

TOWNSHIP OF TABERNACLE

**AUDIT REPORT FOR THE YEAR
ENDED DECEMBER 31, 2016**

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**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, 2016**

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INDEPENDENT AUDITOR’S REPORT

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 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, 2016 and 2015, and the related statements of operations and changes in fund balance - regulatory basis for the years then ended, the related statement of revenues - regulatory basis, and statement of expenditures - regulatory basis for the year ended December 31, 2016 and the related notes to the financial statements, which collectively comprise the Township’s basic financial statements as listed in the table of contents.

Management’s Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with 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.

Opinions

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

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

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

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township of Tabernacle, County of Burlington, State of New Jersey, as of December 31, 2016 and 2015, or the results of its operations and changes in fund balance for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Township of Tabernacle, County of Burlington, State of New Jersey, as of December 31, 2016 and 2015, and the results of its operations and changes in fund balance - regulatory basis of such funds for the years then ended, and the statement of revenues - regulatory basis, statement of expenditures - regulatory basis of the various funds, and general fixed assets group of accounts – regulatory basis, for the year ended December 31, 2016 in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Other Matters

Report on Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements referred to in the first paragraph as a whole. The supplemental statements and schedules 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 financial statements of each of the respective individual funds and account group 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 14, 2017, 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 14, 2017
Medford, New Jersey

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

Honorable Mayor and Members
of the Township 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-regulatory basis of the Township of Tabernacle (herein referred to as “the Township”), as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the Township’s basic financial statements, and have issued our report thereon dated June 14, 2017 . Our report indicated that the Township’s 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.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Township's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Township’s internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no 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.

Purpose of this Report

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

Respectfully submitted,

HOLMAN FRENIA ALLISON, P.C.

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

June 14, 2017
Medford, New Jersey

BASIC FINANCIAL STATEMENTS

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**TOWNSHIP OF TABERNACLE
CURRENT FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE -- REGULATORY BASIS
DECEMBER 31, 2016 AND 2015**

ASSETS	REFERENCE	<u>2016</u>	<u>2015</u>
Regular Fund:			
Cash:			
Treasurer	A-4	\$ 4,588,001	\$ 4,419,613
Change Fund	A-5	250	250
Due From State of New Jersey			
Senior Citizens & Veterans Deduction	A-9	<u>36,302</u>	<u>31,679</u>
Total Regular Fund		<u>4,624,553</u>	<u>4,451,542</u>
Receivables & Other Assets:			
Delinquent Property Taxes Receivable	A-6	24,993	9,026
Tax Title Liens Receivable	A-7	259,398	248,969
Property Acquired for Taxes - Assessed Valuation	A-8	1,556,600	1,556,600
Revenue Accounts Receivable	A-10	2,517	3,681
Due From State & Federal	A	19,232	-
Due From Dog License Fund	B	<u>1,342</u>	<u>2,037</u>
Total Receivables & Other Assets		<u>1,864,082</u>	<u>1,820,313</u>
Deferred Charges To Future Taxation:			
Emergency Appropriation	A-11	<u>80,000</u>	<u>120,000</u>
Total		<u>80,000</u>	<u>120,000</u>
Total Regular Funds		<u>6,568,635</u>	<u>6,391,855</u>
State & Federal Grants:			
Cash	A-4	416,400	212,925
Federal & State Grants Receivable	A-15	188,485	513,472
Due from Current Fund	A	-	7,587
Deferred Charges to Future Taxation:			
Overexpenditure of Grant Appropriation	A-16	<u>-</u>	<u>11,479</u>
Total State & Federal Grants		<u>604,885</u>	<u>745,463</u>
Total		<u>\$ 7,173,520</u>	<u>\$ 7,137,318</u>

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

**TOWNSHIP OF TABERNACLE
CURRENT FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE -- REGULATORY BASIS
DECEMBER 31, 2016 AND 2015**

LIABILITIES RESERVES & FUND BALANCE	REFERENCE	<u>2016</u>	<u>2015</u>
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3,A-12	\$ 450,839	\$ 438,524
Encumbrances Payable	A-3	42,099	1,270
Accounts Payable	A-12	3,591	3,591
Special Emergency Note Payable- Revaluation	A-20	80,000	120,000
Reserve for Revaluation	A-22	-	24,113
Prepaid Taxes	A-4	140,653	148,311
Tax Overpayments	A	54,026	41,043
Reserve for Lenape Escrow	A-18	9,444	9,444
Reserve for Recreation Deposits	A-19	2,360	4,080
Reserve for FEMA Funds	A	-	114,540
Due County for Added & Omitted Taxes	A-6	5,472	2,252
Due to Trust Other	B	6,991	6,991
Due to Capital	C	40,000	10,000
Due to Grant Fund	A	-	7,587
Local District School Tax Payable	A-13	2,125,848	1,995,314
Regional District School Tax Payable	A-14	<u>910,530</u>	<u>995,394</u>
Total Liabilities		<u>3,871,853</u>	<u>3,922,454</u>
Reserves for Receivable & Other Assets	A	1,864,082	1,820,313
Fund Balance	A-1	<u>832,700</u>	<u>649,088</u>
Total Regular Fund		<u>6,568,635</u>	<u>6,391,855</u>
State & Federal Grants:			
Appropriated Reserves	A-16	576,906	704,226
Unappropriated Reserves	A-17	8,747	40,999
Encumbrances Payable	A-16	-	238
Due to Current Fund	A	<u>19,232</u>	<u>-</u>
Total State & Federal Grants		<u>604,885</u>	<u>745,463</u>
Total Liabilities, Reserves & Fund Balance		<u>\$ 7,173,520</u>	<u>\$ 7,137,318</u>

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

**TOWNSHIP OF TABERNACLE
CURRENT FUND
STATEMENTS OF OPERATIONS AND
CHANGES IN FUND BALANCE - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

	2016	2015
Revenue & Other Income Realized:		
Fund Balance Utilized	\$ 606,101	\$ 920,000
Miscellaneous Revenue Anticipated	977,154	1,189,769
Receipts From Current Taxes	18,333,216	18,172,023
Nonbudget Revenue	165,944	121,453
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	301,831	76,707
Interfunds Liquidated	19,761	-
Cancelled FEMA Reserve	104,302	-
Prior year Refund	3,935	-
Prior Year Liability Cancelled	-	6,168
Cancelled Revaluation Reserve	24,113	-
	<u>20,536,357</u>	<u>20,486,120</u>
Total		
Expenditures:		
Operations Within "CAPS"		
Salaries and Wages	912,509	946,904
Other Expenses	2,023,695	2,130,286
Deferred Charges & Statutory Expenditures Within "CAPS"	192,326	225,854
Operations Excluded from CAPS:		
Other Expenses	142,028	226,873
Special Emergency	40,000	40,000
Capital Improvements Excluded From "CAPS"	60,000	200,000
Municipal Debt Service Excluded From "CAPS"	679,750	643,647
County Taxes	2,836,401	2,920,835
Due County for Added & Omitted Taxes	5,472	2,252
Local District School Tax	8,103,180	7,742,111
Regional High School Tax	4,746,783	4,856,512
Due State of New Jersey - Senior Citizens Deductions		
Disallowed for Prior Year	4,500	-
	<u>19,746,644</u>	<u>19,935,274</u>
Total Expenditures		
Excess in Revenue	789,713	550,846
Fund Balance January 1	<u>649,088</u>	<u>1,018,242</u>
Total	1,438,801	1,569,088
Decreased by:		
Utilization as Anticipated Revenue	606,101	920,000
	<u>606,101</u>	<u>920,000</u>
Balance December 31	<u>\$ 832,700</u>	<u>\$ 649,088</u>

