

**TOWNSHIP OF FRANKLIN
COUNTY OF GLOUCESTER
REPORT OF AUDIT
FOR THE YEAR 2015**

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TOWNSHIP OF FRANKLIN
PART I
REPORT OF AUDIT OF FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Township Committee
Township of Franklin
Franklinville, New Jersey 08322

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

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

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

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

In our opinion, because of the significance of the matter discussed in the “*Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America*” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township of Franklin, in the County of Gloucester, State of New Jersey, as of December 31, 2015 and 2014, or the results of its operations and changes in fund balance for the years then ended.

Basis for Qualified Opinion on Regulatory Basis of Accounting

The financial statements referred to above do not include the general fixed assets account group, as required by N.J.A.C. 5:30-5.6, because a record of general fixed assets was not maintained by the Township. The amount that should be recorded in the general fixed assets account group is not known.

The financial statements referred to above also do not include in the notes to the financial statements the Governmental Accounting Standards Board Statement No. 16 disclosure for the accrued compensated absences liability for accumulated sick and vacation time benefits that the Township has contractually or otherwise agreed to provide to retiring employees. The amount of the liability that should be disclosed in the notes to the financial statements is not known.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, as a result of the effects of the matters described in the “*Basis for Qualified Opinion on Regulatory Basis of Accounting*” paragraph, the omission of the general fixed assets group of accounts - regulatory basis and the omission of the accrued compensated absences liability disclosure in the notes to financial statements, the financial statements referred to previously are not presented fairly, in all material respects, for the Township of Franklin, in the County of Gloucester, State of New Jersey, as of and for the year ended December 31, 2015 in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, as described in note 1.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to previously, except for matters described in the “*Basis for Qualified Opinion on Regulatory Basis of Accounting*” paragraph, present fairly, in all material respects, the assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Township of Franklin, in the County of Gloucester, State of New Jersey, as of December 31, 2015 and 2014, and the results of its operations and changes in fund balance - regulatory basis of such funds for the years then ended, and the revenues - regulatory basis and expenditures - regulatory basis of the various funds, for the year ended December 31, 2015 in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, as described in note 1.

Emphasis of Matter*Adoption of New Accounting Principles*

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

Other Matters*Other Information*

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2016 on our consideration of the Township of Franklin's, in the County of Gloucester, State of New Jersey, internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township of Franklin's internal control over financial reporting and compliance.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Michael J. Welding
Certified Public Accountant
Registered Municipal Accountant

Woodbury, New Jersey
June 30, 2016

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

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Township Committee
Township of Franklin
Franklinville, New Jersey 08322

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, of the Township of Franklin, in the County of Gloucester, State of New Jersey, as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements, and have issued our report thereon dated June 30, 2016. That report indicated that the Township of Franklin's financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America, but were prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. In our report, our opinion was qualified because the financial statements did not include the general fixed assets account group as required by New Jersey Administrative Code and also did not include the required Governmental Accounting Standards Board Statement No. 16 disclosure in the notes to the financial statements regarding accrued compensated absences. In addition, our report on the financial statements also included an emphasis of matter paragraph describing the adoption of new accounting principles.

Internal Control Over Financial Reporting

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

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying *Schedule of Findings and Recommendations* to be material weaknesses as findings no. 2015-001, 2015-002 and 2015-005.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying *Schedule of Findings and Recommendations* to be significant deficiencies as findings no. 2015-003 and 2015-004.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township of Franklin's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and which are described in the accompanying *Schedule of Findings and Recommendations* as findings no.: 2015-001, 2015-003 and 2015-005.

The Township of Franklin's Response to Findings

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

Purpose of this Report

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

Respectfully submitted,



BOWMAN & COMPANY LLP
 Certified Public Accountants
 & Consultants



Michael J. Welding
 Certified Public Accountant
 Registered Municipal Accountant

Woodbury, New Jersey
 June 30, 2016

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

	Ref.	2015	2014
ASSETS:			
Chief Financial Officer	SA-1	\$ 630,372.49	\$ 1,355,342.11
Tax Collector	SA-2	3,100,546.92	1,956,063.06
Change Fund	SA-3	350.00	350.00
Due from State of New Jersey - Senior and Veterans Deductions	SA-5	5,660.27	4,516.34
Due from Borough of Newfield	SA-1	7,863.42	-
		<u>3,744,793.10</u>	<u>3,316,271.51</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	SA-4	87,349.71	102,348.51
Tax Title Liens Receivable	SA-6	578,759.92	414,308.00
Property Acquired / Assessed Valuation	A	4,904,076.98	4,904,076.98
Land Sale Receivable	A	19,470.00	19,470.00
Revenue Accounts Receivable	SA-7	17,060.81	16,792.85
Due from Federal and State Grant Fund	SA-19	-	1,381,303.55
Due from Animal Control Fund	SB-2	36,237.57	14,937.18
Due from Other Trust Fund	SB-5	343,785.55	-
Due from Municipal Open Space Trust Fund	SB-7	-	2,656.36
		<u>5,986,740.54</u>	<u>6,855,893.43</u>
Deferred Charges:			
Overexpenditure of Appropriations	A-3	24,386.00	-
Emergency Appropriation	A-3	203,000.00	-
		<u>227,386.00</u>	<u>-</u>
		<u>9,958,919.64</u>	<u>10,172,164.94</u>
Federal and State Grant Fund:			
Due from Current Fund	SA-19	49,647.17	-
Due from General Capital Fund	C; SA-21	116,823.00	-
Grants Receivable	SA-20	293,921.43	1,915,418.92
Deferred Charges:			
Overexpenditure of Grant Funds	SA-21	20,284.72	26,854.09
		<u>480,676.32</u>	<u>1,942,273.01</u>
		<u>\$ 10,439,595.96</u>	<u>\$ 12,114,437.95</u>

(Continued)

TOWNSHIP OF FRANKLIN
CURRENT FUND

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

	Ref.	2015	2014
LIABILITIES, RESERVES AND FUND BALANCE:			
Appropriation Reserves	A-3; SA-8	\$ 782,356.32	\$ 1,025,611.89
Reserve for Encumbrances	A-3; SA-8	163,599.84	127,228.18
Accounts Payable	SA-9	-	24,379.22
Tax Overpayments	SA-13	149,780.98	181,349.72
Prepaid Taxes	SA-12	410,737.34	395,557.13
County Taxes Payable	SA-16	28,396.46	36,963.88
Local School District Taxes Payable	SA-17	89,587.98	97,690.98
Regional High School District Taxes Payable	SA-18	339,440.98	134,782.63
Due to Library	A	46,645.41	-
Due to Federal and State Grant Fund	SA-19	49,647.17	-
Due to General Capital Fund	SC-4	542,034.31	5,415.51
Due to Other Trust Fund	SB-5	-	1,106,800.10
Due to Municipal Open Space Trust Fund	SB-7	121,030.28	-
Due to State - DCA Fees	SA-10	7,920.00	5,561.00
Due to State - Marriage License Fees	SA-11	525.00	400.00
Reserve for Senior Citizens' Activities	A	1,969.83	1,969.83
Reserve For:			
Performance Bonds	A	7,440.00	7,440.00
Master Plan	A	15,159.42	15,159.42
Deposits for Sale of Land	A	3,650.00	3,650.00
		<u>2,759,921.32</u>	<u>3,169,959.49</u>
Reserves for Receivables	A	5,986,740.54	6,855,893.43
Fund Balance	A-1	<u>1,212,257.78</u>	<u>146,312.02</u>
		<u>9,958,919.64</u>	<u>10,172,164.94</u>
Federal and State Grant Fund:			
Due to Current Fund	SA-19	-	1,381,303.55
Due to General Capital Fund	C; SA-21	-	32,985.00
Reserve for Encumbrances	SA-21	6,053.50	14,568.41
Appropriated Reserves	SA-21	458,311.74	477,934.35
Unappropriated Reserves	SA-22	16,311.08	35,481.70
		<u>480,676.32</u>	<u>1,942,273.01</u>
		<u>\$ 10,439,595.96</u>	<u>\$ 12,114,437.95</u>

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

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

<u>Revenue and Other Income Realized</u>	<u>2015</u>	<u>2014</u>
Fund Balance Utilized	\$ 100,000.00	\$ 450,000.00
Miscellaneous Revenues Anticipated	3,546,395.11	2,918,937.57
Receipts from Delinquent Taxes	127,648.04	233,650.91
Receipts from Current Taxes	39,723,573.09	38,346,831.67
Nonbudget Revenues	253,035.90	179,769.35
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	576,199.66	683,592.66
Regulatory Excess - Animal Control	17,439.47	-
Interfund Cleared	533,959.91	121,160.62
Liquidation of Miscellaneous and Other Liens Receivable	-	3,500.00
Liquidation of Accounts Payable	22,177.75	-
Tax Overpayments Cancelled	125.18	-
	<u>44,900,554.11</u>	<u>42,937,442.78</u>
<u>Expenditures:</u>		
Budget and Emergency Appropriations:		
Appropriations Within "CAPS":		
Salaries and Wages	3,861,557.00	3,910,434.00
Other Expenses	4,278,650.00	4,067,899.00
Deferred Charges and Regulatory Expenditures	1,171,306.64	1,006,837.41
Appropriations Excluded from "CAPS":		
Salaries and Wages	65,000.00	51,025.30
Other Expenses	842,531.23	818,458.46
Capital Improvements	40,000.00	60,000.00
Municipal Debt Service	866,128.15	688,601.44
County Taxes	8,469,103.52	7,822,651.98
Due County for Added and Omitted Taxes	28,396.46	36,963.88
Local District School Tax	10,242,798.00	9,851,982.00
Regional High School Tax	11,585,962.00	11,191,473.00
Fire District Tax	1,845,405.00	1,816,930.00
Municipal Open Space Tax	123,686.64	123,996.16
Interfund Loans Advanced	365,085.94	1,381,303.55
Refund of Prior Year Revenue - Other	-	24,390.00
Refund of Prior Year Revenue - Prior Year Tax Appeals	25,109.58	25,168.90
Refund of Prior Year Revenue - Totally Disabled Veteran	-	22,706.70
Cancellation of Grants Receivable - General Capital Fund	141,486.11	-
Prior Year Senior Citizen Deductions Disallowed	9,788.08	10,250.00
	<u>43,961,994.35</u>	<u>42,911,071.78</u>
Excess in Revenues	938,559.76	26,371.00

(Continued)

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

	<u>2015</u>	<u>2014</u>
Adjustments to Income Before Fund Balance -		
Expenditures Included Above Which Are by Statute Deferred		
Charges to Budget of Succeeding Year	\$ 227,386.00	-
Regulatory Excess of Fund Balance	1,165,945.76	\$ 26,371.00
Fund Balance January 1	<u>146,312.02</u>	<u>569,941.02</u>
	1,312,257.78	596,312.02
Decreased by:		
Utilization as Anticipated Revenue	<u>100,000.00</u>	<u>450,000.00</u>
Fund Balance December 31	<u>\$ 1,212,257.78</u>	<u>\$ 146,312.02</u>

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

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

	Anticipated Budget	Special N.J.S. 40A:4-87	Realized	Excess or (Deficit)
Fund Balance Anticipated	\$ 100,000.00		\$ 100,000.00	
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	10,000.00		17,521.49	\$ 7,521.49
Other	4,000.00		5,408.16	1,408.16
Fees and Permits	33,000.00		71,553.40	38,553.40
Fines and Costs:				
Municipal Court	182,000.00		212,948.62	30,948.62
Interest and Costs on Taxes	215,000.00		172,827.07	(42,172.93)
Interest on Investments and Deposits	22,000.00		36,146.94	14,146.94
Franchise Fees - Cable Television	48,500.00		73,568.81	25,068.81
Energy Receipts Tax (P.L. 1997, Chapters 162 & 167)	1,446,156.00		1,432,158.55	(13,997.45)
Garden State Trust	5,548.00		5,548.00	
Uniform Construction Codes Fee	132,000.00		160,979.00	28,979.00
Township of Buena - Joint Municipal Court	80,000.00		40,000.00	(40,000.00)
Emergency Medical Service Billing	300,000.00		312,385.39	12,385.39
Public and Private Revenues Offset With Appropriations:				
Body Armor Fund	236.00		236.00	
Body Armor Fund		\$ 2,352.27	2,352.27	
Clean Communities		48,577.76	48,577.76	
JIF Safety Incentive	6,190.00		6,190.00	
Recycling Tonnage Grant	20,425.20		20,425.20	
Other Special Items of Revenue				
Uniform Fire Safety Act	29,000.00		19,204.45	(9,795.55)
Liquidation of Interfund Receivable - Federal & State Grant Fund	850,000.00		850,000.00	
Building Lease - Delsea Regional Board of Education	30,000.00		35,000.00	5,000.00
Municipal Alliance on Alcoholism and Drug Abuse - Prior Year	23,364.00		23,364.00	
	<u>3,437,419.20</u>	<u>50,930.03</u>	<u>3,546,395.11</u>	<u>58,045.88</u>
				(Continued)

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

	Anticipated Budget	Special N.J.S. 40A:4-87	Realized	Excess or (Deficit)
Receipts from Delinquent Taxes	\$ 188,000.00		\$ 127,648.04	\$ (60,351.96)
Subtotal General Revenues	3,725,419.20	\$ 50,930.03	3,774,043.15	(2,306.08)
Amount to be Raised by Taxes for Support of Municipal Budget				
Local Tax for Municipal Purposes	7,549,958.71		7,846,006.54	296,047.83
Budget Totals	11,275,377.91	50,930.03	11,620,049.69	293,741.75
Nonbudget Revenues			253,035.90	253,035.90
	<u>\$ 11,275,377.91</u>	<u>\$ 50,930.03</u>	<u>\$ 11,873,085.59</u>	<u>\$ 546,777.65</u>

(Continued)

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

Analysis of Realized Revenue:Allocation of Current Tax Collections:

Revenue from Collections	\$	39,723,573.09
Allocated to:		
School, County, and Special District Taxes		32,295,351.62
Balance for Support of Municipal Budget Revenues		7,428,221.47
Add:		
Appropriation: "Reserve for Uncollected Taxes"		417,785.07
Amount for Support of Municipal Budget Appropriations	\$	7,846,006.54
<u>Receipts from Delinquent Taxes:</u>		
Delinquent Tax Collections	\$	40,990.22
Tax Title Lien Collections		86,657.82
	\$	127,648.04

Analysis of Non-Budget Revenue:Treasurer:

Administrative Fee - State Of New Jersey - Senior/Vet	\$	3,762.75
Clear Channel		1,040.00
Community Center		5,122.84
Delsea Traffic		1,084.34
Flood Storm Funds		2,088.00
JIF Insurance Refund		11,649.84
Miscellaneous		21,891.81
Police OT		102,007.45
Recycling Fees		8,512.21
Refunds		3,302.24
State Inspection Fees		4,537.63
Payments in Lieu of Taxes		3,850.46
Tax Collector Miscellaneous		4,557.85
	\$	173,407.42
<u>Tax Collector:</u>		
Tax Collector Miscellaneous		10,947.31
Maintenance/Cleanup Liens		68,681.17
		79,628.48
	\$	253,035.90
Treasurer	\$	181,771.68
Tax Collector		79,628.48
Due from Trust Other Fund		(8,364.26)
	\$	253,035.90

