

TOWNSHIP OF TABERNACLE

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

**TOWNSHIP OF TABERNACLE
COUNTY OF BURLINGTON**

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**TOWNSHIP OF TABERNACLE
COUNTY OF BURLINGTON**

PART I

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



INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Members
of the Township Committee
Township of Tabernacle
County of Burlington
Tabernacle, New Jersey

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity'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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the

appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township of Tabernacle Township, County of Burlington, State of New Jersey, as of December 31, 2014 and 2013, or the results of its operations and changes in fund balance for the years then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, reserves and fund balance--regulatory basis of the various funds and account group of the Township of Tabernacle, County of Burlington, State of New Jersey, as of December 31, 2014 and 2013, and the results of its operations and changes in fund balance --regulatory basis of such funds for the years then ended, and the related statement of revenues--regulatory basis, statement of expenditures--regulatory basis of the various funds, and the related notes to financial statements, for the year ended December 31, 2014 in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Other Matters

Report on Supplementary Information

Our audit was made for the purpose of forming an opinion on the financial statements referred to in the first paragraph as a whole. The supplemental financial statements presented for the various funds are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and is not a required part of the above financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial

statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2015, on our consideration of the Township of Tabernacle's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township of Tabernacle's internal control over financial reporting and compliance.

Respectfully submitted,

HOLMAN FRENIA ALLISON, P.C.

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

June 30, 2015
Medford, New Jersey



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

The Honorable Mayor and Members
of the Township Committee
Township of Tabernacle
County of Burlington
Tabernacle, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements of the Township of Tabernacle (herein referred to as "the Municipality"), as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the Municipality's basic financial statements, and have issued our report thereon dated June 30, 2015. Our report on the financial statements – regulatory basis was modified to indicate that the financial statements were not prepared and presented in accordance with accounting principles generally accepted in the United States of America but rather prepared and presented in accordance with the regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States, to meet the requirements of the State of New Jersey for municipal government entities as described in Note 1.

Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Comments & Recommendations we identified a certain deficiency in internal control that we consider to be a material weakness.

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 *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. We did not identify any significant deficiencies. 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 Municipality's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying Comments & Recommendations to be a material weakness as Finding No. 2014-001.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Municipality's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* or audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and which are described in the accompanying Comments & Recommendations section as Finding No. 2014-001 and 2014-002.

Response to Findings

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

Purpose of this Report

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

Respectfully submitted,

HOLMAN FRENIA ALLISON, P.C.

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

June 30, 2015
Medford, New Jersey

BASIC FINANCIAL STATEMENTS

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

ASSETS	REFERENCE	<u>2014</u>	<u>2013</u>
Regular Fund:			
Cash:			
Treasurer	A-4	\$ 4,361,801	\$ 3,716,168
Change Fund	A-5	250	250
Due From State of New Jersey			
Senior Citizens & Veterans Deduction	A-9	<u>33,063</u>	<u>33,688</u>
Total Regular Fund		<u>4,395,114</u>	<u>3,750,106</u>
Receivables & Other Assets:			
Delinquent Property Taxes Receivable	A-6	9,442	7,477
Tax Title Liens Receivable	A-7	229,198	121,292
Property Acquired for Taxes - Assessed Valuation	A-8	1,556,600	372,500
Revenue Accounts Receivable	A-10	3,406	3,569
Due From State & Federal	A	-	105,363
Due From Dog License Fund	B	<u>2,037</u>	<u>2,612</u>
Total Receivables & Other Assets		<u>1,800,683</u>	<u>612,813</u>
Deferred Charges To Future Taxation:			
Emergency Appropriation	A-11	<u>160,000</u>	<u>200,000</u>
Total		<u>160,000</u>	<u>200,000</u>
Total Regular Funds		<u>6,355,797</u>	<u>4,562,919</u>
State & Federal Grants:			
Cash	A-4	85,984	45,315
Federal & State Grants Receivable	A-16	655,954	588,322
Deferred Charges to Future Taxation:			
Overexpenditure of Grant Appropriation	A	<u>8,607</u>	<u>-</u>
Total State & Federal Grants		<u>750,545</u>	<u>633,637</u>
Total		<u>\$ 7,106,342</u>	<u>\$ 5,196,556</u>

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

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

LIABILITIES RESERVES & FUND BALANCE	REFERENCE	<u>2014</u>	<u>2013</u>
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3,A-12	\$ 102,357	\$ 78,143
Encumbrances Payable	A-3	65,122	51,345
Special Emergency Note Payable- Revaluation	A-21	160,000	200,000
Reserve for Revaluation	A-23	24,113	55,552
Prepaid Taxes	A-4	139,220	125,960
Tax Overpayments	A	29,062	47,360
Due to State- Marriage Licenses & Training Fees	A-22	3,955	-
Reserve for Lenape Escrow	A-19	9,444	9,444
Reserve for Recreation Deposits	A-20	6,080	3,000
Due County for Added & Omitted Taxes	A-6	1,691	4,039
Due to Fire District	A-15	-	3
Due to Trust Other	B	6,991	6,929
Due to Capital	C	30,000	30,000
Local District School Tax Payable	A-13	1,914,395	1,809,818
Regional District School Tax Payable	A-14	<u>1,044,442</u>	<u>917,204</u>
Total Liabilities		<u>3,536,872</u>	<u>3,338,797</u>
Reserves for Receivable & Other Assets	A	1,800,683	612,813
Fund Balance	A-1	<u>1,018,242</u>	<u>611,309</u>
Total Regular Fund		<u>6,355,797</u>	<u>4,562,919</u>
State & Federal Grants:			
Appropriated Reserves	A-17	712,418	497,074
Unappropriated Reserves	A-18	37,364	30,311
Encumbrances Payable	A-17	763	899
Due to Current Fund	A	<u>-</u>	<u>105,363</u>
Total State & Federal Grants		<u>750,545</u>	<u>633,647</u>
Total Liabilities, Reserves & Fund Balance		<u>\$ 7,106,342</u>	<u>\$ 5,196,566</u>

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

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

	2014	2013
Revenue & Other Income Realized:		
Fund Balance Utilized	\$ 400,000	\$ 300,000
Miscellaneous Revenue Anticipated	1,577,490	1,342,587
Receipts From Current Taxes	17,522,191	16,922,279
Nonbudget Revenue	341,766	133,577
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	58,453	82,225
Interfunds Liquidated	105,363	-
Adjustment to Tax System	5,263	-
Prior Year Liability Cancelled	-	23,957
Cancellation of Fire District Payable	119,043	-
	20,129,569	18,804,625
Total		
Expenditures:		
Operations Within "CAPS"		
Salaries and Wages	853,035	803,683
Other Expenses	1,624,253	1,665,958
Deferred Charges & Statutory Expenditures Within "CAPS"	153,663	153,765
Operations Excluded from CAPS:		
Other Expenses	479,812	337,374
Special Emergency	40,000	-
Capital Improvements Excluded From "CAPS"	28,000	70,000
Municipal Debt Service Excluded From "CAPS"	635,723	369,495
County Taxes	2,653,626	2,705,165
Due County for Added & Omitted Taxes	2,642	4,039
Local District School Tax	7,480,274	7,271,119
Regional High School Tax	4,894,608	4,640,133
Fire District Taxes	477,000	478,680
Intergovernmental Account Receivable Interfunds Created:		
Due Trust Other	-	3,512
	19,322,636	18,502,923
Total Expenditures		
Excess in Revenue	806,933	301,702
Adjustment to Income Before Fund Balance:		
Expenditures Included Above which are by Statute		
Deferred Charges to Budget of Succeeding Year	-	200,000
	-	200,000
Statutory Excess to Surplus	806,933	501,702
Fund Balance January 1	611,309	409,607
Total	1,418,242	911,309
Decreased by:		
Utilization as Anticipated Revenue	400,000	300,000
Balance December 31	\$ 1,018,242	\$ 611,309

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

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

	ANTICIPATED	REALIZED	EXCESS OR (DEFICIT)
Fund Balance Anticipated	\$ 400,000	\$ 400,000	\$ -
Miscellaneous Revenue:			
Licenses:			
Alcoholic Beverages	9,000	9,900	900
Fees & Permits:			
Construction Code Official	60,000	94,379	34,379
Other	11,000	27,962	16,962
Fines & Costs:			
Municipal Court	45,000	49,759	4,759
Interest & Costs on Taxes	35,000	42,922	7,922
State Aid Without Offsetting Appropriations:			
Energy Receipts Tax	540,225	540,225	-
Garden State Preservation Act	89,936	89,936	-
Cable TV Franchise Fees	10,000	22,595	12,595
Special Items Offset with Appropriations:			
NJ DOT Grant	195,000	195,000	-
Clean Communities Grant	22,109	22,109	-
Feral Cat Program	4,500	4,500	-
Municipal Park Development Grant	250,000	250,000	-
Recycling Tonnage Grant	8,203	8,203	-
Capital Surplus	220,000	220,000	-
Total	1,499,973	1,577,490	77,517
Amount to be Raised by Taxes for Support of Municipal Budget - Local Tax for Municipal Purposes	2,047,860	2,147,243	99,383
Budget Totals	3,947,833	4,124,733	176,900
Nonbudget Revenues	-	341,766	341,766
Total	\$ 3,947,833	\$ 4,466,499	\$ 518,666