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

**TOWNSHIP OF TABERNACLE
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2016**

	ANTICIPATED	REALIZED	EXCESS OR (DEFICIT)
Fund Balance Anticipated	\$ 606,101	\$ 606,101	\$ -
Miscellaneous Revenue:			
Licenses:			
Alcoholic Beverages	9,000	10,000	1,000
Fees & Permits:			
Construction Code Official	60,000	66,721	6,721
Other	11,000	38,963	27,963
Fines & Costs:			
Municipal Court	45,000	51,169	6,169
Interest & Costs on Taxes	35,000	36,866	1,866
State Aid Without Offsetting Appropriations:			
Energy Receipts Tax	540,225	540,225	-
Garden State Preservation Act	89,936	89,936	-
Cable TV Franchise Fees	16,487	25,746	9,259
Special Items Offset with Appropriations:			
State Forrestry Grant	5,000	5,000	-
Municipal Alliance on Alcoholism	8,016	8,016	-
Clean Communities Program	27,512	27,512	-
Municipal Park Development Grant	77,000	77,000	-
Total	924,176	977,154	52,978
Amount to be Raised by Taxes for Support of Municipal Budget - Local Tax for Municipal Purposes	2,654,284	2,769,354	115,070
Budget Totals	4,184,561	4,352,609	168,048
Nonbudget Revenues	-	165,944	165,944
Total	\$ 4,184,561	\$ 4,518,553	\$ 333,992

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

**TOWNSHIP OF TABERNACLE
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2016**

ANALYSIS OF REALIZED REVENUES

Allocation of Current Tax Collections:	
Revenue From Collections	\$ 18,333,216
Allocated to School, County & Fire District Taxes	<u>15,691,836</u>
Balance for Support of Municipal Budget Appropriations	2,641,380
Increased by Appropriation - Reserve for Uncollected Taxes	<u>127,974</u>
Amount for Support of Municipal Budget Appropriations	<u><u>\$ 2,769,354</u></u>

ANALYSIS OF NONBUDGET REVENUE

Miscellaneous Revenues Not Anticipated:	
Cash - Treasurer:	
Delinquent Tax Collections	\$ 23,899
Senior Citizen & Vet Admin. Fee	1,837
Interest on Investments & Deposits	23,256
Woodland Twp. Shared Service	27,449
Miscellaneous	15,902
Other Licenses	<u>73,601</u>
Total	<u><u>\$ 165,944</u></u>

**TOWNSHIP OF TABERNACLE
CURRENT FUND
STATEMENT OF EXPENDITURES REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2016**

OPERATIONS - WITHIN "CAPS"	APPROPRIATIONS		EXPENDED	
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED
General Government:				
General Administration:				
Salaries and Wages	\$ 66,665	66,665	\$ 63,023	\$ 3,642
Other Expenses	25,500	25,600	25,563	37
Mayor and Committee:				
Salaries and Wages	15,000	16,731	16,731	-
Other Expenses	1,000	1,000	992	8
Municipal Clerk:				
Salaries and Wages	59,700	59,700	59,420	280
Other Expenses	16,000	16,000	14,563	1,437
Financial Administration (Treasury):				
Salaries and Wages	29,432	29,432	29,346	86
Other Expenses	11,000	11,000	10,080	920
Auditing Services:				
Other Expenses	24,000	25,573	25,573	-
Tax Assessment Administration:				
Salaries and Wages	9,743	9,743	9,388	355
Other Expenses	41,190	41,190	39,519	1,671
Revenue Administration (Tax Collection):				
Salaries and Wages	45,770	49,810	49,804	6
Other Expenses	12,461	12,461	10,843	1,618
Improvement Search Officer:				
Salaries and Wages	1,463	1,463	1,446	17
Registrar:				
Salaries and Wages	11,824	11,824	11,824	-
Tax Search Officer:				
Salaries and Wages	1,463	1,583	1,578	5
Bond Registrar Fees	2,000	2,000	1,250	750
Legal Services:				
Other Expenses	95,000	95,000	83,583	11,417
Engineering Services:				
Other Expenses	98,000	98,000	98,000	-
Land Use Administration:				
Planning Board:				
Salaries and Wages	11,012	11,012	10,708	304
Other Expenses	7,500	7,500	7,426	74
Insurance:				
Liability Insurance	66,000	66,000	65,764	236
Workers Compensation	104,000	76,404	65,167	11,237
Group Insurance	295,000	315,200	241,518	73,682
Unemployment Insurance	5,000	5,000	3,696	1,304
Public Safety Functions:				
Office of Emergency Management:				
Salaries and Wages	7,054	7,054	7,001	53
Other Expenses	10,000	10,000	8,121	1,879
Aid to Volunteer Fire Company	90,000	90,000	67,500	22,500
Aid to Volunteer Ambulance Company	35,000	35,000	35,000	-
Fire Department Other Expenses	60,000	71,000	70,203	797
Public Works Functions:				
Department of Public Works:				
Salaries and Wages	419,492	419,492	368,015	51,477
Other Expenses	268,800	268,800	171,913	96,887
Building & Grounds:				
Other Expenses	135,050	135,050	68,701	66,349

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, 2016**

OPERATIONS - WITHIN "CAPS"	APPROPRIATIONS		EXPENDED	
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED
Garbage & Trash Removal:				
Other Expenses	420,000	420,000	384,336	35,664
Health & Human Services:				
Board of Health:				
Other Expenses	200	200	-	200
Aid to Family Services of Burlington County	800	800	140	660
Parks & Recreation:				
Recreation Services & Programs:				
Other Expenses	5,000	5,000	4,563	437
Utility Expenses & Bulk Purchases:				
Electricity	21,000	21,000	14,324	6,676
Street Lighting	21,000	21,000	20,982	18
Telephone Expenses	21,000	21,000	18,013	2,987
Fuel Oil	21,000	21,000	13,269	7,731
Gasoline/Diesel	30,000	30,000	29,978	22
Landfill Waste Disposal:				
Landfill Closure Costs	15,000	15,000	5,502	9,498
Construction Official:				
Salaries & Wages	163,379	163,379	156,339	7,040
Other Expenses	21,100	21,100	20,089	1,011
Municipal Court:				
Municipal Court:				
Salaries and Wages	64,621	64,621	63,720	901
Other Expenses	20,485	21,890	21,888	2
Total Operation Within "CAPS"	2,905,704	2,918,277	2,496,402	421,875
Contingent	25,000	17,927	100	17,827
Total Operations Including Contingent - Within "CAPS"	2,930,704	2,936,204	2,496,502	439,702
Detail:				
Salaries and Wages	906,618	912,509	848,343	64,166
Other Expenses (Including Contingent)	2,024,086	2,023,695	1,648,159	375,536

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, 2016**

	APPROPRIATIONS		EXPENDED		
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	CANCELED
Deferred Charges/Statutory Expenditures - Municipal Within "CAPS":					
Statutory Expenditures:					
Contributions to:					
Over-Expenditure of Grant	11,479	11,479	11,479	-	-
Contributions to Employees Retirement System	105,847	105,847	105,847	-	-
Social Security System (O.A.S.I.)	75,000	75,000	64,326	10,674	-
Total Deferred Charges & Statutory Expenditures Within "CAPS"	192,326	192,326	181,652	10,674	-
Total General Appropriations for Municipal Purposes Within "CAPS"	3,123,030	3,128,530	2,678,154	450,376	-
Operations Excluded From "CAPS":					
Contribution to:					
Length of Service Awards Program	30,000	24,500	24,037	463	-
Public & Private Programs Offset by Revenues:					
Recycling Tonnage Grant	27,512	27,512	27,512	-	-
State Forrestry Grant	5,000	5,000	5,000	-	-
Municipal Drug Alliance	8,016	8,016	8,016	-	-
Municipal Park Development Grant	-	77,000	77,000	-	-
Total Public & Private Programs Offset by Revenues	40,528	117,528	117,528	-	-
Total Operations Excluded From "CAPS"	70,528	142,028	141,565	463	-
Detail:					
Other Expenses	70,528	142,028	141,565	463	-

**TOWNSHIP OF TABERNACLE
CURRENT FUND
STATEMENT OF EXPENDITURES REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2016**

