

Report of Audit

on the

Financial Statements

of the

Township of Warren

in the

County of Somerset
New Jersey

for the

Year Ended
December 31, 2015

TOWNSHIP OF WARREN

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TOWNSHIP OF WARREN

PART I

INDEPENDENT AUDITOR'S REPORT ON
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FINANCIAL STATEMENTS – REGULATORY BASIS – ALL FUNDS

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SUPPLEMENTARY SCHEDULES – ALL FUNDS

YEAR ENDED DECEMBER 31, 2015 AND 2014



SUPLEE, CLOONEY & COMPANY

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INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Members
of the Township Committee
Township of Warren
County of Somerset
Warren, New Jersey 07059

Report on the Financial Statements

We have audited the accompanying balance sheets - regulatory basis of the various individual funds and account group of the Township of Warren, as of December 31, 2015 and 2014, 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 of the various individual funds for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Township's regulatory 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 regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these regulatory financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards and provisions require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

SUPLEE, CLOONEY & COMPANY

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the regulatory 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 of Warren'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 of Warren'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 regulatory financial statements.

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

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

As described in Note 1 of the regulatory financial statements, the regulatory financial statements are prepared by the Township of Warren on the basis of the financial reporting provisions prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements 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 U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the various individual funds and account group of the Township of Warren as of December 31, 2015 and 2014, or the results of its operations and changes in fund balance for the years then ended of the revenues or expenditures for the year ended December 31, 2015.

Opinion on Regulatory Basis of Accounting

In our opinion, the regulatory financial statements referred to above present fairly, in all material respects, the regulatory basis balances sheets of the various individual funds and account group as of December 31, 2015 and 2014, the regulatory basis statement of operations and changes in fund balance for the years then ended and the regulatory basis statement of revenues and expenditures and changes in fund balance for the year ended December 31, 2014 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

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Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Warren's regulatory financial statements, supplementary information and schedules of expenditures of federal awards and state financial assistance and data listed in the table of contents as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey are presented for purposes of additional analysis and are not a required part of the regulatory financial statements.

The supplemental information and schedules listed above and also listed in the table of contents are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the regulatory financial statements. Such information has been subjected to the auditing procedures applied in the audit of the regulatory financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the regulatory financial statements or to the regulatory 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 information listed and schedules of expenditures of federal awards and state financial assistance and data listed in the table of contents, as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, are fairly stated, in all material respects, in relation to the regulatory 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 May 11, 2016 on our consideration of the Township of Warren's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Warren's internal control over financial reporting and compliance.


CERTIFIED PUBLIC ACCOUNTANTS


REGISTERED MUNICIPAL ACCOUNTANT NO. 50

May 11, 2016

CURRENT FUND

TOWNSHIP OF WARREN

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2015</u>	<u>BALANCE DECEMBER 31, 2014</u>
<u>ASSETS</u>			
Current Fund:			
Cash-Treasurer	A-4	\$ 7,940,099.76	\$ 6,895,327.51
Cash-Change Fund	A-6	600.00	600.00
State of New Jersey-Chapter 20 P.L. 1971	A-18	58,229.77	53,887.99
		<u>\$ 7,998,929.53</u>	<u>\$ 6,949,815.50</u>
Receivables and Other Assets With Full Reserves:			
Delinquent Property Taxes Receivable	A-8	\$ 739,564.28	\$ 643,785.73
Tax Title Liens Receivable	A-9	62,171.08	54,980.50
Property Acquired for Taxes-Assessed Value	A-10	900,149.00	900,149.00
Revenue Accounts Receivable	A-11	10,989.16	24,223.60
Sewerage Authority Receivable	A-12	34,629.09	
Interfunds Receivable	A-28	22,386.45	7,738.23
	A	<u>\$ 1,769,889.06</u>	<u>\$ 1,630,877.06</u>
Deferred Charges	A-35	\$ 40,000.00	\$ 50,000.00
		<u>\$ 9,808,818.59</u>	<u>\$ 8,630,692.56</u>
Grant Fund:			
Grants Receivable	A-14	\$ 98,363.44	\$ 57,502.84
Due Current Fund	A-29	153,575.09	223,590.72
		<u>\$ 251,938.53</u>	<u>\$ 281,093.56</u>
		<u>\$ 10,060,757.12</u>	<u>\$ 8,911,786.12</u>

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

TOWNSHIP OF WARREN

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2015</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2014</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Current Fund:			
Liabilities:			
Appropriation Reserves	A-3:A-15	\$ 1,128,487.96	\$ 601,826.43
Accounts Payable	A-7	638,712.11	538,206.98
Prepaid Taxes	A-23	710,461.15	738,747.26
Tax Overpayments	A-22	326,158.17	260,510.49
Interfunds Payable	A-28	933,450.49	1,202,645.70
Reserve For:			
Sale of Municipal Assets	A-16	24,444.77	54,444.77
Premium on Tax Sale	A-24	717,500.00	321,800.00
Redemption of Outside Liens	A-25		3,898.76
Due Police Outside Overtime	A-13	25,828.75	25,548.75
Retirement	A-30	56,745.00	56,745.00
FEMA - Fire Department	A-31	694.52	8,409.97
FEMA - Fire Department - Sandy	A-32	12,544.42	12,544.42
FEMA - Rescue Squad - Sandy	A-33	13,116.08	13,116.08
FEMA - Sewerage Authority - Sandy	A-34	20,966.50	20,966.50
State Tax Appeals	A-17	247,269.12	253,995.14
		<u>\$ 4,856,379.04</u>	<u>\$ 4,113,406.25</u>
Reserve for Receivables and Other Assets	A	1,769,889.06	1,630,877.06
Fund Balance	A-1	3,182,550.49	2,886,409.25
		<u>\$ 9,808,818.59</u>	<u>\$ 8,630,692.56</u>
Grant Fund:			
Grants-Unappropriated	A-27	\$	\$ 22,700.10
Grants-Appropriated	A-26	218,463.14	258,393.46
Accounts Payable	A-7	33,475.39	
		<u>\$ 251,938.53</u>	<u>\$ 281,093.56</u>
		<u>\$ 10,060,757.12</u>	<u>\$ 8,911,786.12</u>

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

TOWNSHIP OF WARREN

CURRENT FUND

STATEMENTS OF OPERATIONS
AND CHANGE IN FUND BALANCE - REGULATORY BASIS

<u>REVENUE AND OTHER INCOME REALIZED</u>	REF.	YEAR ENDED DECEMBER 31, 2015	YEAR ENDED DECEMBER 31, 2014
Fund Balance Utilized	A-1:A-2	\$ 690,000.00	\$ 640,000.00
Miscellaneous Revenue Anticipated	A-2	4,094,800.37	4,001,180.77
Receipts From Delinquent Taxes	A-2	644,072.40	821,682.59
Receipts From Current Taxes	A-2	88,860,447.02	85,934,119.38
Non-Budget Revenue	A-2	213,400.55	352,878.52
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-15	132,054.64	148,702.51
Grant Reserves Canceled	A-26	22,192.00	8,914.13
Reserves Canceled		17,587.04	
Accounts Receivable Collected			14,864.01
<u>TOTAL INCOME</u>		<u>\$ 94,674,554.02</u>	<u>\$ 91,922,341.91</u>
<u>EXPENDITURES</u>			
Budget and Emergency Authorizations:			
Appropriations Within "CAPS":			
Operations:			
Salaries and Wages	A-3	\$ 7,233,300.00	\$ 7,044,475.00
Other Expenses	A-3	5,980,076.00	5,717,115.00
Deferred Charges and Statutory Expenditures	A-3	1,711,500.00	1,665,500.00
Appropriations Excluded From "CAPS":			
Operations:			
Other Expenses	A-3	329,334.20	239,066.66
Capital Improvements	A-3	792,500.00	763,500.00
Municipal Debt Service	A-3	1,646,879.02	1,441,059.90
Deferred Charges and Statutory Expenditures	A-3	11,691.17	58,185.11
County Taxes	A-19	17,631,856.60	16,979,397.70
Local District School Tax	A-20	39,314,134.00	38,713,942.00
Regional High School Tax	A-21	18,080,349.00	17,136,006.00
Municipal Open Space Tax	A-8	874,877.79	851,548.87
Grants Receivable Canceled	A-14	32,637.69	
Accounts Receivable Advanced		34,629.09	
Interfunds Advanced		14,648.22	5.48
Refund of Prior Year Revenue			2,737.99
<u>TOTAL EXPENDITURES</u>		<u>\$ 93,688,412.78</u>	<u>\$ 90,612,539.71</u>
Excess in Revenue		\$ 986,141.24	\$ 1,309,802.20
Adjustments to Income Before Fund Balance:			
Expenditures Included Above Which are by Statute			
Deferred Charges to Budget of Succeeding Year			50,000.00
Statutory Excess to Fund Balance		\$ 986,141.24	\$ 1,359,802.20
Fund Balance, January 1	A	2,886,409.25	2,166,607.05
		<u>\$ 3,872,550.49</u>	<u>\$ 3,526,409.25</u>
Decreased by:			
Utilized as Anticipated Revenue	A-1:A-2	690,000.00	640,000.00
Fund Balance, December 31	A	<u>\$ 3,182,550.49</u>	<u>\$ 2,886,409.25</u>

