\$ 689,803.77
	689,803.77			(689,803.77)			689,803.77	689,803.77
\$ 66,091.97 21,700.00				(22,500.16)		\$ 43,591.81 21,700.00	69,000.00	59,908.19 69,000.00
40,503.59						40,503.59	90,700.00	90,700.00
	90,700.00					90,700.00	73,941.39	73,941.41
128,295.56	90,700.00			(22,500.16)		196,495.40	233,641.39	293,549.60
128,295.56	780,503.77			(712,303.93)		196,495.40	923,445.16	983,353.37
	137,677.25			(137,677.25)			137,677.25	137,677.25
1,881.64				(1,881.64)			3,794.60	7,756.62
1,881.64				(1,881.64)			3,794.60	7,756.62
2,612.57 2,326.43 10,863.00		\$ (2,612.57) 9,951.57 (7,386.00) 47.00		(11,668.00)	\$ (610.00)	3,477.00	12,278.00	13,266.00
	10,591.00				(2.00)	45.00	9,501.00	11,668.00
					(9,857.59)	733.41	2,190.63	9,501.00
15,802.00	10,591.00			(11,668.00)	(10,469.59)	4,255.41	23,969.63	10,816.00
17,683.64	10,591.00			(13,549.64)	(10,469.59)	4,255.41	27,764.23	45,251.00
	5,000.00	(2,425.00)		(2,575.00)			2,575.00	2,575.00
	5,000.00	(2,600.00)		(2,400.00)			2,400.00	2,400.00
	5,000.00	(340.68)		(4,659.32)			4,659.32	4,659.32
	15,000.00	(5,365.68)		(9,634.32)			9,634.32	9,634.32
	15,000.00	(5,365.68)		(9,634.32)			9,634.32	9,634.32
	10,000.00			(5,000.00)		5,000.00	10,000.00	5,000.00
<u>\$ 145,979.20</u>	<u>\$ 953,772.02</u>	<u>\$ (5,365.68)</u>	<u>\$ -</u>	<u>\$ (878,165.14)</u>	<u>\$ (10,469.59)</u>	<u>\$ 205,750.81</u>	<u>\$ 1,108,520.96</u>	<u>\$ 1,188,672.56</u>

**TOWNSHIP OF PENNSAUKEN**  
 Notes to Schedule of Expenditures of Federal Awards  
 For the Year Ended December 31, 2016

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**Note 1: BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards includes federal award activity of the Township of Pennsauken (hereafter referred to as the "Township") under programs of the federal government for the year ended December 31, 2016. The Township is defined in note 1 to the financial statements. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because this schedule presents only a selected portion of the operations of the Township, it is not intended to and does not present the financial position and changes in operations of the Township.

**Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the schedule are reported on the modified accrual basis of accounting as promulgated by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. This basis of accounting is described in note 1 to the financial statements. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowed or are limited as to reimbursement. The Township has elected not to use the 10-percent de minimis indirect cost rate allowed under Uniform Guidance.

**Note 3: RELATIONSHIP TO FINANCIAL STATEMENTS**

Amounts reported in the accompanying schedules agree with amounts reported in the Township's financial statements. Expenditures from awards are reported in the Township's financial statements as follows:

Current	\$ 134,302.25
Federal and State Grant Fund	28,183.96
Trust - Other	712,303.93 (1)
General Capital	<u>3,375.00</u>
 Total Awards and Financial Assistance	 <u><u>\$ 878,165.14</u></u>

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(1) Amount includes \$689,803.77 reimbursed as of December 31, 2016 for the Section 8 Housing Choice Voucher Program.

**Note 4: RELATIONSHIP TO FEDERAL FINANCIAL REPORTS**

Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports.



**Note 5: ADJUSTMENTS**

Amounts reported in the column entitled "adjustments" represent the cancellation of grants awarded which have not been expended or received which total \$5,365.68 and a modification to the presentation by grant award for the Edward Byrne Memorial Justice Assistance Grants.

**Note 6: MAJOR PROGRAMS**

Major programs are identified in the *Summary of Auditor's Results* section of the *Schedule of Findings and Questioned Costs*.