	APPROPRIATIONS		EXPENDED		
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	CANCELED
Capital Improvements Excluded From "CAPS"					
Capital Improvement Fund	60,000	60,000	60,000	-	-
Capital Improvement Fund	60,000	60,000	60,000	-	-
Total Capital Improvements	60,000	60,000	60,000	-	-
Municipal Debt Service - Excluded From "CAPS":					
Payment of Bond Principal	465,000	465,000	465,000	-	-
Interest on Bonds	184,000	184,000	181,884	-	2,116
Interest on Notes	27,701	27,701	23,539	-	4,162
Green Trust Loan Program: Loan Repayments for Principal & Interest	9,328	9,328	9,327	-	1
Total Municipal Debt Service Excluded From "CAPS"	686,029	686,029	679,750	-	6,279
Statutory Expenditures/Deferred Charges:					
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"	856,557	928,057	921,315	463	6,279
Subtotal General Appropriations	3,979,587	4,056,587	3,599,469	450,839	6,279
Reserve For Uncollected Taxes	127,974	127,974	127,974	-	-
Total General Appropriations	<u>\$ 4,107,561</u>	<u>\$ 4,184,561</u>	<u>\$ 3,727,443</u>	<u>\$ 450,839</u>	<u>\$ 6,279</u>
Original Appropriations		\$ 4,107,561			
Added per N.J.S.A.40A:4-87		77,000			
Total		<u>\$ 4,184,561</u>			
Reserve for Uncollected Taxes			\$ 127,974		
Encumbrances Payable			42,099		
Deferred Charge			40,000		
Reimbursements			(43,000)		
Due General Capital			60,000		
Cash Disbursements			3,382,842		
Reserve for State & Federal Grants Appropriated			117,528		
Total			<u>\$ 3,727,443</u>		

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

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**TOWNSHIP OF TABERNACLE
TRUST FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE -- REGULATORY BASIS
DECEMBER 31, 2016 AND 2015**

ASSETS	REFERENCE	<u>2016</u>	<u>2015</u>
Dog License Fund:			
Cash - Treasurer	B-1	\$ 16,685	\$ 13,002
Total Dog License Fund		<u>16,685</u>	<u>13,002</u>
Other Funds:			
Cash - Treasurer	B-1	168,806	174,698
Cash - Collector	B-2	102,119	230,107
Due From Current Fund	A	6,991	6,991
Due from Capital Fund	C	<u>33,600</u>	<u> </u>
Total Other Funds		<u>311,516</u>	<u>411,796</u>
Total Assets		<u>\$ 328,201</u>	<u>\$ 424,798</u>
LIABILITIES & RESERVES			
Dog License Fund:			
Due to Current Fund	A	\$ 1,342	\$ 2,037
Due to State	B-4	-	5
Reserve for Dog Fund Expenditures	B-3	<u>15,343</u>	<u>10,960</u>
Total Dog License Fund		<u>16,685</u>	<u>13,002</u>
Other Funds:			
Reserve for Street Opening	B-10	6,599	901
Reserve for Tax Title Redemption	B-5	61,009	37,897
Reserve for Escrow Deposits	B-6	58,250	60,711
Reserve for Landfill Escrow	B-7	59,927	59,888
Reserve for Tax Sale Premiums	B-8	51,500	202,600
Reserve for Public Defender	B-9	35,573	33,720
Reserve for Payroll Deductions Payable	B-11	<u>38,658</u>	<u>16,079</u>
Total Other Funds		<u>311,516</u>	<u>411,796</u>
Total Liabilities & Reserves		<u>\$ 328,201</u>	<u>\$ 424,798</u>

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

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**TOWNSHIP OF TABERNACLE
GENERAL CAPITAL FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE -- REGULATORY BASIS
DECEMBER 31, 2016 AND 2015**

ASSETS	REFERENCE	2016	2015
Cash - Treasurer	C-2	\$ 1,938,515	\$ 3,033,793
Due From Current Fund	A	40,000	10,000
Deferred Charges to Future Taxation:			
Funded	C-3	6,347,198	6,821,029
Unfunded	C-4	3,584,500	3,584,500
 Total Assets		<u>\$ 11,910,213</u>	<u>\$ 13,449,322</u>
 LIABILITIES, RESERVES & FUND BALANCE			
Serial Bonds Payable	C-6	\$ 6,329,000	\$ 6,794,000
Due to Trust	B	33,600	-
Green Acres - Loan Payable	C-7	18,198	27,029
Encumbrance Payable	C	1,500	-
Improvement Authorizations:			
Funded	C-5	51,610	51,610
Unfunded	C-5	1,716,432	2,852,725
BAN Payable	C-9	3,584,500	3,584,500
Capital Improvement Fund	C-12	124,045	64,045
Reserve for Repayment of Debt	C-11	18,627	18,627
Reserve for Fire Truck	C-10	-	24,085
Fund Balance	C-1	32,701	32,701
 Total Liabilities, Reserve & Fund Balance		<u>\$ 11,910,213</u>	<u>\$ 13,449,322</u>

There were no Bonds & Notes Authorized but not Issued on December 31, 2016 and no Bonds & Notes Authorized but not Issued on December 31, 2015.

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**TOWNSHIP OF TABERNACLE
GENERAL FIXED ASSETS ACCOUNT GROUP
STATEMENTS OF FIXED ASSETS AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2016 AND 2015**

ASSETS	<u>2016</u>	<u>2015</u>
Land & Improvements	\$ 640,700	\$ 640,700
Building	5,561,745	5,561,745
Equipment	678,375	735,969
Vehicles	<u>3,112,262</u>	<u>2,990,717</u>
Total	<u>\$ 9,993,082</u>	<u>\$ 9,929,131</u>
FUND BALANCE		
Investment in Fixed Capital	<u>\$ 9,993,082</u>	<u>\$ 9,929,131</u>

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

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**TOWNSHIP OF TABERNACLE
COUNTY OF BURLINGTON**

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

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TOWNSHIP OF TABERNACLE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

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 as amended by GASB Statements No. 39 and 61.

Basis of Accounting, Measurement Focus and Basis of Presentation - The financial statements of the Township of 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, 2016

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, 2016

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, 2016

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, 2015 and decreased by the amount deferred at December 31, 2016.

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, 2016

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.

Impact of Recently Issued Accounting Principles

Adopted Accounting Pronouncements

For the year ended December 31, 2016, the Township implemented GASB Statement No. 72, *Fair Value Measurement and Application*. As a result of implementing this statement, the Township is required to measure certain investments at fair value for financial reporting purposes. In addition, the Township is required to measure donated capital assets at acquisition value (an entry price); these assets were previously required to be measured at fair value. Statement No. 72 requires disclosures to be made about fair value measurements, the level of fair value hierarchy, and valuation techniques. Implementation of this Statement did not impact the Township’s financial statements.

The Township implemented GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets that are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. Implementation of this Statement did not impact the Township’s financial statements.

The Township implemented GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. Implementation of this Statement did not impact the Township’s financial statements.

Statement No. 77, *Tax Abatement Disclosures*. This Statement requires governments that enter into tax abatement agreements to disclose information about those agreements. Implementation of this Statement did not impact the Township’s financial statements.

Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*. The objective of this Statement is to address a practice issue regarding the scope and applicability of Statement No. 68, *Accounting and Financial Reporting for Pensions*. Implementation of this Statement did not impact the Township’s financial statements.

TOWNSHIP OF TABERNACLE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED DECEMBER 31, 2016

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

Statement No. 79, *Certain External Investment Pools and Pool Participants*. This Statement addresses accounting and financial reporting for certain external investment pools and pool participants. Implementation of this Statement did not impact the Township's financial statements.

Recently Issued Accounting Pronouncements

The GASB has issued the following Statements which will become effective in future fiscal years as shown below:

Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement will be effective for the year ended December 31, 2017. Management does not expect this Statement to impact the Township's financial statements.

Statement No. 75, *Accounting and Financial Reporting for Post-employment Benefits Other than Pensions*. This Statement replaces the requirements of Statement No. 45, *Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agency Employers and Agent Multi-Employer Plans*, for OPEB Statement No. 74, *Financial Reporting for Post-employment Benefit Plans Other Than Pension Plans*, establishes new accounting and financial reporting requirements for OPEB Plans. This Statement will be effective for the year ended December 31, 2018. Management has not yet determined the potential impact on the Township's financial statements.

Statement No. 80, *Blending Requirements for Certain Component Units - an amendment of GASB Statement No. 14*. The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the blending requirements established in paragraph 53 of Statement No. 14, *The Financial Reporting Entity, as amended*. This Statement will be effective for the year ended December 31, 2017. Management does not expect this Statement to impact the Township's financial statements.

Statement No. 81, *Irrevocable Split-Interest Agreements*. The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. This Statement will be effective for the year ended December 31, 2017. Management does not expect this Statement to impact the Township's financial statements.

TOWNSHIP OF TABERNACLE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED DECEMBER 31, 2016

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

Statement No. 82, *Pension Issues – an amendment of GASB Statements No. 67, 68 and No. 73*. The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. This Statement will be effective for the year ended December 31, 2017. Management has not yet determined the potential impact on the Township's financial statements.