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

TOWNSHIP OF WARREN

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2015

	REF.	ANTICIPATED		REALIZED	EXCESS OR (DEFICIT)
		BUDGET	NJSA 40A:4-87		
Fund Balance Anticipated	A-1	\$ 690,000.00		\$ 690,000.00	
Miscellaneous Revenues:					
Alcoholic Beverage Licenses	A-11	\$ 24,000.00	\$	\$ 24,568.20	\$ 568.20
Fees and Permits:					
Construction Code Official	A-2	711,000.00		892,512.30	181,512.30
Other	A-2	155,000.00		134,957.69	(20,042.31)
Municipal Court - Fines and Costs	A-11	185,309.87		201,522.50	16,212.63
Interest and Costs on Taxes	A-11	192,000.00		191,038.81	(961.19)
Interest on Investments and Deposits	A-11	42,000.00		51,058.61	9,058.61
Energy Receipts Tax	A-11	1,321,130.00		1,321,130.00	
Watchung Hills-Municipal Alliance Contribution	A-11	8,307.00		8,307.00	
Click It or Ticket	A-14		1,850.00	1,850.00	
Alcohol Education Rehabilitation Fund	A-14	1,240.68	1,709.06	2,949.74	
Clean Communities Program	A-14		42,073.86	42,073.86	
Recycling Tonnage Grant	A-14	13,244.75		13,244.75	
Distracted Driving	A-14		5,000.00	5,000.00	
Drive Sober or Get Pulled Over	A-14		4,625.00	4,625.00	
Drunk Driving Enforcement Fund	A-14	2,735.15		2,735.15	
NJOEM - Generator Grant	A-14	73,000.00		73,000.00	
Sustainable Jersey Small Grant	A-14	2,000.00		2,000.00	
Municipal Alliance on Alcoholism and Drug Abuse	A-14	33,230.00		33,230.00	
Somerset County Youth Services Grant	A-14	5,000.00		5,000.00	
Body Armor Replacement Program	A-14	2,946.19	2,941.63	5,887.82	
Safety Grant Garden State JIF	A-14	2,000.00		2,000.00	
Chelsea Donation - OEM	A-14	533.33		533.33	
Shared Services - School Officer	A-14	107,000.00		107,000.00	
Cable T.V. Franchise Fee - Cablevision	A-11	132,541.00		132,541.00	
Cable T.V. Franchise Fee - Verizon	A-11	99,626.32		99,626.32	
Rental of Property - Wagner Farms	A-11	80,353.00		99,286.00	18,933.00
Rental of Property - Cell Towers - Wagner Farms	A-11	80,000.00		84,251.61	4,251.61
Uniform Fire Safety Act	A-11	19,000.00		14,196.02	(4,803.98)
Reserve for Open Space - Contribution of Open Space Debt Service	A-11	390,184.00		390,184.00	
Reserve for Debt Service	A-11	3,750.00		3,750.00	
Hotel and Motel Occupancy Fees	A-11	55,000.00		48,425.13	(6,574.87)
Warren Township Sewerage Authority:					
Property and Casualty Insurance	A-11	61,000.00		63,351.00	2,351.00
Health Insurance	A-11	40,000.00		32,964.53	(7,035.47)
<u>Sub-Total Miscellaneous Revenues</u>	A-1	\$ 3,843,131.29	\$ 58,199.55	\$ 4,094,800.37	\$ 193,469.53
Receipts From Delinquent Taxes	A-1	\$ 650,000.00	\$	\$ 644,072.40	\$ (5,927.60)
Amount to be Raised by Taxes for Support of Municipal Budget: Local Tax for Municipal Purposes	A-8:A-2	\$ 13,465,570.53	\$	\$ 13,959,229.63	\$ 493,659.10
<u>Budget Totals</u>		\$ 18,648,701.82	\$ 58,199.55	\$ 19,388,102.40	\$ 681,201.03
Non-Budget Revenues	A-1:A-2			213,400.55	213,400.55
		\$ 18,648,701.82	\$ 58,199.55	\$ 19,601,502.95	\$ 894,601.58
REF.		A-3	A-3		

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

TOWNSHIP OF WARREN

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2015

	<u>REF.</u>	
<u>ANALYSIS OF REALIZED REVENUES</u>		
Allocation of Current Tax Collections:		
Revenue From Collections	A-1:A-8	\$ 88,860,447.02
Allocated To:		
Local District School Taxes		\$ 39,314,134.00
Regional High School Taxes		18,080,349.00
County Taxes		17,631,856.60
Municipal Open Space	A-4:A-8	<u>874,877.79</u>
		<u>75,901,217.39</u>
Balance for Support of Municipal Budget Appropriations		\$ 12,959,229.63
Add: Appropriation "Reserve for Uncollected Taxes"	A-3	<u>1,000,000.00</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u>\$ 13,959,229.63</u>
Construction Code Official	A-11	\$ 914,516.00
Less: Refunds	A-4	<u>22,003.70</u>
Construction Code Official	A-2	<u>\$ 892,512.30</u>
Fees and Permits-Other:		
Board of Health	A-11	\$ 43,453.70
Registrar	A-11	3,912.00
Township Clerk	A-11	977.47
Engineering Department	A-11	2,776.00
Escrow/Inspection Fees	A-11	17,678.40
Planning Board	A-11	10,650.00
Board of Adjustment	A-11	1,008.00
Police Department	A-11	2,582.12
Fire Prevention	A-11	21,820.00
Smoke Detector	A-11	11,315.00
Street Openings/Other	A-11	4,900.00
Mini-Dump	A-11	7,135.00
Zoning	A-11	<u>6,850.00</u>
		\$ 135,057.69
Less: Refunds	A-4	<u>100.00</u>
	A-2	<u>\$ 134,957.69</u>

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

TOWNSHIP OF WARREN

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2015

REF.

ANALYSIS OF NON-BUDGET REVENUE

Senior Citizens' and Veterans' Administrative Fee	\$	2,030.00
Police Outside Services-Township's Share		13,051.22
Recreation - Field Use, Stand and Lights		13,783.19
Library Reimbursement		71,556.00
Reimbursement - Sewerage Authority		16,529.85
Miscellaneous		59,735.41
Reimbursement of Prior Year Costs		4,555.02
Miscellaneous - Tax Collector		15,937.36
State DMV Inspections		2,150.00
Insurance Refunds and Reimbursements		<u>14,072.50</u>
	A-2:A-4	\$ <u><u>213,400.55</u></u>

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

TOWNSHIP OF WARREN
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2015

	APPROPRIATIONS			EXPENDED		UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED		
OPERATIONS WITHIN "CAPS"						
GENERAL GOVERNMENT						
Administrative and Executive:						
Salaries and Wages	\$ 323,500.00	\$ 313,500.00	\$ 303,965.31	\$ 9,534.69	\$ 8,040.59	
Other Expenses	283,500.00	283,500.00	275,459.41	5,041.25	4,925.47	
Township Clerk:						
Salaries and Wages	186,000.00	172,000.00	166,958.75	1,975.00		
Other Expenses	22,400.00	37,400.00	32,474.53			
Audit Services:						
Other Expenses	8,000.00	8,000.00	6,025.00			
Financial Administration:						
Salaries and Wages	147,000.00	132,000.00	123,556.00	8,444.00	134.66	
Other Expenses	23,000.00	23,000.00	22,865.34			
Township Committee:						
Salaries and Wages	39,000.00	40,000.00	38,475.60	1,524.40		
Other Expenses	11,100.00	11,100.00	9,326.52	1,773.48		
Assessment of Taxes:						
Salaries and Wages	118,500.00	121,500.00	120,145.07	1,354.93		
Other Expenses	52,630.00	52,630.00	48,000.64	4,629.36		
Collection of Taxes:						
Salaries and Wages	113,000.00	98,000.00	90,749.82	7,250.18		
Other Expenses	25,925.00	25,925.00	17,816.20	8,108.80		
Municipal Land Use Law:						
Salaries and Wages	17,000.00	17,000.00	15,285.60	1,714.40		
Other Expenses	30,300.00	30,300.00	26,984.40	3,315.60		
Zoning Costs-Board of Adjustment:						
Salaries and Wages	39,500.00	39,500.00	33,275.04	6,224.96		
Other Expenses	9,500.00	9,500.00	2,408.11	7,091.89		
Zoning Enforcement:						
Salaries and Wages	45,000.00	45,000.00	40,405.87	4,594.13		
Other Expenses	43,650.00	43,650.00	41,550.00	2,100.00		
Environmental Commission (R.S. 40:56A-1 et seq.):						
Other Expenses	2,750.00	2,750.00	1,784.00	966.00		
Cable T.V. Advisory Committee:						
Other Expenses	9,695.00	9,695.00	9,629.23	65.77		
Vehicle and Pedestrian Traffic Advisory Committee:						
Other Expenses	3,000.00	3,000.00		3,000.00		
Open Space Advisory Committee:						
Other Expenses	3,000.00	3,000.00		3,000.00		
Green Team:						
Other Expenses	4,000.00	4,000.00	569.50	3,430.50		
Insurance:						
Other Insurance Premiums	305,000.00	305,000.00	289,934.66	15,065.34		
Consultant:	10,000.00	5,000.00		5,000.00		
New Jersey Disability	5,000.00	5,000.00	2,090.56	2,909.44		
Group Insurance Plan for Employees	1,260,103.00	1,260,103.00	1,255,242.16	4,860.84		
Surety Bond Premiums	1,000.00	1,000.00	514.00	486.00		
Worker's Compensation	118,000.00	118,000.00	118,000.00			
Employee Health Benefit Waiver	32,000.00	27,000.00	26,917.18	82.82		