**TOWNSHIP OF PENNSAUKEN**  
 Schedule of Findings and Questioned Costs  
 For the Year Ended December 31, 2016

**Section 1- Summary of Auditor's Results**

**Financial Statements**

Type of auditor's report issued Unmodified

Internal control over financial reporting:

Material weakness(es) identified?      yes   X   no

Significant deficiency(ies) identified?      yes   X   none reported

Noncompliance material to financial statements noted?      yes   X   no

**Federal Awards**

Internal control over major programs:

Material weakness(es) identified?      yes   X   no

Significant deficiency(ies) identified?      yes   X   none reported

Type of auditor's report issued on compliance for major programs Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 516 of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance)?      yes   X   no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
Section 8 Housing Choice Vouchers	14.871

Dollar threshold used to determine Type A programs \$                  750,000.00

Auditee qualified as low-risk auditee?   X   yes      no

**TOWNSHIP OF PENNSAUKEN**  
Schedule of Findings and Questioned Costs  
For the Year Ended December 31, 2016

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**Section 1- Summary of Auditor's Results (Cont'd)**

**State Financial Assistance**

Not Applicable

Internal control over major programs:

Material weakness(es) identified? \_\_\_\_\_ yes \_\_\_\_\_ no

Significant deficiency(ies) identified? \_\_\_\_\_ yes \_\_\_\_\_ none reported

Type of auditor's report issued on compliance for major programs

\_\_\_\_\_

Any audit findings disclosed that are required to be reported in accordance with New Jersey Circular 15-08-OMB?

\_\_\_\_\_ yes \_\_\_\_\_ no

Identification of major programs:

**GMIS Number(s)**

**Name of State Program**

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\_\_\_\_\_  
\_\_\_\_\_

Dollar threshold used to determine Type A programs

\$ \_\_\_\_\_

Auditee qualified as low-risk auditee?

\_\_\_\_\_ yes \_\_\_\_\_ no

**TOWNSHIP OF PENNSAUKEN**  
Schedule of Findings and Questioned Costs  
For the Year Ended December 31, 2016

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***Section 2 - 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 PENNSAUKEN**  
Schedule of Findings and Questioned Costs  
For the Year Ended December 31, 2016

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***Section 3 - Schedule of Federal Award Findings and Questioned Costs***

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major Federal programs, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

None.

**TOWNSHIP OF PENNSAUKEN**  
Schedule of Findings and Questioned Costs  
For the Year Ended December 31, 2016

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***Section 4 - Schedule of State Financial Assistance Findings and Questioned Costs***

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major State programs, as required by State of New Jersey Circular 15-08-OMB.

Not Applicable.

**TOWNSHIP OF PENNSAUKEN**  
Summary Schedule of Prior Year Audit Findings  
and Questioned Costs as Prepared by Management

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This section identifies the status of prior year findings related to the financial statements and Federal Awards and State Financial Assistance that are required to be reported in accordance with *Government Auditing Standards*, the Uniform Guidance, and State of New Jersey Circular 15-08-OMB.

**FINANCIAL STATEMENT FINDINGS**

**Finding No. 2015-001**

**Condition**

The Township did not obtain an actuarial valuation of its Other Postemployment Benefits (OPEB) required for footnote disclosure. For CY 2015, the Township provided its employees and retirees, health insurance coverage through Horizon Blue Cross Blue Shield of New Jersey.

**Current Status**

This condition has been resolved.

**FEDERAL AWARDS**

None.

**STATE FINANCIAL ASSISTANCE PROGRAMS**

Not Applicable.

**TOWNSHIP OF PENNSAUKEN**  
 Officials in Office and Surety Bonds

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

<u>Name</u>	<u>Title</u>	<u>Amount of Surety Bond</u>
John Kneib	Mayor	
Rick Taylor	Deputy Mayor	
John Figueroa	Committeeman	
Jack Killion	Committeeman	
Betsy McBride	Committeewoman	
Ed Grochowski	Administrator	\$ 500,000.00 (A)
Gene Padalino	Township Clerk, Deputy Registrar of Vital Statistics	20,000.00 (B)
Ronald S. Crane	Chief Financial Officer	265,000.00 (B)
Walter Nicgorski	Treasurer	500,000.00 (A)
Daniel O'Brien	Tax Collector, Tax Search Clerk	300,000.00 (C)
Steven M. Petrillo	Judge of the Municipal Court	500,000.00 (A)
Donna Kenney	Municipal Court Administrator	500,000.00 (A)
John Dymond	Tax Assessor	500,000.00 (A)
Dennis O'Rourke	Engineer	500,000.00 (A)
Michael E. Joyce	Solicitor	

All of the bonds were examined and were properly executed.

(A) All employees handling funds were covered by a Multiple Public Employees' Honesty Blanket Position written by Travelers Casualty and Surety Company of America.

(B) The Fidelity & Deposit Company of Maryland.

(C) The Travelers Casualty and Surety Company of America.



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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 that reads "Scott P. Barron". The signature is written in a cursive, flowing style.

Scott P. Barron  
Certified Public Accountant  
Registered Municipal Accountant