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

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

ANALYSIS OF REALIZED REVENUES

Allocation of Current Tax Collections:	
Revenue From Collections	\$ 17,522,191
Allocated to School, County & Fire District Taxes	<u>15,508,150</u>
Balance for Support of Municipal Budget Appropriations	2,014,041
Increased by Appropriation - Reserve for Uncollected Taxes	<u>133,202</u>
Amount for Support of Municipal Budget Appropriations	<u><u>\$ 2,147,243</u></u>

ANALYSIS OF NONBUDGET REVENUE

Miscellaneous Revenues Not Anticipated:	
Cash - Treasurer:	
Delinquent Tax Collections	\$ 52
Senior Citizen & Vet Admin. Fee	2,070
Funds from Fire Commission	318,542
Insurance Reimbursement	8,972
Woodland Twp. Shared Service	6,157
Miscellaneous	<u>5,973</u>
Total	<u><u>\$ 341,766</u></u>

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

**TOWNSHIP OF TABERNACLE
CURRENT FUND
STATEMENT OF EXPENDITURES REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2014**

OPERATIONS - WITHIN "CAPS"	APPROPRIATIONS		EXPENDED	
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED
General Government:				
General Administration:				
Salaries and Wages	\$ 63,000	60,000	\$ 58,571	\$ 1,429
Other Expenses	21,150	24,150	22,334	1,816
Mayor and Committee:				
Salaries and Wages	25,001	25,001	25,000	1
Other Expenses	250	250	250	-
Municipal Clerk:				
Salaries and Wages	57,600	54,600	53,578	1,022
Other Expenses	15,900	15,900	14,357	1,543
Financial Administration (Treasury):				
Salaries and Wages	27,950	27,950	27,749	201
Other Expenses	10,000	10,000	10,000	-
Auditing Services:				
Other Expenses	24,000	24,000	24,000	-
Tax Assessment Administration:				
Salaries and Wages	9,100	9,100	8,992	108
Other Expenses	38,630	38,630	37,088	1,542
Revenue Administration (Tax Collection):				
Salaries and Wages	44,000	44,000	43,994	6
Other Expenses	12,750	12,750	9,345	3,405
Improvement Search Officer:				
Salaries and Wages	1,410	1,410	1,278	132
Registrar:				
Salaries and Wages	11,160	11,160	10,432	728
Tax Search Officer:				
Salaries and Wages	1,410	1,410	1,385	25
Bond Registrar Fees	1,750	1,750	1,250	500
Legal Services:				
Salaries and Wages	9,400	5,400	4,774	626
Other Expenses	58,000	94,000	90,507	3,493
Engineering Services:				
Other Expenses	80,000	51,000	48,263	2,737
Land Use Administration:				
Planning Board:				
Salaries and Wages	10,600	10,600	10,491	109
Other Expenses	8,500	8,500	5,588	2,912
Insurance:				
Liability Insurance	50,600	50,600	50,600	-
Workers Compensation	82,000	70,000	68,287	1,713
Group Insurance	252,838	254,838	251,514	3,324
Unemployment Insurance	4,000	4,000	3,547	453
Public Safety Functions:				
Office of Emergency Management:				
Salaries and Wages	6,800	6,800	6,763	37
Other Expenses	11,000	11,000	10,427	573
Aid to Volunteer Ambulance Company	70,000	70,000	70,000	-
Public Works Functions:				
Department of Public Works:				
Salaries and Wages	399,000	394,000	393,335	665
Other Expenses	201,200	219,200	209,652	9,548
Building & Grounds:				
Other Expenses	52,900	52,900	49,776	3,124

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

**TOWNSHIP OF TABERNACLE
CURRENT FUND
STATEMENT OF EXPENDITURES REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2014**

OPERATIONS - WITHIN "CAPS"	APPROPRIATIONS		EXPENDED	
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED
Garbage & Trash Removal:				
Other Expenses	395,000	384,000	378,141	5,859
Health & Human Services:				
Board of Health:				
Other Expenses	200	200	140	60
Aid to Family Services of Burlington County	500	500	-	500
Parks & Recreation:				
Recreation Services & Programs:				
Other Expenses	4,700	4,700	3,662	1,038
Utility Expenses & Bulk Purchases:				
Electricity	17,000	17,000	12,436	4,564
Street Lighting	20,000	21,600	21,524	76
Telephone Expenses	20,000	20,000	19,063	937
Fuel Oil	20,000	24,000	19,650	4,350
Gasoline/Diesel	48,300	52,700	41,789	10,911
Landfill Waste Disposal:				
Landfill Closure Costs	17,000	17,000	12,917	4,083
Construction Official:				
Salaries & Wages	141,000	139,000	135,756	3,244
Other Expenses	16,600	16,600	15,347	1,253
Municipal Court:				
Municipal Court:				
Salaries and Wages	62,424	60,424	60,087	337
Other Expenses	20,485	22,485	19,564	2,921
Public Defender:				
Salaries and Wages	2,180	2,180	1,994	186
Total Operation Within "CAPS"	2,447,288	2,447,288	2,365,197	82,091
Contingent	30,000	30,000	30,000	-
Total Operations Including Contingent - Within "CAPS"	2,477,288	2,477,288	2,395,197	82,091
Detail:				
Salaries and Wages	872,035	853,035	844,179	8,856
Other Expenses (Including Contingent)	1,605,253	1,624,253	1,551,018	73,235

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

**TOWNSHIP OF TABERNACLE
CURRENT FUND
STATEMENT OF EXPENDITURES REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2014**

	APPROPRIATIONS		EXPENDED	
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED
Deferred Charges/Statutory Expenditures - Municipal Within "CAPS":				
Statutory Expenditures:				
Contributions to:				
Contributions to Employees Retirement System	87,663	87,663	87,663	-
Social Security System (O.A.S.I.)	66,000	66,000	63,734	2,266
Total Deferred Charges & Statutory Expenditures Within "CAPS"	153,663	153,663	151,397	2,266
Total General Appropriations for Municipal Purposes Within "CAPS"	2,630,951	2,630,951	2,546,594	84,357
Public & Private Programs Offset by Revenues:				
Recycling Tonnage Grant	8,203	8,203	8,203	-
Community Development Block Grant	-	250,000	250,000	-
Clean Communities Grant	22,109	22,109	22,109	-
Feral Cat Program	-	4,500	4,500	-
New Jersey DOT Grant	-	195,000	195,000	-
Total Public & Private Programs Offset by Revenues	30,312	479,812	479,812	-
Total Operations Excluded From "CAPS"	30,312	479,812	479,812	-
Detail:				
Other Expenses	30,312	479,812	479,812	-

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

**TOWNSHIP OF TABERNACLE
CURRENT FUND
STATEMENT OF EXPENDITURES REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2014**

	APPROPRIATIONS		EXPENDED		
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	CANCELED
Capital Improvements Excluded From "CAPS":					
Building Renovations	18,000	18,000	-	18,000	-
Capital Improvement Fund	10,000	10,000	10,000	-	-
Capital Improvement Fund	28,000	28,000	10,000	18,000	-
Total Capital Improvements	28,000	28,000	10,000	18,000	-
Municipal Debt Service - Excluded From "CAPS":					
Payment of Bond Principal	420,000	420,000	420,000	-	-
Interest on Bonds	203,540	203,540	203,396	-	144
Interest on Notes	3,000	3,000	3,000	-	-
Green Trust Loan Program:					
Loan Repayments for Principal & Interest	9,328	9,328	9,327	-	1
Total Municipal Debt Service Excluded From "CAPS"	635,868	635,868	635,723	-	145
Statutory Expenditures/Deferred Charges:					
Overexpenditure of an Appropriation					
Special Emergency Authorizations - 5 Years (N.J.S.40A:40-55)	40,000	40,000	40,000	-	-
Total Statutory Expenditures/Deferred Charges	40,000	40,000	40,000	-	-
Total General Appropriations Excluded From "CAPS"	734,180	1,183,680	1,165,535	18,000	145
Subtotal General Appropriations	3,365,131	3,814,631	3,712,129	102,357	145
Reserve For Uncollected Taxes	133,202	133,202	133,202	-	-
Total General Appropriations	\$ 3,498,333	\$ 3,947,833	\$ 3,845,331	\$ 102,357	\$ 145
Original Appropriations		\$ 3,498,333			
Added per N.J.S.A.40A:4-87		449,500			
Total		\$ 3,947,833			
Reserve for Uncollected Taxes			\$ 133,202		
Encumbrances Payable			65,122		
Deferred Charge			40,000		
Reimbursements			(47,734)		
Cash Disbursements			3,174,929		
Reserve for State & Federal Grants Appropriated			479,812		
Total			\$ 3,845,331		