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

TOWNSHIP OF WARREN
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2015

	APPROPRIATIONS		BUDGET AFTER MODIFICATION	EXPENDED		UNEXPENDED BALANCE CANCELED
	BUDGET			PAID OR CHARGED	RESERVED	
<u>OPERATIONS WITHIN "CAPS" (CONTINUED)</u>						
<u>PUBLIC SAFETY</u>						
Fire:						
Salaries and Wages	\$ 10,000.00	\$	13,000.00	\$ 12,374.74	\$ 625.26	\$
Fire Hydrant Service	440,000.00		440,000.00	434,574.49	5,425.51	
Miscellaneous	253,650.00		258,650.00	253,335.90	5,314.10	
Uniform Fire Safety Act (P.L. 1983 Ch. 383)						
Bureau of Fire Prevention:						
Salaries and Wages	43,500.00		47,500.00	45,362.80	2,137.20	
Other Expenses	1,950.00		1,950.00	1,780.58	169.42	
Police:						
Salaries and Wages	3,381,000.00		3,351,000.00	3,224,379.77	126,620.23	
Other Expenses	327,380.00		322,380.00	320,898.10	1,481.90	
First Aid Organization Contributions	67,000.00		67,000.00	41,175.00	25,825.00	
Police Dispatch:						
Salaries and Wages	340,000.00		365,000.00	339,709.04	25,290.96	
Other Expenses	5,000.00		5,000.00	2,681.68	2,318.32	
Municipal Court:						
Salaries and Wages	193,000.00		195,000.00	192,108.60	2,891.40	
Other Expenses	18,275.00		18,275.00	17,761.66	513.34	
Municipal Prosecutor:						
Other Expenses	36,000.00		36,000.00	31,500.00	4,500.00	
Emergency Management Service:						
Salaries and Wages	6,000.00		6,000.00	5,835.12	164.88	
Other Expenses	6,550.00		6,550.00	3,666.46	2,883.54	
Legal Services and Costs:						
Salaries and Wages	26,000.00		27,000.00	25,770.00	1,230.00	
Other Expenses	195,000.00		195,000.00	184,398.90	10,601.10	
Engineering Services and Costs:						
Salaries and Wages	150,000.00		157,000.00	154,037.77	2,962.23	
Other Expenses	78,350.00		73,350.00	56,142.66	17,207.34	
Public Defender:						
Other Expenses	21,000.00		21,000.00	1,725.00	19,275.00	
Public Buildings and Grounds:						
Salaries and Wages	200,000.00		190,000.00	171,073.78	18,926.22	
Other Expenses:						
Miscellaneous	120,200.00		135,200.00	130,394.01	4,805.99	
Maintenance of Property	30,000.00		55,000.00	48,113.90	6,886.10	
Maintenance of Wagner Farm Property	50,000.00		50,000.00	27,745.01	22,254.99	

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

TOWNSHIP OF WARREN
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2015

	APPROPRIATIONS		BUDGET AFTER MODIFICATION	PAID OR		EXPENDED	UNEXPENDED BALANCE CANCELED
	BUDGET			CHARGED	RESERVED		
OPERATIONS WITHIN "CAPS" (CONTINUED)							
STREETS AND ROADS							
Road Repairs and Maintenance:							
Salaries and Wages	\$ 900,000.00	\$	945,000.00	\$	905,299.85	\$	39,700.15
Other Expenses	978,650.00		958,650.00		807,785.88		150,864.12
Solid Waste Recycling:							
Other Expenses	135,000.00		100,000.00		52,782.95		47,217.05
Utility Expenses:							
Street Lighting	25,000.00		25,000.00		21,846.67		3,153.33
Electricity	91,200.00		91,200.00		65,570.19		25,629.81
Telephone	92,300.00		97,300.00		90,857.50		6,442.50
Water	16,000.00		16,000.00		8,259.87		7,740.13
Fuel Oil	70,000.00		50,000.00		36,941.11		13,058.89
Gasoline	135,000.00		130,000.00		129,389.17		610.83
Natural Gas	28,000.00		28,000.00		19,133.92		8,866.08
Maintenance of Township's Vehicles and Equipment:							
Salaries and Wages	227,000.00		222,000.00		201,864.43		20,135.57
Other Expenses:							
Miscellaneous	152,500.00		152,500.00		152,035.27		464.73
Maintenance of Fire Equipment	55,000.00		65,000.00		46,583.84		18,416.16
Community Services Act	13,000.00		18,000.00		7,573.57		10,426.43
HEALTH AND WELFARE							
Board of Health:							
Salaries and Wages	134,300.00		136,300.00		133,686.72		2,613.28
Other Expenses	125,868.00		125,868.00		123,572.12		2,295.88
Alliance to Prevent Alcoholism and Drug Abuse:							
Other Expenses	1,500.00		1,500.00		1,500.00		
Animal Control:							
Salaries and Wages	20,500.00		21,000.00		20,085.12		914.88
Other Expenses	14,500.00		14,500.00		13,575.00		925.00
RECREATION AND EDUCATION (R.S. 40:12-1)							
Board of Recreation Commissioners:							
Salaries and Wages	92,000.00		92,000.00		88,331.87		3,668.13
Other Expenses	26,850.00		28,850.00		25,943.94		2,906.06
Celebration of Public Events, Anniversary or Holiday	40,000.00		35,000.00		23,284.79		11,715.21
Historic Sites Committee	5,000.00		5,000.00		923.75		4,076.25
Senior Citizens Committee	11,000.00		11,000.00		11,000.00		
Therapeutic Recreation	3,000.00		3,000.00		2,445.00		555.00
Public Monuments	3,000.00		3,000.00				3,000.00
Senior Citizen Bus	18,000.00		18,000.00		17,296.68		703.32

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

TOWNSHIP OF WARREN
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2015

	APPROPRIATIONS		BUDGET AFTER MODIFICATION	PAID OR CHARGED		UNEXPENDED BALANCE CANCELED
	BUDGET	EXPENDED		CHARGED	RESERVED	
<u>OPERATIONS WITHIN "CAPS" (CONTINUED)</u>						
<u>STATE UNIFORM CONSTRUCTION CODE</u>						
State Uniform Construction Code:						
Construction Code Official:						
Salaries and Wages	\$ 473,000.00	\$	487,000.00	\$ 473,723.45	\$ 13,276.55	\$
Other Expenses	30,100.00		31,100.00	28,959.45	2,140.55	
Other Expenses - 3rd Party Inspection Fees	2,000.00		2,000.00	25.00	1,975.00	
<u>UNCLASSIFIED</u>						
Salary Adjustment Account	5,700.00		5,700.00		5,700.00	
Interest on Tax Appeal Refunds	5,000.00		5,000.00		5,000.00	
<u>TOTAL OPERATIONS WITHIN "CAPS":</u>	\$ 13,221,876.00	\$	13,208,376.00	\$ 12,357,230.58	\$ 851,145.42	\$
<u>CONTINGENT</u>	5,000.00		5,000.00	444.72	4,555.28	
<u>TOTAL OPERATIONS INCLUDING CONTINGENT WITHIN "CAPS":</u>	\$ 13,226,876.00	\$	13,213,376.00	\$ 12,357,675.30	\$ 855,700.70	\$
<u>Detail:</u>						
Salaries and Wages	\$ 7,224,800.00	\$	7,233,300.00	\$ 6,926,460.12	\$ 306,839.88	\$
Other Expenses	6,002,076.00		5,980,076.00	5,431,215.18	548,860.82	
<u>DEFERRED CHARGES AND STATUTORY EXPENDITURES-MUNICIPAL WITHIN "CAPS":</u>						
Statutory Expenditures:						
Contribution to:						
Social Security System (O.A.S.I.)	\$ 560,000.00	\$	544,000.00	\$ 522,688.74	\$ 21,311.26	\$
Public Employees Retirement System of NJ	406,000.00		406,000.00	405,609.00	391.00	
Police and Firemen's Retirement System of NJ	746,000.00		746,000.00	745,089.00	911.00	
Firemen's Widow Pension	3,500.00		3,500.00		3,500.00	
DCRP - Employers Share	10,000.00		10,000.00		10,000.00	
State Unemployment Insurance	1,000.00		1,000.00		1,000.00	
Flex Spending Plan	1,000.00		1,000.00	605.00	395.00	
<u>TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES-MUNICIPAL WITHIN "CAPS":</u>	\$ 1,727,500.00	\$	1,711,500.00	\$ 1,673,991.74	\$ 37,508.26	\$
<u>TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS":</u>	\$ 14,954,376.00	\$	14,924,876.00	\$ 14,031,667.04	\$ 893,208.96	\$
<u>OPERATIONS EXCLUDED FROM "CAPS":</u>						
Statutory Expenditures:						
Group Insurance Plan For Employees	\$ 19,897.00	\$	19,897.00	\$ 19,897.00	\$	\$