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

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

	Appropriations		Expended			Over Expended	Unexpended Balance Canceled
	Budget	Budget After Modification	Paid	Encumbered	Reserved		
OPERATIONS WITHIN "CAPS":							
GENERAL GOVERNMENT FUNCTIONS:							
General Administration:							
Salaries and Wages	\$ 115,000.00	\$ 114,900.00	\$ 120,155.81			\$ 5,255.81	
Other Expenses	67,800.00	67,800.00	59,650.13	\$ 4,143.81	\$ 4,006.06		
Human Resources (Personnel):							
Other Expenses	50,000.00	40,000.00	36,621.19	345.00	3,033.81		
Mayor and Township Committee:							
Salaries and Wages	22,000.00	22,100.00	21,999.84		100.16		
Other Expenses	1,800.00	1,800.00	360.85		1,439.15		
Municipal Clerk:							
Salaries and Wages	85,000.00	89,000.00	90,179.55				1,179.55
Other Expenses	24,000.00	24,000.00	18,407.06	25.00	5,567.94		
Financial Administration:							
Salaries and Wages	58,000.00	43,000.00	36,775.45		6,224.55		
Other Expenses	60,000.00	48,620.00	38,848.46	778.47	8,993.07		
Audit Services:							
Other Expenses	45,000.00	56,380.00	56,380.00				
Centralized Computerized Data Processing							
Other Expenses	8,500.00	8,500.00	2,262.25		6,237.75		
Revenue Administration - Tax Collection:							
Salaries and Wages	9,000.00	9,000.00	8,991.53		8.47		
Other Expenses	35,785.00	35,785.00	26,823.20		8,961.80		
Legal Services:							
Other Expenses:	145,000.00	215,000.00	208,509.01	1,500.00	4,990.99		
Engineering Services:							
Other Expenses	100,000.00	80,000.00	70,835.78		9,164.22		
Historical Sites Office:							
Salaries and Wages	1,000.00	1,000.00	700.00		300.00		
Other Expenses	1,000.00	1,000.00	60.00		940.00		
Economic Development:							
Other Expenses	10,000.00	10,000.00	-		10,000.00		
LAND USE ADMINISTRATION:							
Planning Board:							
Salaries and Wages	46,920.00	46,920.00	49,324.37				2,404.37
Other Expenses	24,000.00	24,000.00	13,150.65	411.57	10,437.78		
Zoning Board of Adjustment:							
Salaries and Wages	16,730.00	16,730.00	13,776.88		2,953.12		
Other Expenses	13,000.00	13,000.00	8,674.00	2,000.00	2,326.00		
Demolition of Buildings:							
Other Expenses	3,000.00	3,000.00			3,000.00		
STATE UNIFORM CONSTRUCTION CODE:							
Construction Official:							
Salaries and Wages	152,000.00	156,000.00	157,453.22				1,453.22
Other Expenses	6,900.00	6,900.00	6,228.67	653.97	17.36		

(Continued)

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

	Appropriations		Expended			Over Expended	Unexpended Balance Canceled
	Budget	Budget After Modification	Paid	Encumbered	Reserved		
OPERATIONS WITHIN "CAPS" (CONT'D):							
GENERAL GOVERNMENT FUNCTIONS (CONT'D):							
INSURANCE							
Liability Insurance	\$ 170,000.00	\$ 170,000.00	\$ 147,068.00		\$ 22,932.00		
Workers Compensation	403,000.00	438,000.00	433,379.17		4,620.83		
Health Waiver Benefit	15,000.00	15,000.00			15,000.00		
Employee Group Insurance	817,880.00	817,880.00	806,191.51		11,688.49		
PUBLIC SAFETY FUNCTIONS:							
Police Department:							
Salaries and Wages	2,265,000.00	2,226,000.00	2,134,975.57		91,024.43		
Other Expenses	175,000.00	163,000.00	6,358.18	\$ 53,805.63	102,836.19		
Office Of Emergency Management:							
Salaries and Wages	2,000.00	2,000.00			2,000.00		
Other Expenses	2,000.00	2,000.00	127.98	209.10	1,662.92		
Aid to Volunteer Ambulance Corporation:							
Other Expenses	37,000.00	34,000.00	27,630.79		6,369.21		
Uniform Fire Safety Act (P.L. 1983, C. 383):							
Salaries and Wages	25,665.00	25,665.00	25,432.71		232.29		
Other Expenses	7,800.00	7,800.00	6,402.82	198.74	1,198.44		
Prosecutor's Office:							
Salaries and Wages	30,151.00	30,151.00	30,151.00				
PUBLIC WORKS FUNCTIONS:							
Streets and Roads:							
Salaries and Wages	650,760.00	695,760.00	709,075.96			\$ 13,315.96	
Other Expenses	169,550.00	188,150.00	177,741.29	4,404.76	6,003.95		
Solid Waste Collection:							
Salaries and Wages	160,650.00	160,650.00	160,538.28		111.72		
Other Expenses	14,000.00	7,900.00	6,934.69		965.31		
Buildings and Grounds:							
Other Expenses	91,000.00	88,500.00	65,433.10	6,664.14	16,402.76		
Community Center							
Salaries and Wages	15,600.00	15,600.00	15,600.00				
Other Expenses	4,600.00	4,600.00	2,845.56		1,754.44		
Vehicle Maintenance:							
Other Expenses	218,500.00	208,500.00	151,732.36	29,172.22	27,595.42		
HEALTH AND HUMAN SERVICES FUNCTIONS:							
Public Health Services:							
Salaries and Wages	26,695.00	26,695.00	21,979.21		4,715.79		
Other Expenses	21,000.00	21,000.00	16,244.71	1,176.40	3,578.89		
Environmental Committee							
Other Expenses	1,815.00	1,815.00	1,556.66		258.34		

(Continued)

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

	Appropriations		Expended			Over Expended	Unexpended Balance Canceled
	Budget	Budget After Modification	Paid	Encumbered	Reserved		
OPERATIONS WITHIN "CAPS" (CONT'D):							
PARK AND RECREATION FUNCTIONS:							
Recreation Services and Programs:							
Salaries and Wages	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00				
Other Expenses	12,000.00	12,000.00	8,589.58		\$ 3,410.42		
Maintenance of Parks:							
Other Expenses	50,000.00	50,000.00	22,634.26	\$ 2,402.00	24,963.74		
Agricultural Board:							
Other Expenses	100.00	100.00			100.00		
OTHER COMMON OPERATING FUNCTIONS:							
Accumulated Leave Compensation:							
Salaries and Wages (N.J.S.A. 40A:4-46)		106,000.00	106,000.00				
Celebration of Public Events:							
Other Expenses	8,000.00	8,000.00	1,712.80		6,287.20		
UTILITY EXPENSES AND BULK PURCHASES:							
Electricity	122,400.00	126,400.00	125,732.62		667.38		
Street Lighting	112,200.00	124,200.00	122,640.32		1,559.68		
Telephone	55,000.00	51,000.00	48,283.28	2,483.34	233.38		
Gas (Natural or Propane)	79,000.00	79,000.00	41,227.82		37,772.18		
Diesel Fuel	133,400.00	133,400.00	76,417.89	7,521.99	49,460.12		
Gasoline	133,620.00	133,620.00	56,605.21	4,845.72	72,169.07		
MUNICIPAL COURT FUNCTIONS:							
Municipal Court:							
Salaries and Wages	140,000.00	136,000.00	136,777.09			\$ 777.09	
Other Expenses	15,000.00	15,000.00	12,462.05		2,537.95		
Public Defender (P.L. 1997, C. 256):							
Salaries and Wages	5,000.00	5,000.00	1,990.08		3,009.92		
LANDFILL / SOLID WASTE DISPOSAL COSTS:							
Tipping Fees	700,000.00	630,000.00	489,190.15	38,652.41	102,157.44		
UNCLASSIFIED:							
Cable Television Commission							
Salaries and Wages	14,000.00	14,000.00	9,561.14		4,438.86		
Other Expenses	6,000.00	6,000.00	3,720.00		2,280.00		
Total Operations Within "CAPS"	8,012,821.00	8,115,821.00	7,258,111.74	161,394.27	720,700.99	24,386.00	-
Detail:							
Salaries and Wages	3,842,171.00	3,837,171.00	3,746,437.69	-	115,119.31	24,386.00	-
Other Expenses	4,170,650.00	4,278,650.00	3,511,674.05	161,394.27	605,581.68	-	-

(Continued)

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

	Appropriations		Expended			Over Expended	Unexpended Balance Canceled
	Budget	Budget After Modification	Paid	Encumbered	Reserved		
DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS":							
DEFERRED CHARGES:							
Overexpenditure of Grant Appropriations	\$ 29,851.55	\$ 29,851.55	\$ 29,851.55				
Overexpenditure of Appropriations	26,854.09	26,854.09	26,854.09				
STATUTORY EXPENDITURES:							
Contribution to:							
Public Employees' Retirement System	214,960.00	214,960.00	214,960.00				
Social Security System (O.A.S.I.) (N.J.S.A. 40A:4-46, \$8,000.00)	325,000.00	333,000.00	314,243.32		\$ 18,756.68		
Police and Firemen's Retirement System of N.J.	456,641.00	456,641.00	456,641.00				
Unemployment Insurance	20,000.00	20,000.00	18,073.90		1,926.10		
Defined Contribution Retirement Program	1,000.00	1,000.00	-		1,000.00		
Cash Deficit of Preceding Year	10,629.00	10,629.00					\$ 10,629.00
Judgements (N.J.S.A. 40A:4-46)		89,000.00	89,000.00				
TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"	1,084,935.64	1,181,935.64	1,149,623.86	-	21,682.78	-	10,629.00
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"	9,097,756.64	9,297,756.64	8,407,735.60	\$ 161,394.27	742,383.77	\$ 24,386.00	10,629.00
OPERATIONS EXCLUDED FROM "CAPS":							
INSURANCE (N.J.S.A. 40A:4-45.3(00)):							
Employee Group Health (P.L. 2007, C.62)	42,120.00	42,120.00	42,120.00				
EDUCATIONAL FUNCTIONS:							
Maintenance of Free Public Library (N.J.S.A. 40:54-8)	431,217.00	431,217.00	431,217.00				
SFSP Fire District Payment	5,683.00	5,683.00	5,683.00				
INTERLOCAL MUNICIPAL SERVICE AGREEMENTS:							
Joint Municipal Court - Township of Buena:							
Salaries and Wages	65,000.00	65,000.00	65,000.00				
Other Expenses	15,000.00	15,000.00	800.00		14,200.00		
Revenue Administration - Township of Monroe:							
Other Expenses	72,730.00	72,730.00	65,126.04		7,603.96		
Emergency Medical Services:							
Other Expenses	195,000.00	198,000.00	177,625.84	2,205.57	18,168.59		
PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES							
Body Armor Fund	236.00	236.00	236.00				
Body Armor Fund (N.J.S.A. 40A:4-87)		2,352.27	2,352.27				
Recycling Tonnage Grant	20,425.20	20,425.20	20,425.20				
JIF Safety Incentive Program	6,190.00	6,190.00	6,190.00				
Clean Communities (N.J.S.A. 40A:4-87)		48,577.76	48,577.76				
TOTAL OPERATIONS - EXCLUDED FROM "CAPS"	853,601.20	907,531.23	865,353.11	2,205.57	39,972.55	-	-
Detail:							
Salaries and Wages	65,000.00	65,000.00	65,000.00	-	-	-	-
Other Expenses	788,601.20	842,531.23	800,353.11	2,205.57	39,972.55	-	-

(Continued)

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

	Appropriations		Expended			Over Expended	Unexpended Balance Canceled
	Budget	Budget After Modification	Paid	Encumbered	Reserved		
<u>CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS":</u>							
Capital Improvement Fund	\$ 40,000.00	\$ 40,000.00	\$ 40,000.00				
<u>MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS":</u>							
Payment of Bond Principal	505,000.00	505,000.00	505,000.00				
Payment of Bond Anticipation Notes and Capital Notes	195,500.00	195,500.00	195,500.00				
Interest on Bonds	127,275.00	127,275.00	127,275.00				
Interest on Notes	38,460.00	38,460.00	38,353.15				\$ 106.85
TOTAL MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"	866,235.00	866,235.00	866,128.15	-	-	-	106.85
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS"	1,759,836.20	1,813,766.23	1,771,481.26	\$ 2,205.57	\$ 39,972.55	-	106.85
SUBTOTAL GENERAL APPROPRIATIONS	10,857,592.84	11,111,522.87	10,179,216.86	163,599.84	782,356.32	\$ 24,386.00	10,735.85
RESERVE FOR UNCOLLECTED TAXES	417,785.07	417,785.07	417,785.07				
TOTAL GENERAL APPROPRIATIONS	\$ 11,275,377.91	\$ 11,529,307.94	\$ 10,597,001.93	\$ 163,599.84	\$ 782,356.32	\$ 24,386.00	\$ 10,735.85
Emergency Authorizations		\$ 203,000.00					
N.J.S.A. 40A: 4-87		50,930.03					
Budget		11,275,377.91					
		\$ 11,529,307.94					
Deferred Charges			\$ 26,854.09				
Federal and State Grants			77,781.23				
Reserve for Uncollected Taxes			417,785.07				
Due to General Capital Fund			69,851.55				
Disbursed			10,004,729.99				
The accompanying Notes to Financial Statements are an integral part of this statement.			\$ 10,597,001.93				

TOWNSHIP OF FRANKLIN
TRUST FUND

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

	Ref.	2015	2014
Assets:			
Animal Control Fund:			
Cash	SB-1	\$ 91,098.77	\$ 68,909.58
Cash - Change Fund	B	100.00	100.00
		<u>91,198.77</u>	<u>69,009.58</u>
Trust Other Funds:			
Cash	SB-1	2,162,449.40	764,798.33
Due From Current Fund	SB-5		1,106,800.10
		<u>2,162,449.40</u>	<u>1,871,598.43</u>
Municipal Open Space Trust Fund:			
Cash	SB-1	264,150.88	332,201.12
Due From Current Fund	SB-7	121,030.28	-
		<u>385,181.16</u>	<u>332,201.12</u>
Total Trust Funds		<u><u>\$ 2,638,829.33</u></u>	<u><u>\$ 2,272,809.13</u></u>
Liabilities, Reserves, and Fund Balance:			
Animal Control Fund:			
Due to Current Fund	SB-2	\$ 36,237.57	\$ 14,937.18
Due to State of New Jersey	SB-3	13.80	1.20
Reserve for Animal Control Fund Expenditures	SB-4	54,947.40	54,071.20
		<u>91,198.77</u>	<u>69,009.58</u>
Other Funds:			
Due to Current Fund	SB-5	343,785.55	-
Due to General Capital Fund	B	28,235.00	28,235.00
Miscellaneous Trust Reserves:			
Ambulance Corporation	SB-6	38,298.17	33,015.20
Community Policing	SB-6	399.11	399.11
Community Fund	SB-6	30.00	30.00
Firemen's Park	SB-6	4,000.00	4,000.00
Flags and Videos	SB-6	690.00	690.00
Historical Society	SB-6	2,493.00	2,493.00
Municipal Alliance for Drug and Alcohol Abuse	SB-6	160.00	160.00
Payroll Deductions Payable	SB-6	7,016.04	637.14
Performance Bond	SB-6	117,596.76	117,011.97

(Continued)