Statement No. 83, *Certain Asset Retirement Obligations*. This Statement addresses accounting and financial reporting requirements for certain asset retirement obligations and establishes the timing and pattern of recognition of a liability and corresponding deferred outflow of resources. This Statement will be effective for the year ended December 31, 2019. Management does not expect this Statement to impact the Township's financial statements.

Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement will be effective for the year ended December 31, 2019. Management does not expect this Statement to impact the Township's financial statements.

Statement No. 85, *Omnibus 2017*. The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). This Statement will be effective for the year ended December 31, 2018. Management has not yet determined the potential impact on the Township's financial statements.

Subsequent Events - The Township of Tabernacle has evaluated subsequent events occurring after December 31, 2016 through the date of June 14, 2017, which is the date the financial statements were available to be issued.

Note 2. Fund Balance Appropriated

Of the \$823,700 of available fund Balance at December 31, 2016, \$672,101 has been anticipated as revenue in the adopted 2017 municipal budget.

Note 3. Cash and Cash Equivalents

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of a bank failure, the Township's deposits may not be recovered. Although the Township does not have a formal policy regarding custodial credit risk, N.J.S.A 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the Township in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled agency funds such as salary withholdings, bail funds, or funds that may pass to the Township relative to the happening of a future condition. Such funds are classified as uninsured and uncollateralized.

TOWNSHIP OF TABERNACLE

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2016**

Note 3. Cash and Cash Equivalents (Continued)

As of December 31, 2016, the Township's bank balances of \$5,808,534 were exposed to custodial credit risk as follows:

Insured (FDIC)	\$	559,870
Uninsured and uncollateralized		229,948
Collateralized in the Township's Name		
Under GUDPA		5,018,716
Total	\$	5,808,534

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.

	2016	2015	2014
Total Tax Rate	<u>\$2.781</u>	<u>\$2.757</u>	<u>\$2.648</u>
Apportionment of Tax Rate:			
Municipal	0.402	0.382	0.308
County	0.430	0.443	0.402
Local School	1.229	1.188	1.128
Regional High School	0.720	0.744	0.738
Fire District Tax	0.000	0.000	0.072

Net Valuation Taxable:

2016		<u>\$ 659,565,295</u>			
2015		<u>\$ 660,302,094</u>			
2014				<u>\$ 663,059,703</u>	

			CASH COLLECTIONS	PERCENTAGE OF COLLECTION
YEAR	TAX LEVY			
2016	\$ 18,377,883	\$	18,333,217	99.75%
2015	18,218,759		18,172,023	99.74%
2014	17,575,515		17,522,191	99.69%

TOWNSHIP OF TABERNACLE

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2016**

Note 4: Property Taxes (Continued)

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
2016	\$ 259,398	\$ 24,992	\$ 284,390	1.55%
2015	248,969	9,026	257,995	1.42%
2014	229,198	9,442	238,640	1.36%

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
2016	\$ 1,556,600
2015	1,556,600
2014	1,556,600

Note 6. Pension Obligations

A. Public Employees' Retirement System (PERS)

Plan Description - The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PERS, please refer to Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrpts.shtml.

The vesting and benefit provisions are set by *N.J.S.A. 43:15A*. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

TOWNSHIP OF TABERNACLE

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2016**

Note 6. Pension Obligations (Continued)

The following represents the membership tiers for PERS:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 or more years of service credit before age 62 and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Basis of Presentation - The schedules of employer allocations and the schedules of pension amounts by employer (collectively, the Schedules) present amounts that are considered elements of the financial statements of PERS or its participating employers. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of PERS or the participating employers. The accompanying Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of PERS to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

Contributions - The contribution policy for PERS is set by *N.J.S.A. 43:15A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For the fiscal year 2016, the State's pension contribution was less than the actuarial determined amount. The local employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

TOWNSHIP OF TABERNACLE

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2016**

Note 6. Pension Obligations (Continued)

Components of Net Pension Liability - At December 31, 2016, the Township reported a liability of \$3,041,472 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2016. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. The Township's proportion of the net pension liability was based on the Township's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2016. The Township's proportion measured as of June 30, 2016, was 0.01027% which decreased by .00037% from its proportion measured as of June 30, 2015.

	<u>12/31/16</u> June 30, 2016	<u>12/31/15</u> June 30, 2015
Actuarial Valuation Date (including roll Forward)		
Deferred Outflows of Resources	891,394	427,223
Deferred Inflows of Resources	59,833	38,389
Net Pension Liability	3,041,472	2,387,671
Municipality's Portion of the Plan's Total Net Pension Liability	0.01027%	0.01064%

Pension Expense and Deferred Outflows/Inflows of Resources - At December 31, 2016, the Township reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 56,562	\$ -
Changes of Assumptions	630,031	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	115,974	-
Changes in Proportion and Differences between Borough Contributions and Proportionate Share of Contributions	<u>88,827</u>	<u>59,833</u>
	<u><u>891,394</u></u>	<u><u>59,833</u></u>

TOWNSHIP OF TABERNACLE

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2016**

Note 6. Pension Obligations (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the pension expense as follows:

	Year Ending <u>Dec 31,</u>	<u>PERS</u>		<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
	2017	\$ 194,620			
	2018	194,620			
	2019	223,471			
	2020	177,744			
	2021	<u>41,107</u>			
		<u>\$ 831,562</u>			
Differences between Expected and Actual Experience					
Year of Pension Plan Deferral:					
	June 30, 2014	-		-	
	June 30, 2015	5.72		-	
	June 30, 2016	5.57		-	
Changes of Assumptions					
Year of Pension Plan Deferral:					
	June 30, 2014	6.44		-	
	June 30, 2015	5.72		-	
	June 30, 2016	5.57		-	
Net Difference between Projected and Actual Earnings on Pension Plan Investments					
Year of Pension Plan Deferral:					
	June 30, 2014	-		5.00	
	June 30, 2015	-		5.00	
	June 30, 2016	5.00		-	
Changes in Proportion and Differences between Municipality Contributions and Proportionate Share of Contributions					
Year of Pension Plan Deferral:					
	June 30, 2014	6.44		6.44	
	June 30, 2015	5.72		5.72	
	June 30, 2016	5.57		5.57	

TOWNSHIP OF TABERNACLE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED DECEMBER 31, 2016

Note 6. Pension Obligations (Continued)

Actuarial Assumptions - The total pension asset/(liability) as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuations used the following actuarial assumptions:

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

Pre-retirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females.

In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Post-retirement mortality rate were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on the mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scales. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.65% at June 30, 2016) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected

TOWNSHIP OF TABERNACLE

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2016**

Note 6. Pension Obligations (Continued)

returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2016 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	0.87%
U.S. Treasuries	1.50%	1.74%
Investment grade credit	8.00%	1.79%
Mortgages	2.00%	1.67%
High Yield Bonds	2.00%	4.56%
Inflation-Indexed Bonds	1.50%	3.44%
Broad U.S. Equities	26.00%	8.53%
Developed Foreign Equities	13.25%	6.83%
Emerging Market Equities	6.50%	9.95%
Private Equity	9.00%	12.40%
Hedge Funds/Absolute Return	12.50%	4.68%
Real Estate (Property)	2.00%	6.91%
Commodities	0.50%	5.45%
Global debt ex U.S.	5.00%	-0.25%
REIT	5.25%	5.63%
	100.00%	

Discount Rate - The discount rate used to measure the total pension liability was 3.98% as of June 30, 2016. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.65%, and a municipal bond rate of 2.85% as of June 30, 2016 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 30% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2034. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2034 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

TOWNSHIP OF TABERNACLE

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2016**

Note 6. Pension Obligations (Continued)

Sensitivity of the Township's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the Township's proportionate share of the net pension liability calculated using the discount rate as disclosed above, as well as what the Township's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.98%) or 1-percentage-point higher (4.98%) than the current rate:

	Decrease (2.98%)	Discount Rate (3.98%)	Increase (4.98%)
Municipality's proportionate share of the Net Pension Liability and the State's Proportionate Share of the Net Pension Liability associated with the Municipality	\$ 3,726,969	\$ 3,041,472	\$ 2,475,535

Note 7. General Long-Term Debt

Summary of Debt:

	2016	2015	2014
<u>Issued</u> General Bonds, Loans and Notes	\$ 9,931,698	\$ 10,405,529	\$ 7,269,687
Total Debt Issued	9,931,698	10,405,529	7,269,687
Authorized But Not Issued General Bonds and Notes	-	-	807,500
Total Authorized But Not Issued	-	-	807,500
Total Bonds and Notes Issued and Authorized But Not Issued	\$ 9,931,698	\$ 10,405,529	\$ 8,077,187

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

TOWNSHIP OF TABERNACLE

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2016**

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

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 1.40%

	GROSS DEBT	DEDUCTIONS	NET DEBT
Regional High School District	\$ 2,413,419	\$ 2,413,419	\$ -
Local School District Debt	4,565,000	4,565,000	-
General Debt	9,931,698	18,627	9,913,071
Total	\$ 16,910,117	\$ 6,997,046	\$ 9,913,071

Net Debt, \$9,913,071 divided by Equalized Valuation Basis per N.J.S.A.40A:2-2, as amended, \$706,084,934 equals 1.40%.