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

TOWNSHIP OF WARREN
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2015

	APPROPRIATIONS		BUDGET AFTER MODIFICATION	PAID OR EXPENDED		UNEXPENDED BALANCE CANCELED
	BUDGET			CHARGED	RESERVED	
PUBLIC AND PRIVATE PROGRAMS						
OFF-SET BY REVENUES						
Watching Hills Municipal Alliance for Prevention of Alcoholism and Drug Abuse County Aid	\$ 33,230.00	\$	33,230.00	\$ 33,230.00	\$	
Local Match	8,307.55		8,307.55	8,307.55		
Clean Communities Program (N.J.S.A. 40A:4-87 +\$42,073.86)	42,073.86		42,073.86	42,073.86		
Recycling Tomage Grant	13,244.75		13,244.75	13,244.75		
NJOEM - Generator Grant	73,000.00		73,000.00	73,000.00		
Body Armor Replacement Fund (N.J.S.A. 40A:4-87 +\$2,941.63)	2,946.19		5,887.82	5,887.82		
Drunk Driving Enforcement Fund	2,735.15		2,735.15	2,735.15		
Somerset County Youth Services Grant	5,000.00		5,000.00	5,000.00		
Safety Award - Garden State JIF	2,000.00		2,000.00	2,000.00		
Sustainable Jersey Small Grant	2,000.00		2,000.00	2,000.00		
Shared Services - School Officer	107,000.00		107,000.00	107,000.00		
Click it or Ticker (N.J.S.A. 40A:4-87 +\$1,850.00)			1,850.00	1,850.00		
Police Distracted Driving Grant (N.J.S.A. 40A:4-87 +\$5,000.00)			5,000.00	5,000.00		
Drive Sober or Get Pulled Over (N.J.S.A. 40A:4-87 +\$4,625.00)			4,625.00	4,625.00		
Alcohol Education Rehabilitation Fund (N.J.S.A. 40A:4-87 +\$1,709.06)	1,240.68		2,949.74	2,949.74		
Chelsea Donation - OEM	533.33		533.33	533.33		
TOTAL OPERATIONS EXCLUDED FROM "CAPS"	\$ 271,134.65	\$	329,334.20	\$ 329,334.20	\$	
CAPITAL IMPROVEMENTS-EXCLUDED FROM "CAPS"						
Capital Improvement Fund	\$ 70,000.00	\$	99,500.00	\$ 70,000.00	\$ 29,500.00	\$
Overlay and Drainage Improvements	294,000.00		294,000.00	294,000.00		
Purchase of Police Equipment	38,000.00		38,000.00	36,633.00	1,367.00	
Improvements to Municipal Building	8,000.00		8,000.00	6,944.00	1,056.00	
Purchase of Public Works Equipment	103,000.00		103,000.00	102,600.00	400.00	
Purchase of Fire Equipment	30,000.00		30,000.00	27,044.00	2,956.00	
Purchase of EMT Equipment	200,000.00		200,000.00	20,000.00	200,000.00	
Purchase of Office Equipment	20,000.00		20,000.00			
TOTAL CAPITAL IMPROVEMENTS- EXCLUDED FROM "CAPS"	\$ 763,000.00	\$	792,500.00	\$ 557,221.00	\$ 235,279.00	\$
MUNICIPAL DEBT SERVICE-EXCLUDED FROM "CAPS"						
Payment of Bond Principal	\$ 1,150,000.00	\$	1,150,000.00	\$ 1,150,000.00	\$	\$
Payment of Bond Anticipation Notes	175,000.00		175,000.00	175,000.00		
Interest on Notes	3,500.00		3,500.00	3,490.27	9.73	
Interest on Bonds	320,000.00		320,000.00	318,388.75	1,611.25	
TOTAL MUNICIPAL DEBT SERVICE- EXCLUDED FROM "CAPS"	\$ 1,648,500.00	\$	1,648,500.00	\$ 1,646,879.02	\$ 1,620.98	\$

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

TOWNSHIP OF WARREN
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2015

	APPROPRIATIONS		BUDGET AFTER MODIFICATION	EXPENDED		UNEXPENDED BALANCE CANCELED
	BUDGET			PAID OR CHARGED	RESERVED	
DEFERRED CHARGES-MUNICIPAL- EXCLUDED FROM "CAPS": Special Emergency Authorizations- 5 Years (N.J.S.A. 40A: 4-55)	\$ 10,000.00	\$	10,000.00	\$ 10,000.00	\$	\$
Deferred Charges to Future Taxation: Ordinance #2000-31	1,691.17		1,691.17	1,691.17		
TOTAL DEFERRED CHARGES-MUNICIPAL- EXCLUDED FROM "CAPS":	\$ 11,691.17	\$	11,691.17	\$ 11,691.17	\$	\$
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS":	\$ 2,694,325.82	\$	2,782,025.37	\$ 2,545,125.39	\$ 235,279.00	\$ 1,620.98
SUB-TOTAL GENERAL APPROPRIATIONS RESERVE FOR UNCOLLECTED TAXES	\$ 17,648,701.82	\$	17,706,901.37	\$ 16,576,792.43	\$ 1,128,487.96	\$ 1,620.98
TOTAL GENERAL APPROPRIATIONS	\$ 18,648,701.82	\$	18,706,901.37	\$ 17,576,792.43	\$ 1,128,487.96	\$ 1,620.98

REF. A-2 A-1 A:A-1

Amendment by (NJSA 40A:4-87)
Budget

\$	58,199.55
	18,648,701.82
\$	18,706,901.37

Reserve for Uncollected Taxes
Reserve for Grants Appropriated
Deferred Charges
Disbursements
Accounts Payable
Less: Refunds

\$	1,000,000.00
	309,437.20
	10,000.00
	15,764,781.83
\$	494,423.40
	17,578,642.43
	1,850.00
\$	17,576,792.43

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

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TRUST FUND

TOWNSHIP OF WARREN

TRUST FUND

BALANCE SHEETS - REGULATORY BASIS

<u>ASSETS</u>	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2015</u>	<u>BALANCE DECEMBER 31, 2014</u>
Assessment Fund:			
Assessment Receivable	B-3	\$ 132,721.54	\$ 154,964.95
Due Current Fund	B-15	74,546.45	52,303.04
		<u>\$ 207,267.99</u>	<u>\$ 207,267.99</u>
Animal Control Fund:			
Cash	B-2	\$ 24,182.30	\$ 21,108.03
Other Funds:			
Cash	B-2	\$ 8,408,790.45	\$ 7,512,480.03
Due Current Fund	B-13	705,328.95	618,274.95
Due General Capital Fund	B-14		230,000.00
		<u>\$ 9,114,119.40</u>	<u>\$ 8,360,754.98</u>
	B	<u>\$ 9,345,569.69</u>	<u>\$ 8,589,131.00</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Assessment Fund:			
Due General Capital Fund	B-16	\$ 207,267.99	\$ 207,267.99
Animal Control Fund:			
Due Current Fund	B-4	\$ 83.41	\$ 7,738.23
Due State of New Jersey	B-5	1.20	
Reserve for Animal Control Fund Expenditures	B-6	21,787.69	9,769.80
Prepaid Licenses	B-7	2,310.00	3,600.00
		<u>\$ 24,182.30</u>	<u>\$ 21,108.03</u>
Other Funds:			
Reserve For:			
Miscellaneous Trust Deposits	B-10	\$ 2,707,618.30	\$ 2,167,163.46
Open Space Trust Deposits	B-8	2,508,349.02	2,218,772.86
State Unemployment Compensation Insurance	B-9	200,115.32	192,606.37
Affordable Housing Developer's Fees	B-11	3,697,811.76	3,781,812.29
Due State of New Jersey - Marriage Licenses and Civil Unions	B-12	225.00	400.00
		<u>\$ 9,114,119.40</u>	<u>\$ 8,360,754.98</u>
	B	<u>\$ 9,345,569.69</u>	<u>\$ 8,589,131.00</u>

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

GENERAL CAPITAL FUND

TOWNSHIP OF WARREN

GENERAL CAPITAL FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2015</u>	<u>BALANCE DECEMBER 31, 2014</u>
<u>ASSETS</u>			
Cash	C-2:C-3	\$ 1,904,888.05	\$ 2,813,003.03
Deferred Charges to Future Taxation:			
Funded	C-4	9,229,000.00	10,379,000.00
Unfunded	C-5	8,113,319.40	4,772,691.17
Due Assessment Trust Fund	C-12	207,267.99	207,267.99
Grants Receivable	C-16	175,000.00	175,000.00
Due Current Fund	C-6		308,476.99
		<u>\$ 19,629,475.44</u>	<u>\$ 18,655,439.18</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Contracts Payable	C-7	\$ 5,737,802.52	\$ 199,522.20
Capital Improvement Fund	C-8	131,147.11	23,988.11
Due Trust Other Fund	C-9		230,000.00
Due Current Fund	C-6	22,303.04	
Improvement Authorizations:			
Funded	C-10	1,072,367.40	2,355,222.50
Unfunded	C-10	2,716,257.29	4,414,291.36
Reserve for Debt Service	C-15		3,750.00
General Serial Bonds Payable	C-11	9,229,000.00	10,379,000.00
Bond Anticipation Note	C-13	175,000.00	350,000.00
Various Capital Reserves	C-14	386,391.55	401,096.47
Fund Balance	C-1	159,206.53	298,568.54
		<u>\$ 19,629,475.44</u>	<u>\$ 18,655,439.18</u>

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

TOWNSHIP OF WARREN

GENERAL CAPITAL FUND

STATEMENT OF FUND BALANCE - REGULATORY BASIS

	<u>REF.</u>		
Balance, December 31, 2014	C	\$	298,568.54
Increased by:			
Ordinances Canceled	C-10		<u>119,637.99</u>
		\$	<u>418,206.53</u>
Decreased by:			
Appropriated to Finance Improvement Authorizations	C-10		<u>259,000.00</u>
Balance, December 31, 2015	C	\$	<u><u>159,206.53</u></u>

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

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GENERAL FIXED ASSETS ACCOUNT GROUP

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TOWNSHIP OF WARREN

GENERAL FIXED ASSETS ACCOUNT GROUP

BALANCE SHEETS - REGULATORY BASIS

	BALANCE DECEMBER <u>31, 2015</u>	BALANCE DECEMBER <u>31, 2014</u>
<u>FIXED ASSETS</u>		
Land	\$ 20,259,577.50	\$ 20,259,577.50
Buildings	11,589,922.17	11,589,922.17
Machinery and Equipment	<u>8,696,571.12</u>	<u>8,369,672.13</u>
<u>TOTAL FIXED ASSETS</u>	<u>\$ 40,546,070.79</u>	<u>\$ 40,219,171.80</u>
<u>RESERVE</u>		
Investments in General Fixed Assets	<u>\$ 40,546,070.79</u>	<u>\$ 40,219,171.80</u>

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

NOTES TO FINANCIAL STATEMENTS

TOWNSHIP OF WARREN

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015 AND 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Township of Warren is an instrumentality of the State of New Jersey, established to function as a municipality. The Township Committee consists of elected officials and is responsible for the fiscal control of the Township.

Except as noted below, the financial statements of the Township of Warren include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Township of Warren, as required by N.J.S.A. 40A:5-5. Accordingly, the financial statements of the Township of Warren do not include the operations of the regional and local boards of education, inasmuch as their activities are administered by separate boards or the Warren Township Sewerage Authority.

B. Description of Funds

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB Codification establishes three fund types and two account groups to be used by general purpose governmental units when reporting financial position and results of operations in accordance with U.S. Generally Accepted Accounting Principles (GAAP).