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

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

ASSETS	REFERENCE	<u>2014</u>	<u>2013</u>
Dog License Fund:			
Cash - Treasurer	B-1	\$ 7,440	\$ 4,804
Total Dog License Fund		<u>7,440</u>	<u>4,804</u>
Other Funds:			
Cash - Treasurer	B-1	188,306	137,525
Cash - Collector	B-2	183,508	53,508
Due From Current Fund	A	6,991	6,929
Total Other Funds		<u>378,805</u>	<u>197,962</u>
Total Assets		<u>\$ 386,245</u>	<u>\$ 202,766</u>
LIABILITIES & RESERVES			
Dog License Fund:			
Due to Current Fund	A	\$ 2,037	\$ 2,612
Due to State	B-4	-	5
Reserve for Dog Fund Expenditures	B-3	5,403	2,187
Total Dog License Fund		<u>7,440</u>	<u>4,804</u>
Other Funds:			
Reserve for Street Opening	B-10	10,999	7,554
Reserve for Tax Title Redemption	B-5	46,598	16,198
Reserve for Escrow Deposits	B-6	53,729	33,205
Reserve for Landfill Escrow	B-7	59,870	59,851
Reserve for Tax Sale Premiums	B-8	147,300	47,700
Reserve for Public Defender	B-9	31,293	28,183
Reserve for Payroll Deductions Payable	B-11	29,016	5,271
Total Other Funds		<u>378,805</u>	<u>197,962</u>
Total Liabilities & Reserves		<u>\$ 386,245</u>	<u>\$ 202,766</u>

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

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

ASSETS	REFERENCE	2014	2013
Cash - Treasurer	C-2	\$ 977,385	\$ 1,755,920
Due From Current Fund	A	30,000	30,000
Deferred Charges to Future Taxation:			
Funded	C-3	7,269,687	7,698,173
Unfunded	C-4	807,500	-
 Total Assets		<u>\$ 9,084,572</u>	<u>\$ 9,484,093</u>
 LIABILITIES, RESERVES & FUND BALANCE			
Serial Bonds Payable	C-6	\$ 7,234,000	\$ 7,654,000
Green Acres - Loan Payable	C-7	35,687	44,173
Improvement Authorizations:			
Funded	C-5	724,012	1,376,570
Unfunded	C-5	807,500	-
Capital Improvement Fund	C-11	54,045	86,545
Reserve for Repayment of Debt	C-10	18,627	107
Reserve for Fire Truck	C-9	108,000	-
Fund Balance	C-1	102,701	322,698
 Total Liabilities, Reserve & Fund Balance		<u>\$ 9,084,572</u>	<u>\$ 9,484,093</u>

There were \$807,500 Bonds & Notes Authorized but not Issued on December 31, 2014 and no Bonds & Notes Authorized but not Issued on December 31, 2013.

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

ASSETS	<u>2014</u>	<u>2013</u>
Land & Improvements	\$ 640,700	\$ 561,700
Building	5,561,745	4,502,345
Equipment	735,969	735,969
Vehicles	<u>2,758,717</u>	<u>1,233,078</u>
Total	<u>\$ 9,697,131</u>	<u>\$ 7,033,092</u>
FUND BALANCE		
Investment in Fixed Capital	<u>\$ 9,697,131</u>	<u>\$ 7,033,092</u>

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

**TOWNSHIP OF TABERNACLE
COUNTY OF BURLINGTON**

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

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TOWNSHIP OF TABERNACLE

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

Note 1. Summary of Significant Accounting Policies

Description of Financial Reporting Entity

The Township of Tabernacle was incorporated in 1901 and is located in the County of Burlington, New Jersey. The population according to the 2010 census was 6,949.

The form of Government is known as a Township pursuant to N.J.S.A.40A:63-1 et seq. The government consists of five (5) Committee Members who are elected at large to three (3) year staggered terms. The Mayor is elected from and by the Members of the Committee and serves a one (1) year term. Under the statutes the Mayor is the head of the government and acts as the executive branch. The Committee acts as the legislative branch of government and has executive powers not assigned to the Mayor.

Component Units

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

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

In accordance with the "Requirements", the Township of Tabernacle 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 Fund – The various Trust Funds account for receipts, custodianship and disbursement of funds in accordance with the purpose for which each reserve was created.

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

TOWNSHIP OF TABERNACLE

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

Note 1. Summary of Significant Accounting Policies (continued):

Budgets and Budgetary Accounting - The Township of Tabernacle must adopt an annual budget for its Current Fund in accordance with *N.J.S.A.40A:4* et seq. *N.J.S.A.40A:4-5* requires the governing body to introduce and approve the annual municipal budget no later than February 10th of each year. At introduction, the governing body must 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 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. Once a budget is approved it may be amended after November 1, by a resolution adopted by the governing body.

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

New Jersey municipal units are required by *N.J.S.A.40A:5-14* to deposit public funds in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States or of the State of New Jersey or in the New Jersey Cash Management Fund. *N.J.S.A.40A:5-15.1* provides a list of investments, which may be purchased by New Jersey municipal units. In addition, other State statutes permit investments in obligations issued by local utilities 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, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the amount of their deposits to the Governmental Units.

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

TOWNSHIP OF TABERNACLE

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

Note 1. Summary of Significant Accounting Policies (continued):

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

Inventories and Supplies - The cost 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 balance sheets of assets, liabilities, reserves and fund balance.

General Fixed Assets – Property and equipment purchased by the Current and General Capital Fund are recorded as expenditures at the time of purchase and are not capitalized. All interest costs are recorded as expenditures when paid.

Accounting for governmental Fixed Assets, as promulgated by Technical Accounting Directive No. 85-2 as issued by the Division of Local Government Services, differs in certain respects from accounting principles generally accepted in the United States of America. The following is a brief description of the provisions of the Directive:

Fixed assets used in governmental operations (General Fixed Assets) are accounted for in the General Fixed Assets Account Group. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available, except for land, which is valued at estimated market value. No depreciation has been provided for in the financial statements. Donated general fixed assets are valued at their estimated fair market value on the date received.

Expenditures for construction in progress are recorded in the General Capital Fund until such time as the construction is completed and put into operation. Fixed assets acquired through grants-in-aid or contributed capital has not been accounted for separately.

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

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

Fund Balance – Fund Balance included in the Current Fund represent the amount available for anticipation as revenue in future year's budgets, with certain restrictions.

TOWNSHIP OF TABERNACLE

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

Note 1. Summary of Significant Accounting Policies (continued):

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

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

School Taxes – The municipality is responsible for levying, collecting and remitting school taxes for the Township of Tabernacle School District and its share of the Lenape Regional School District. Operations is charged for the full amount required to be raised from taxation to operate the local school district and the Township’s share of the regional school district for the period from July 1 to June 30, increased by the amount deferred at December 31, 2013 and decreased by the amount deferred at December 31, 2014.

County Taxes – The municipality is responsible for levying, collecting and remitting County taxes for the County of Burlington. Operations is charged for the amount due the County for the year, based upon the ratables required to be certified to the County Board of Taxation by January 10th 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 10th of the current year and due to be paid to the County by February 15th of the following year.

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

Expenditures – are recorded on the “budgetary” basis of accounting. Generally, expenditures are recorded when an amount is encumbered through the issuance of a numerically controlled purchase order or when a contract is executed as required by Technical Accounting Directive No. 85-1. When an expenditure is 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 and interest payments on outstanding general capital bonds and notes are provided on the cash basis.

TOWNSHIP OF TABERNACLE

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

Note 1. Summary of Significant Accounting Policies (continued):

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

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

Compensated Absences and Post-employment Benefits – The Township does not accrue accumulated unpaid vacation and sick leave when earned by the employees. There are no vacation days that accrue for Township employees. Unused sick days accrue to a maximum of 75 days and there are no payments made to individuals who are terminated. Likewise, no accrual is made for post-employment benefits, if any, which are also funded on a pay-as-you-go basis.

Subsequent Events - The Township of Tabernacle has evaluated subsequent events occurring after December 31, 2014 through the date of June 30, 2015, which is the date the financial statements were available to be issued.

Note 2. Fund Balance Appropriated

Of the \$1,018,242 of available fund Balance at December 31, 2014, \$860,000 has been anticipated as revenue in the 2015 municipal budget.

Note 3. Cash and Cash Equivalents

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

<u>Type</u>	<u>Carrying Value</u>
Deposits:	
Demand Deposits	\$ 5,822,674
Total Deposits	<u>\$ 5,822,674</u>
Reconciliation of Statement of Comparative Balance Sheets:	
Current Fund	\$ 4,380,051
State & Federal Grant Fund	85,984
Animal Control Trust	7,440
Trust Other	371,814
General Capital	<u>977,385</u>
Total	<u>\$ 5,822,674</u>

TOWNSHIP OF TABERNACLE

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

Note 3. Cash and Cash Equivalents (continued):

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the Township's deposits may not be returned. Although the Township does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA is a supplemental insurance program set forth by the New Jersey Legislature to protect the deposits of local governmental agencies. The program is administered by the Commissioner of the New Jersey Department of Banking and Insurance. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Public fund owned by the Board in excess of FDIC insured amounts are protected by GUDPA.