Equalized Valuation Basis:

2016	713,351,936
2015	697,035,786
2014	707,867,080
Average	706,084,934

Borrowing Power Under 40A:2-6:

3 1/2% of Equalized Valuation Bases (Municipal)	\$ 24,712,973
Net Debt	<u>9,913,071</u>
Remaining Borrowing Power	<u><u>\$ 14,799,902</u></u>

TOWNSHIP OF TABERNACLE

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2016**

General Debt - Bonds:

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

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	479,000	171,403	\$ 650,403
2018	500,000	158,206	658,206
2019	270,000	143,106	413,106
2020	280,000	137,706	417,706
2021	290,000	132,106	422,106
2022-2026	1,630,000	564,769	2,194,769
2027-2031	2,000,000	316,800	2,316,800
2032-2033	880,000	39,600	919,600
Total	<u>\$ 6,329,000</u>	<u>\$ 1,663,696</u>	<u>\$ 7,992,696</u>

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>
2017	9,008	319	9,327
2018	9,189	138	9,327
Total	<u>\$ 18,197</u>	<u>\$ 457</u>	<u>\$ 18,654</u>

Note 8. Short-Term Debt

Bond Anticipation Notes

The Township issues Bond Anticipation Notes in the amount of \$3,584,500 to temporarily fund various capital projects prior to the issuing of serial bonds. The term of the notes cannot exceed one year but the notes may be renewed from time to time for a period not exceeding one year. All such notes must be paid not later than the tenth anniversary of the date of the original note. The original notes are dated October 13, 2016 and bear an interest rate of 1.20% with a maturity date of October 12, 2017. The purpose of the Bond Anticipation Notes are to fund the acquisition, construction, repair and installation of various capital improvements authorized by the Township.

Special Emergency Note

The Township issued a special emergency note in the amount of \$80,000 on November 1, 2016 with an interest rate of 1.15% maturing on October 31, 2017. The notes are associated with Township revaluation.

TOWNSHIP OF TABERNACLE

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2016**

Note 9. 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 December 2016	Balance December 2015
Local School Taxes:		
Balance of Tax	\$ 4,048,000	\$ 3,917,466
Deferred	1,922,152	1,922,152
	<u>\$ 2,125,848</u>	<u>\$ 1,995,314</u>
Regional School Taxes:		
Balance of Tax	\$ 2,136,101	\$ 2,220,965
Deferred	1,225,571	1,225,571
	<u>\$ 910,530</u>	<u>\$ 995,394</u>

Note 10. 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 11. 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, 2016.

TOWNSHIP OF TABERNACLE

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2016**

Note 12. 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 13. Interfunds

The following Interfunds existed as of December 31, 2016

Fund	Interfund Receivable	Interfund Payable
Current Fund	\$ 20,574	\$ 46,991
State & Federal Grant	-	19,232
Dog Trust	-	1,342
Trust Other	40,591	-
General Capital	40,000	33,600
Total	\$ 101,165	\$ 101,165

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

Note 14. 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.

TOWNSHIP OF TABERNACLE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED DECEMBER 31, 2016

Note 14. Other Post Retirement Benefits – GASB 45 (continued):

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.

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, 2016**

	<u>CURRENT FUND</u>	<u>STATE AND FEDERAL GRANT FUND</u>
Balance December 31, 2015	\$ 4,419,613	\$ 212,925
Receipts:		
Taxes Receivable	\$ 18,105,340	\$ -
Revenue Accounts Receivable	859,626	-
2017 Taxes Prepaid	140,653	-
Due From State of New Jersey Senior Citizen & Veteran Deductions	91,871	-
Miscellaneous Revenue not Anticipated	165,944	-
Budget Refunds	43,000	-
Marriage License and Training Fees	12,582	-
Due From Dog Fund	741	-
Grants - Due Current Fund	-	38,298
Federal & State Grants Unappropriated	-	8,276
Federal & State Grants Receivable	-	401,987
	<u>19,419,757</u>	<u>448,561</u>
Total	<u>19,419,757</u>	<u>448,561</u>
Subtotal	<u>23,839,370</u>	<u>661,486</u>
Disbursements:		
2016 Appropriations	3,382,842	-
Appropriation Reserves	137,963	-
Tax Overpayments	279	-
County Taxes	2,836,400	-
County Share of Added & Omitted Taxes	2,252	-
Local District School Taxes	7,972,646	-
Regional High School Tax	4,831,647	-
Reserve for FEMA Deposits	1,872	-
Refunds of Revenue	6,803	-
Due to State - License and Training Fees	8,647	-
Due to Capital Fund	30,000	-
Reserve for Recreation Deposits	1,720	-
Grants- Due Current Fund	38,298	-
Reserve for State & Federal Grants	-	245,086
	<u>19,251,369</u>	<u>245,086</u>
Total Disbursements	<u>19,251,369</u>	<u>245,086</u>
Balance December 31, 2016	<u>\$ 4,588,001</u>	<u>\$ 416,400</u>

**TOWNSHIP OF TABERNACLE
CURRENT FUND
SCHEDULE OF CHANGE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance December 31, 2016 & 2015	<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, 2016**

YEAR	BALANCE DECEMBER 31, 2015	2016 LEVY	ADDED TAXES	COLLECTED		DUE FROM STATE OF NEW JERSEY	CANCELED	TRANSFERRED TO TAX TITLE LIENS	BALANCE DECEMBER 31, 2016
				2016	2015				
Arrears 2015	\$ 8,997	\$ -	\$ 14,846	\$ 3,769	\$ -	\$ -	\$ -	\$ -	20,074
2016	-	18,340,646	37,237	18,083,912	148,311	100,993	13,615	26,162	4,890
Total	\$ 9,026	\$ 18,340,646	\$ 52,083	\$ 18,087,681	\$ 148,311	\$ 100,993	\$ 13,615	\$ 26,162	\$ 24,993

ANALYSIS OF 2016 PROPERTY TAX LEVY

Tax Yield:	
General Purpose	\$ 18,340,646
Added Taxes (54:4-63.1 et seq)	37,237
Total	\$ 18,377,883
Tax Levy:	
Regional High School Tax (Abstract)	\$ 4,746,783
Local District School Tax (Abstract)	8,103,180
County Taxes:	
County Tax (Abstract)	2,340,117
County Open Space Tax (Abstract)	278,607
County Library Tax (Abstract)	217,677
Due County for Added & Omitted Taxes	5,472
	<u>15,691,836</u>
Local Purpose Taxes:	
Local Purpose Tax (Abstract)	2,654,284
Add: Additional Tax Levy	31,763
	<u>2,686,047</u>
Total Levy	\$ 18,377,883

**TOWNSHIP OF TABERNACLE
CURRENT FUND
SCHEDULE OF TAX TITLE LIENS
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance December 31, 2015		\$	248,969
Increased by:			
Interest and Costs	\$	548	
Transfers from Taxes Receivable		26,162	26,710
			<hr/>
Subtotal			275,679
Decreased by:			
Other Adjustments		664	
Collections		15,617	16,281
			<hr/>
Balance December 31, 2016		\$	<u>259,398</u>