The accounting policies of the Township of Warren conform to the accounting principles applicable to municipalities which have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Such principles and practices 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. Under this method of accounting, the financial transactions and accounts of the Township of Warren are organized on the basis of funds and an account group which is different from the fund structure required by GAAP. A fund or account group is an accounting entity with a separate set of self-balancing accounts established to record the financial position and results of operation of a specific government activity. As required by the Division of Local Government Services the Township accounts for its financial transactions through the following individual funds and account groups:

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Description of Funds (Continued)

Current Fund - resources and expenditures for governmental operations of a general nature, including federal and state grant funds

Trust Fund - receipts, custodianship and disbursement of funds in accordance with the purpose for which each reserve was created

General Capital Fund - receipts and disbursement of funds for the acquisition of general capital facilities, other than those acquired in the Current Fund

Public Assistance Fund - receipt and disbursement of funds that provide assistance to certain residents of the Township pursuant to Title 44 of New Jersey statutes

General Fixed Assets Account Group - utilized to account for property, land, buildings and equipment that has been acquired by other governmental funds

C. Basis of Accounting

The accounting principles and practices prescribed for municipalities by the State of New Jersey differ in certain respects from generally accepted accounting principles applicable to local government units. The more significant accounting policies and differences in the State of New Jersey are as follows:

A modified accrual basis of accounting is followed with minor exceptions.

Revenues - are recorded when received in cash except for certain amounts which are due from other governmental units. Grants are realized as revenue when anticipated in the Township's budget. Receivables for property taxes are recorded with offsetting reserves on the balance sheet of the Township's Current Fund; accordingly, such amounts are not recorded as revenue until collected. Other amount that are due the Township, which are susceptible to accrual, are also recorded as receivables with offsetting reserves and recorded as revenue when received. GAAP requires revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Expenditures - are recorded on the "budgetary" basis of accounting. General expenditures are recorded when an amount is encumbered for goods or services through the issuances of a purchase order in conjunction with the Encumbrance Accounting System. Outstanding encumbrances at December 31 are reported as a cash liability in the financial statements and constitute part of the Township's regulatory Appropriation Reserve balance. Appropriation reserves covering unexpended appropriation balances are automatically created at December 31st of each year 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 fiscal year. Lapsed appropriation reserves are recorded as income. Appropriations for principal payments on outstanding general capital and utility bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis, whereas interest on utility indebtedness is on the accrual basis.

Encumbrances - Contractual orders, at December 31, are reported as expenditures through the establishment of encumbrances payable. Under GAAP, encumbrances outstanding at year end are reported as reservations of fund balance because they do not constitute expenditures or liabilities.

Foreclosed Property - is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved. GAAP requires such property to be recorded in the General Fixed Assets Account Group at its market value.

Sale of Municipal Assets - The proceeds from the sale of municipal assets can be held in a reserve until anticipated as a revenue in a future budget. GAAP requires such proceeds to be recorded as a revenue in the year of sale.

Interfunds - 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. GAAP does not require the establishment of an offsetting reserve.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

General Fixed Assets – N.J.A.C. 5:30-5.6, Accounting for Governmental Fixed Assets, as promulgated by the Division of Local Government Services, which differs in certain respects from generally accepted accounting principles, requires the inclusion of a statement of general fixed assets of the Township as part of its basic financial statements. General fixed assets are defined as non-expendable personal property having a physical existence, a useful life of more than one year and an acquisition cost of \$1,000.00 or more per unit. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage system are not capitalized. No depreciation has been provided on general fixed assets or reported in the financial statements. General Fixed Assets that have been acquired and are utilized in a governmental fund operation are accounted for in the General Fixed Asset Account Group rather than in a governmental fund.

The Township has developed a fixed assets accounting and reporting system based on an inspection and valuation prepared by the Township. Fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Land is stated at the assessed value contained in the Township's most recent property revaluation.

Expenditures for construction in progress are recorded in the Capital Funds until such time as the construction is completed and put into operation.

Fixed assets acquired through grants in aid or contributed capital have not been accounted for separately.

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 balance sheets. GAAP requires the cost of inventories to be reported as a current asset and equally offset by a fund balance reserve.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Accounting and Financial Reporting for Pensions - In June 2012, the Governmental Accounting Standards Board (GASB) approved Statement No. 68 Accounting and financial reporting for pensions administered by state and local government employers. This Statement improves accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local government employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement replaces the requirement of Statement No. 27, *Accounting for Pension by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The requirements of Statements 27 and 50 remain applicable for pensions that are not covered by the scope of this Statement. This statement is effective for periods beginning after June 15, 2014.

In November of 2013, GASB approved Statement 71, Pension Transition for Contributions made Subsequent to the Measurement Date-an amendment to GASB No. 68. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, Accounting and Financial Reporting for Pensions. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or non-employer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

Statement 68 requires a state or local government employer (or nonemployer contributing entity in a special funding situation) to recognize a net pension liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year. If a state or local government employer or non-employer contributing entity makes a contribution to a defined benefit pension plan between the measurement date of the reported net pension liability and the end of the government's reporting period, Statement 68 requires that the government recognize its contribution as a deferred outflow of resources.

In addition, Statement 68 requires recognition of deferred outflows of resources and deferred inflows of resources for changes in the net pension liability of a state or local government employer or non-employer contributing entity that arise from other types of events.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Accounting and Financial Reporting for Pensions (Continued) - At transition to Statement 68, if it is not practical for an employer or non-employer contributing entity to determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions, paragraph 137 of Statement 68 required that beginning balances for deferred outflows of resources and deferred inflows of resources not be reported. Consequently, if it is not practical to determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions, contributions made after the measurement date of the beginning net pension liability could not have been reported as deferred outflows of resources at transition. This could have resulted in a significant understatement of an employer or non-employer contributing entity's beginning net position and expense in the initial period of implementation.

This Statement amends paragraph 137 of Statement 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. Statement 68, as amended, continues to require that beginning balances for other deferred outflows of resources and deferred inflows of resources related to pensions be reported at transition only if it is practical to determine all such amounts.

Under GAAP, municipalities are required to recognize the pension liability in Statements of Revenues, Expenses, Changes in Net Assets (balance sheets) and Notes to the Financial Statements in accordance with GASB 68. The liability required to be displayed by GASB 68 is displayed as a separate line item in the Unrestricted Net Assets area of the balance sheet.

New Jersey's municipalities and counties do not follow GAAP accounting principles and, as such, do not follow GASB requirements with respect to recording the net pension liability as a liability on their balance sheets. However, N.J.A.C.5:30 6.1(c)(2) requires municipalities to disclose GASB 68 information in the Notes to the Financial Statements. The disclosure must meet the requirements of GASB 68.

D. Basic Financial Statements

The GASB codification also defines the financial statements of a governmental unit to be presented in the general purpose financial statements to be in accordance with GAAP. The Township presents the financial statements listed in the table of contents of the "Requirements of Audit and Accounting Revision of 1987" as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and which differ from financial statements required by GAAP.

NOTE 2: CASH AND CASH EQUIVALENTS

The Township considers petty cash, change funds, cash in banks, deposits in the New Jersey Cash Management Fund and certificates of deposit as cash and cash equivalents.

A. Deposits

New Jersey statutes permit the deposit of public funds in institutions which are located in New Jersey and which meet the requirements of the Governmental Unit Deposit Protection Act (GUDPA) or the State of New Jersey Cash Management Fund. GUDPA requires a bank that accepts public funds to be a public depository. A public depository is defined as a state bank, a national bank, or a savings bank, which is located in the State of New Jersey, the deposits of which are insured by the Federal Deposit Insurance Corporation. The statutes also require public depositories to maintain collateral for deposits of public funds that exceed certain insurance limits. All collateral must be deposited with the Federal Reserve Bank or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.00.

The Township of Warren had the following cash and cash equivalents at December 31, 2015:

	<u>Change Fund</u>	<u>Cash in Bank</u>	<u>Additions</u>	<u>Deletions</u>	<u>Reconciled Balance</u>
Current Fund	\$600.00	\$7,484,016.98	\$499,545.89	\$43,463.11	\$7,940,099.76
Animal Control Fund		24,026.50	\$157.00	1.20	24,182.30
Trust Other Fund		8,847,727.19		438,936.74	8,408,790.45
General Capital Fund		2,024,292.82		119,404.77	1,904,888.05
	<u>\$600.00</u>	<u>\$18,380,063.49</u>	<u>\$499,702.89</u>	<u>\$601,805.82</u>	<u>\$18,277,960.56</u>

Custodial Credit Risk - Deposits - Custodial credit risk is the risk that in the event of a bank failure, the deposits may not be returned. The Township does not have a specific deposit policy for custodial credit risk other than those policies that adhere to the requirements of statute. As of December 31, 2015, based upon the coverage provided by FDIC and NJ GUDPA, no amount of the bank balance was exposed to custodial credit risk. Of the cash on balance in the bank \$850,000.00 was covered by Federal Depository Insurance and \$17,530,063.49 was covered by NJ GUDPA.

NOTE 2: CASH AND CASH EQUIVALENTS

B. Investments

The purchase of investments by the Township are strictly limited by the express authority of the New Jersey Local Fiscal Affairs Law, N.J.S.A. 40A:5-15.1. Permitted investments include any of the following type of securities:

1. Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
2. Government money market mutual funds which are purchased from an investment company or investment trust which is registered with the Securities and Exchange Commission under the "Investment Company Act of 1940," 15 U.S.C. 80a-1 et seq., and operated in accordance with 17 C.F.R. § 270.2a-7 and which portfolio is limited to U.S. Government securities that meet the definition of an eligible security pursuant to 17 C.F.R. § 270.2a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 5-15.1. These funds are also required to be rated by a nationally recognized statistical rating organization.
3. Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
4. Bonds or other obligations of the Local Unit or bonds or other obligations of school districts of which the Local Unit is a part or within which the school district is located.
5. Bonds or other obligations, having a maturity date not more than 397 days from date of purchase, approved by the Division of Investment of the Department of Treasury for investment by Local Units;
6. Local government investment pools that are fully invested in U.S. Government securities that meet the definition of eligible security pursuant to 17 C.F.R. § 270a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 5-15.1. This type of investment is also required to be rated in the highest category by a nationally recognized statistical rating organization.