However, GUDPA does not protect intermingled trust funds such as salary withholdings, student activity funds or funds that may pass to the Board relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below. As of December 31, 2014, the Township's bank balance of \$5,889,385 was insured or collateralized as follows:

Insured (FDIC)	\$	559,875
Uninsured and uncollateralized		355,334
Collateralized in the Authority's Name		
Under GUDPA		4,974,176
 Total	 \$	 <u><u>5,889,385</u></u>

Note: 4: Property Taxes

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

Comparison of Tax Rate Information	2014	2013	2012
Total Tax Rate	<u>\$2.648</u>	<u>\$2.308</u>	<u>\$2.289</u>
Apportionment of Tax Rate:			
Municipal	0.308	0.257	0.237
County	0.402	0.369	0.389
Local School	1.128	0.987	0.984
Regional High School	0.738	0.630	0.618
Fire District Tax	0.072	0.065	0.061

TOWNSHIP OF TABERNACLE

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

Note 4: Property Taxes (continued):

Net Valuation Taxable:

2014	\$ 663,059,703		
2013		\$ 736,249,815	
2012			\$ 740,306,772

YEAR	TAX LEVY	CASH COLLECTIONS	PERCENTAGE OF COLLECTION
2014	\$ 17,575,515	\$ 17,522,191	99.69%
2013	17,018,037	16,922,280	99.43%
2012	16,960,316	16,833,319	99.25%

Delinquent Taxes and Tax Title Liens

YEAR ENDED DECEMBER 31	AMOUNT OF TAX TITLE LIENS	AMOUNT OF DELINQUENT TAXES	TOTAL DELINQUENT	PERCENTAGE OF TAX LEVY
2014	\$ 229,198	\$ 9,442	\$ 238,640	1.36%
2013	121,292	7,477	128,769	0.76%
2012	157,038	13,394	170,432	1.00%

Note 5: Property Acquired By Tax Title Lien Liquidation

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

YEAR	AMOUNT
2014	\$ 1,556,600
2013	372,500
2012	372,500

Note 6. Pension

A. Plan Description

The Township of Tabernacle contributes to a cost-sharing multiple-employer defined benefit pension plan, Public Employees' Retirement System (P.E.R.S.) and Police and Fireman's Retirement System

TOWNSHIP OF TABERNACLE

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

Note 6. Pension (continued):

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

B. Vesting and Benefit Provisions

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

Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

Chapter 78, P.L. 2011 changed this for employees enrolled after June 28, 2011. See Note 8C below:

C. Significant Legislation

During the year ended June 30, 1997, legislation was enacted (Chapter 114, P.L. 1997) authorizing the New Jersey Economic Development Authority to issue bonds, notes or other obligations for the purpose of financing, in full or in part, the State of New Jersey's portion of the unfunded accrued liability under the State of New Jersey retirement systems. Additional legislation enacted during the year ended June 30, 1997 (Chapter 115, P.L. 1997) changed the asset valuation method from market related value to full-market value. This legislation also contained a provision to reduce the employee contribution rate by 1/2 of 1% to 4.5% for calendar years 1998 and 1999, and to allow for a reduction in the employee's rate after calendar year 1999, providing excess valuation assets are available. The legislation also provided that the District's normal contributions to the Fund may be reduced based on the revaluation of assets. Due to recognition of the bond proceeds and the change in asset valuation method as a result of enactment of

Chapters 114 and 115, all unfunded accrued liabilities were eliminated, except for the unfunded liability for local early retirement incentive benefits; accordingly, the pension costs for PERS were reduced.

New Legislation signed by the Acting Governor (Chapter 133, Public Laws 2001) changed the formula for calculating retirement benefits for all current and future non-veteran retirees from N/60 to N/55 (a 9.09% increase). This legislation, signed June 29, 2001, provides that all members of the PFRS and the

TOWNSHIP OF TABERNACLE

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

Note 6. Pension (continued):

PERS will have their pensions calculated on the basis of years of credit divided by 55. It also provides that all current retirees will have their original pension recalculated under the N/55 formula. Starting February 1, 2002, pension cost of living adjustments will be based on the new original pension.

Effective June 28, 2011, Chapter 78, P.L. 2011 reformed various pension and health benefits provisions. Employees hired after June 28, 2011 and enrolled in PERS will be enrolled in a new tier, Tier 5. Full retirement for Tier 5 PERS members will be age 65 and 30 years of service. Tier 3 was added to PERS for enrollees after June 28, 2011. Tier 3 retirees will have a maximum retirement benefit of 65% of final compensation after 30 years of service.

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

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

D. Contribution Requirements

The contribution policy is set by N.J.S.A.43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A.18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. PERS provide for employee contributions of 6.5%, effective October 1, 2011, of employees’ annual compensation as defined. The rate will increase over the next seven years to 7.5%. Employers are required to contribute at an actuarially determined rate in PERS. The actuarially determined contribution includes funding for both cost-of-living adjustments, noncontributory death benefits and post-retirement medical premiums. The Township’s contributions to P.E.R.S. for the years ending December 31, 2014, 2013 and 2012 were \$87,663, \$93,194, and \$98,230, respectively, equal to the required contributions for each year.

Note 7. General Long-Term Debt

Summary of Debt:

<u>Issued</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
General Bonds, Loans and Notes	\$ 7,269,687	\$ 7,698,173	\$ 5,996,492
Total Debt Issued	<u>7,269,687</u>	<u>7,698,173</u>	<u>5,996,492</u>
Authorized But Not Issued			
General Bonds and Notes	807,500	-	600
Total Authorized But Not Issued	<u>807,500</u>	<u>-</u>	<u>600</u>
Total Bonds and Notes Issued and Authorized But Not Issued	<u>\$ 8,077,187</u>	<u>\$ 7,698,173</u>	<u>\$ 5,997,092</u>

TOWNSHIP OF TABERNACLE

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

Note 7. General Long-Term Debt (continued):

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

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 1.14%

	GROSS DEBT	DEDUCTIONS	NET DEBT
Regional High School District	\$ 2,958,461	\$ 2,958,461	\$ -
Local School District Debt	6,160,000	6,160,000	-
General Debt	8,077,187	-	8,077,187
Total	\$ 17,195,648	\$ 9,118,461	\$ 8,077,187

Net Debt, \$8,077,187 divided by Equalized Valuation Basis per N.J.S.A.40A:2-2, as amended, \$706,164,191 equals 1.14%.

Equalized Valuation Basis:

2014	663,059,703
2013	736,249,815
2012	719,183,056
Average	706,164,191

Borrowing Power Under 40A:2-6:

3 1/2% of Equalized Valuation Bases (Municipal) Net Debt	\$ 24,715,747 <u>8,077,187</u>
Remaining Borrowing Power	<u><u>\$ 16,638,560</u></u>

General Debt - Bonds:

Following is a summary of bonds, principal, maturities and interest requirements including the 2005 and 2013 Issue:

TOWNSHIP OF TABERNACLE

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

Note 7. General Long-Term Debt (continued):

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 440,000	\$ 194,046	\$ 634,046
2016	465,000	183,084	648,084
2017	479,000	171,403	650,403
2018	500,000	158,206	658,206
2019	270,000	143,106	413,106
2020-2024	1,510,000	630,431	2,140,431
2025-2029	1,840,000	429,600	2,269,600
2030-2033	1,730,000	130,950	1,860,950
Total	\$ 7,234,000	\$ 2,040,826	\$ 9,274,826

The following summary of loan payable maturities and interest requirements:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 8,657	\$ 671	\$ 9,328
2016	8,832	496	9,328
2017	9,008	319	9,327
2018	9,190	138	9,328
Total	\$ 35,687	\$ 1,624	\$ 37,311

Note 8. District School Taxes

Regulations provided for the deferral of not more than 50% of the annual levy when school taxes are raised for a school year and have not been requisitioned by the School District.

The Township has elected to defer as follows:

	Balance Decemeber 2014	Balance Decemeber 2013
Local School Taxes:		
Balance of Tax	\$ 3,736,547	\$ 3,631,970
Deferred	1,822,152	1,822,152
Taxes Payable	<u>\$ 1,914,395</u>	<u>\$ 1,809,818</u>
Regional School Taxes:		
Balance of Tax	\$ 2,210,013	\$ 2,082,775
Deferred	1,165,571	1,165,571
Taxes Payable	<u>\$ 1,044,442</u>	<u>\$ 917,204</u>

TOWNSHIP OF TABERNACLE

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

Note 9. Property Taxes

Property taxes are an enforceable lien on the assessed property. Taxes are due on a quarterly basis on February 1, May 1, August 1 and November 1. All unpaid taxes become delinquent 10 days after the above due dates. The Township bills and collects its own property taxes as well as the taxes levied by the other taxing bodies within the municipality. Property tax revenues are recognized when collected. A reserve for uncollected taxes is established in the current operating budget to the extent that their collectability is improbable.