TOWNSHIP OF FRANKLIN
TRUST FUND

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

	Ref.	<u>2015</u>	<u>2014</u>
Liabilities, Reserves, and Fund Balance (Cont'd):			
Other Funds (Cont'd):			
Miscellaneous Trust Reserves (Cont'd):			
P.O.A.A.	SB-6	\$ 151.73	\$ 149.73
Police Canine Unit	SB-6	4,960.40	4,510.40
Police Forfeited Funds	SB-6	20,257.23	20,156.24
Public Defender	SB-6	11,668.00	13,843.00
Recreation Commission	SB-6	32,670.53	35,310.50
Recreation Facilities	SB-6	7,441.69	7,441.69
Senior Citizens	SB-6	36,000.00	36,000.00
Site Plan Review Escrow	SB-6	256,627.68	209,539.64
Tax Title Liens Redemptions/Premiums	SB-6	1,242,450.17	1,355,799.28
Train Station Donations	SB-6	2,176.53	2,176.53
Crime Stoppers	SB-6	2,300.00	-
Police Unity	SB-6	2,484.00	-
Police Youth Week	SB-6	557.81	-
		<u>2,162,449.40</u>	<u>1,871,598.43</u>
Total Trust Other Funds			
Municipal Open Space Trust Fund			
Appropriation Reserves	B-2; SB-8	54,125.88	13,050.18
Reserve for Encumbrances	B-2; SB-8	800.00	6,762.00
Due Current Fund	SB-7		2,656.36
Reserve for Future Use	SB-8	330,255.28	309,732.58
		<u>385,181.16</u>	<u>332,201.12</u>
		<u>\$ 2,638,829.33</u>	<u>\$ 2,272,809.13</u>

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

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

	Anticipated <u>Budget</u>	<u>Realized</u>	Excess <u>(Deficit)</u>
Amount to be Raised by Taxation	\$ 123,270.00	\$ 123,686.64	\$ 416.64
Miscellaneous		293.88	293.88
	<u>\$ 123,270.00</u>	<u>\$ 123,980.52</u>	<u>\$ 710.52</u>
Total Open Space Revenues	<u>\$ 123,270.00</u>	<u>\$ 123,980.52</u>	<u>\$ 710.52</u>

Analysis of Realized Revenues

Amount to be Raised by Taxation:

Due From Current Fund:

Municipal Open Space Tax Levy

\$ 123,270.00
416.64

Added & Omitted Taxes

\$ 123,686.64

Miscellaneous:

Receipts:

Interest Earned on Deposits

\$ 293.88

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

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

	Appropriations		Expended	
	Original <u>Budget</u>	Budget After <u>Modification</u>	Paid or <u>Charged</u>	<u>Reserved</u>
Development of Lands for Conservation:				
Salaries and Wages	\$ 10,000.00	\$ 9,000.00		\$ 9,000.00
Other Expenses	10,000.00	11,000.00	\$ 10,400.00	600.00
Reserve for Future Use	<u>103,270.00</u>	<u>103,270.00</u>	<u>58,744.12</u>	<u>44,525.88</u>
Total Open Space Appropriations	<u>\$ 123,270.00</u>	<u>\$ 123,270.00</u>	<u>\$ 69,144.12</u>	<u>\$ 54,125.88</u>
		Disbursed	\$ 68,344.12	
		Encumbered	<u>800.00</u>	
			<u>\$ 69,144.12</u>	

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

TOWNSHIP OF FRANKLIN
GENERAL CAPITAL FUND

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

Assets:	Ref.	2015	2014
Cash - Chief Financial Officer	SC-1	\$ 523,597.60	\$ 843,297.15
Deferred Charges to Future Taxation:			
Funded	SC-3	3,990,000.00	4,495,000.00
Unfunded	SC-5	5,545,250.00	5,251,500.00
Grants Receivable	C-6	194,718.86	141,486.11
Due from Current Fund	SC-4	542,034.31	5,415.51
Due from Recreation Trust Fund	C	28,235.00	28,235.00
Due from Federal and State Grant Fund	SC-10	-	32,985.00
Overexpenditure of Ordinance Appropriation	C	-	29,851.55
		<u>\$ 10,823,835.77</u>	<u>\$ 10,827,770.32</u>
Liabilities, Reserves and Fund Balance:			
Encumbrances Payable	SC-8	\$ 35,486.41	\$ 34,279.27
Contracts Payable	SC-7	12,000.00	367,735.05
Due to Federal and State Grant Fund	SC-10	116,823.00	-
Capital Improvement Fund	SC-9	79,750.00	65,500.00
Improvement Authorizations:			
Funded	SC-10	509,339.10	8,239.10
Unfunded	SC-10	1,142,080.51	723,160.15
Bond Anticipation Notes	SC-11	4,932,500.00	5,128,000.00
General Serial Bonds	SC-12	3,990,000.00	4,495,000.00
Fund Balance	C	5,856.75	5,856.75
		<u>\$ 10,823,835.77</u>	<u>\$ 10,827,770.32</u>

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

TOWNSHIP OF FRANKLIN
PUBLIC ASSISTANCE FUND
 Statements of Assets, Liabilities, Reserves and Fund Balances - Regulatory Basis
 As of December 31, 2015 and 2014

Assets:	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
Cash	SE-1	\$ <u>3,209.44</u>	\$ <u>3,209.44</u>
Liabilities and Reserves:			
Reserve for Public Assistance	E	\$ <u>3,209.44</u>	\$ <u>3,209.44</u>

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

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Financial Reporting Entity - The Township of Franklin was incorporated in 1825, covers approximately 56 square miles and is located in southwest New Jersey approximately thirty three miles southeast of the City of Philadelphia. The population according to the 2010 census is 16,820.

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

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

Franklin Township Library
1584 Coles Mill Road
Franklinville, New Jersey 08322

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

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

In accordance with the "Requirements", the Township of Franklin accounts for its financial transactions through the use of separate funds which are described as follows:

Current Fund - The current fund accounts for resources and expenditures for governmental operations of a general nature, including Federal and State grant funds.

Trust Funds - The various trust funds account for receipts, custodianship and disbursement of funds in accordance with the purpose for which each reserve was created.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Measurement Focus, Basis of Accounting and Financial Statement Presentation (Cont'd)**

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.

Public Assistance Fund - The public assistance fund accounts for receipt and disbursement of funds that provide assistance to certain residents of the Township pursuant to Title 44 of New Jersey statutes. The governing body resolved to transfer all public assistance activities to the County of Gloucester effective January 1, 2009.

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

Budgets and Budgetary Accounting - The Township of Franklin must adopt an annual budget for its current and open space trust funds in accordance with N.J.S.A. 40A:4 et seq. N.J.S.A. 40A:4-5 requires the governing body to introduce and approve the annual municipal budget no later than February 10 of each year. At introduction, the governing body shall fix the time and place for a public hearing on the budget and must advertise the time and place at least ten days prior to the hearing in a newspaper published and circulating in the municipality. The public hearing must not be held less than twenty-eight days after the date the budget was introduced. After the hearing has been held, the governing body may, by majority vote, adopt the budget or may amend the budget in accordance with N.J.S.A. 40A:4-9. Amendments to adopted budgets, if any, are detailed in the statements of revenues and expenditures.

An extension of the statutory dates for introduction, approval and adoption of the municipal budget may be granted by the Director of the Division of Local Government Services, with the permission of the Local Finance Board.

Budgets are adopted on the same basis of accounting utilized for the preparation of the Township's financial statements.

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

New Jersey municipal units are required by N.J.S.A. 40A:5-14 to deposit public funds in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States or of the State of New Jersey or in the New Jersey Cash Management Fund. N.J.S.A. 40A:5-15.1 provides a list of investments which may be purchased by New Jersey municipal units. In addition, other State statutes permit investments in obligations issued by local authorities and other state agencies.

N.J.S.A. 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act ("GUDPA"), a multiple financial institutional collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of governmental units.

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

Cash, Cash Equivalents and Investments (Cont'd) - If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the amount of their deposits to the governmental units.

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

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

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

General Fixed Assets - Accounting for governmental fixed assets, as required by N.J.A.C. 5:30-5.6, differs in certain respects from accounting principles generally accepted in the United States of America. In accordance with the regulations, all local units, including municipalities, must maintain a general fixed assets reporting system that establishes and maintains a physical inventory of nonexpendable, tangible property as defined and limited by the U.S. Office of Management and *Budget's Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Part 200, §200.12), except that the useful life of such property is at least five years. The Township has adopted a capitalization threshold of \$5,000.00, the maximum amount allowed by the Circular. Generally, assets are valued at historical cost; however, assets acquired prior to December 31, 1985 are valued at actual historical cost or estimated historical cost. No depreciation of general fixed assets is recorded. Donated general fixed assets are recorded at their estimated fair market value on the acquisition date. Interest costs relative to the acquisition of general fixed assets are recorded as expenditures when paid. Public domain ("infrastructure") general fixed assets consisting of certain improvements such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. Expenditures for construction in progress are recorded in the capital funds until such time as the construction is completed and put into operation. The Township is required to maintain a subsidiary ledger detailing fixed assets records to control additions, retirements, and transfers of fixed assets. In addition, a statement of general fixed assets, reflecting the activity for the year, must be included in the Township's basic financial statements.

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

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

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

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

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

Fund Balance - Fund balance included in the current fund represent amounts available for anticipation as revenue in future years' budgets, with certain restrictions.

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

Property Tax Revenues - Property tax revenues are collected in quarterly installments due February 1, May 1, August 1, and November 1. The amount of tax levied includes not only the amount required in support of the Township's annual budget, but also the amounts required in support of the budgets of the County of Gloucester, Township of Franklin School District, Delsea Regional High School District and Township of Franklin Fire Districts No. 1, No. 2, No. 3, No. 4, and No. 5. Unpaid property taxes are subject to tax sale in accordance with the statutes.

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

County Taxes - The municipality is responsible for levying, collecting and remitting county taxes for the County of Gloucester. County taxes are determined on a calendar year by the County Board of Taxation based upon the ratables required to be certified to them on January 10 of each year. Operations is charged for the amount due the County for the year, based upon the ratables required to be certified to the County Board of Taxation by January 10 of the current year. In addition, operations is charged for the County share of added and omitted taxes certified to the County Board of Taxation by October 10 of the current year and due to be paid to the County by February 15 of the following year.

Fire District Taxes - The municipality is responsible for levying, collecting, and remitting fire district taxes for Township of Franklin Fire Districts No. 1, No. 2, No. 3, No. 4, and No. 5. Operations is charged for the full amount required to be raised by taxation to operate the Fire Districts for the period from January 1 to December 31.

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

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

Expenditures - Expenditures are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when paid. However, for charges to amounts appropriated for "other expenses", an amount is encumbered through the issuance of a numerically controlled purchase order or when a contract is executed in accordance with N.J.A.C. 5:30-5.2. When encumbered charges are paid, the amount encumbered is simultaneously liquidated in its original amount. Encumbrances are offset by an account entitled reserve for encumbrances. The reserve is classified as a cash liability under New Jersey municipal accounting. At December 31, this reserve represents the portion of appropriation reserves that has been encumbered and is subject to the same statutory provisions as appropriation reserves.

Appropriations for principal payments on outstanding general capital bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis.

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

Long-Term Debt - Long-term debt, relative to the acquisition of capital assets, is recorded as a liability in the general capital 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 Postemployment Benefits - Compensated absences for vacation, sick leave and other compensated absences are recorded and provided for in the annual budget in the year in which they are paid, on a pay-as-you-go basis. Likewise, no accrual is made for postemployment benefits, if any, which are also funded on a pay-as-you-go basis.

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

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

Note 2: CASH AND CASH EQUIVALENTS

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

As of December 31, 2015, the Township's bank balances of \$7,376,370.96 were exposed to custodial credit risk as follows:

Insured	\$ 5,436,869.55
Uninsured and Uncollateralized	<u>1,939,501.41</u>
Total	<u><u>\$ 7,376,370.96</u></u>

Note 3: PROPERTY TAXES

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

Comparative Schedule of Tax Rates

	<u>2015</u>	<u>2014</u>	<u>2013R</u>	<u>2012</u>	<u>2011</u>
Tax Rate	<u>\$3.081</u>	<u>\$2.962</u>	<u>\$2.887</u>	<u>\$4.238</u>	<u>\$4.230</u>
Apportionment of Tax Rate:					
Municipal	\$0.577	\$0.577	\$0.572	\$0.837	\$0.843
County	0.644	0.593	0.594	0.875	0.907
County Open Space	0.044	0.042	0.044	0.069	0.073
Local School	0.831	0.799	0.763	1.114	1.082
Regional High School	0.940	0.907	0.869	1.277	1.256
Municipal Open Space	0.010	0.010	0.010	0.010	0.009
Municipal Library Tax	0.035	0.034	0.035	0.056	0.060
Special District Tax Rates:					
Fire District No. 1	\$0.160	\$0.159	\$0.156	\$0.236	\$0.236
Fire District No. 2	0.147	0.141	0.138	0.217	0.217
Fire District No. 3	0.116	0.116	0.116	0.178	0.176
Fire District No. 4	0.184	0.181	0.174	0.260	0.255
Fire District No. 5	0.131	0.129	0.126	0.187	0.183

R = Revaluation Year

Assessed Valuation

2015	\$1,232,702,180.00
2014	1,234,153,912.00
2013R	1,246,127,735.00
2012	806,705,966.00
2011	805,727,012.00

Note 3: PROPERTY TAXES (CONT'D)

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

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2015	\$39,989,717.14	\$39,720,868.40	99.33%
2014	38,558,777.70	38,346,831.67	99.45%
2013	37,829,845.82	37,209,995.58	98.36%
2012	36,089,593.18	35,672,474.97	98.84%
2011	35,898,385.00	35,600,838.41	99.17%

Delinquent Taxes and Tax Title Liens

<u>Year</u>	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2015	\$578,759.92	\$87,349.71	\$666,109.63	1.66%
2014	414,308.00	102,348.51	516,656.51	1.34%
2013	505,744.08	107,316.48	613,060.56	1.62%
2012	505,433.15	27,240.50	532,673.65	1.47%
2011	657,385.20	10,304.83	667,690.03	1.86%

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

<u>Year</u>	<u>Number</u>
2015	200
2014	133
2013	97
2012	94
2011	73

Note 4: PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

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

<u>Year</u>	<u>Amount</u>
2015	\$4,904,076.98
2014	4,904,076.98
2013	4,904,076.98
2012	4,842,511.52
2011	4,421,138.89

Note 5: FUND BALANCES APPROPRIATED

The following schedules detail the amount of fund balances available at the end of the current year and four previous years and the amounts utilized in the subsequent year's budgets:

<u>Year</u>	<u>Balance Dec. 31</u>	<u>Utilized In Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
<u>Current Fund</u>			
2015	\$1,212,257.78	Unavailable	---
2014	146,312.02	100,000.00	68.34%
2013	569,941.02	450,000.00	78.96%
2012	703,325.90	711,200.00	101.67%
2011	821,347.76	642,500.00	78.23%

Note 6: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances were recorded on the various statements of assets, liabilities, reserves and fund balance as of December 31, 2015:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
Current	\$380,023.12	\$712,711.76
Federal and State Grant	166,470.17	
Trust - Animal Control		36,237.57
Trust - Other		372,020.55
Trust - Municipal Open Space	121,030.28	
General Capital Fund	570,269.31	116,823.00
	<u>\$1,237,792.88</u>	<u>\$1,237,792.88</u>

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

Note 7: PENSION PLANS

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

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

Note 7: PENSION PLANS (CONT'D)**General Information about the Pension Plans****Plan Descriptions**

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

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

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

Vesting and Benefit Provisions

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

The following represents the membership tiers for PERS:

Tier Definition

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

Note 7: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Vesting and Benefit Provisions (Cont'd)**

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

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

The following represents the membership tiers for PFRS:

Tier Definition

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

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

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

Contributions

Public Employees' Retirement System - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Members contribute at a uniform rate. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over seven years beginning in July 2012. The member contribution rate was 6.92% in State fiscal year 2015. The phase-in of the additional incremental member contribution rate takes place in July of

Note 7: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Contributions (Cont'd)**

each subsequent State fiscal year. The rate for members who are eligible for the Prosecutors Part of PERS (Chapter 366, P.L. 2001) increased from 8.5% of base salary to 10%. Employers' contributions are based on an actuarially determined amount which includes the normal cost and unfunded accrued liability.