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

B. Investments (Continued)

7. Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); or
8. Agreements for the repurchase of fully collateralized securities if:
 - a. the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection;
 - b. the custody of collateral is transferred to a third party;
 - c. the maturity of the agreement is not more than 30 days;
 - d. the underlying securities are purchased through a public depository as defined in section 1 P.L. 1970, c.236 (C.17:19-41); and
 - e. a master repurchase agreement providing for the custody and security of collateral is executed.

The Township of Warren's investment activities during the year were in accordance with the above New Jersey Statute.

Based upon the limitations set forth by New Jersey Statutes 40A:5-15.1 the Township is generally not exposed to credit risks, custodial credit risks, concentration of credit risks and interest rate risks for its investments nor is it exposed to foreign currency risk for its deposits and investments.

NOTE 3: LONG-TERM DEBT

The Local Bond Law, Chapter 40A:2, governs the issuance of bonds to finance general municipal capital expenditures. All bonds are retired in annual installments within the regulatory period of usefulness. All bonds issued by the Township are general obligation bonds, backed by the full faith and credit of the Township.

NOTE 3: LONG-TERM DEBT (CONTINUED)

SUMMARY OF MUNICIPAL DEBT

	<u>YEAR 2015</u>	<u>YEAR 2014</u>	<u>YEAR 2013</u>
Issued:			
General:			
Bonds and Notes	\$ <u>9,404,000.00</u>	\$ <u>10,729,000.00</u>	\$ <u>10,327,000.00</u>
Debt Issued	\$ 9,404,000.00	\$ 10,729,000.00	\$ 10,327,000.00
Less:			
Funds Temporarily Held to			
Pay Notes	<u>3,680.60</u>	<u>3,750.00</u>	<u>303,750.00</u>
Net Debt Issued	\$ <u>9,400,319.40</u>	\$ <u>10,725,250.00</u>	\$ <u>10,023,250.00</u>
Authorized But Not Issued:			
General:			
Bonds and Notes	\$ <u>7,942,000.00</u>	\$ <u>4,422,691.17</u>	\$ <u>861,876.28</u>
 TOTAL BONDS AND NOTES ISSUED AND AUTHORIZED BUT NOT ISSUED	 <u>\$ 17,342,319.40</u>	 <u>\$ 15,147,941.17</u>	 <u>\$ 10,885,126.28</u>

SUMMARY OF REGULATORY 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 indicates a regulatory net debt of .388%.

	<u>GROSS DEBT</u>	<u>DEDUCTIONS</u>	<u>NET DEBT</u>
Regional High School District Debt	\$ 21,743,138.01	\$ 21,743,138.01	\$
Local School District Debt	755,000.00	755,000.00	
General Debt	<u>17,346,000.00</u>	<u>3,680.60</u>	<u>17,342,319.40</u>
	<u>\$ 39,844,138.01</u>	<u>\$ 22,501,818.61</u>	<u>\$ 17,342,319.40</u>

NET DEBT \$17,342,319.40 DIVIDED BY EQUALIZED VALUATION BASIS PER N.J.S. 40A:2-2, \$4,463,935,799.00 EQUALS .388%.

NOTE 3: LONG-TERM DEBT (CONTINUED)

BORROWING POWER UNDER N.J.S.40A:2-6 AS AMENDED

Equalized Valuation Basis* - December 31, 2015	\$	<u>4,463,935,799.00</u>
3-1/2% of Equalized Valuation Basis	\$	156,237,752.97
Net Debt		<u>17,342,319.40</u>
Remaining Borrowing Power	\$	<u>138,895,433.57</u>

Equalized Valuation Basis is the average of the equalized valuation of real estate, including improvements and the assessed valuation of Class II railroad property of the Township of Warren for the last three (3) preceding years.

LONG-TERM DEBT

	Amount Outstanding <u>December 31, 2015</u>
General Serial Bonds:	
\$3,358,000.00 General Improvement Bonds of 2006 due in annual installments of \$130,000.00 to \$260,000.00 through February 2021 at an interest rate of 3.50% to 3.875%	\$1,548,000.00
\$900,000.00 Open Space Bonds of 2006 due in annual installments of \$35,000.00 to \$70,000.00 through February 2021 at an interest rate of 3.50% to 3.875%	410,000.00
\$4,364,000.00 General Improvement Bonds of 2009 due in annual installments of \$180,000.00 to \$360,000.00 through May 15, 2024 at an interest rate of 2.75% to 4.00%	3,134,000.00
\$2,350,000.00 Refunding Bonds of 2010 due in annual installments of \$5,000.00 to \$400,000.00 through May 1, 2017 at an interest rate 3.00% to 4.00%	765,000.00
\$3,572,000.00 General Improvement Bonds of 2014 due in annual installments of \$200,000.00 to \$350,000.00 through December 15, 2026 at an interest rate 2.00% to 3.00%	<u>3,372,000.00</u>
	<u>\$9,229,000.00</u>

NOTE 3: LONG-TERM DEBT (CONTINUED)

BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

At December 31, 2015 the Township has authorized but not issued bonds and notes as follows:

General Capital Fund \$ 7,942,000.00

SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND INTEREST FOR BONDED DEBT ISSUED AND OUTSTANDING DECEMBER 31, 2015

CALENDAR YEAR	GENERAL		TOTAL
	PRINCIPAL	INTEREST	
2016	\$ 1,190,000.00	\$ 278,651.25	\$ 1,468,651.25
2017	1,255,000.00	234,001.25	1,489,001.25
2018	965,000.00	194,576.25	1,159,576.25
2019	990,000.00	162,976.25	1,152,976.25
2020	1,015,000.00	131,338.75	1,146,338.75
2021	1,013,000.00	99,040.00	1,112,040.00
2022	710,000.00	71,997.50	781,997.50
2023	710,000.00	50,172.50	760,172.50
2024	709,000.00	27,917.50	736,917.50
2025	350,000.00	12,425.00	362,425.00
2026	322,000.00	4,025.00	326,025.00
	<u>\$ 9,229,000.00</u>	<u>\$ 1,267,121.25</u>	<u>\$ 10,496,121.25</u>

NOTE 4: SHORT-TERM DEBT

The Township had the following short-term debt:

BOND ANTICIPATION NOTES

Outstanding Bond Anticipation Notes are summarized as follows:

	Interest Rate	Issue Date	Maturity Date	Amount
Bond Anticipation Notes	1.00%	06/18/15	06/17/16	<u>\$ 175,000.00</u>

NOTE 5: FUND BALANCES APPROPRIATED

Fund balance at December 31, 2015, which was appropriated and included as anticipated revenue in the introduced budget in its own respective fund for the year ending December 31, 2016, is \$900,000.00.

NOTE 6: PROPERTY TAXES

Property Taxes attach as an enforceable lien on property as of January 1. Taxes are levied based on the final adoption of the current year municipal budget, and payable in four installments on February 1, May 1, August 1 and November 1. The Township bills and collects its own property taxes and also the taxes for the County and the Local and Regional High School Districts. The collections and remittance of county and school taxes are accounted for in the current Fund. Township property tax revenues are recognized when collected in cash and any receivables are recorded with offsetting reserves on the balance sheet of the Township's Current Fund.

Taxes Collected in Advance - Taxes collected in advance and recorded as cash liabilities in the financial statements are as follows:

	BALANCE DECEMBER <u>31, 2015</u>	BALANCE DECEMBER <u>31, 2014</u>
Prepaid Taxes	<u>\$710,461.15</u>	<u>\$738,747.26</u>

NOTE 7: PENSION PLANS

Substantially all eligible employees participate in the Public Employees' Retirement System (PERS), or the Police, Firemen's Retirement System (PFRS) or the Defined Contribution Retirement System (DCRP), which have been established by state statute and are administered by the New Jersey Division of Pensions and Benefits. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System, Police and Fireman's Retirement System and Consolidated Police and Firemen's Pension Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey, 08625 or are available online at www.nj.gov/treasury/pensions/annrprts.shtml.

NOTE 7: PENSIONS (CONTINUED)

Plan Descriptions

Public Employees' Retirement System (PERS) - The Public Employees' Retirement System (PERS) was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A, to provide retirement, death, disability and medical benefits to certain qualified members. The PERS is a cost-sharing multiple employer plan. Membership is mandatory for substantially, all full-time employees of the State of New Jersey or any county, municipality, school district or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state pension fund or local jurisdiction's pension fund.

Police and Fireman's Retirement System (PFRS) - The Police and Fireman's Retirement System (PFRS) was established as of July 1, 1944, under the provisions of N.J.S.A. 43:16A. to provide retirement, death, and disability benefits to its members. The PFRS is a cost-sharing multiple-employer plan. Membership is mandatory for substantially, all full-time county and municipal police or firemen or officer employees with police powers appointed after June 30, 1944.

Defined Contribution Retirement Program (DCRP) - The Defined Contribution Retirement Program (DCRP) was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, and was expanded under the provisions of Chapter 89, P.L. 2009. The DCRP provides eligible employees and their beneficiaries with a tax-sheltered, defined contribution retirement benefit, along with life insurance coverage and disability coverage.

Vesting and Benefit Provisions

The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43:36. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service. However, the Township does not offer medical benefits to retirees. Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving ten years of service credit. In which case, benefits would begin the first day of the month after the member attains normal retirement age.

The vesting and benefit provisions for PFRS are set by N.J.S.A. 43:16A and 43:36. All benefits vest after ten years of service, except for disability benefits, which vest after four years of service. Retirement benefits for age and service are available at age 55. Members may seek special retirement after achieving 25 years of service or they may elect deferred retirement after achieving 10 years of service.