**SCHEDULE OF PROPERTY ACQUIRED FOR TAXES
(AT ASSESSED VALUATION)
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance December 31, 2016 & 2015		\$	<u>1,556,600</u>
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**SCHEDULE OF DUE FROM STATE OF NEW JERSEY
SENIOR CITIZENS & VETERANS DEDUCTIONS
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance December 31, 2015		\$	31,679
Increased by:			
2016 Levy - Deductions per Tax Billing	\$	96,750	
Veterans & Senior Citizens Granted by Tax Collector		8,995	105,745
			<hr/>
Subtotal			137,424
Decreased by:			
Cash Received		91,871	
Veterans & Senior Citizens Disallowed by Tax Collector		9,251	101,122
			<hr/>
Balance December 31, 2016		\$	<u>36,302</u>

**TOWNSHIP OF TABERNACLE
CURRENT FUND
SCHEDULE OF REVENUE ACCOUNT RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2016**

	BALANCE DECEMBER 31, 2015	ACCRUED	COLLECTED BY TREASURER	BALANCE DECEMBER 31, 2016
Miscellaneous Revenues:				
Licenses - Alcoholic Beverage	\$ -	\$ 10,000	\$ 10,000	\$ -
Fees & Permits	-	38,963	38,963	-
Fines & Costs - Municipal Court	3,681	50,005	51,169	2,517
Interest & Costs on Taxes	-	36,866	36,866	-
Energy Receipt Taxes	-	540,225	540,225	-
Uniform Construction Code Fees	-	66,721	66,721	-
Cable Franchise Fee	-	25,746	25,746	-
Garden State Preservation Act	-	89,936	89,936	-
Total	\$ 3,681	\$ 858,462	\$ 859,626	\$ 2,517

**SCHEDULE OF DEFERRED CHARGES N.J.S. 40A:4-55
FOR THE YEAR ENDED DECEMBER 31, 2016**

DATE AUTHORIZED	PURPOSE	NET AMOUNT AUTHORIZED	1/5 OF NET AMOUNT AUTHORIZED	BALANCE DECEMBER 31, 2015	ADDED IN 2016	REDUCED 2016 BUDGET	BALANCE DECEMBER 31, 2016
4/8/2013	Reassessment of Real Property	\$ 200,000	\$ 40,000	\$ 120,000	\$ -	\$ 40,000	\$ 80,000
	Total			\$ 120,000	\$ -	\$ 40,000	\$ 80,000

TOWNSHIP OF TABERNACLE
CURRENT FUND
SCHEDULE OF 2015 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2016

ACCOUNT	ENCUMBERED	RESERVED	BALANCE AFTER TRANSFERS	PAID OR CHARGED	BALANCE LAPSED
Other Expenses:					
General Administration	-	\$ 6,757	\$ 6,757	\$ 336	\$ 6,421
Mayor & Committee	-	250	250	-	250
Municipal Clerk	-	1,943	1,943	113	1,830
Financial Administration	-	3,221	3,221	272	2,949
Auditing Services	-	75	75	-	75
Tax Assessment Administration	-	862	862	-	862
Collection of Taxes	-	4,900	4,900	1,029	3,871
Bond Registrar Fees	-	750	750	-	750
Legal	-	33,900	33,900	15,514	18,386
Engineering Services	-	9,450	9,450	9,450	-
Planning Board	-	4,213	4,213	-	4,213
Workers Compensation	-	563	563	-	563
Group Insurance	-	15,678	15,678	-	15,678
Unemployment Insurance	-	773	773	-	773
Office of Emergency Management	-	1,100	1,100	1,068	32
Department of Public Works	1,270	78,997	80,267	38,126	42,141
Garbage & Trash Removal	-	70,350	70,350	35,608	34,742
Public Buildings & Grounds	-	75,455	75,455	19,266	56,189
Board of Health	-	200	200	-	200
Aid to Family Services	-	240	240	210	30
Park & Recreation	-	2,938	2,938	1,800	1,138
Electricity	-	6,194	6,194	7	6,187
Street Lights	-	2,963	2,963	158	2,805
Telephone	-	977	977	365	612
Heating Fuel	-	9,468	9,468	1,058	8,410
Gasoline	-	25,759	25,759	3,928	21,831
Landfill Monitoring	-	4,709	4,709	-	4,709
Construction Official	-	3,944	3,944	1,020	2,924
Municipal Court	-	565	565	40	525
Contingent	-	994	994	-	994
Length of Service Awards	-	29,486	29,486	-	29,486
Social Security System	-	1,971	1,971	-	1,971
Building Renovations	-	17,906	17,906	8,595	9,311
Salary and Wages	-	20,972	20,972	-	20,972
Total	1,270	\$ 438,524	\$ 439,794	\$ 137,963	\$ 301,831

**TOWNSHIP OF TABERNACLE
CURRENT FUND
SCHEDULE OF LOCAL DISTRICT SCHOOL TAXES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance December 31, 2015:			
School Taxes Payable	\$	1,995,314	
School Taxes Deferred		<u>1,922,152</u>	\$ 3,917,466
Increased by:			
School Year Levy July 1, 2016 to June 30, 2017			<u>8,103,180</u>
Subtotal			12,020,646
Decreased by Payments			<u>7,972,646</u>
Balance December 31, 2016:			
School Taxes Payable		2,125,848	
School Taxes Deferred		<u>1,922,152</u>	4,048,000
2016 Liability for Local School Tax:			
Tax Paid			7,972,646
Taxes Payable December 31, 2016			<u>2,125,848</u>
Subtotal			10,098,494
Less: Taxes Payable December 31, 2015			<u>1,995,314</u>
Amount Charged to 2016 Operations			<u>\$ 8,103,180</u>

**SCHEDULE OF REGIONAL HIGH SCHOOL TAXES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance December 31, 2015:			
School Taxes Payable	\$	995,394	
School Taxes Deferred		<u>1,225,571</u>	\$ 2,220,965
Increased by Levy:			
School Year July 1, 2016 to June 30, 2017			<u>4,746,783</u>
Subtotal			6,967,748
Decreased by Payments			<u>4,831,647</u>
Balance December 31, 2016:			
School Taxes Payable		910,530	
School Taxes Deferred		<u>1,225,571</u>	2,136,101
2016 Liability for Regional High School Tax:			
Tax Paid			4,831,647
Taxes Payable December 31, 2016			<u>910,530</u>
Subtotal			5,742,177
Less: Taxes Payable December 31, 2015			<u>995,394</u>
Amount Charged to 2016 Operations			<u>\$ 4,746,783</u>

FEDERAL AND STATE GRANT FUND
SCHEDULE OF STATE AND FEDERAL GRANTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2016

	BALANCE DECEMBER 31, 2015	BUDGETED	RECEIVED	TRANSFER FROM UN- APPROPRIATED	BALANCE DECEMBER 31, 2016
State Grants:					
Municipal Drug Alliance	\$ 287	\$ 8,016	\$ -	\$ 8,016	\$ 287
Transportation Trust Fund	129,415	-	68,518	-	60,897
Recycling Tonnage Grant	12,711	-	-	-	12,711
Clean Communities Grant	-	27,512	-	27,512	-
State Forestry Grant	-	5,000	-	5,000	-
Federal Grants:					
Community Development Block Grant - Pricket Mills	33,775	-	-	-	33,775
Community Development Block Grant - Rescue Squad	3,815	-	-	-	3,815
Local Grants:					
Municipal Park Development Grant	333,469	77,000	333,469	-	77,000
Total	<u>\$ 513,472</u>	<u>\$ 117,528</u>	<u>\$ 401,987</u>	<u>\$ 40,528</u>	<u>\$ 188,485</u>

**TOWNSHIP OF TABERNACLE
CURRENT FUND
SCHEDULE OF STATE AND FEDERAL GRANTS - APPROPRIATED
FOR THE YEAR ENDED DECEMBER 31, 2016**