Note 10. Insurance

The Township is a member of the Burlington County Joint Insurance Fund. The Fund provides its members with the following coverage:

- Worker's Compensation & Employer's Liability
- General Liability
- Property Damage
- Automobile Liability

Contributions to the Fund, including a reserve for contingencies are based on actuarial assumptions determined by the Fund's actuary. The Commissioner of Insurance may order additional assessments to supplement the Fund's claim, loss retention or administrative accounts to assure payment of the Fund's obligations. The Fund issues its own financial report for the year ended December 31, 2014.

Note 11. Litigation

The Township is defendant in legal proceedings that are in different stages of litigation. It is believed that the exposures to the Township from such litigation would not be material to the financial statements.

Note 12. Interfunds

The following Interfunds existed as of December 31, 2014:

Fund	Interfund Receivable	Interfund Payable
Current Fund	\$ 2,037	\$ 36,991
Trust Other	6,991	-
Dog Trust	-	2,037
General Capital	30,000	-
Total	\$ 39,028	\$ 39,028

The purpose of the interfunds is for short-term loans.

TOWNSHIP OF TABERNACLE

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

Note 13. Other Post Retirement Benefits – GASB 45

The financial statements of the Township are not prepared in accordance with Governmental Accounting Standards Board Statement No. 45. The following information is provided in accordance with the requirements of the Statement.

Plan Description

The Township contributes to the State Health Benefits Program (S.H.B.P.), a cost-sharing, multiple employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. S.H.B.P. 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. S.H.B.P. provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents.

The S.H.B.P. was extended to employees, retirees, and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the S.H.B.P.

The Township's defined benefit postemployment healthcare plan provides post employment health care benefits, at its cost, to certain retired employees. The Township will cover the entire cost of post-retirement health benefits for the retirees and his/her dependents only when the employee has worked twenty-five (25) or more years in a State or locally administered retirement system and twenty (20) continuous years or more of service with the Township of Tabernacle. Post-retirement benefits included Medicare reimbursement.

The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the S.H.B.P. 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 S.H.B.P. 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/.

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 S.H.B.P. are billed to the Township on a monthly basis.

TOWNSHIP OF TABERNACLE

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

Note 14. Fire District Dissolution

On April 28, 2014 the Township approved Resolution 2014-80 authorizing and application to the Local Finance Board for the dissolution of the Tabernacle Fire District No. 1 pursuant to N.J.S.A. 40A:14-91. On November 12, 2014 the Local Finance Board approved the dissolution of Fire District pursuant to N.J.S.A. 40A:5A-20. In December 2014, the Township of Tabernacle began overseeing operations of the Fire District. All assets and liabilities of the Fire District have been transferred to the Township of Tabernacle as of December 31, 2014.

SUPPLEMENTARY EXHIBITS

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CURRENT FUND

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

	<u>CURRENT FUND</u>	<u>STATE AND FEDERAL GRANT FUND</u>
Balance December 31, 2013	\$ 3,716,168	\$ 45,315
Receipts:		
Taxes Receivable	\$ 17,280,321	\$ -
Revenue Accounts Receivable	1,097,678	-
2014 Taxes Prepaid	139,220	-
Due From State of New Jersey Senior Citizen & Veteran Deductions	103,500	-
Miscellaneous Revenue not Anticipated	340,353	-
Budget Refunds	47,734	-
Marriage License and Training Fees	7,844	-
Reserve for Recreation Deposits	4,080	-
Due From Grant Fund	105,363	-
Federal & State Grants Unappropriated	-	37,364
Federal & State Grants Receivable	-	381,869
	<u>19,126,093</u>	<u>419,233</u>
Total	<u>19,126,093</u>	<u>419,233</u>
Subtotal	<u>22,842,261</u>	<u>464,548</u>
Disbursements:		
2014 Appropriations	3,174,929	-
Appropriation Reserves	19,690	-
Encumbrances Payable	51,345	-
Tax Overpayments	360	-
County Taxes	2,654,577	-
County Share of Added & Omitted Taxes	4,039	-
Local District School Taxes	7,375,697	-
Regional High School Tax	4,767,370	-
Fire District Tax	357,960	-
Reserve for Revaluation	31,439	-
Refunds of Revenue	38,165	-
Due to State - Training Fees	3,889	-
Due to Current Fund	-	105,363
Reserve for Recreation Deposits	1,000	-
Reserve for State & Federal Grants	-	273,201
	<u>18,480,460</u>	<u>378,564</u>
Total Disbursements	<u>18,480,460</u>	<u>378,564</u>
Balance December 31, 2014	<u>\$ 4,361,801</u>	<u>\$ 85,984</u>

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

Balance December 31, 2014 & 2013	<u>\$ 250</u>
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ANALYSIS OF BALANCE

Tax Collector	\$ 50
Construction Office	50
Township Clerk	50
Court Clerk	<u>100</u>
Total	<u>\$ 250</u>

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

YEAR	BALANCE DECEMBER 31, 2013	2014 LEVY	COLLECTED 2014	2013	OVERPAYMENTS CREATED	DUE FROM STATE OF NEW JERSEY	CANCELED	TRANSFERRED TO TAX TITLE LIENS	BALANCE DECEMBER 31, 2014
Arrears	\$ 3,341	\$ -	\$ 2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,339
2013	4,136	-	4,241	-	-	-	(2,483)	2,378	-
2014	-	17,575,516	17,293,356	125,960	-	102,875	20,307	26,915	6,103
Total	\$ 7,477	\$ 17,575,516	\$ 17,297,599	\$ 125,960	\$ -	\$ 102,875	\$ 17,824	\$ 29,293	\$ 9,442

ANALYSIS OF 2014 PROPERTY TAX LEVY

Tax Yield:	
General Purpose	\$ 17,558,593
Added Taxes (54:4-63.1 et seq)	16,923
Total	\$ 17,575,516
Tax Levy:	
Regional High School Tax (Abstract)	\$ 4,894,608
Local District School Tax (Abstract)	7,480,274
Fire District Tax (Abstract)	477,000
County Taxes:	
County Tax (Abstract)	2,334,761
County Open Space Tax (Abstract)	104,395
County Library Tax (Abstract)	214,470
Due County for Added & Omitted Taxes	2,642
Local Purpose Taxes:	
Local Purpose Tax (Abstract)	2,047,860
Add: Additional Tax Levy	19,506
Total Levy	\$ 17,575,516

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

Balance December 31, 2013		\$ 121,292
Increased by:		
Transfers from Taxes Receivable	\$ 29,293	
Adjustment to Tax System	78,666	107,959
		<hr/>
Decreased by:		
Collections		53
		<hr/>
Balance December 31, 2014		<u>\$ 229,198</u>

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

Balance December 31, 2013		372,500
Increased by:		
Revaluation Adjustment		1,184,100
		<hr/>
Balance December 31, 2014		<u>\$ 1,556,600</u>

**SCHEDULE OF DUE FROM STATE OF NEW JERSEY
SENIOR CITIZENS & VETERANS DEDUCTIONS
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance December 31, 2013		\$ 33,688
Increased by:		
2014 Levy - Deductions per Tax Billing	100,000	
2014 Veterans & Senior Citizens Granted by Tax Collector	4,500	
Less: 2013 Veterans & Senior Citizens Disallowed by Tax Collector	(1,625)	102,875
		<hr/>
Subtotal		136,563
Decreased by:		
Cash Received		103,500
		<hr/>
Balance December 31, 2014		<u>\$ 33,063</u>

**TOWNSHIP OF TABERNACLE
CURRENT FUND
SCHEDULE OF REVENUE ACCOUNT RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2014**

	BALANCE DECEMBER 31, 2013	ACCRUED	COLLECTED BY TREASURER	BALANCE DECEMBER 31, 2014
Miscellaneous Revenues:				
Licenses - Alcoholic Beverage	\$ -	\$ 9,900	\$ 9,900	\$ -
Fees & Permits	-	27,962	27,962	-
Fines & Costs - Municipal Court	3,569	49,596	49,759	3,406
Interest & Costs on Taxes	-	42,922	42,922	-
Energy Receipt Taxes	-	540,225	540,225	-
Uniform Construction Code Fees	-	94,379	94,379	-
Cable Franchise Fee	-	22,595	22,595	-
Garden State Preservation Act	-	89,936	89,936	-
Capital Surplus Anticipated	-	220,000	220,000	-
Total	\$ 3,569	\$ 1,097,515	\$ 1,097,678	\$ 3,406