NOTE 7: PENSIONS (CONTINUED)

Vesting and Benefit Provisions (Continued)

Newly elected or appointed officials that have an existing DCRP account, or are a member of another State-administered retirement system are immediately invested in the DCRP. For newly elected or appointed officials that do not qualify for immediate vesting in the DCRP, employee and employer contributions are held during the initial year of membership. Upon commencing the second year of DCRP membership, the member is fully invested. However, if a member is not eligible to continue in the DCRP for a second year of membership, the member may apply for a refund of the employee contributions from the DCRP, while the employer contributions will revert back to the employer. Employees are required to contribute 5.5% of their base salary and employers contribute 3.0%.

Funding Policy

The contribution policy is set by New Jersey State Statutes and contributions are required by active members and contributing employers. Plan members and employer contributions may be amended by State of New Jersey legislation. During 2012, PERS provides for employee contributions of 6.5% of employees' annual compensation. Employers are required to contribute at an actuarially determined rate. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums.

The contribution policy for PFRS is set by N.J.S.A. 43: 16A and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. Employers are required to contribute at an actuarially determined rate. The annual employer contribution includes funding for basic retirement allowances, cost-of-living adjustments and noncontributory death benefits. During 2012, members contributed at a uniform rate of 10.00% of base salary.

Certain portions of the costs are contributed by the employees. The Township's share of PERS and Police and Firemen's pension, which is based upon the annual billings received from the state, amounted to \$1,150,698.00 for 2015, \$1,047,466.00 for 2014 and \$1,085,956.00 for 2013. The Township's share for DCRP amounted to \$6,234.49 for 2015, \$6,161.57 for 2014 and \$6,165.18 for 2013.

All contributions were equal to the required contributions for each of the three years, respectively.

Township employees are also covered by Federal Insurance Contribution Act.

NOTE 7: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB #68

The Governmental Accounting Standards Board (GASB) has issued Statement No. 68 "Accounting and Financial Reporting for Public Employees Pensions" and is effective for fiscal years beginning after June 15, 2014. This statement requires the State of New Jersey to calculate and allocate, for note disclosure purposes only, the unfunded net pension liability of Public Employees Retirement System (PERS) and the Police and Firemen's Retirement System (PFRS) of the participating municipality as of December 31, 2015. The statement does not alter the amounts of funds that must be budgeted for pension payments under existing state law.

Under accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, any unfunded net pension liability of the municipality, allocated by the State of New Jersey, is not required to be reported in the financial statements as presented and any pension contributions required to be paid are raised in that year's budget and no liability is accrued at December 31, 2015.

Public Employees Retirement System (PERS)

At June 30, 2015, the State reported a net pension liability of \$11,630,958.00 for the Township of Warren's proportionate share of the total net pension liability. The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to 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. At June 30, 2015, the Township's proportion was 0.0518129023 percent, which was an increase of 0.002611532 percent from its proportion measured as of June 30, 2014.

NOTE 7: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Public Employees Retirement System (PERS) (Continued)

Additional Information

Collective balances at June 30, 2015 and 2014 are as follows:

	<u>6/30/2015</u>	<u>6/30/2014</u>
Collective deferred outflows of resources	\$5,086,138,484	\$1,032,618,058
Collective deferred inflows of resources	478,031,236	1,726,631,532
Collective net pension liability - local	22,447,996,119	18,722,735,003
Township's Proportion	0.0518129023%	0.0492013702%

Actuarial Assumptions

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which rolled forward to June 30, 2015. The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013. These actuarial valuations used the following assumptions:

	<u>June 30, 2014</u>	<u>June 30, 2015</u>
Inflation	3.01 Percent	3.04 Percent
Salary Increases (based on age)		
2012-2021	2.15-4.40 Percent	2.15-4.40 Percent
Thereafter	3.15-5.40 Percent	3.15-5.40 Percent
Investment Rate of Return	7.90 Percent	7.90 percent

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 (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions (Continued)

The actuarial assumptions used were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments 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. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2014 and June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>June 30, 2015</u>		<u>June 30, 2014</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	1.04%	6.00%	0.80%
Core Bond			1.00%	2.49%
Intermediate Term Bonds			11.20%	2.26%
Mortgages	2.10%	1.62%	2.50%	2.17%
High Yield Bonds	2.00%	4.03%	5.50%	4.82%
Inflation Indexed Bonds	1.50%	3.25%	2.50%	3.51%
Broad U.S. Equities	27.25%	8.52%	25.90%	8.22%
Developed Foreign Markets	12.00%	6.88%	12.70%	8.12%
Emerging Market Equities	6.40%	10.00%	6.50%	9.91%
Private Equity	9.25%	12.41%	8.25%	13.02%
Hedge Funds/Absolute Returns	12.00%	4.72%	12.25%	4.92%
Real Estate (Property)	2.00%	6.83%	3.20%	5.80%
Commodities	1.00%	5.32%	2.50%	5.35%
U.S. Treasuries	1.75%	1.64%		
Investment Grade Credit	10.00%	1.79%		
Global Debt ex US	3.50%	(0.40%)		
REIT	4.25%	5.12%		
	<u>100.00%</u>		<u>100.00%</u>	

NOTE 7: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Public Employees Retirement System (PERS) (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 4.90% and 5.39% as of June 30, 2015 and 2014, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 4.30% and 4.29% as of June 30, 2015 and 2014, respectively, 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 rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of recommended 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. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the collective net pension liability to changes in the discount rate.

The following presents the collective net pension liability of the participating employers as of June 30, 2015 respectively, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2015		
	1% Decrease <u>3.90%</u>	At Current Discount Rate <u>4.90%</u>	1% Increase <u>5.90%</u>
Township's proportionate share of the pension liability	\$14,455,858.00	\$11,630,958.00	\$9,262,583.00

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System (PERS).

NOTE 7: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Police and Firemen's Retirement System (PFRS) (Continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended	<u>Amount</u>
<u>June 30</u>	
2016	\$573,668.00
2017	\$573,668.00
2018	\$573,668.00
2019	\$884,980.00
2020	\$325,746.00

Additional Information

Collective balances at June 30, 2015 and 2014 are as follows:

	<u>6/30/2015</u>	<u>6/30/2014</u>
Collective deferred outflows of resources	\$3,527,123,787	\$456,706,121
Collective deferred inflows of resources	466,113,435	1,283,652,103
Collective net pension liability - local	16,656,514,197	12,579,072,492
Township's proportion	0.0974446918%	0.0970080728%

NOTE 7: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Police and Firemen's Retirement System (PFRS) (Continued)

Actuarial Assumptions

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which rolled forward to June 30, 2015. The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following assumptions:

Inflation	3.04 Percent	3.01 Percent
Salary Increases (based on age)		
2012-2021	2.60-9.48 Percent	3.95-8.62 Percent
Thereafter	3.60-10.48 Percent	4.95-9.62 Percent
Investment Rate of Return	7.90 Percent	7.90 Percent

Mortality rates used for the July 1, 2014 valuation 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.

Mortality rates used for the July 1, 2013 valuation were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback one year for females) with adjustments for mortality improvements from the base year of 2011 based on Projection Scale AA.

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2013.

The actuarial assumptions used in the June 30, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2007 to June 30, 2010.

NOTE 7: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Police and Firemen's Retirement System (PFRS) (Continued)

Actuarial Assumptions (Continued)

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 PFRS's target asset allocation as of June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>June 30,2015</u>		<u>June 30,2014</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	1.04%	6.00%	0.80%
Core Bonds			1.00%	2.49%
Intermediate-Term Bonds			11.20%	2.26%
Mortgages	2.10%	1.62%	2.50%	2.17%
High Yield Bonds	2.00%	4.03%	5.50%	4.82%
Inflation-Indexed Bonds	1.50%	3.25%	2.50%	3.51%
Broad US Equities	27.25%	8.52%	25.90%	8.22%
Developed Foreign Equities	12.00%	6.88%	12.70%	8.12%
Emerging Market Equities	6.40%	10.00%	6.50%	9.91%
Private Equity	9.25%	12.41%	8.25%	13.02%
Hedge Funds Absolute Return	12.00%	4.72%	12.25%	4.92%
Real Estate (Property)	2.00%	6.83%	3.20%	5.80%
Commodities	1.00%	5.32%	2.50%	5.35%
Global Debt ex US	3.50%	(0.40%)		
REIT	4.25%	5.12%		
US Treasuries	1.75%	1.64%		
Investment Grade Credit	10.00%	1.79%		
	<u>100.00%</u>		<u>100.00%</u>	

NOTE 7: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Police and Firemen's Retirement System (PFRS) (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 5.79% and 6.32% as of June 30, 2015 and 2014, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.90%, and a municipal bond rate of 3.80% and 4.29% as of June 30, 2015 and 2014, respectively, 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 rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of recommended 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 2045. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2045, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the collective net pension liability to changes in the discount rate.

The following presents the collective net pension liability of the participating employers as of June 30, 2015 respectively, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage-point higher than the current rate:

	June 30, 2015		
	1% Decrease <u>4.79%</u>	At Current Discount Rate <u>5.79%</u>	1% Increase <u>6.79%</u>
Township's proportionate share of the PFRS pension liability	\$21,397,465.00	\$16,230,889.00	\$12,018,008.00

Pension plan fiduciary net position.

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Police and Firemen's Retirement System (PFRS).

NOTE 8: COMPENSATED ABSENCES

Under the existing policy of the Township, employees, other than sworn police officers, are allowed to accumulate unused sick pay over the life of their working careers in accordance with contractual agreements and/or personnel policy as applicable.

Those individuals who are full time employees may accumulate up to 120 days of sick time. The accumulated sick time will remain "in the bank" and would be available to an employee for long term sickness but will not be compensated upon separation.