	BALANCE DECEMBER 31, 2015	PRIOR YEAR ENCUMBERED	APPROPRIATED	EXPENDED	BALANCE DECEMBER 31, 2016
State Grants:					
Clean Communities Fund	\$ 32,826	\$ -	\$ 27,512	\$ 45,587	\$ 14,751
Municipal Drug Alliance	-	238	8,016	8,160	94
Drunk Driving Enforcement Fund	1,114	-	-	-	1,114
Transportation Trust Fund	404,245	-	-	-	404,245
Alcohol Education Rehabilitation Fund	579	-	-	220	359
Stormwater Grant	730	-	-	193	537
Recycling Grant	26,574	-	-	6,478	20,096
State Police Grant	15,828	-	-	-	15,828
Uniform Fire Code Grant	3,000	-	-	-	3,000
Trailer Equipment Grant	1,500	-	-	95	1,405
Feral Cat Program	4,500	-	-	-	4,500
State Forestry Grant	-	-	5,000	-	5,000
Federal Grants:					
Community Development Block Grant Fund	28,977	-	-	-	28,977
FEMA Grant	1,987	-	-	1,987	-
Local Grants:					
Municipal Park Development	182,366	-	77,000	182,366	77,000
Total	\$ 704,226	\$ 238	\$ 117,528	\$ 245,086	\$ 576,906
Original Budget Chapter 159's			\$ 40,528	77,000	
Total			<u>\$ 117,528</u>		
Cash			\$	\$ 245,086	
Encumbrances				-	
Total				<u>\$ 245,086</u>	

**TOWNSHIP OF TABERNACLE
CURRENT FUND
SCHEDULE OF STATE AND FEDERAL GRANTS - UNAPPROPRIATED
FOR THE YEAR ENDED DECEMBER 31, 2016**

	BALANCE DECEMBER 31, 2015	RECEIVED	TO APPROPRIATED RESERVES	BALANCE DECEMBER 31, 2016
State Grants:				
Municipal Alliance Grant	\$ 8,016	\$ 8,276	\$ 8,016	\$ 8,276
Clean Communities Grant	27,512	-	27,512	-
State Forestry	5,000	-	5,000	-
Alcohol Education and Rehabilitation	471	-	-	471
	<hr/>			
Total	\$ 40,999	\$ 8,276	\$ 40,528	\$ 8,747
	<hr/> <hr/>			

**SCHEDULE OF RESERVE FOR LENAPE ESCROW
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance December 31, 2016 and 2015	<u><u>\$ 9,444</u></u>
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**SCHEDULE OF RESERVE FOR RECREATION DEPOSITS
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance December 31, 2015	\$ 4,080
Decreased by:	
Cash Disbursements	<u>1,720</u>
Balance December 31, 2016	<u><u>\$ 2,360</u></u>

**TOWNSHIP OF TABERNACLE
CURRENT FUND
SPECIAL EMERGENCY NOTE PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2016**

DESCRIPTION	AMOUNT	ISSUE DATE	DATE OF MATURITY	INTEREST RATE	BALANCE DECEMBER 31, 2015	INCREASE	DECREASE	BALANCE DECEMBER 31, 2016
Revaluation	\$ 160,000	11/1/2016	10/31/2017	1.15%	\$ 120,000	\$ -	\$ 40,000	\$ 80,000
					<u>\$ 120,000</u>	<u>\$ -</u>	<u>\$ 40,000</u>	<u>\$ 80,000</u>

**SCHEDULE OF DUE TO STATE - MARRIAGE LICENSE & TRAINING FEES
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance December 31, 2015	\$ -
Increased by:	
Cash Receipts	<u>12,582</u>
Subtotal	12,582
Decreased by:	
Cash Disbursements	\$ 8,647
Cancelled to Fund Balance	<u>3,935</u>
Balance December 31, 2016	<u>\$ -</u>

**SCHEDULE OF RESERVE FOR REVAULTION
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance December 31, 2015	\$ 24,113
Decreased by:	
Cancelled Reserve to Fund Balance	<u>24,113</u>
Balance December 31, 2016	<u>\$ -</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, 2016**

	DOG LICENSE	OTHER
Balance December 31, 2015	\$ 13,002	\$ 174,698
Receipts:		
Dog License Fees:		
Municipal Licenses - 2016	14,825	-
Interest	46	
Payroll Deductions Payable	-	1,066,320
Escrow Deposits	-	14,252
Landfill	-	39
Street Opening	-	18,620
Public Defender Fees	-	4,857
	<hr/>	<hr/>
Total Funds Available	27,873	1,278,786
Disbursements:		
Expenditures Under N.J.S.A.40:19-15.11	8,916	-
Due to State	1,531	-
Due to Current	741	-
Due to Capital		33,600
Payroll Deductions Payable	-	1,043,741
Expenditures from Public Defender	-	3,004
Expenditures from Street Opening	-	12,922
Expenditures From Escrow Deposits	-	16,713
	<hr/>	<hr/>
Total Disbursements	11,188	1,109,980
Balance December 31, 2016	<u>\$ 16,685</u>	<u>\$ 168,806</u>

**TOWNSHIP OF TABERNACLE
TRUST FUND
SCHEDULE OF CASH - COLLECTOR
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance December 31, 2015		\$ 230,107
Increased by:		
Deposits For Redemption of Tax Sale Certificates	\$ 402,846	
Premiums Received at Tax Sale	25,844	428,690
		<hr/>
Subtotal		658,797
Disbursements:		
Payments for Redemption of Tax Sale Premium	176,944	
Payments for Redemption of Tax Sale Certificates	379,734	556,678
		<hr/>
Balance December 31, 2016		<u>\$ 102,119</u>

**SCHEDULE OF RESERVE FOR DOG FUND EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance December 31, 2015		\$ 10,960
Increased by:		
2016 Dog License Fees Collected	11,765	
Late Fees	1,534	13,299
		<hr/>
Subtotal		24,259
Decreased by:		
Expenditures Under N.J.S.A.4:19-15.11		<hr/> 8,916
Balance December 31, 2016		<u>\$ 15,343</u>

LICENSE FEES COLLECTED

YEAR	AMOUNT
2014	\$ 12,421
2015	12,815
	<hr/>
Total	<u>\$ 25,236</u>

**TOWNSHIP OF TABERNACLE
DOG LICENSE FUND
SCHEDULE OF DUE TO STATE OF NEW JERSEY
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance December 31, 2015	\$ 5
Increased by:	
Dog License Fees Collected:	
State Share	1,526
	<hr/>
Subtotal	1,531
Decreased by:	
Payments	1,531
	<hr/>
Balance December 31, 2016	<u><u>\$ -</u></u>

**SCHEDULE OF RESERVE FOR TAX TITLE LIEN REDEMPTION
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance December 31, 2015	\$ 37,897
Increased by:	
Cash Received	402,846
	<hr/>
Subtotal	440,743
Decreased by:	
Redemptions	379,734
	<hr/>
Balance December 31, 2016	<u><u>\$ 61,009</u></u>

**TOWNSHIP OF TABERNACLE
TRUST FUND
SCHEDULE OF RESERVE FOR ESCROW DEPOSITS
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance December 31, 2015	\$ 60,711
Increased by:	
Escrow Deposits	<u>14,252</u>
Subtotal	74,963
Decreased by:	
Cash Disbursed	<u>16,713</u>
Balance December 31, 2016	<u><u>\$ 58,250</u></u>

**SCHEDULE OF RESERVE FOR LANDFILL ESCROW
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance December 31, 2015	\$ 59,888
Increased by:	
Interest Earned	<u>39</u>
Balance December 31, 2016	<u><u>\$ 59,927</u></u>

EXHIBIT B-8

**TOWNSHIP OF TABERNACLE
TRUST FUND
SCHEDULE OF RESERVE FOR TAX SALE PREMIUMS
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance December 31, 2015	\$ 202,600
Increased by:	
Premiums from Tax Sale	<u>25,844</u>
Subtotal	228,444
Decreased by:	
Cash Disbursements	<u>176,944</u>
Balance December 31, 2016	<u><u>\$ 51,500</u></u>

EXHIBIT B-9

**SCHEDULE OF RESERVE FOR PUBLIC DEFENDER
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance December 31, 2015	\$ 33,720
Increased by:	
Cash Received	<u>4,857</u>
Subtotal	38,577
Decreased by:	
Cash Disbursements	<u>3,004</u>
Balance December 31, 2016	<u><u>\$ 35,573</u></u>

EXHIBIT B-10

**TOWNSHIP OF TABERNACLE
TRUST FUND
SCHEDULE OF RESERVE FOR STREET OPENING
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance December 31, 2015	\$ 901
Increased by:	
Deposits	<u>18,620</u>
Subtotal	19,521
Decreased by:	
Cash Disbursements	<u>12,922</u>
Balance December 31, 2016	<u><u>\$ 6,599</u></u>