**SCHEDULE OF DEFERRED CHARGES N.J.S. 40A:4-55
FOR THE YEAR ENDED DECEMBER 31, 2014**

DATE AUTHORIZED	PURPOSE	NET AMOUNT AUTHORIZED	1/5 OF NET AMOUNT AUTHORIZED	BALANCE DECEMBER 31, 2013	ADDED IN 2014	REDUCED 2014 BUDGET	BALANCE DECEMBER 31, 2014
4/8/2013	Reassessment of Real Property	\$ 200,000	\$ 40,000	\$ 200,000	\$ -	\$ 40,000	\$ 160,000
	Total			\$ 200,000	\$ -	\$ 40,000	\$ 160,000

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

ACCOUNT	BALANCE DECEMBER 31, 2013	BALANCE AFTER TRANSFERS	PAID OR CHARGED	BALANCE LAPSED
Other Expenses:				
Municipal Clerk	\$ 2,931	\$ 2,931	\$ 800	\$ 2,131
General Administration	1,058	1,058	420	638
Financial Administration	1,320	1,320	196	1,124
Tax Assessment Administration	1,780	1,780	1,520	260
Collection of Taxes	2,852	2,852	616	2,236
Engineering Services	40,494	40,494	11,740	28,754
Planning Board	1,435	1,435	231	1,204
Office of Emergency Management	504	504	480	24
Department of Public Works	10,757	10,757	3,793	6,964
Garbage & Trash Removal	35,371	35,371	31,096	4,275
Public Buildings & Grounds	5,826	5,826	3,749	2,077
Recreation Services & Programs	1,411	1,411		1,411
Electricity	3,391	3,391	2,691	700
Street Lights	2,268	2,268	2,268	-
Telephone	1,330	1,330	328	1,002
Heating Fuel	4,753	4,753	1,918	2,835
Gasoline	6,918	6,918	4,675	2,243
Landfill Monitoring	1,494	1,494	1,494	-
Construction Official	1,365	1,365	1,319	46
Municipal Court	2,230	2,230	1,701	529
Subtotal	<u>\$ 129,488</u>	<u>\$ 129,488</u>	<u>\$ 71,035</u>	<u>\$ 58,453</u>
Appropriation Reserves	\$ 78,143	\$ 78,143	\$ 19,690	\$ 58,453
Encumbrances Payable	51,345	51,345	51,345	-
Total	<u>\$ 129,488</u>	<u>\$ 129,488</u>	<u>\$ 71,035</u>	<u>\$ 58,453</u>

**TOWNSHIP OF TABERNACLE
CURRENT FUND
SCHEDULE OF LOCAL DISTRICT SCHOOL TAXES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance December 31, 2013:			
School Taxes Payable	\$	1,809,818	
School Taxes Deferred		<u>1,822,152</u>	\$ 3,631,970
Increased by:			
School Year Levy July 1, 2014 to June 30, 2015			<u>7,480,274</u>
Subtotal			11,112,244
Decreased by Payments			<u>7,375,697</u>
Balance December 31, 2014:			
School Taxes Payable		1,914,395	
School Taxes Deferred		<u>1,822,152</u>	3,736,547
2014 Liability for Local School Tax:			
Tax Paid			7,375,697
Taxes Payable December 31, 2014			<u>1,914,395</u>
Subtotal			9,290,092
Less: Taxes Payable December 31, 2013			<u>1,809,818</u>
Amount Charged to 2014 Operations			<u>\$ 7,480,274</u>

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

Balance December 31, 2013:			
School Taxes Payable	\$	917,204	
School Taxes Deferred		<u>1,165,571</u>	\$ 2,082,775
Increased by Levy:			
School Year July 1, 2014 to June 30, 2015			<u>4,894,608</u>
Subtotal			6,977,383
Decreased by Payments			<u>4,767,370</u>
Balance December 31, 2014:			
School Taxes Payable		1,044,442	
School Taxes Deferred		<u>1,165,571</u>	2,210,013
2014 Liability for Regional High School Tax:			
Tax Paid			4,767,370
Taxes Payable December 31, 2014			<u>1,044,442</u>
Subtotal			5,811,812
Less: Taxes Payable December 31, 2013			<u>917,204</u>
Amount Charged to 2014 Operations			<u>\$ 4,894,608</u>

**TOWNSHIP OF TABERNACLE
CURRENT FUND
SCHEDULE OF FIRE DISTRICT TAXES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance December 31, 2013		\$	3
Increased by:			
Levy			477,000
Subtotal			477,003
Decreased by:			
Payments		357,960	
Cancellation of Taxes Payable		119,043	477,003
Balance December 31, 2014		\$	-

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

	BALANCE DECEMBER 31, 2013	BUDGETED	RECEIVED	TRANSFER FROM UN- APPROPRIATED	BALANCE DECEMBER 31, 2014
State Grants:					
Municipal Drug Alliance	\$ 6,125	\$ -	\$ 5,838	\$ -	\$ 287
Transportation Trust Fund	216,897	195,000	205,000	-	206,897
Recycling Tonnage Grant	12,711	8,203	-	8,203	12,711
Municipal Park Development Grant	250,000	250,000	166,531	-	333,469
Clean Communities Grant	-	22,109	-	22,109	-
Feral Cat Program	-	4,500	4,500	-	-
Federal Grants:					
Community Development Block Grant - Arch. Barrier	65,000	-	-	-	65,000
Community Development Block Grant - Pricket Mills	33,775	-	-	-	33,775
Community Development Block Grant - Rescue Squad	3,815	-	-	-	3,815
Total	\$ 588,323	\$ 479,812	\$ 381,869	\$ 30,312	\$ 655,954

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

	BALANCE DECEMBER 31, 2013	PRIOR YEAR ENCUMBERED	APPROPRIATED	EXPENDED	BALANCE DECEMBER 31, 2014
State Grants:					
Clean Communities Fund	\$ 19,808	-	\$ 22,109	\$ 20,831	\$ 21,086
Municipal Drug Alliance	1,931	238	-	2,169	-
Municipal Park Development	124,541	651	250,000	79,177	296,015
Drunk Driving Enforcement Fund	1,114	-	-	-	1,114
Transportation Trust Fund	208,246	-	195,000	150,183	253,063
Alcohol Education Rehabilitation Fund	579	-	-	-	579
Stormwater Grant	1,607	-	-	877	730
Recycling Grant	16,205	-	8,203	6,000	18,408
State Police Grant	15,828	-	-	-	15,828
Uniform Fire Code Grant	3,000	-	-	-	3,000
Trailer Equipment Grant	1,500	-	-	-	1,500
Feral Cat Program	-	-	4,500	-	4,500
Federal Grants:					
Community Development Block Grant Fund	93,977	-	-	-	93,977
FEMA Grant	5,528	-	-	2,910	2,618
Local Match:					
Municipal Drug Alliance	3,210	-	-	3,210	-
Total	\$ 497,074	\$ 889	\$ 479,812	\$ 265,357	\$ 712,418
Original Budget Chapter 159's	\$		\$ 30,312		
			<u>449,500</u>		
Total	\$		<u>479,812</u>		
Cash		\$		\$ 264,594	
Encumbrances				<u>763</u>	
Total				<u>\$ 265,357</u>	

**TOWNSHIP OF TABERNACLE
CURRENT FUND
SCHEDULE OF STATE AND FEDERAL GRANTS - UNAPPROPRIATED
FOR THE YEAR ENDED DECEMBER 31, 2014**

	BALANCE DECEMBER 31, 2013	RECEIVED	TO APPROPRIATED RESERVES	BALANCE DECEMBER 31, 2014
State Grants:				
Recycling Grant	\$ 8,203	\$ 8,166	\$ 8,203	\$ 8,166
Municipal Alliance Grant	-	8,458	-	8,458
Clean Communities Grant	22,108	20,740	22,108	20,740
	<hr/>	<hr/>	<hr/>	<hr/>
Total	<u>\$ 30,311</u>	<u>\$ 37,364</u>	<u>\$ 30,311</u>	<u>\$ 37,364</u>

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

Balance December 31, 2014 and 2013	<u><u>\$ 9,444</u></u>
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**SCHEDULE OF RESERVE FOR RECREATION DEPOSITS
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance December 31, 2013	\$ 3,000
Increased by:	
Cash Receipts	<u>4,080</u>
Subtotal	7,080
Decreased by:	
Cash Disbursements	<u>1,000</u>
Balance December 31, 2014	<u><u>\$ 6,080</u></u>

**TOWNSHIP OF TABERNACLE
CURRENT FUND
SPECIAL EMERGENCY NOTE PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2014**

DESCRIPTION	AMOUNT	ISSUE DATE	DATE OF MATURITY	INTEREST RATE	BALANCE DECEMBER 31, 2013	INCREASE	DECREASE	BALANCE DECEMBER 31, 2014
Revaluation	\$200,000	4/8/13	04/8/2014	1.55%	\$ 200,000	\$ -	\$ 40,000	\$ 160,000
					<u>\$ 200,000</u>	<u>\$ -</u>	<u>\$ 40,000</u>	<u>\$ 160,000</u>