The Township's contractually required contribution rate for the year ended December 31, 2015 was 13% of the Township's covered-employee payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PERS measurement date of June 30, 2015, the Township's contractually required contribution to the pension plan for the year ended December 31, 2015 is \$175,666.00, and is payable by April 1, 2016. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. Based on the PERS measurement date of June 30, 2014, the Township's contractually required contribution to the pension plan for the year ended December 31, 2014 was \$171,238.00, which was paid on April 1, 2015. Employee contributions to the plan during the year ended December 31, 2015 were \$94,494.32.

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

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

The Township's contractually required contribution rate for the year ended December 31, 2015 was 29.48% of the Township's covered-employee payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Based on the most recent PFRS measurement date of June 30, 2015, the Township's contractually required contribution to the pension plan for the year ended December 31, 2015 is \$445,745.00, and is payable by April 1, 2016. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. Based on the PFRS measurement date of June 30, 2014, the Township's contractually required contribution to the pension plan for the year ended

Note 7: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Contributions (Cont'd)**

December 31, 2014 was \$389,703.00, which was paid on April 1, 2015. Employee contributions to the plan during the year ended December 31, 2015 were \$151,179.50.

The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the Township, for the year ended December 31, 2015 was 2.76% of the Township's covered-employee payroll.

Based on the most recent PFRS measurement date of June 30, 2015, the State's contractually required contribution, on-behalf of the Township, to the pension plan for the year ended December 31, 2015 is \$41,697.00, and is payable by April 1, 2016. Based on the PFRS measurement date of June 30, 2014, the State's contractually required contribution, on-behalf of the Township, to the pension plan for the year ended December 31, 2014 was \$28,538.00, which was paid on April 1, 2015.

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

For the year ended December 31, 2015, there were no employee or Township contributions as no employees were eligible for participation. There were no forfeitures during the year.

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

Public Employees' Retirement System - At December 31, 2015, the Township's proportionate share of the PERS net pension liability was \$4,586,721.00. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2015. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2015 measurement date, the Township's proportion was .0204326511%, which was a decrease of .0003389399% from its proportion measured as of June 30, 2014.

At December 31, 2015, the Township's proportionate share of the PERS pension expense, calculated by the plan as of the June 30, 2015 measurement date is \$175,453.00. This expense is not recognized by the Township because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2015, the Township's contributions to PERS were \$171,238.00, and were paid on April 1, 2015.

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

Note 7: PENSION PLANS (CONT'D)**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

Township's Proportionate Share of Net Pension Liability	\$ 9,133,973.00
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Township	<u>801,019.00</u>
	<u>\$ 9,934,992.00</u>

The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2015. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State of New Jersey, actuarially determined. For the June 30, 2015 measurement date, the Township's proportion was .0548372439%, which was an increase of .0040992287% from its proportion measured as of June 30, 2014. Likewise, at June 30, 2015, the State of New Jersey's proportion, on-behalf of the Township, was .0548372439%, which was an increase of .0040992287% from its proportion, on-behalf of the Township, measured as of June 30, 2014.

At December 31, 2015, the Township's proportionate share of the PFRS pension expense, calculated by the plan as of the June 30, 2015 measurement date is \$919,020.00. This expense is not recognized by the Township because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2015, the Township's contributions to PFRS were \$389,703.00, and were paid on April 1, 2015.

At December 31, 2015, the State's proportionate share of the PFRS pension expense, associated with the Township, calculated by the plan as of the June 30, 2015 measurement date is \$99,916.00. This on-behalf expense is not recognized by the Township because of the regulatory basis of accounting as described in note 1.

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

	<u>Deferred Outflows of Resources</u>			<u>Deferred Inflows of Resources</u>		
	<u>PERS</u>	<u>PFRS</u>	<u>Total</u>	<u>PERS</u>	<u>PFRS</u>	<u>Total</u>
Differences between Expected and Actual Experience	\$ 109,423.00	\$ -	\$ 109,423.00	\$ -	\$ 78,783.00	\$ 78,783.00
Changes of Assumptions	492,577.00	1,686,358.00	2,178,935.00	-	-	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	-	-	73,746.00	158,969.00	232,715.00
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions	-	581,460.00	581,460.00	560,128.00	-	560,128.00
Township Contributions Subsequent to the Measurement Date	<u>87,833.00</u>	<u>222,873.00</u>	<u>310,706.00</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 689,833.00</u>	<u>\$ 2,490,691.00</u>	<u>\$ 3,180,524.00</u>	<u>\$ 633,874.00</u>	<u>\$ 237,752.00</u>	<u>\$ 871,626.00</u>

Note 7: PENSION PLANS (CONT'D)**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

\$87,833.00 and \$222,873.00 for PERS and PFRS, respectively, included in deferred outflows of resources, will be included as a reduction of the net pension liability in the year ending December 31, 2016. These amounts were based on an estimated April 1, 2017 contractually required contribution, prorated from the pension plans measurement date of June 30, 2015 to the Township's year end of December 31, 2015.

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

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

Note 7: PENSION PLANS (CONT'D)**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

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

Year Ending Dec 31,	<u>PERS</u>	<u>PFRS</u>	<u>Total</u>
2016	\$ (29,136.00)	\$ 405,529.00	\$ 376,393.00
2017	(29,136.00)	405,529.00	376,393.00
2018	(29,136.00)	405,530.00	376,394.00
2019	28,806.00	568,355.00	597,161.00
2020	26,728.00	245,123.00	271,851.00
	<u>\$ (31,874.00)</u>	<u>\$ 2,030,066.00</u>	<u>\$ 1,998,192.00</u>

Actuarial Assumptions

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

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

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

Note 7: PENSION PLANS (CONT'D)**Actuarial Assumptions (Cont'd)**

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

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

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

Note 7: PENSION PLANS (CONT'D)

Actuarial Assumptions (Cont'd)

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

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

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

	1% Decrease (3.90%)	Current Discount Rate (4.90%)	1% Increase (5.90%)
Township's Proportionate Share of the Net Pension Liability	<u>\$ 5,700,733.00</u>	<u>\$ 4,586,721.00</u>	<u>\$ 3,652,741.00</u>

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

	1% Decrease (4.79%)	Current Discount Rate (5.79%)	1% Increase (6.79%)
Township's Proportionate Share of the Net Pension Liability	\$ 12,041,476.00	\$ 9,133,973.00	\$ 6,763,164.00
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Township	<u>1,055,997.00</u>	<u>801,019.00</u>	<u>593,107.00</u>
	<u>\$ 13,097,473.00</u>	<u>\$ 9,934,992.00</u>	<u>\$ 7,356,271.00</u>

Note 7: PENSION PLANS (CONT'D)**Pension Plan Fiduciary Net Position**

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

Supplementary Pension Information

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

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

	<u>Measurement Date Ended June 30,</u>		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
Township's Proportion of the Net Pension Liability	0.0204326511%	0.0207715910%	0.0246139386%
Township's Proportionate Share of the Net Pension Liability	\$ 4,586,721.00	\$ 3,889,010.00	\$ 4,704,213.00
Township's Covered-Employee Payroll	\$ 1,393,776.00	\$ 1,436,484.00	\$ 1,733,120.00
Township's Proportionate Share of the Net Pension Liability as a Percentage of it's Covered-Employee Payroll	329.09%	270.73%	271.43%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	47.93%	52.08%	48.72%

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

	<u>Year Ended December 31,</u>		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
Township's Contractually Required Contribution	\$ 175,666.00	\$ 171,238.00	\$ 185,461.00
Township's Contribution in Relation to the Contractually Required Contribution	(175,666.00)	(171,238.00)	(185,461.00)
Township's Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
Township's Covered-Employee Payroll	\$ 1,351,636.00	\$ 1,366,983.00	1,453,709.00
Township's Contributions as a Percentage of it's Covered-Employee Payroll	13.00%	12.53%	12.76%

Note 7: PENSION PLANS (CONT'D)**Supplementary Pension Information (Cont'd)*****Schedule of the Township's Proportionate Share of the Net Pension Liability - Police and Firemen's Retirement System (PFRS) (Last Three Years)***

	<u>Measurement Date Ended June 30,</u>		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
Township's Proportion of the Net Pension Liability	0.0548372439%	0.0507380152%	0.0492709656%
Township's Proportionate Share of the Net Pension Liability	\$ 9,133,973.00	\$ 6,382,372.00	\$ 6,550,130.00
State's Proportionate Share of the Net Pension Liability associated with the Township	<u>801,019.00</u>	<u>687,274.00</u>	<u>610,552.00</u>
Total	<u>\$ 9,934,992.00</u>	<u>\$ 7,069,646.00</u>	<u>\$ 7,160,682.00</u>
Township's Covered-Employee Payroll	\$ 1,736,592.00	\$ 1,633,508.00	\$ 1,573,880.00
Township's Proportionate Share of the Net Pension Liability as a Percentage of it's Covered-Employee Payroll	525.97%	390.72%	416.18%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	56.31%	62.41%	58.70%

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

	<u>Year Ended December 31,</u>		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
Township's Contractually Required Contribution	\$ 445,745.00	\$ 389,703.00	\$ 359,470.00
Township's Contribution in Relation to the Contractually Required Contribution	<u>(445,745.00)</u>	<u>(389,703.00)</u>	<u>(359,470.00)</u>
Township's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Township's Covered-Employee Payroll	\$ 1,511,795.00	\$ 1,714,144.00	\$ 1,723,566.00
Township's Contributions as a Percentage of it's Covered-Employee Payroll	29.48%	22.73%	20.86%

Note 7: PENSION PLANS (CONT'D)**Other Notes to Supplementary Pension Information*****Public Employees' Retirement System (PERS)***

Changes in Benefit Terms - None

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

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

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

Police and Firemen's Retirement System (PFRS)

Changes in Benefit Terms - None

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

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

Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

Plan Description - The Township provides postretirement health care benefits through a health plan for retirees, which includes a medical, dental, and prescription plan. The Township's plan provides an agent multiple-employer post-employment healthcare plan which covers the following retiree population: eligible retirees who retire from active employment with the Township under the classification of police officer who have completed twenty-five (25) years of service with the Police and Fire Retirement System (PFRS) and at least twenty (20) years of service with the Township. Coverage is provided for the retirees and their spouse up to age sixty-five, providing the retirees annually certify that they have no other medical coverage. Currently, six (6) retirees meet these eligibility requirements. This provision is part of a Labor Agreement between the Township, and the Fraternal Order of Police. The plan is administered by the Township; therefore, premium payments are made directly to the insurance carriers

Funding Policy - The contribution requirements of plan members and the Township are established and may be amended by the Township's governing body.

Retirees - The Township presently funds its current retiree postemployment benefit costs on a "pay-as-you-go" basis. The Township's contributions to the plan for the years ended December 31, 2015, 2014, and 2013 were \$147,960.00, \$139,140.00, and \$75,384.00, respectively.

Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**Funding Policy (Cont'd)**

Future Retirees - In accordance with Statement No. 45 of the Governmental Accounting Standards Board, the Township is required to disclose the *annual required contribution of the employer (ARC)*, an amount actuarially determined in accordance with the parameters of Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty (30) years. The ARC includes the costs of both current and future retirees. The current ARC was determined to be \$514,404.00 at an unfunded discount rate of 5.0%. As stated above, the Township has funded the cost of existing retirees in the amount of \$147,960.00, and has incurred the benefit costs for future eligible employees, but has not yet begun funding this outstanding liability.

Annual OPEB Cost - For year ended December 31, 2015, the Township's annual OPEB cost (expense) of \$514,404.00 for the plan was equal to the ARC plus certain adjustments because the Township's actual contributions in prior years differed from the ARC. The Township's annual required contribution (ARC), the interest on the net OPEB obligation, the adjustment to the ARC, the increase or decrease in the net OPEB obligation, the net OPEB obligation, and the percentage of annual OPEB cost contributed to the plan for years 2015 is as follows:

	<u>2015</u>
Annual Required Contribution (ARC)	\$ 514,404.00
Interest on the Net OPEB Obligation	-
Adjustment to the ARC	-
	<hr/>
Annual OPEB Cost	514,404.00
Pay-as-You Go Cost (Existing Retirees)	<u>(147,960.00)</u>
	<hr/>
Increase (Decrease) in the Net OPEB Obligation	366,444.00
	<hr/>
Net OPEB Obligation, January 1	-
	<hr/>
Net OPEB Obligation, December 31	<u>\$ 366,444.00</u>
	<hr/>
Percentage of Annual OPEB Cost Contributed	28.8%

Funded Status and Funding Progress - The funded status of the plan as of the December 31, 2015 actuarial valuation date is as follows:

	<u>2015</u>
Actuarial Accrued Liability (AAL)	\$ 5,932,265.00
Actuarial Value of Plan Assets	-
	<hr/>
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$ 5,932,265.00</u>
	<hr/>
Funded Ratio (Actuarial Value of Plan Assets / AAL)	0.0%
	<hr/>
Covered Payroll (Active Plan Members)	\$ 1,511,795.00
	<hr/>
UAAL as a Percentage of Covered Payroll	392.4%

Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

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

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

- *Mortality.* The mortality table employed in this valuation is the 1994 sex distinct Group Annuity Mortality Table.
- *Discount Rate.* Future costs have been discounted at the rate of 5.0% compounded annually.
- *Turnover.* Termination of employment other than for death or retirement will occur in the future in accordance with The U.S. Office of Personnel Management regarding the experience of the employee group covered by the Federal Employees Retirement System.
- *Assumed Retirement Age.* At first eligibility after completing 20 years of service, but no earlier than age 55.
- *Disability.* No termination of employment due to disability has been assumed. Retirees resulting from a disability were factored into the determination of age at retirement.
- *Retiree Contributions.* The final average salary for retirees at age 55 and over is \$98,500.00. Future retirees are expected to contribute toward retiree health premiums pursuant to Chapter 78, P.L. 2011.
- *Spousal Coverage.* It was assumed that married employees will remain married.
- *Health Care Cost Inflation.* Health care gross costs will increase at an annual rate of 7.0% for Pre-Medicare medical benefits and 5.0% for Post-Medicare medical benefits.
- *Administration Expenses.* Annual costs to administer the retiree claims, approximately 2.0%, is included in the annual health care costs.

Note 9: DEFERRED COMPENSATION SALARY ACCOUNT

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

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

Note 10: LEASE OBLIGATIONS

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

- Operating:
- Two (2) Photocopiers
 - One (1) Postage Machine
 - Two (2) Ford Police Interceptor Utility Vehicles
 - One (1) Dodge Charger – Police Vehicle

The following is an analysis of the Township's operating leases:

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

<u>Year</u>	<u>Amount</u>
2016	\$ 26,577.54
2017	20,529.54
2018	20,529.54
2019	13,700.78

Rental payments under operating leases for the year 2015 were \$35,520.76.

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

General Improvement Refunding Bonds, Series 2012 - On August 22, 2012, the Township issued \$5,445,000.00 in general improvement refunding bonds, with interest rate of 3.0%, to advance refund \$5,595,000.00 outstanding 2002 general improvement bonds with a variable interest rate between 4.125% and 4.625%. The final maturity of the bonds is May 1, 2021.