**TOWNSHIP OF TABERNACLE
TRUST FUND
SCHEDULE OF PAYROLL DEDUCTIONS PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance December 31, 2015	\$ 16,079
Increased by:	
Payroll Deductions Received	<u>1,066,320</u>
Subtotal	1,082,399
Decreased by:	
Payroll Expenditures	<u>1,043,741</u>
Balance December 31, 2016	<u><u>\$ 38,658</u></u>

ANALYSIS OF BALANCE

Public Employees' Retirement System	\$ 2,244
Employee Health Benefits	466
Due from Capital	35,600
Miscellaneous	<u>348</u>
Total	<u><u>\$ 38,658</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, 2016**

Balance December 31, 2016 and 2015	<u>\$ 32,701</u>
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**SCHEDULE OF CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance December 31, 2015	\$ 3,033,793
Receipts:	
2016 Budget Contribution - Capital Improvement Fund	\$ 30,000
Due to Trust	33,600
	63,600
Subtotal	3,097,393
Disbursements:	
Reserve for Fire Truck	24,085
Improvement Authorizations	1,134,793
	1,158,878
Balance December 31, 2016	<u>\$ 1,938,515</u>

**ANALYSIS OF GENERAL CAPITAL CASH
FOR THE YEAR ENDED DECEMBER 31, 2016**

Fund Balance	\$ 32,701
Capital Improvement Fund	124,045
Reserve for Repayment of Debt	18,627
Interfund- Current	(40,000)
Interfund- Trust	33,600
Encumbrances	1,500
Improvement Authorizations:	
ORDINANCE	
NUMBER	
2010-02 Emergency Squad Building	51,610
2014-06 Various Capital Improvements	400,233
2015-03 Acquisition of a Pumper Truck	76,174
2015-10 Various Capital Improvements	1,240,025
	1,240,025
Total	<u>\$ 1,938,515</u>

**TOWNSHIP OF TABERNACLE
GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance December 31, 2015		\$	6,821,029
Decreased by:			
Bond Payments		\$	465,000
Green Acres Note Paid			8,831
			473,831
Balance December 31, 2016			\$ 6,347,198

**SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED
FOR THE YEAR ENDED DECEMBER 31, 2016**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2015	2016 AUTHORIZATIONS	IMPROVEMENT AUTHORIZATION CANCELLED	BALANCE DECEMBER 31, 2016
2014-06	Various Capital Improvements	807,500	-	-	807,500
2015-03	Acquisition of a Pumper Truck	592,000	-	-	592,000
2015-10	Various Capital Improvements	2,185,000	-	-	2,185,000
	Total	\$ 3,584,500	\$ -	\$ -	\$ 3,584,500

**TOWNSHIP OF TABERNACLE
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
FOR THE YEAR ENDED DECEMBER 31, 2016**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	ORDINANCE DATE	BALANCE DECEMBER 31, 2015		2016 AUTHORIZATIONS	EXPENDED	BALANCE DECEMBER 31, 2016	
			ORDINANCE AMOUNT	FUNDED			UNFUNDED	FUNDED
2010-02	Emergency Squad Building	2/23/2010	\$ 3,800,000	\$ 51,610	\$ -	\$ -	\$ 51,610	\$ -
2013-02	Reconstruction/ Resurfacing Various Roadways	01/28/2013	2,000,000	-	-	-	-	-
2014-05	Jetter Truck Acquisition	9/22/2014	190,000	-	-	-	-	-
2014-06	Various Capital Improvements	10/12/2014	850,000	-	653,092	252,859	-	400,233
2015-03	Acquisition of a Pumper Truck	2/9/2015	700,000	-	451,477	375,303	-	76,174
2015-10	Various Capital Improvements	8/28/2015	2,300,000	-	1,748,156	508,131	-	1,240,025
Total			\$ 51,610	\$ 2,852,725	\$ -	\$ 1,136,293	\$ 51,610	\$ 1,716,432

**TOWNSHIP OF TABERNACLE
GENERAL CAPITAL FUND
SCHEDULE OF BONDS PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2016**

PURPOSE	DATE OF ISSUE	AMOUNT OF ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING		INTEREST RATE	BALANCE DECEMBER 31, 2015	ISSUED	DECREASED BY BUDGET APPROPRIATION	BALANCE DECEMBER 31, 2016
			DECEMBER 31, 2016 DATE	AMOUNT					
2003-08 Road Improvement Program	08/01/05	\$ 475,000	08/01/17	229,000	4.125%	\$ 694,000	-	\$ 225,000	\$ 469,000
2004-04 Various Capital Improvements	08/01/05	539,600	08/01/18	240,000	4.125%				
2005-06 Various Capital Improvements	08/01/05	<u>1,329,400</u>							
Total		<u>\$ 2,344,000</u>							
General Obligation Bonds- Series 2013	04/23/13	\$ 6,550,000	04/01/17	250,000	1.500%	6,100,000	-	240,000	5,860,000
			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%				

\$ 6,794,000 \$ - \$ 465,000 \$ 6,329,000

**TOWNSHIP OF TABERNACLE
GENERAL CAPITAL FUND
SCHEDULE OF GREEN ACRES NOTE PAYABLE
PATTY BOWKER ROAD RECREATION FIELDS
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance December 31, 2015	\$ 27,029
Decreased by:	
Principal Payments	8,831
Balance December 31, 2016	\$ 18,198

**SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
FOR THE YEAR ENDED DECEMBER 31, 2016**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2015	IMPROVEMENT AUTHORIZATIONS	BAN ISSUED	BALANCE DECEMBER 31, 2016
2014-06	Various Capital Improvements	\$ -	-	-	-
2015-03	Acquisition of a Pumper Truck	-	-	-	-
2015-10	Various Capital Improvements	-	-	-	-
		\$ -	-	-	-

**SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2015**

IMPROVEMENT DESCRIPTION	DATE OF ORIGINAL ISSUE	ISSUE DATE	DATE OF MATURITY	INTEREST RATE	BALANCE DECEMBER 31, 2015	INCREASE	BALANCE DECEMBER 31, 2016
Various Capital Improvements	12/10/15	10/13/16	10/12/17	1.20%	\$ 3,584,500	-	\$ 3,584,500
					\$ 3,584,500	-	\$ 3,584,500

**TOWNSHIP OF TABERNACLE
GENERAL CAPITAL FUND
SCHEDULE OF RESERVE FOR FIRE TRUCK DOWNPAYMENT
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance December 31, 2015	\$ 24,085
Decreased by:	
Disbursement	<u>24,085</u>
Balance December 31, 2016	<u><u>\$ -</u></u>

**SCHEDULE OF RESERVE FOR DEBT REPAYMENT
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance December 31, 2016 & 2015	<u><u>\$ 18,627</u></u>
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**SCHEDULE OF CAPITAL IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance December 31, 2015	\$ 64,045
Increased by:	
2016 Budget Appropriations	<u>60,000</u>
Balance December 31, 2016	<u><u>\$ 124,045</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, 2016**

GENERAL FIXED ASSETS	BALANCE DECEMBER 31, 2015	ADDITIONS	DELETIONS	BALANCE DECEMBER 31, 2016
Land & Improvements	\$ 640,700	\$ -	\$ -	\$ 640,700
Building	5,561,745	-	-	5,561,745
Equipment	735,969	12,908	70,502	678,375
Vehicles	2,990,717	167,045	45,500	3,112,262
Total	<u>\$ 9,929,131</u>	<u>\$ 179,953</u>	<u>\$ 116,002</u>	<u>\$ 9,993,082</u>

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**TOWNSHIP OF TABERNACLE
COUNTY OF BURLINGTON**

PART II

**COMMENTS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2016**

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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, 2016. 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*.

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 4, 2016 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 21, 2016 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
2016	22
2015	25
2014	14

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.

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.

OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office at December 31, 2016:

NAME	TITLE	AMOUNT OF BOND	NAME OF CORPORATE SURETY
Steven V. Lee, IV	Mayor		
Joseph Yates, IV	Deputy Mayor		
Kimberly A. Brown	Committeewoman		
Joseph W. Barton	Committeeman		
Richard J. Franzen	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
Kimberly A Smith	Tax Collector	\$1,000,000	A
Thomas Boyd	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		

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

Should you have any questions, please contact us.

Respectfully submitted,

HOLMAN FRENIA & ALLISON, P. C.

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

Medford, New Jersey
June 14, 2017