**SCHEDULE OF DUE TO STATE - MARRIAGE LICENSE & TRAINING FEES
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance December 31, 2013	\$ -
Increased by:	
Cash Receipts	<u>7,844</u>
Subtotal	7,844
Decreased by:	
Cash Disbursements	<u>3,889</u>
Balance December 31, 2014	<u>\$ 3,955</u>

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

Balance December 31, 2013	\$ 55,552
Decreased by:	
Cash Disbursements	<u>31,439</u>
Balance December 31, 2014	<u>\$ 24,113</u>

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TRUST FUND

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

	DOG LICENSE	OTHER
Balance December 31, 2013	\$ 4,804	\$ 137,525
Receipts:		
Dog License Fees:		
Municipal Licenses - 2014	14,160	-
Payroll Deductions Payable	-	967,875
Escrow Deposits	-	27,818
Landfill	-	19
Street Opening	-	26,907
Public Defender Fees	-	5,192
	<hr/>	<hr/>
Total Funds Available	18,964	1,165,336
	<hr/>	<hr/>
Disbursements:		
Expenditures Under N.J.S.A.40:19-15.11	9,205	-
Due to State	1,744	
Due to Current	575	100
Payroll Deductions Payable	-	944,130
Expenditures from Public Defender	-	2,050
Expenditures from Street Opening	-	23,456
Expenditures From Escrow Deposits	-	7,294
	<hr/>	<hr/>
Total Disbursements	11,524	977,030
	<hr/>	<hr/>
Balance December 31, 2014	\$ 7,440	\$ 188,306
	<hr/> <hr/>	<hr/> <hr/>

**TOWNSHIP OF TABERNACLE
TRUST FUND
SCHEDULE OF CASH - COLLECTOR
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance December 31, 2013		\$ 53,508
Increased by:		
Deposits For Redemption of Tax Sale Certificates	\$ 397,516	
Premiums Received at Tax Sale	123,239	520,755
		<hr/>
Subtotal		574,263
Disbursements:		
Payments for Redemption of Tax Sale Premium	23,639	
Payments for Redemption of Tax Sale Certificates	367,116	390,755
		<hr/>
Balance December 31, 2014		<u>\$ 183,508</u>

**SCHEDULE OF RESERVE FOR DOG FUND EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance December 31, 2013		\$ 2,187
Increased by:		
2014 Dog License Fees Collected	\$11,045	
Late Fees	1,376	12,421
		<hr/>
Subtotal		14,608
Decreased by:		
Expenditures Under N.J.S.A.4:19-15.11		<hr/> 9,205
Balance December 31, 2014		<u>\$ 5,403</u>

LICENSE FEES COLLECTED

YEAR	AMOUNT
2012	\$ 7,619
2013	11,404
	<hr/>
Total	<u>\$ 19,023</u>

**TOWNSHIP OF TABERNACLE
DOG LICENSE FUND
SCHEDULE OF DUE TO STATE OF NEW JERSEY
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance December 31, 2013	\$ 5
Increased by:	
Dog License Fees Collected:	
State Share	1,739
	<hr/>
Subtotal	1,744
Decreased by:	
Payments	1,744
	<hr/>
Balance December 31, 2014	<u><u>\$ -</u></u>

**SCHEDULE OF RESERVE FOR TAX TITLE LIEN REDEMPTION
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance December 31, 2013	\$ 16,198
Increased by:	
Cash Received	397,516
	<hr/>
Subtotal	413,714
Decreased by:	
Redemptions	367,116
	<hr/>
Balance December 31, 2014	<u><u>\$ 46,598</u></u>

**TOWNSHIP OF TABERNACLE
TRUST FUND
SCHEDULE OF RESERVE FOR ESCROW DEPOSITS
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance December 31, 2013	\$ 33,205
Increased by:	
Escrow Deposits	<u>27,818</u>
Subtotal	61,023
Decreased by:	
Cash Disbursed	<u>7,294</u>
Balance December 31, 2014	<u><u>\$ 53,729</u></u>

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

Balance December 31, 2013	\$ 59,851
Increased by:	
Interest Earned	<u>19</u>
Balance December 31, 2014	<u><u>\$ 59,870</u></u>

EXHIBIT B-8

**TOWNSHIP OF TABERNACLE
TRUST FUND
SCHEDULE OF RESERVE FOR TAX SALE PREMIUMS
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance December 31, 2013	\$	47,700
Increased by:		
Premiums from Tax Sale		<u>123,239</u>
Subtotal		170,939
Decreased by:		
Cash Disbursements		<u>23,639</u>
Balance December 31, 2014	\$	<u><u>147,300</u></u>

EXHIBIT B-9

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

Balance December 31, 2013	\$	28,183
Increased by:		
Cash Received		<u>5,160</u>
Subtotal		33,343
Decreased by:		
Cash Disbursements		<u>2,050</u>
Balance December 31, 2014	\$	<u><u>31,293</u></u>

EXHIBIT B-10

**TOWNSHIP OF TABERNACLE
TRUST FUND
SCHEDULE OF RESERVE FOR STREET OPENING
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance December 31, 2013	\$	7,554
Increased by:		
Deposits		<u>26,901</u>
Subtotal		34,455
Decreased by:		
Cash Disbursements		<u>23,456</u>
Balance December 31, 2014	\$	<u><u>10,999</u></u>

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

Balance December 31, 2013	\$ 5,271
Increased by:	
Payroll Deductions Received	<u>967,875</u>
Subtotal	973,146
Decreased by:	
Payroll Expenditures	<u>944,130</u>
Balance December 31, 2014	<u><u>\$ 29,016</u></u>

ANALYSIS OF BALANCE

Public Employees' Retirement System	\$ 3,096
Employee Health Benefits	6,241
Miscellaneous	1,941
Due to Employees	<u>17,738</u>
Total	<u><u>\$ 29,016</u></u>

GENERAL CAPITAL FUND

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

Balance December 31, 2013	\$	322,698
Increased by:		
Funded Improvement Authorizations Cancelled		190,003
Decreased by:		
Funding of Improvement Authorization	\$	190,000
Utilitized in Budget		220,000
		410,000
 Balance December 31, 2014	 \$	 <u>102,701</u>

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

Balance December 31, 2013	\$	1,755,920
Receipts:		
Fire Truck Down Payment	\$	108,000
Ordinance Credits		18,520
		126,520
Subtotal		1,882,440
Disbursements:		
Due to Current Fund		210,000
Improvement Authorizations		695,055
		905,055
 Balance December 31, 2014	 \$	 <u>977,385</u>

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

Fund Balance	\$	102,701
Capital Improvement Fund		54,045
Reserve for Repayment of Debt		18,627
Interfund- Current		(30,000)
Fire Truck Down Payment		108,000
Improvement Authorizations:		
ORDINANCE		
NUMBER		
2010-02	Emergency Squad Building	51,610
2013-06	Power Ambulance Stretcher	
2013-02	Reconstruction/Resurfacing of Various Roads	439,902
2014-05	Acquisition of Jetter Truck	190,000
2014-06	Various Capital Improvements	42,500
		42,500
 Total	 \$	 <u>977,385</u>

**TOWNSHIP OF TABERNACLE
GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance December 31, 2013		\$	7,698,173
Decreased by:			
Bond Payments		\$	420,000
Green Acres Note Paid			8,486
			428,486
Balance December 31, 2014		\$	7,269,687

**SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED
FOR THE YEAR ENDED DECEMBER 31, 2013**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2013	2014 AUTHORIZATIONS	PAYMENT OF BOND ANTICIPATION NOTES	IMPROVEMENT AUTHORIZATION CANCELLED	BALANCE DECEMBER 31, 2014
2014-06	Various Capital Improvements	-	807,500	-	-	807,500
	Total	\$ -	\$ 807,500	\$ -	\$ -	\$ 807,500
		\$ -	\$ 807,500	\$ -	\$ -	\$ 807,500

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

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	ORDINANCE DATE	ORDINANCE AMOUNT	BALANCE DECEMBER 31, 2013		2014 AUTHORIZATIONS	EXPENDED	AUTHORIZATIONS CANCELED	BALANCE DECEMBER 31, 2014	
				FUNDED	UNFUNDED				FUNDED	UNFUNDED
2010-02	Emergency Squad Building	2/23/2010	\$ 3,800,000	\$ 153,610	\$ -	\$ -	\$ -	\$ 102,000	\$ 51,610	\$ -
2013-02	Reconstruction/ Resurfacing Various Roadways	01/28/2013	2,000,000	1,134,957	-	-	695,055	-	439,902	-
2013-06	Power Ambulance Stretchers	8/23/2013	132,000	88,003	-	-	-	88,003	-	-
2014-05	Jetter Truck Acquisition	9/22/2014	190,000	-	-	190,000	-	-	190,000	-
2014-06	Various Capital Improvements	10/12/2014	850,000	-	-	850,000	-	-	42,500	807,500
Total				\$ 1,376,570	\$ -	\$ 1,040,000	\$ 695,055	\$ 190,003	\$ 724,012	\$ 807,500
				Cash Paid			\$ 695,055			
				Total			\$ 695,055			