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 545,000.00	\$ 111,525.00	\$ 656,525.00
2017	595,000.00	94,425.00	689,425.00
2018	640,000.00	75,900.00	715,900.00
2019	685,000.00	56,025.00	741,025.00
2020	740,000.00	34,650.00	774,650.00
2021	785,000.00	11,775.00	796,775.00
	<u>\$ 3,990,000.00</u>	<u>\$ 384,300.00</u>	<u>\$ 4,374,300.00</u>

Note 11: CAPITAL DEBT (CONT'D)

General Improvement Bonds (Cont'd)

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

Summary of Debt

	<u>Year 2015</u>	<u>Year 2015</u>	<u>Year 2014</u>
<u>Issued</u>			
Bonds and Notes	\$8,922,500.00	\$9,623,000.00	\$9,666,028.00
<u>Authorized but not Issued</u>			
Bonds and Notes	612,750.00	123,500.00	468,000.00
Total Issued and Authorized but Not Issued	9,535,250.00	9,746,500.00	10,134,028.00
Deductions:			
Funds Temporarily Held To Pay Debt Service	---	---	31,807.47
Net Debt	<u>\$9,535,250.00</u>	<u>\$9,746,500.00</u>	<u>\$10,102,220.53</u>

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the annual debt statement and indicated a statutory net debt of .74%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District	\$2,072,000.00	\$2,072,000.00	
Regional School District	8,081,987.33	8,081,987.33	
General	9,535,250.00		\$9,535,250.00
	<u>\$19,689,237.33</u>	<u>\$10,153,987.33</u>	<u>\$9,535,250.00</u>

Net debt \$9,535,250.00 divided by the equalized valuation basis per N.J.S.A.40A:2-2, as amended, \$1,287,808,943.33, equals .74%.

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 45,073,313.02
Less: Net Debt	<u>9,535,250.00</u>
Remaining Borrowing Power	<u>\$ 35,538,063.02</u>

Note 12: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2015, the following deferred charges are shown on the statement of assets, liabilities, reserves and fund balance of the following fund(s):

<u>Description</u>	<u>Balance December 31, 2015</u>	<u>Required 2016 Budget Appropriation</u>
Current Fund:		
Emergency Authorization	\$ 203,000.00	\$ 203,000.00
Overexpenditure of Appropriations	24,386.00	24,386.00
Federal and State Grant Fund:		
Overexpenditure of Appropriations	20,284.72	20,284.72

The appropriations in the 2016 Budget will not be less than that required by the statutes when introduced.

Note 13: RISK MANAGEMENT

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

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

Joint Insurance Pool - The Township is a member of the Gloucester, Salem, Cumberland Counties Municipal Joint Insurance Pool Joint Insurance Fund. The Fund provides its members with the following coverage:

- Workers' Compensation and Employer's Liability
- Liability other than Motor Vehicles
- Property Damage other than Motor Vehicles
- Motor Vehicles

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

The Fund provides the Township with the following coverage:

- Property - Blanket Building and Grounds
- General and Automobile Liability
- Fidelity and Performance Bonds
- Volunteer Emergency Services Liability
- Workers' Compensation
- Crime Coverage

Note 13: RISK MANAGEMENT (CONT'D)

Contributions to the Fund, are payable in an annual premium and is based on actuarial assumptions determined by the Fund's actuary. The Township's agreement with the Pool provides that the Pool will be self-sustaining through member premiums and will reinsure through the Municipal Excess Liability Joint Insurance Fund for claims in excess of \$50,000.00 to \$200,000.00 based on the line of coverage for each insured event.

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

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

Note 14: OPEN SPACE, RECREATION AND FARMLAND PRESERVATION TRUST

On November 2, 1999, pursuant to P.L. 1997, c. 24 (N.J.S.A. 40:12-15.1 et seq.), the voters of the Township of Franklin authorized the establishment of the Township of Franklin Open Space, Recreation and Farmland Preservation Trust Fund effective January 1, 2000, for the purpose of raising revenue for the acquisition of lands and interests in lands for the conservation of farmland and open space. Overall, as a result of the referendum, the Township levies a tax equal to one cent per one hundred dollars of equalized valuation. Amounts raised by taxation are assessed, levied and collected in the same manner and at the same time as other taxes. Future increases in the tax rate or to extend the authorization must be authorized by referendum. All revenue received is accounted for in a Trust Fund dedicated by rider (N.J.S.A. 40A:4-39) for the purposed stated. Interest earned on the investment of these funds is credited to the Township of Franklin Open Space, Recreation and Farmland Preservation Trust Funds.

Note 15: CONTINGENCIES

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

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

Note 16: CONCENTRATIONS

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

SUPPLEMENTAL EXHIBITS

SUPPLEMENTAL EXHIBITS

CURRENT FUND

TOWNSHIP OF FRANKLIN
Statement of Current Cash - Chief Financial Officer
For the Year Ended December 31, 2015

		Current Fund
Balance December 31, 2014		\$ 1,355,342.11
Increased by Receipts:		
Tax Collector	\$ 37,462,970.51	
Due from State - Senior Citizens & Veterans	188,137.57	
Federal & State Grants Receivable	1,530,300.10	
Revenue Accounts Receivable	2,441,981.29	
Miscellaneous Revenue Not Anticipated	181,771.68	
Due to State - Marriage Licenses	1,800.00	
Due to State - DCA Fees	17,809.00	
Due Library	275,670.36	
Due Other Trust Fund	206,074.75	
Due General Capital Fund	5,657,781.14	
		47,964,296.40
		49,319,638.51
Decreased by Disbursements:		
2014 Appropriation Reserves	576,640.41	
2015 Appropriations	10,004,729.99	
County Taxes	8,506,067.40	
Local District School Tax	10,250,901.00	
Regional High School Tax	11,381,303.65	
Special District Tax	1,845,405.00	
Refund Overpayments	45,411.46	
Federal & State Grant Expenditures	126,203.47	
Accounts Payable	2,201.47	
Due to State - Marriage Licenses	1,675.00	
Due to State - DCA Fees	15,450.00	
Due to Library	229,024.95	
Due Animal Control Trust Fund	3,860.92	
Due Other Trust Fund	360,027.88	
Due General Capital Fund	5,332,500.00	
Due from Borough of Newfield	7,863.42	
		48,689,266.02
Balance December 31, 2015		\$ 630,372.49

TOWNSHIP OF FRANKLIN
 Statement of Current Cash - Collector
 For the Year Ended December 31, 2015

Balance December 31, 2014		\$	1,956,063.06
Increased by:			
Taxes Receivable	\$ 39,032,390.45		
Tax Title Liens	86,657.82		
Prepaid Taxes	410,737.34		
Tax Overpayments	126,404.47		
Revenue Accounts Receivable	172,827.07		
Miscellaneous Revenue Not Anticipated	<u>79,628.48</u>		
			<u>39,908,645.63</u>
			41,864,708.69
Decreased by:			
Payment to Treasurer	37,462,970.51		
Transfer to Tax Title Lien Premium	1,183,000.00		
Transfer to Tax Title Lien Redemption	2,100.12		
Transfer to Payroll	<u>116,091.14</u>		
			<u>38,764,161.77</u>
Balance December 31, 2015		\$	<u><u>3,100,546.92</u></u>

Exhibit SA-3

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

			Balance December 31, 2015
Tax Office		\$	150.00
Construction Code Office			100.00
Municipal Court			<u>100.00</u>
		\$	<u><u>350.00</u></u>

TOWNSHIP OF FRANKLIN
 Statement of Taxes Receivable and Analysis of Property Tax Levy
 For the Year Ended December 31, 2015

Year	Balance	2015 Levy	Added Taxes	Collections		Senior Citizen and Veteran Deductions	Overpayments Applied	Canceled	Transferred To Tax Title Liens	Balance
	Dec. 31, 2014			2014	2015					Dec. 31, 2015
2010	\$ 250.00				\$ 250.00					
2011	1,173.72				1,173.72					
2012	4.50				4.50					
2013	81,950.31		\$ 1,755.81		10,401.48		\$ 1,387.48			\$ 71,917.16
2014	18,969.98		9,788.08		26,229.27		1,543.77	\$ 976.96		8.06
	102,348.51	-	11,543.89	-	38,058.97	-	2,931.25	976.96	-	71,925.22
2015		\$ 39,862,035.45	127,681.69	\$ 395,557.13	38,994,331.48	\$ 199,069.58	134,614.90	64,274.33	\$ 186,445.23	15,424.49
	\$ 102,348.51	\$ 39,862,035.45	\$ 139,225.58	\$ 395,557.13	\$ 39,032,390.45	\$ 199,069.58	\$ 137,546.15	\$ 65,251.29	\$ 186,445.23	\$ 87,349.71

Analysis of 2015 Property Tax Levy

Tax Yield:

General Property Tax	\$ 39,862,035.45
Added Taxes (54:4-63.1 et. seq.)	127,681.69
	<u>\$ 39,989,717.14</u>

Tax Levy:

Local School District Tax (Abstract)	\$ 10,242,798.00
Regional High School District Tax (Abstract)	11,585,962.00
County Taxes:	
County Tax (Abstract)	\$ 8,469,103.52
Due County for Added Taxes	28,396.46
Total County Taxes	8,497,499.98
Special District Taxes:	
Fire Districts	1,845,405.00
Municipal Open Space Tax:	
Open Space Tax (Abstract)	123,270.00
Open Space Added Taxes	416.64
	123,686.64
Local Tax for Municipal Purposes	7,549,958.71
Add: Additional Tax Levied	144,406.81
	<u>7,694,365.52</u>
	<u>\$ 39,989,717.14</u>

TOWNSHIP OF FRANKLIN
Statement of Due from State of New Jersey - Veterans and Senior Citizens Deductions
For the Year Ended December 31, 2015

Balance December 31, 2014		\$	4,516.34
Increased by:			
Deductions per Tax Billing:			
Senior Citizen	\$	79,000.00	
Veterans		113,125.00	
Deductions Allowed by Collector - 2015 Taxes		7,250.00	
	\$	199,375.00	
Deductions Disallowed by Collector - 2014 Taxes		305.42	
			199,069.58
			203,585.92
Decreased by:			
Received from State of New Jersey		188,137.57	
Deductions Disallowed by Collector - 2014 Taxes		9,788.08	
			197,925.65
Balance December 31, 2015		\$	5,660.27

Exhibit SA-6

TOWNSHIP OF FRANKLIN
Statement of Tax Title Liens
For the Year Ended December 31, 2015

Balance December 31, 2014		\$	414,308.00
Increased by:			
Transfers from Taxes Receivable	\$	186,445.23	
Prior Period Adjustment		44,640.23	
Interest and Costs on Sale		20,024.28	
			251,109.74
			665,417.74
Decreased by:			
Collections			86,657.82
Balance December 31, 2015		\$	578,759.92

TOWNSHIP OF FRANKLIN
Statement of Revenue Accounts Receivable
For the Year Ended December 31, 2015

	<u>Balance Dec. 31, 2014</u>	<u>Accrued in 2015</u>	<u>Collected</u>	<u>Balance Dec. 31, 2015</u>
Licenses:				
Alcoholic Beverages		\$ 17,521.49	\$ 17,521.49	
Other		5,408.16	5,408.16	
Fees and Permits		71,553.40	71,553.40	
Fines and Costs:				
Municipal Court	\$ 16,792.85	213,216.58	212,948.62	\$ 17,060.81
Interest and Costs on Taxes		172,827.07	172,827.07	
Interest on Investments and Deposits		36,146.94	36,146.94	
Cable Television and Franchise Fees		73,568.81	73,568.81	
Energy Receipts Tax (P.L. 1997, Chapters 162 & 167)		1,432,158.55	1,432,158.55	
Garden State Trust		5,548.00	5,548.00	
Uniform Construction Code Fees		160,979.00	160,979.00	
Ambulance Service Fees		312,385.39	312,385.39	
Township of Buena - Joint Municipal Court		40,000.00	40,000.00	
Uniform Fire Safety Act		19,204.45	19,204.45	
Building Lease - Delsea Regional Board of Education		35,000.00	35,000.00	
Municipal Alliance on Alcoholism and Drug Abuse - Prior Year		23,364.00	23,364.00	
Liquidation of Interfund Receivable - Federal & State Grant Fund		850,000.00	850,000.00	
	<u>\$ 16,792.85</u>	<u>\$ 3,468,881.84</u>	<u>\$ 3,468,613.88</u>	<u>\$ 17,060.81</u>
Current Fund - Treasurer			\$ 2,441,981.29	
Current Fund - Collector			172,827.07	
Interfunds			<u>853,805.52</u>	
			<u>\$ 3,468,613.88</u>	

TOWNSHIP OF FRANKLIN
Statement of Appropriation Reserves
For the Year Ended December 31, 2015

	Balance December 31, 2014		Balance After Transfers	Paid or Charged	Balance Lapsed
	Encumbered	Reserved			
Operations Within "CAP":					
General Administration:					
Salaries and Wages		\$ 22,404.11	\$ 6,404.11	\$ 533.40	\$ 5,870.71
Other Expenses	\$ 360.00	14,826.65	13,186.65	2,572.50	10,614.15
Human Resources (Personnel):					
Other Expenses	240.00	11,150.21	11,390.21	8,237.07	3,153.14
Mayor and Council:					
Other Expenses	141.71	1,013.85	1,155.56	591.71	563.85
Municipal Clerk:					
Salaries and Wages		8,624.55	8,624.55	1,185.65	7,438.90
Other Expenses	793.96	5,563.14	6,357.10	1,018.96	5,338.14
Financial Administration:					
Salaries and Wages		1,087.75	1,087.75		1,087.75
Other Expenses	473.01	855.29	1,328.30	981.50	346.80
Audit Services					
Other Expenses		1,906.75	1,906.75	1,900.00	6.75
Centralized Computerized Data Processing					
Other Expenses	1,360.00	991.00	2,351.00		2,351.00
Revenue Administration - Tax Collection:					
Salaries and Wages		2,384.62	2,384.62		2,384.62
Other Expenses	521.70	8,898.89	25,420.59	15,389.22	10,031.37
Legal Services:					
Other Expenses	6,890.35	269.59	15,159.94	14,900.76	259.18
Engineering Services:					
Other Expenses (Fees)		20,285.93	14,285.93	801.25	13,484.68
Historical Commission					
Salaries and Wages		300.00	300.00		300.00
Other Expenses		1,000.00	1,000.00		1,000.00
Economic Development:					
Other Expenses		3,625.00	3,625.00		3,625.00
Land Use and Development:					
Salaries and Wages		1,118.93	1,118.93	141.00	977.93
Other Expenses	2,079.46	8,754.26	8,833.72	1,983.00	6,850.72
Zoning Board of Adjustment:					
Other Expenses		855.44	2,855.44	2,000.00	855.44
Insurance:					
Workers' Compensation		14,158.03	14,158.03		14,158.03
Employee Group Insurance		256,975.99	256,975.99	256,975.99	-
Health Waiver Benefit		11,300.00	11,300.00		11,300.00
Police Department:					
Salaries and Wages		177,286.28	173,286.28	4,440.00	168,846.28
Other Expenses	39,244.16	18,864.54	62,108.70	42,898.12	19,210.58
Office Of Emergency Management:					
Salaries and Wages		2,000.00	2,000.00		2,000.00
Other Expenses	250.64	1,495.40	1,746.04	250.64	1,495.40
Aid to Volunteer Ambulance Companies:					
Other Expenses	5,164.07	1.10	5,165.17	2,105.50	3,059.67
Uniform Fire Safety Act (P.L. 1983, C. 383):					
Salaries and Wages		2,315.44	2,315.44	399.74	1,915.70
Other Expenses	2,455.20	203.95	2,659.15	2,556.56	102.59
Streets and Roads:					
Salaries and Wages		60,019.14	49,019.14	42,570.59	6,448.55
Other Expenses	5,792.41	12,035.57	9,827.98	6,302.32	3,525.66

(Continued)

TOWNSHIP OF FRANKLIN
Statement of Appropriation Reserves
For the Year Ended December 31, 2015

	Balance December 31, 2014		Balance After Transfers	Paid or Charged	Balance Lapsed
	Encumbered	Reserved			
Operations Within "CAP" (Cont'd):					
Vehicle Maintenance:					
Other Expenses	\$ 13,854.29	\$ 109.55	\$ 24,463.84	\$ 21,311.29	\$ 3,152.55
Solid Waste Collection:					
Other Expenses		14,386.42	14,386.42		14,386.42
Buildings and Grounds:					
Other Expenses	5,424.98	15,697.84	24,422.82	23,956.62	466.20
Public Health Services:					
Salaries and Wages		4,389.06	4,389.06	1,071.07	3,317.99
Other Expenses		1,745.68	6,945.68	5,118.49	1,827.19
Recreation Services and Programs:					
Salaries and Wages		3,500.00	3,500.00		3,500.00
Other Expenses		8.81	8.81		8.81
Community Center					
Salaries and Wages		2,592.00	2,592.00		2,592.00
Other Expenses	60.00	1,992.63	2,052.63	60.00	1,992.63
Environmental Health Commission					
Other Expenses		643.50	643.50	487.06	156.44
Cable Television Commission					
Salaries and Wages		1,030.00	1,030.00	26.78	1,003.22
Other Expenses		2,420.45	2,420.45		2,420.45
Maintenance of Parks:					
Other Expenses	2,977.43	18,505.47	21,482.90	697.43	20,785.47
Agricultural Board:					
Other Expenses		500.00	500.00		500.00
Utility Expenses and Bulk Purchases:					
Electricity	1,241.50	6,462.48	7,703.98	525.80	7,178.18
Street Lighting		5,042.09	5,042.09		5,042.09
Telephone	177.80	3,054.62	3,232.42	2,222.10	1,010.32
Gas (Natural or Propane)		33,601.50	33,601.50	3,047.20	30,554.30
Fuel Oil		13,384.75	13,384.75		13,384.75
Gasoline	15,069.52	21,080.79	36,150.31	16,975.56	19,174.75
Landfill / Solid Waste Disposal Costs:					
Tipping Fees	4,352.92	61,788.16	66,141.08	54,144.37	11,996.71
Construction Official:					
Salaries and Wages		1,147.73	1,147.73	1,121.07	26.66
Other Expenses		1,525.11	1,525.11	1,277.63	247.48
Municipal Court:					
Salaries and Wages		1,279.04	1,279.04	1,279.04	-
Other Expenses	628.94	5,264.35	5,893.29	628.94	5,264.35
Public Defender					
Salaries and Wages		4,161.70	4,161.70		4,161.70
Contribution to:					
Social Security System (O.A.S.I.)		33,691.14	33,691.14	5,770.13	27,921.01
Unemployment Insurance		4,450.48	4,450.48	257.15	4,193.33
Defined Contribution Retirement Program		734.90	734.90		734.90
Total General Appropriations for Municipal Purposes Within "CAP"					
	<u>109,554.05</u>	<u>936,761.65</u>	<u>1,046,315.70</u>	<u>550,713.21</u>	<u>495,602.49</u>

(Continued)

TOWNSHIP OF FRANKLIN
Statement of Appropriation Reserves
For the Year Ended December 31, 2015

	Balance December 31, 2014		Balance After Transfers	Paid or Charged	Balance Lapsed
	<u>Encumbered</u>	<u>Reserved</u>			
Operations Excluded from "CAP":					
Maintenance of Free Public Library		\$ 35,538.90	\$ 35,538.90		\$ 35,538.90
Joint Municipal Court - Buena Township:					
Salaries and Wages		25,257.23	25,257.23	\$ 5,373.36	19,883.87
Other Expenses		11,354.96	11,354.96		11,354.96
Emergency Medical Services Staffing:					
Other Expenses	\$ 17,674.13	16,699.15	34,373.28	20,553.84	13,819.44
Total Operations - Excluded from "CAPS"	<u>17,674.13</u>	<u>88,850.24</u>	<u>106,524.37</u>	<u>25,927.20</u>	<u>80,597.17</u>
Total General Appropriations for Municipal Purposes Excluded from "CAP"	<u>17,674.13</u>	<u>88,850.24</u>	<u>106,524.37</u>	<u>25,927.20</u>	<u>80,597.17</u>
Grand Total	<u>\$ 127,228.18</u>	<u>\$ 1,025,611.89</u>	<u>\$ 1,152,840.07</u>	<u>\$ 576,640.41</u>	<u>\$ 576,199.66</u>

TOWNSHIP OF FRANKLIN
Statement of Accounts Payable
For the Year Ended December 31, 2015

Balance December 31, 2014		\$ 24,379.22
Decreased by:		
Disbursements	\$ 2,201.47	
Cancelled	<u>22,177.75</u>	
		<u>\$ 24,379.22</u>

Exhibit SA-10

TOWNSHIP OF FRANKLIN
Statement of Due State - DCA Fees
For the Year Ended December 31, 2015

Balance December 31, 2014		\$ 5,561.00
Increased by:		
DCA Fees Collected		<u>17,809.00</u>
		23,370.00
Decreased by:		
Disbursements		<u>15,450.00</u>
Balance December 31, 2015		<u>\$ 7,920.00</u>

Exhibit SA-11

TOWNSHIP OF FRANKLIN
Statement of Due State - Marriage License Fees
For the Year Ended December 31, 2015

Balance December 31, 2014		\$ 400.00
Increased by:		
Fees Collected		<u>1,800.00</u>
		2,200.00
Decreased by:		
Disbursements		<u>1,675.00</u>
Balance December 31, 2015		<u>\$ 525.00</u>

TOWNSHIP OF FRANKLIN
Statement of Prepaid Taxes
For the Year Ended December 31, 2015

Balance December 31, 2014 (2015 Taxes)		\$ 395,557.13
Increased by:		
Collection (2016 Taxes)		<u>410,737.34</u>
		806,294.47
Decreased by:		
Application to 2015 Taxes		<u>395,557.13</u>
Balance December 31, 2015 (2016 Taxes)		<u><u>\$ 410,737.34</u></u>

Exhibit SA-13

TOWNSHIP OF FRANKLIN
Statement of Tax Overpayments
For the Year Ended December 31, 2015

Balance December 31, 2014		\$ 181,349.72
Increased by:		
Overpayments - Cash	\$ 126,404.47	
Overpayments - Tax Appeals	<u>25,109.58</u>	
		<u>151,514.05</u>
		332,863.77
Decreased by:		
Refunds	45,411.46	
Overpayments Applied	137,546.15	
Overpayments Cancelled	<u>125.18</u>	
		<u>183,082.79</u>
Balance December 31, 2015		<u><u>\$ 149,780.98</u></u>

TOWNSHIP OF FRANKLIN
 Statement of Municipal Open Space Taxes Payable
 For the Year Ended December 31, 2015

Increased by:			
2015 Levy - Calendar Year			
Municipal Open Space Taxes	\$	123,270.00	
Added Taxes		416.64	
	\$		123,686.64
Decreased by:			
Due Municipal Open Space Trust Fund			\$ 123,686.64

TOWNSHIP OF FRANKLIN
 Statement of Special District Taxes
 For the Year Ended December 31, 2015

Increased by:			
Levy 2015	\$		1,845,405.00
Decreased by:			
Disbursements			\$ 1,845,405.00

TOWNSHIP OF FRANKLIN
Statement of County Taxes Payable
For the Year Ended December 31, 2015

Balance December 31, 2014		\$ 36,963.88
Increased by:		
2015 Levy -		
County General	\$ 7,934,475.90	
County Open Space	534,627.62	
County Share of 2015 Added & Omitted Tax Levy	28,396.46	
		8,497,499.98
		8,534,463.86
Decreased by:		
Disbursements		8,506,067.40
Balance December 31, 2015		\$ 28,396.46

Exhibit SA-17

TOWNSHIP OF FRANKLIN
Statement of Local School District Tax
For the Year Ended December 31, 2015

Balance December 31, 2014		\$ 97,690.98
Increased by:		
Levy 2015		10,242,798.00
		10,340,488.98
Decreased by:		
Disbursements		10,250,901.00
Balance December 31, 2015		\$ 89,587.98

TOWNSHIP OF FRANKLIN
 Statement of Regional High School District Tax
 For the Year Ended December 31, 2015

Balance December 31, 2014	\$	134,782.63
Increased by:		
Levy -- Calendar Year		<u>11,585,962.00</u>
		11,720,744.63
Decreased by:		
Disbursements		<u>11,381,303.65</u>
Balance December 31, 2015	\$	<u><u>339,440.98</u></u>

Exhibit SA-19

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

December 31, 2014 (Due To)	\$	1,381,303.55
Increased by:		
Grant Fund Expenditures Disbursed by Current Fund		<u>126,203.47</u>
		1,507,507.02
Decreased by:		
Grant Receipts Deposited into Current Fund	\$	1,530,300.10
Deferred Charge Raised in 2015 Budget		<u>26,854.09</u>
		<u>1,557,154.19</u>
Balance December 31, 2015 (Due From)	\$	<u><u>49,647.17</u></u>

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

	Balance Dec. 31, 2014	Accrued	Received	Canceled	Balance Dec. 31, 2015
Federal Grants:					
Bulletproof Vest Fund	\$ 9,057.89		\$ 1,446.00		\$ 7,611.89
Community Development Block Grant:	995.30				995.30
New Jersey Avenue and Maple Avenue Road Project	50,000.00				50,000.00
Soil Vapor Extraction System	50,000.00		50,000.00		
New Jersey Department of Transportation Fund:					
Reconstruction of Grant Avenue	115,125.00		115,042.74		82.26
Reconstruction of Weymouth Road - Phase III	227,458.39				227,458.39
US Department of Commerce - EDA Grant	1,455,000.00		1,305,192.00	\$ 149,808.00	
Total Federal Grants	1,907,636.58	-	1,471,680.74	149,808.00	286,147.84
State Grants:					
Alcohol Education, Rehabilitation and Enforcement Fund		\$ 589.33	589.33		
Body Armor Fund		2,352.27	2,352.27		
Clean Communities Program	773.59	48,577.76	48,577.76		773.59
Emergency Management Assistance Program	5,000.00				5,000.00
Gloucester County Improvement Authority	500.00				500.00
Total State Grants	6,273.59	51,519.36	51,519.36	-	6,273.59
Private Grants					
ANJEC Grant - Environmental Commission	1,500.00				1,500.00
JIF Safety Incentive Program	8.75	7,091.25	7,100.00		
Total Private Grants	1,508.75	7,091.25	7,100.00	-	1,500.00
	\$ 1,915,418.92	\$ 58,610.61	\$ 1,530,300.10	\$ 149,808.00	\$ 293,921.43

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

Program	Balance Dec. 31, 2014	Encumbered	Transferred From 2015 Budget Appropriation	Disbursed	Encumbered	Cancelled	Adjustments	Balance Dec. 31, 2015	Overexpenditure
Federal Grants:									
Bulletproof Vest Funds	\$ 8,826.89							\$ 8,826.89	
Community Development Block Grant:	995.30							995.30	
New Jersey Avenue and Maple Avenue Road Project	50,000.00							50,000.00	
Soil Vapor Extraction System	50,000.00			\$ 50,000.00					
New Jersey Department of Transportation Fund:									
Reconstruction of Grant Avenue	32,722.45			29,260.19				3,462.26	
Reconstruction of Weymouth Road - Phase III	230,537.27							230,537.27	
US Department of Commerce - EDA Grant						\$ 149,808.00	\$ 149,808.00		
Total Federal Grants	<u>373,081.91</u>	<u>-</u>	<u>-</u>	<u>79,260.19</u>	<u>-</u>	<u>149,808.00</u>	<u>149,808.00</u>	<u>293,821.72</u>	<u>-</u>
State Grants:									
Alcohol, Education, Rehabilitation and Enforcement Grant									
Municipal Court - Salaries and Wages	745.21							745.21	
Body Armor Grant	4,774.37			4,272.00				502.37	
Body Armor Grant - 2015			\$ 236.00					236.00	
Body Armor Grant - Chapter 159			2,352.27					2,352.27	
Clean Communities Program	61,516.79		48,577.76	9,660.00				100,434.55	
Drunk Driving Enforcement Fund - Police	8,595.36	\$ 165.00		328.15	\$ 253.50			8,178.71	
Emergency Management Fund Grant	2,550.64							2,550.64	
Municipal Alliance Grant									
State Share		7,389.11		27,673.83					\$ 20,284.72
Recycling Tonnage Grant	24,790.24	7,014.30	20,425.20	1,214.30	5,800.00			45,215.44	
Total State Grants	<u>102,972.61</u>	<u>14,568.41</u>	<u>71,591.23</u>	<u>43,148.28</u>	<u>6,053.50</u>	<u>-</u>	<u>-</u>	<u>160,215.19</u>	<u>20,284.72</u>
Private Grants:									
Assoc of NJ Environmental Commissioners	1,020.00			220.00				800.00	
JIF Safety Incentive Program - 2011	104.83							104.83	
JIF Safety Incentive Program	755.00							755.00	
JIF Safety Incentive Program - 2015			6,190.00	3,575.00				2,615.00	
Total Private Grants	<u>1,879.83</u>	<u>-</u>	<u>6,190.00</u>	<u>3,795.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,274.83</u>	<u>-</u>
	<u>\$ 477,934.35</u>	<u>\$ 14,568.41</u>	<u>\$ 77,781.23</u>	<u>\$ 126,203.47</u>	<u>\$ 6,053.50</u>	<u>\$ 149,808.00</u>	<u>\$ 149,808.00</u>	<u>\$ 458,311.74</u>	<u>\$ 20,284.72</u>
Budget Appropriation									
Appropriated by NJSA 40A:4-87			\$ 26,851.20						
			<u>50,930.03</u>						
			<u>\$ 77,781.23</u>						

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

<u>Program</u>	<u>Balance Dec. 31, 2014</u>	<u>Federal and State Grants Receivable</u>	<u>Realized as Revenue in 2015 Budget</u>	<u>Balance Dec. 31, 2015</u>
State Grants:				
Alcohol Education, Rehabilitation and Enforcement Fund		\$ 589.33		\$ 589.33
Body Armor Grant	\$ 236.00		\$ 236.00	
Body Armor Grant - 2015		2,352.27	2,352.27	
Municipal Alliance Grant	4,820.50			4,820.50
Clean Communities Program		48,577.76	48,577.76	
Environmental Grant	10,000.00			10,000.00
Recycling Tonnage Grant	20,425.20		20,425.20	
Total State Grants	<u>35,481.70</u>	<u>51,519.36</u>	<u>71,591.23</u>	<u>15,409.83</u>
Other Grants:				
JIF Safety Incentive Program		7,091.25	6,190.00	901.25
	-	7,091.25	6,190.00	901.25
	<u>\$ 35,481.70</u>	<u>\$ 58,610.61</u>	<u>\$ 77,781.23</u>	<u>\$ 16,311.08</u>