**TOWNSHIP OF TABERNACLE
GENERAL CAPITAL FUND
SCHEDULE OF BONDS PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2014**

PURPOSE	DATE OF ISSUE	AMOUNT OF ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING		INTEREST RATE	BALANCE DECEMBER 31, 2013	ISSUED	DECREASED BY BUDGET APPROPRIATION	BALANCE DECEMBER 31, 2014
			DECEMBER 31, 2014 DATE	AMOUNT					
2003-08 Road Improvement Program 2004-04 Various Capital Improvements 2005-06 Various Capital Improvements	08/01/05	\$ 475,000	08/01/15	210,000	4.125%	\$ 1,104,000	-	\$ 200,000	\$ 904,000
	08/01/05	539,600	08/01/16	225,000	4.125%				
	08/01/05	<u>1,329,400</u>	08/01/17	229,000	4.125%				
Total		<u>\$ 2,344,000</u>	08/01/18	240,000	4.125%				
General Obligation Bonds- Series 2013	04/23/13	\$ 6,550,000	04/01/15	230,000	1.000%	6,550,000	-	220,000	6,330,000
			04/01/16	240,000	1.000%				
			04/01/17	250,000	1.500%				
			04/01/18	260,000	2.000%				
			04/01/19	270,000	2.000%				
			04/01/20	280,000	2.000%				
			04/01/21	290,000	2.000%				
			04/01/22	300,000	2.000%				
			04/01/23	315,000	2.000%				
			04/01/24	325,000	2.125%				
			04/01/25	335,000	3.000%				
			04/01/26	355,000	3.000%				
			04/01/27	370,000	3.000%				
		04/01/28	385,000	3.000%					
		04/01/29	395,000	3.000%					
		04/01/30	415,000	3.000%					
		04/01/31	435,000	3.000%					
		04/01/32	440,000	3.000%					
		04/01/33	440,000	3.000%					
						<u>\$ 7,654,000</u>	<u>\$ -</u>	<u>\$ 420,000</u>	<u>\$ 7,234,000</u>

**TOWNSHIP OF TABERNACLE
GENERAL CAPITAL FUND
SCHEDULE OF GREEN ACRES NOTE PAYABLE
PATTY BOWKER ROAD RECREATION FIELDS
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance December 31, 2013	\$	44,173
Decreased by:		
Principal Payments		8,486
Balance December 31, 2014	\$	35,687

**SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
FOR THE YEAR ENDED DECEMBER 31, 2014**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2013	BONDS AND NOTES AUTHORIZED	UNFUNDED IMPROVEMENT AUTHORIZATIONS CANCELED	BALANCE DECEMBER 31, 2014
2014-06	Various Capital Improvements	\$ -	\$ 807,500	\$ -	\$ 807,500
		\$ -	\$ 807,500	\$ -	\$ 807,500

**TOWNSHIP OF TABERNACLE
GENERAL CAPITAL FUND
SCHEDULE OF RESERVE FOR FIRE TRUCK DOWNPAYMENT
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance December 31, 2013	\$ -
Increased by:	
Fire Truck Downpayment from Current	<u>108,000</u>
Balance December 31, 2014	<u><u>\$ 108,000</u></u>

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

Balance December 31, 2013	\$ 107
Increased by:	
Ordinance Credit	<u>18,520</u>
Balance December 31, 2014	<u><u>\$ 18,627</u></u>

**SCHEDULE OF CAPITAL IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance December 31, 2013	\$ 86,545
Increased by:	
2014 Budget Appropriations	<u>10,000</u>
Subtotal	96,545
Decreased by:	
Appropriated to Finance Improvement Authorizations	<u>42,500</u>
Balance December 31, 2014	<u><u>\$ 54,045</u></u>

GENERAL FIXED ASSETS

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**TOWNSHIP OF TABERNACLE
GENERAL FIXED ASSETS GROUP
SCHEDULE OF INVESTMENTS IN GENERAL FIXED ASSETS
DECEMBER 31, 2014**

GENERAL FIXED ASSETS	BALANCE DECEMBER 31, 2013	ADDITIONS	DELETIONS	BALANCE DECEMBER 31, 2014
Land & Improvements	\$ 561,700	\$ 79,000	\$ -	\$ 640,700
Building	4,502,345	1,059,400	-	5,561,745
Equipment	735,969	-	-	735,969
Vehicles	1,233,078	1,525,639	-	2,758,717
Total	<u>\$ 7,033,092</u>	<u>\$ 2,664,039</u>	<u>\$ -</u>	<u>\$ 9,697,131</u>

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**TOWNSHIP OF TABERNACLE
COUNTY OF BURLINGTON**

PART II

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

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To the Honorable Mayor and
Members of the Township Committee
Township of Tabernacle
Tabernacle, New Jersey 08088

We have audited the financial statements and transactions of the Township of Tabernacle in the County of Burlington for the year ended December 31, 2014. In accordance with requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the following are the *General Comments* and *Recommendations* for the year then ended.

GENERAL COMMENTS

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

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

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

The minutes indicate that resolutions were adopted authorizing the awarding of contracts or agreements for "Professional Services," per *N.J.S.A.40A:11-5*.

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

Contracts and Agreements Requiring Solicitation of Quotations

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

Collection of Interest on Delinquent Taxes

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

The governing body on January 2, 2014 adopted the following resolution authorizing interest to be charged on delinquent taxes:

“BE IT RESOLVED by the Township Committee of the Township of Tabernacle, County of Burlington, State of New Jersey, the rate of interest charged on delinquent taxes or assessments on any installment made ten (10) days after the date upon which the same became payable, shall not exceed eight (8) percent per annum of the first One Thousand Five Hundred Dollars (\$1,500.00) of the delinquency, and eighteen (18) percent per annum on any amount in excess of One Thousand Five Hundred Dollars (\$1,500.00).

BE IT FURTHER RESOLVED, that where interest on delinquent tax payments is one dollar (\$1.00) or less, payment and collection of said interest is hereby waived.”

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

Delinquent Taxes and Tax Title Liens

The last tax sale was held on December 19, 2014 and was complete.

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

YEAR	NUMBER OF LIENS
2014	14
2013	17
2012	15

Examination of Bills

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

Payroll Fund

The examination of the payroll fund ascertained that the accumulated withholdings were disbursed to the proper agencies.

Trust Funds

***Finding 2014-001:**

It was noted that the Township did not maintain an accurate general ledger accounting system for the trust funds.

Trust Funds (continued):

***Finding 2014-001 (continued):**

Recommendation:

That all activity of the Township be maintained in a general ledger accounting system.

Management's Response:

Management agrees with the recommendation and will implement the changes necessary in the following year.

*Prior Year Finding

State and Federal Grant Fund

Finding 2014-002:

It was noted that the Township over expended the Municipal Drug Alliance Grant.

Recommendation:

That all State and Federal grants not be over expended.

Management's Response:

Management agrees with the recommendation and will implement the changes necessary in the following year.

Municipal Court

A separate report of the Municipal Court transactions was filed in accordance with the requirements of the Local Finance Board.

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

Follow-Up of Prior Years' Findings

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

OFFICIALS IN OFFICE AND SURETY BONDS

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

NAME	TITLE	AMOUNT OF BOND	NAME OF CORPORATE SURETY
Joseph W. Barton	Mayor		
Steven V. Lee, IV	Deputy Mayor		
Kimberly A. Brown	Committeeman		
Richard J. Franzen	Committeeman		
Joseph Yates, IV	Committeeman		
Douglas A. Cramer	Administrator	\$1,000,000	A
LaShawn R. Barber	Township Clerk	\$1,000,000	A
Terry W. Henry	Chief Financial Officer	\$1,000,000	A
Susan Costales	Tax Collector	\$1,000,000	A
F. Robert Perri	Building Inspector		
Richard E. Andronici	Municipal Court Judge	\$1,000,000	A
Margaret Guerina	Court Administrator	\$1,000,000	A
Peter C. Lange, Jr., Esq.	Solicitor		
Alaimo Group	Engineer		

Code A – Municipal Excess Liability Joint Insurance Fund

All Surety Bonds listed above were reviewed and they appeared to be properly executed

Note - All other employees covered by a blanket employee dishonesty bond of \$100,000 with General Security Insurance Company.

Acknowledgment

We received the complete cooperation of all the Township's officials and employees and we greatly appreciate the courtesies extended to the members of the audit team. The problems and weaknesses noted in our review were not of such magnitude that they would affect our ability to express an opinion on the financial statements taken as a whole.

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

Respectfully submitted,

HOLMAN FRENIA & ALLISON, P. C.

Kevin P. Frenia
Certified Public Accountant
Registered Municipal Accountant
No. CR435

Medford, New Jersey
June 30, 2015