SUPPLEMENTAL EXHIBITS

TRUST FUND

TOWNSHIP OF FRANKLIN
TRUST FUND
Statement of Trust Cash - Chief Financial Officer
For the Year Ended December 31, 2015

	Animal Control	Trust Other	Municipal Open Space
Balance December 31, 2014	\$ 68,909.58	\$ 764,798.33	\$ 332,201.12
Increased by Receipts:			
Animal Control License Fees	\$ 27,502.80		
Due Current Fund		\$ 1,486,848.36	
Due to State of New Jersey - Animal Control	7,203.20		
Interest Earned on Deposits			\$ 293.88
Reserves - Trust Other Fund		8,083,531.54	
	<u>34,706.00</u>	<u>9,570,379.90</u>	<u>293.88</u>
	103,615.58	10,335,178.23	332,495.00
Decreased by Disbursements:			
Animal Control Expenditures Under R.S. 4:19-15.11	5,326.21		
Due Current Fund		36,262.71	
Due to State of New Jersey - Animal Control	7,190.60		
Disbursed by Trust Other Fund			68,344.12
Reserves - Trust Other Fund		8,136,466.12	
	<u>12,516.81</u>	<u>8,172,728.83</u>	<u>68,344.12</u>
Balance December 31, 2015	<u>\$ 91,098.77</u>	<u>\$ 2,162,449.40</u>	<u>\$ 264,150.88</u>

TOWNSHIP OF FRANKLIN
TRUST - ANIMAL CONTROL FUND
Statement of Due to Current Fund
For the Year Ended December 31, 2015

Balance December 31, 2014		\$	14,937.18
Increased by:			
Expenditures paid by Current Fund	\$	3,860.92	
Statutory Excess Due Current Fund		<u>17,439.47</u>	
			<u>21,300.39</u>
Balance December 31, 2015		\$	<u><u>36,237.57</u></u>

Exhibit SB-3

TOWNSHIP OF DEPTFORD
TRUST - ANIMAL CONTROL FUND
Statement of Due to State of New Jersey - Department of Health
For the Year Ended December 31, 2015

Balance December 31, 2014		\$	1.20
Increased by:			
2015 State License Fees Received			<u>7,203.20</u>
			7,204.40
Decreased by:			
Disbursements to State of New Jersey			<u>7,190.60</u>
Balance December 31, 2015		\$	<u><u>13.80</u></u>

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

Balance December 31, 2014		\$ 54,071.20
Increased by:		
Dog License Fees Collected	\$ 22,518.80	
Dog License Late Fees	<u>4,984.00</u>	
		<u>27,502.80</u>
		81,574.00
Decreased by:		
Expenditures Under R.S. 4:19-15.11		
Disbursed	5,326.21	
Expenditures paid by Current Fund	3,860.92	
Statutory Excess Due Current Fund	<u>17,439.47</u>	
		<u>26,626.60</u>
Balance December 31, 2015		<u>\$ 54,947.40</u>

License Fees Collected	
Year	Amount
2013	\$ 27,943.00
2014	<u>27,004.40</u>
	<u>\$ 54,947.40</u>

TOWNSHIP OF FRANKLIN
TRUST - OTHER FUND
Statement of Due (To)/From Current Fund
For the Year Ended December 31, 2015

	Balance Dec. 31, 2014	Increased by Disbursed to Current Fund	Decreased by Receipts	Balance Dec. 31, 2015
Ambulance Corporation			\$ 197.01	\$ (197.01)
Bureau of Fire Prevention - Penalties	\$ (1.38)			(1.38)
Other	(1,472.33)	\$ 250.00		(1,222.33)
Payroll Deductions Payable	(10,789.10)	820.04	184,440.59	(194,409.65)
Public Defender	(550.00)	73.53	78.65	(555.12)
Recreation Commission	(39.89)		66.30	(106.19)
Recreation Facilities		37.21	40.37	(3.16)
Site Plan Review Escrow	(58,770.78)		3,218.47	(61,989.25)
Tax Title Liens Redemptions	1,178,423.58	31,999.77	1,295,366.61	(84,943.26)
Tax Sale Premiums		3,082.16	3,440.36	(358.20)
	<u>\$ 1,106,800.10</u>	<u>\$ 36,262.71</u>	<u>\$ 1,486,848.36</u>	<u>\$ (343,785.55)</u>

TOWNSHIP OF FRANKLIN
TRUST - OTHER FUND
Statement of Miscellaneous Trust Reserves
For the Year Ended December 31, 2015

	Balance Dec. 31, 2014	Increased by Receipts	Decreased by Disbursements	Balance Dec. 31, 2015
Ambulance Corporation	\$ 33,015.20	\$ 21,270.00	\$ 15,987.03	\$ 38,298.17
Community Policing	399.11			399.11
Community Fund	30.00			30.00
Firemen's Park	4,000.00			4,000.00
Flags and Videos	690.00			690.00
Historical Society	2,493.00			2,493.00
Municipal Alliance for Drug and Alcohol Abuse	160.00			160.00
Payroll Deductions Payable	637.14	5,404,224.44	5,397,845.54	7,016.04
Performance Bond	117,011.97	584.79		117,596.76
P.O.A.A.	149.73	2.00		151.73
Police Canine Unit	4,510.40	450.00		4,960.40
Police Forfeited Funds	20,156.24	100.99		20,257.23
Public Defender	13,843.00	5,825.00	8,000.00	11,668.00
Recreation Commission	35,310.50	45,986.93	48,626.90	32,670.53
Recreation Facilities	7,441.69			7,441.69
Senior Citizens	36,000.00			36,000.00
Site Plan Review Escrow	209,539.64	277,835.27	230,747.23	256,627.68
Tax Title Liens Redemptions/Premiums	1,355,799.28	2,321,710.31	2,435,059.42	1,242,450.17
Train Station Donations	2,176.53			2,176.53
Crime Stoppers		2,300.00		2,300.00
Police Unity		2,484.00		2,484.00
Police Youth Week		757.81	200.00	557.81
	<u>\$ 1,843,363.43</u>	<u>\$ 8,083,531.54</u>	<u>\$ 8,136,466.12</u>	<u>\$ 1,790,428.85</u>

TOWNSHIP OF FRANKLIN
TRUST - MUNICIPAL OPEN SPACE FUND
Statement of Due Current Fund
For the Year Ended December 31, 2015

Balance December 31, 2014 (Due To)	\$ 2,656.36
Decreased by:	
Amount to be Raised by Taxation not Transferred	<u>123,686.64</u>
Balance December 31, 2015 (Due From)	<u>\$ 121,030.28</u>

TOWNSHIP OF FRANKLIN
TRUST - MUNICIPAL OPEN SPACE FUND
Statement of Reserve For Municipal Open Space
For the Year Ended December 31, 2015

Balance December 31, 2014		\$ 309,732.58
Increased by:		
2015 Revenue Realized	\$ 123,980.52	
Unexpended Balance of Appropriation Reserves	13,050.18	
Unexpended Balance of Prior Year Encumbrances	<u>6,762.00</u>	
		<u>143,792.70</u>
		453,525.28
Decreased by:		
2015 Budget Appropriations		<u>123,270.00</u>
Balance December 31, 2015		<u><u>\$ 330,255.28</u></u>

SUPPLEMENTAL EXHIBITS
GENERAL CAPITAL FUND

TOWNSHIP OF FRANKLIN
GENERAL CAPITAL FUND
Statement of General Capital Cash - Chief Financial Officer
For the Year Ended December 31, 2015

Balance December 31, 2014		\$ 843,297.15
Decreased by Disbursements:		
Improvement Authorizations	\$ 219,498.54	
Contracts Payable	96,514.65	
Reserve for Encumbrances	<u>3,686.36</u>	
		<u>319,699.55</u>
Balance December 31, 2015		<u>\$ 523,597.60</u>

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

	Balance Dec. 31, 2014	Disbursements		Transfers		Balance Dec. 31, 2015
		Improvement Authorizations	Miscellaneous	From	To	
Fund Balance	\$ 5,856.75					\$ 5,856.75
Capital Improvement Fund	65,500.00			\$ 25,750.00	\$ 40,000.00	79,750.00
Contracts Payable	367,735.05		\$ 96,514.65	259,220.40		12,000.00
Grants Receivable	(141,486.11)			520,000.00	466,767.25	(194,718.86)
Due Current Fund	(5,415.51)			536,618.80		(542,034.31)
Due from Federal and State Grant Fund	(32,985.00)				149,808.00	116,823.00
Due from Recreation Trust Fund	(28,235.00)					(28,235.00)
Deferred Charge - Overexpenditure	(29,851.55)				29,851.55	-
Reserve for Encumbrances	34,279.27		31,061.36		32,268.50	35,486.41
Improvement Authorizations:						
<u>Ordinance</u>						
<u>Number</u>						
25-08/15-14	Various Improvements	288,124.24	\$ 11,543.25		23,154.50	253,426.49
26-08/15-14	Various Improvements	42,593.95	36,316.54			6,277.41
18-11	Purchase Automated Trash and Recycling Cans	26,387.50	16,924.00			9,463.50
18-11	Purchase Various Radios and Equipment	9,000.00				9,000.00
18-11	Purchase Ambulance with Related Equipment	197,108.34				197,108.34
18-11	Improvements to Public Building and Grounds	38,359.20			13,855.00	24,504.20
18-11	Construction of Various Infrastructure Improvements for Meredith Farms Redevelopment Project	22,299.76	23,753.25		150,018.00	286,595.40
04-13	Acquisition of Equipment for Police	680.76				680.76
14-14	Const. of a Venting System for the Landfill	(16,654.50)				23,154.50
11-15	Acquisition of Public Works Equipment		82,876.00			5,000.00
11-15	Phase I Park Improvements		16,725.50		6,674.50	10,000.00
11-15	Repaving and/or Reconstruction of Various Roads		4,000.00			10,000.00
11-15	Repaving and/or Reconstruction of Grant Avenue		26,050.00		4,040.00	470,000.00
11-15	Repaving and/or Reconstruction of New Jersey, Maple, and Delaware Avenue		1,310.00			50,000.00
11-15	Various Improvements to the Community Center				7,489.00	750.00
		<u>\$ 843,297.15</u>	<u>\$ 219,498.54</u>	<u>\$ 127,576.01</u>	<u>\$ 1,546,820.20</u>	<u>\$ 1,574,195.20</u>
						<u>\$ 523,597.60</u>

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

Balance December 31, 2014	\$	4,495,000.00
Decreased by:		
Budget Appropriation to Pay:		
General Serial Bonds		505,000.00
		505,000.00
Balance December 31, 2015	\$	3,990,000.00

Exhibit SC-4

GENERAL CAPITAL FUND
Statement of Due From Current Fund
For the Year Ended December 31, 2015

Balance December 31, 2014	\$	5,415.51
Increased by:		
Grant Receipts Deposited to Current Fund	\$	325,281.14
Budget Appropriations not Transferred:		
Capital Improvement Fund		40,000.00
Overexpenditure of Ordinance Appropriation		29,851.55
Cancellation of Grants Receivable		141,486.11
		536,618.80
Balance December 31, 2015	\$	542,034.31

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

Ordinance Number	Improvement Description	Balance Dec. 31, 2014	2015 Authorizations	Notes Paid by Budget Appropriation	Balance Dec. 31, 2015	Analysis of Balance Dec. 31, 2015		Unexpended Improvement Authorization
						Financed by Notes	Expended	
25-08/15-14	Various Capital Improvements	\$ 867,250.00		\$ 35,750.00	\$ 831,500.00	\$ 831,500.00		
26-08/15-14	Various Capital Improvements	460,750.00		15,950.00	444,800.00	444,800.00		
18-11	Various Capital Improvements							
	Purchase Dump Trucks with Snow Attachments	384,750.00		14,560.00	370,190.00	370,190.00		
	Purchase Automated Trucks for Recycling Services	551,000.00		20,850.00	530,150.00	530,150.00		
	Purchase Automated Trash and Recycling Cans	318,725.00		12,060.00	306,665.00	306,665.00		
	Construction of Certain Road Improvements	760,475.00		28,775.00	731,700.00	731,700.00		
	Purchase Various Radios and Equipment	8,550.00		325.00	8,225.00	8,225.00		
	Purchase Hot Box for Asphalt Storage	19,000.00		720.00	18,280.00	18,280.00		
	Purchase Ambulance with Related Equipment	190,000.00		7,190.00	182,810.00	182,810.00		
	Improvements to Public Buildings and Grounds	142,500.00		5,395.00	137,105.00	137,105.00		
	Construction of Various Infrastructure Improvements for Meredith Farms Redevelopment Project	1,425,000.00		53,925.00	1,371,075.00	1,371,075.00		
14-14	Construction of a Venting System for the Landfill	123,500.00			123,500.00			\$ 123,500.00
11-15	Acquisition of Public Works Equipment		\$ 95,000.00		95,000.00		\$ 77,876.00	17,124.00
	Phase I Park Improvements		190,000.00		190,000.00		13,400.00	176,600.00
	Repaving and/or Reconstruction of Various Roads		190,000.00		190,000.00			190,000.00
	Various Improvements to the Community Center		14,250.00		14,250.00		6,739.00	7,511.00
		<u>5,251,500.00</u>	<u>\$ 489,250.00</u>	<u>\$ 195,500.00</u>	<u>\$ 5,545,250.00</u>	<u>\$ 4,932,500.00</u>	<u>\$ 98,015.00</u>	<u>\$ 514,735.00</u>
				Improvement Authorizations - Unfunded				\$ 1,142,080.51
				Less: Unexpended Proceeds of Bond Anticipation Notes Issued:				
				Ordinance No. 25-08/15-14				253,426.49
				Ordinance No. 26-08/15-14				6,277.41
				Ordinance No. 18-11				367,641.61
								<u>\$ 514,735.00</u>

TOWNSHIP OF FRANKLIN
GENERAL CAPITAL FUND
Statement of Grants Receivable
For the Year Ended December 31, 2015

Balance December 31, 2014		\$ 141,486.11
Increased by:		
Grants Awarded		<u>520,000.00</u>
		661,486.11
Decreased by:		
Grant Receipts Deposited to Current Fund	\$ 325,281.14	
Cancelled	<u>141,486.11</u>	
		<u>466,767.25</u>
Balance December 31, 2015		<u><u>\$ 194,718.86</u></u>

Exhibit SC-7

TOWNSHIP OF FRANKLIN
GENERAL CAPITAL FUND
Statement of Contracts Payable
For the Year Ended December 31, 2015

Balance December 31, 2014		\$ 367,735.05
Decreased by:		
Disbursements	\$ 96,514.65	
Cancelled	<u>259,220.40</u>	
		<u>355,735.05</u>
Balance December 31, 2015		<u><u>\$ 12,000.00</u></u>

TOWNSHIP OF FRANKLIN
GENERAL CAPITAL FUND
 Statement of Encumbrances Payable
 For the Year Ended December 31, 2015

Balance December 31, 2014		\$ 34,279.27
Increased by:		
Improvement Authorizations		<u>32,268.50</u>
		66,547.77
Decreased by:		
Disbursements	\$ 3,686.36	
Cancelled	<u>27,375.00</u>	
		<u>31,061.36</u>
Balance December 31, 2015		<u><u>\$ 35,486.41</u></u>

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

Balance December 31, 2014		\$ 65,500.00
Increased by:		
Budget Appropriation		<u>40,000.00</u>
		105,500.00
Decreased by:		
Appropriated to Finance Improvement Authorizations		<u>25,750.00</u>
Balance December 31, 2015		<u><u>\$ 79,750.00</u></u>

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

Ordinance Number	Improvement Description	Ordinance		Balance December 31, 2014		2015 Authorizations	Paid or Charged	Payables Cancelled	Adjustments	Balance December 31, 2015	
		Date	Amount	Funded	Unfunded					Funded	Unfunded
25-08, 15-14	Supplemental Environmental Cleanup	6/24/14	\$ 288,124.00		\$ 288,124.24		\$ 11,543.25		\$ 23,154.50		\$ 253,426.49
15-14	Construction of a Venting System for the Landfill	6/24/14	143,366.33		42,593.95		36,316.54				6,277.41
18-11	Various Capital Improvements										
	Purchase Automated Trash and Recycling Cans	12/13/11	335,500.00		26,387.50		16,924.00				9,463.50
	Purchase Various Radios and Equipment	12/13/11	9,000.00	\$ 450.00	8,550.00				\$ 450.00		8,550.00
	Purchase Ambulance with Related Equipment	12/13/11	200,000.00	7,108.34	190,000.00					7,108.34	190,000.00
	Improvements to Public Buildings and Grounds	12/13/11	150,000.00		38,359.20		13,855.00				24,504.20
	Construction of Various Infrastructure Improvements for Meredith Farms Redevelopment Project	12/13/11	1,500,000.00		22,299.76		23,963.25	\$ 286,595.40	149,808.00		135,123.91
04-13	Acquisition of Equipment for Police	2/26/13	153,030.00	680.76							680.76
14-14	Construction of a Venting System for the Landfill	6/24/14	130,000.00		106,845.50				(23,154.50)	6,500.00	123,500.00
11-15	Acquisition of Public Works Equipment	6/9/15	100,000.00			\$ 100,000.00	82,876.00				17,124.00
	Phase I Park Improvements	6/9/15	200,000.00			200,000.00	23,400.00				176,600.00
	Repaving and/or Reconstruction of Various Roads	6/9/15	200,000.00			200,000.00	4,000.00			6,000.00	190,000.00
	Repaving and/or Reconstruction of Grant Avenue	6/9/15	470,000.00			470,000.00	30,090.00			439,910.00	
	Repaving and/or Reconstruction of New Jersey, Maple, and Delaware Avenue	6/9/15	50,000.00			50,000.00	1,310.00			48,690.00	
	Various Improvements to the Community Center	6/9/15	15,000.00			15,000.00	7,489.00				7,511.00
				\$ 8,239.10	\$ 723,160.15	\$ 1,035,000.00	\$ 251,767.04	\$ 286,595.40	\$ 149,808.00	\$ 509,339.10	\$ 1,142,080.51
	Capital Improvement Fund					\$ 25,750.00					
	Deferred Charges to Future Taxation - Unfunded					489,250.00					
	State Grants Receivable					520,000.00					
	Cash Disbursements						\$ 219,498.54				
	Contracts Payable							\$ 259,220.40			
	Encumbrances Payable						32,268.50	27,375.00			
						\$ 1,035,000.00	\$ 251,767.04	\$ 286,595.40			

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

Ordinance Number	Improvement Description	Date of Original Issue	Date of Issue	Maturity Date	Interest Rate	Balance Dec. 31, 2014	Increased	Decreased	Balance Dec. 31, 2015
25-08/15-14	Various Improvements	09/18/08	04/17/14 04/15/15	04/16/15 04/16/16	0.75% 0.58%	\$ 270,000.00	\$ 257,800.00	\$ 270,000.00	\$ 257,800.00
25-08/15-14	Various Improvements	04/18/12	04/17/14 04/15/15	04/16/15 04/16/16	0.75% 0.58%	307,250.00	296,600.00	307,250.00	296,600.00
25-08/15-14	Various Improvements	09/18/08	04/17/14 04/15/15	04/16/15 04/16/16	0.75% 0.58%	290,000.00	277,100.00	290,000.00	277,100.00
26-08	Supplemental Environmental Cleanup	04/18/12	04/17/14 04/15/15	04/16/15 04/16/16	0.75% 0.58%	460,750.00	444,800.00	460,750.00	444,800.00
18-11	Various Capital Improvements	04/18/12	04/17/14 04/15/15	04/16/15 04/16/16	0.75% 0.58%	3,332,000.00	3,188,200.00	3,332,000.00	3,188,200.00
18-11	Various Capital Improvements	04/17/14	04/17/14 04/15/15	04/16/15 04/16/16	0.75% 0.58%	468,000.00	468,000.00	468,000.00	468,000.00
						<u>\$ 5,128,000.00</u>	<u>\$ 4,932,500.00</u>	<u>\$ 5,128,000.00</u>	<u>\$ 4,932,500.00</u>
								\$ 195,500.00	
								<u>\$ 4,932,500.00</u>	<u>\$ 4,932,500.00</u>
								<u>\$ 4,932,500.00</u>	<u>\$ 5,128,000.00</u>

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

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding Dec. 31, 2015		Interest Rate	Balance Dec. 31, 2014	Decreased	Balance Dec. 31, 2015
			Date	Amount				
2012 Refunding Bonds	8/22/12	\$ 5,445,000.00	5/1/16	\$ 545,000.00	3.00%	\$ 4,495,000.00	\$ 505,000.00	\$ 3,990,000.00
			5/1/17	595,000.00	3.00%			
			5/1/18	640,000.00	3.00%			
			5/1/19	685,000.00	3.00%			
			5/1/20	740,000.00	3.00%			
			5/1/21	785,000.00	3.00%			
						\$ 4,495,000.00	\$ 505,000.00	\$ 3,990,000.00
						<u>\$ 4,495,000.00</u>	<u>\$ 505,000.00</u>	<u>\$ 3,990,000.00</u>

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

Ordinance Number	Improvement Description	Balance Dec. 31, 2014	2015 Authorizations	Balance Dec. 31, 2015
14-14	Venting System for Landfill	\$ 123,500.00		\$ 123,500.00
11-15	Acquisition of Public Works Equipment		\$ 95,000.00	95,000.00
	Phase I Park Improvements		190,000.00	190,000.00
	Reconstruction of Various Roads		190,000.00	190,000.00
	Improvements to Community Center		14,250.00	14,250.00
		<u>\$ 123,500.00</u>	<u>\$ 489,250.00</u>	<u>\$ 612,750.00</u>

SUPPLEMENTAL EXHIBITS

PUBLIC ASSISTANCE FUND

TOWNSHIP OF FRANKLIN
PUBLIC ASSISTANCE FUND
Statement of Public Assistance Cash
For the Year Ended December 31, 2015

Balance December 31, 2014	\$ 3,209.44
Increased by Receipts:	.
Due to Current Fund - Interest Earnings	<u>16.03</u>
	3,225.47
Decreased by Disbursements:	
Transferred to Current Fund	<u>16.03</u>
Balance December 31, 2015	<u><u>\$ 3,209.44</u></u>

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

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

Schedule of Financial Statement Findings

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

Finding No. 2015-001

Criteria or Specific Requirement

N.J.A.C. 5:30-5.6 requires that municipalities maintain a fixed asset accounting system that shall include asset descriptions, estimated or historical costs and other such information as shall be required by the governing body and updated each year with any additions or deletions. Proper internal control practices also dictate that complete and accurate records should be maintained to ensure adequate control over the preparation of the financial statements including the related footnotes.

Condition

The Township did not maintain a fixed asset accounting system in accordance with N.J.A.C. 5:30-5.6.

Context

The Township did not maintain a fixed asset accounting system for 2015 as required by State Administrative Code.

Effect

As a result of the non-existence of controls over the Township's fixed asset records, the General Fixed Asset Account Statements could not be prepared and audited resulting in a qualified opinion being issued on the General Fixed Asset Account Group.

Cause

Internal control policies and procedures are not in place to properly maintain the fixed asset accounting system.

Recommendation

That internal control policies and procedures should be developed to properly maintain the general fixed asset accounting system in accordance with N.J.A.C. 5:30-5.6.

View of Responsible Officials and Planned Corrective Action

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

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

Schedule of Financial Statement Findings (Cont'd)

Finding No. 2015-002

Criteria or Specific Requirement

Pursuant to N.J.A.C. 5:30-5.7, the general ledger, together with the books of original entry and supporting subsidiary ledgers shall constitute a complete accounting system which all local units shall have and maintain. Good internal control practices dictate that a complete and accurate general ledger should be maintained for each fund to ensure adequate control over the preparation of financial statements including the related footnotes.

Condition

The general ledger, together with the books of original entry and supporting subsidiary ledgers were not properly maintained during 2015. In addition, the bank reconciliations were not performed and reconciled to the general ledger account balances on a timely basis.

Context

The Township reappointed a fee accountant in January 2016 to assist in maintaining and balancing the general ledger, the books of original entry, supporting subsidiary ledgers, and prepare bank reconciliations for the various funds of the Township for 2015 and as of December 31, 2015.

Effect

Without a properly maintained general ledger system, the immediate and current identification of assets, liabilities, revenues, expenditures and fund balance cannot be achieved.

Cause

Proper internal control policies and procedures over financial transactions are not in place to properly maintain the general ledger, corresponding subsidiary ledgers and to reconcile the monthly bank reconciliations on a timely basis.

Recommendation

That the general ledger for each fund be accurately, completely and timely maintained to ensure adequate control over the preparation of financial statements including the related footnotes.

View of Responsible Officials and Planned Corrective Action

The responsible officials agree with the finding.

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

Schedule of Financial Statement Findings (Cont'd)

Finding No. 2015-003

Criteria or Specific Requirement

N.J.S.A. 40A:4-57 states that no officer, board, body or commission shall, during any fiscal year, expend any money, incur any liability, or enter into any contract which by its terms involves the expenditure of money for any purpose for which no appropriation is provided, or in excess of the amount appropriated for such service.

Condition

The Township's Current Fund Statement of Expenditures – Regulatory Basis reflects over-expenditures in the amount of \$24,386.00 and the Statement of Reserve for Federal and State Grants – Appropriated reflects an over-expenditure in the amount of \$20,284.72.

Context

Over-expenditures were created when the Current Fund general ledger and corresponding subsidiary ledgers were balanced in 2016. Also, the Municipal Alliance grant was not appropriated in the 2015 budget.

Effect

Non-compliance with N.J.S.A. 40A:4-57.

Cause

Effective internal control policies and procedures over budgeting, encumbrance accounting, and cash disbursements have not been established to ensure that there are sufficient appropriations for expenditures charged.

Recommendation

That the Township develops effective internal controls over budgeting and encumbrance accounting to ensure that there are sufficient appropriations for expenditures charged prior to the commitment and disbursement of funds.

View of Responsible Officials and Planned Corrective Action

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

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

Schedule of Financial Statement Findings (Cont'd)

Finding No. 2015-004

Criteria or Specific Requirement

A detailed analysis of the tax title lien redemption and premium accounts, including beginning balance, receipts, disbursements and ending balance is necessary to identify and allocate the individual balances per block and lot.

Condition

The Township's accounting system for tax title lien redemptions and premium accounts were not properly maintained during 2015.

Context

An analysis of the tax title lien redemption and premium accounts was not properly maintained to reflect the current year activity and year end balances.

Effect

The tax title lien redemption and tax premium escrow balances could not be identified and allocated by block/lot or certificate number.

Cause

Personnel changes occurred in the tax office in late 2014 and 2015. Internal control policies and procedures that were in place were changed and/or not followed which led to the records not being properly maintained.

Recommendation

That internal control policies and procedures should be developed to properly maintain the accounting records for tax title lien redemptions and premium accounts and balances.

View of Responsible Officials and Planned Corrective Action

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

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

Schedule of Financial Statement Findings (Cont'd)

Finding No. 2015-005

Criteria or Specific Requirement

Pursuant to Governmental Accounting Standards Board Statement No. 16 and requirements prescribed by the Division of Local Governmental Services, municipalities are required to disclose the liability for accrued compensated absences in the notes to the financial statements. Vacation, sick, personal, and other similar time should be accrued as the benefits are earned if the leave is attributable to past service and it is probably that the employer will compensate the employee for the benefits.

Condition

The Township did not properly maintain a detailed accounting of accrued compensated absences.

Context

The December 31, 2014 analysis of accrued compensated absences was not properly updated for the 2015 transactions.

Effect

Non-compliance with Governmental Accounting Standards Board Statement No. 16 and rules promulgated by the Division of Local Governmental Services.

Cause

Internal control policies and procedures are not in place to properly maintain the accrued compensated absences liability.

Recommendation

That internal control policies and procedures should be developed to properly maintain the accrued compensated absences in accordance with Governmental Accounting Standards Board Statement No. 16.

View of Responsible Officials and Planned Corrective Action

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

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

This section identifies the status of prior year findings related to the financial statements Federal Awards that are required to be reported in accordance with *Government Auditing Standards* and OMB Circular A-133.

FINANCIAL STATEMENT FINDINGS

Finding No. 2014-001

Condition

The Township did not maintain a fixed asset accounting system in accordance with N.J.A.C. 5:30-5.6.

Current Status

The condition remains unresolved; see Finding No. 2015-001.

Planned Corrective Action

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

Finding No. 2014-002

Condition

The Township did not prepare an actuarial valuation report which reports the estimated liability for post-employment health care, prescription and dental benefits required to be disclosed in the Notes to the Financial Statements.

Current Status

The condition has been resolved.

Finding No. 2014-003

Condition

The Township's Statement of Reserve for Federal and State Grants – Appropriated reflects an over-expenditure in the Municipal Alliance Grant in the amount of \$26,854.09 and the Statement of Improvement Authorizations reflects an over-expenditure in the Construction of Certain Road Improvements ordinance in the amount of \$29,851.55.

Current Status

The condition remains unresolved; see Finding No. 2015-003.

Planned Corrective Action

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

Finding No. 2014-004

Condition

The Township's accounting system for tax title lien redemptions and premium accounts were not properly maintained during the last three months of the year. In several instances, supporting documentation for tax title lien redemption cash receipts and disbursements could not be located.

Current Status

The condition remains unresolved; see Finding No. 2015-004.

Planned Corrective Action

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

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TOWNSHIP OF FRANKLIN
Summary Schedule of Prior Year Audit Findings
Questioned Costs as Prepared by Management

FEDERAL AWARDS

None

STATE FINANCIAL ASSISTANCE PROGRAMS

Not applicable.

TOWNSHIP OF FRANKLIN
 Officials in Office and Surety Bonds

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

<u>Name</u>	<u>Title</u>	<u>Amount of Surety Bond</u>
Edward Leopardi	Mayor	
Louis Gonzalez	Committeeperson	
Sheryl Neely	Committeeperson	
Donald Krevetski	Committeeperson	
Leah Vassallo	Committeeperson	
Debra Fourre	Administrator, Chief Financial Officer	(1)
Barbara Freijomil	Township Clerk	(1)
Joanna Potopchuk	Tax Collector	(1)
Steven Rickershauser	Construction Code Official	(1)
Joan Sorbello Adams	Magistrate	(1)
Wendy Seitz	Court Administrator	(1)
Tracy Bleda	Deputy Court Administrator	(1)
John C. Eastlack Jr., Esq.	Solicitor	
Adams, Rehmann & Heggan	Engineers	

(1) \$1,000,000.00 per loss is covered by the Gloucester County Municipal Joint Insurance Fund Excess Crime Policy, Public Employee Bond Declarations, and Excess Public Officials Bonds for all public officials.

APPRECIATION

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

Respectfully submitted,

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Michael J. Welding
Certified Public Accountant
Registered Municipal Accountant