Employees would be paid at the conclusion of each calendar year, after accumulation of 120 sick days, one day's pay for every two days of unused sick time over 120 days for a maximum of 7.5 days. Each employee would receive his/her allotment of nine sick days per year for up to five years of employment, and fifteen sick days per year for employees employed over five years. The Township annually appropriates the amounts that are required to be paid in that year's budget.

Full-time police officers shall be entitled to unlimited sick/injury leave time up to a period of one (1) year, to be granted by the Township Committee, for cause, when needed, in three (3) month periods.

NOTE 9: DEFERRED COMPENSATION PLAN

The Township offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all Township employees, permits them to defer a portion of their salaries until future years. The Township does not make any contribution to the plan. The deferred compensation is not available to employees until retirement, death, disability, termination or financial hardships.

In accordance with the requirements of the Small Business Job Protection Act of 1996 and the funding requirements of Internal Revenue Code Section 457(g), the Township's Plan was amended to require that all amounts of compensation deferred under the Plan are held for the exclusive benefits of plan participants and beneficiaries. All assets and income under the Plan are held in trust, in annuity contracts or custodial accounts.

All assets of the Plan are held by an independent administrator, the Equitable Life Assurance Society of the United States (the "AXA Equitable").

The accompanying financial statements do not include the Township's Deferred Compensation Plan activities. The Township's Deferred Compensation Plan financial statements are contained in a separate review report.

NOTE 10: LITIGATION

The Township Attorney's letters did not indicate any litigation, claims or contingent liabilities which would materially affect the financial statements of the Township.

NOTE 11: TAX APPEALS

There are tax appeals filed with the State Tax Court of New Jersey requesting a reduction of assessments for 2015 and prior. Any reduction in assessed valuation will result in a refund of prior years taxes in the year of settlement, which may be funded from current tax revenues through the establishment of a reserve or by the issuance of refunding bonds per N.J.S.40A:2-51. The Township has established a reserve for this purpose in the Current Fund, the balance of which is \$247,269.12 at December 31, 2015.

NOTE 12: CONTINGENT LIABILITIES

The Township participated in several financial assistance grant programs. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of funds for eligible purposes. Findings and questioned costs, if any, relative to financial assistance programs will be discussed in detail in Part II, Report Section of the 2015 audit. In addition, these programs are also subject to compliance and financial audits by the grantors or their representatives. As of December 31, 2015, the Township does not believe that any material liabilities will result from such audits.

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. The Township maintains commercial insurance coverage through a Joint Insurance Fund covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Township. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

NOTE 13: RISK MANAGEMENT (CONTINUED)

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

<u>Year</u>	Township Share/Interest <u>Earned</u>	Employee <u>Contributions</u>	Amount <u>Reimbursed</u>	Ending <u>Balance</u>
2015	\$ 542.18	\$ 6,966.77	\$	\$ 200,115.32
2014	536.48	6,935.50		192,606.37
2013	26,537.70	6,556.41	26,130.21	185,134.39

NOTE 14: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at December 31, 2015:

<u>Fund</u>	Interfund <u>Receivable</u>	Interfund <u>Payable</u>
Current Fund	\$ 22,386.45	\$ 933,450.49
Grant Fund	153,575.09	
Assessment Fund	74,546.45	207,267.99
Animal Control Fund		83.41
Trust Other Fund	705,328.95	
General Capital Fund	<u>207,267.99</u>	<u>22,303.04</u>
	<u>\$ 1,163,104.93</u>	<u>\$ 1,163,104.93</u>

All balances resulted from the time lag between the dates that short-term loans were disbursed and payments between funds were made.

NOTE 15: GASB 45: OTHER POST-EMPLOYMENT BENEFITS

Plan Description - The Township contributes to the State Health Benefits Program (SHBP) a cost-sharing, multiple-employer defined benefit postemployment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. SHBP was established in 1961 under N.J.S.A. 52:14-17.25 *et seq.* to provide health benefits to State employees, retirees, and their dependents. The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the SHBP. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents. The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625-0295 or by visiting their website at <http://www.state.nj.us/treasury/pensions>.

Funding Policy - Contributions to pay for the health premiums of participating employees in the SHBP are billed to the Township on a monthly basis. Participating employers are contractually required to contribute based on the amount of premiums attributable to their retirees. In accordance with Chapter 62, P.L. 1994, post-retirement medical benefits have been funded on a pay-as-you-go basis since 1994. Prior to 1994, medical benefits were funded on an actuarial basis. The Township's net premiums to SHBP for the years ended December 31, 2015, 2014 and 2013 were \$1,452,861.30, \$1,362,950.05 and \$1,257,371.88 respectively, which equaled the required contributions for each year.

NOTE 16: SUBSEQUENT EVENTS

The Township of Warren has evaluated subsequent events occurring after the financial statement date through May 11, 2016 which is the date the financial statements were available to be issued. No items were noted for disclosure or adjustment.

NOTE 17: COMMITMENTS

The Township has entered into an agreement with Chasbob Inc. to extend the affordability controls on sixty low and moderate income residential units located in Whispering Hills. This agreement began in 2012 and runs for a period of 30 years. As part of the agreement, the Township will pay quarterly rental assistance payments of \$50,000.00 to Chasbob Inc. These payments began in 2013 and will continue for the 30 years of the agreement.

NOTE 18: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

At December 31, 2015, the Township had the following deferred charge shown on the balance sheet:

	<u>BALANCE</u> <u>DECEMBER 31, 2015</u>	<u>2016</u> <u>BUDGET</u> <u>APPROPRIATION</u>	<u>BALANCE TO</u> <u>SUCCEEDING</u> <u>BUDGETS</u>
Current Fund: Special Emergency Authorization (40A:4-53)	\$40,000.00	\$10,000.00	\$30,000.00

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TOWNSHIP OF WARREN
SUPPLEMENTARY SCHEDULES
YEAR ENDED DECEMBER 31, 2015

TOWNSHIP OF WARREN
CURRENT FUND
SCHEDULE OF CASH - TREASURER

<u>REF.</u>	<u>CURRENT FUND</u>	<u>CURRENT FUND</u>	<u>GRANT FUND</u>
A		\$ 6,895,327.51	\$ -0-
Increased by Receipts:			
A-2	Miscellaneous Revenue Not Anticipated	\$ 213,400.55	
A-5	Petty Cash Funds	750.00	
A-3	Appropriation Refunds	1,850.00	
A-8	Taxes Receivable	88,632,762.25	
A-11	Revenue Accounts Receivable	3,815,774.42	
A-12	Township of Warren Sewerage Authority	114,652.75	
A-13	Reserve for Outside Police Services	282,554.78	
A-14	Grants Receivable		204,931.26
A-18	State of New Jersey-Senior Citizens and Veterans	101,500.00	
A-9	Tax Title Liens	297.59	
A-22	Tax Overpayments	161,955.32	
A-23	Prepaid Taxes	710,461.15	
A-24	Reserve for Premium on Tax Sale	437,000.00	
A-25	Reserve for Redemption of Outside Liens	228,393.19	
A-29	Interfund - Due Current Fund		293,700.13
A-28	Interfunds Returned	1,440,915.91	
		\$ 96,142,267.91	\$ 498,631.39
		\$ 103,037,595.42	\$ 498,631.39
Decreased by Disbursements:			
A-3	2015 Appropriations	\$ 15,764,781.83	
A-15	2014 Appropriation Reserves	836,973.16	
A-2	Refund of Uniform Construction Code Official	22,003.70	
A-2	Refund of Other Fees and Permits	100.00	
A-2	Municipal Open Space Taxes	874,877.79	
A-5	Petty Cash Funds	750.00	
A-7	Reserve for Accounts Payable	26,716.90	
A-12	Township of Warren Sewerage Authority	149,281.84	
A-13	Reserve for Outside Police Services	282,274.78	
A-19	County Taxes	17,631,856.60	
A-20	Local District School Tax	39,314,134.00	
A-21	Regional High School Tax	18,080,349.00	
A-22	Refund of Tax Overpayments	51,850.06	
A-24	Reserve for Premium on Tax Sale	41,300.00	
A-25	Reserve for Redemption of Outside Liens	232,291.95	
A-16	Reserve for Sale of Municipal Assets	30,000.00	
A-31	Reserve for FEMA - Fire Department	7,715.45	
A-17	Reserve for Tax Appeals	6,726.02	
A-26	Grants - Appropriated		293,700.13
A-28	Interfunds Advanced	1,743,512.58	
A-29	Interfund - Due Current Fund		204,931.26
		\$ 95,097,495.66	\$ 498,631.39
A	Balance, December 31, 2015	\$ 7,940,099.76	\$ -0-

"A-5"

TOWNSHIP OF WARREN

CURRENT FUND

SCHEDULE OF PETTY CASH FUNDS

	<u>ADVANCED</u>	<u>REIMBURSED</u>
Administration	\$ 250.00	\$ 250.00
Police Chief	500.00	500.00
	<u>750.00</u>	<u>750.00</u>
	\$ <u>750.00</u>	\$ <u>750.00</u>
<u>REF.</u>	A-4	A-4

"A-6"

SCHEDULE OF CHANGE FUNDS

Balance, December 31, 2014 and December 31, 2015	A	\$ <u>600.00</u>
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DETAIL

Township Clerk	\$ 50.00
Municipal Court	200.00
Collector	125.00
Public Works	50.00
Board of Health	50.00
Recreation	50.00
Board of Adjustment	25.00
Engineer	20.00
Police	30.00
	<u>600.00</u>
	\$ <u>600.00</u>

TOWNSHIP OF WARREN

CURRENT FUND

SCHEDULE OF ACCOUNTS PAYABLE

	<u>REF.</u>		
Balance, December 31, 2014			\$ 538,206.98
Increased by:			
2015 Appropriations	A-3	\$ 494,423.40	
2014 Appropriation Reserves	A-15	141,793.71	
Grants Appropriated	A-26	<u>33,475.39</u>	
			669,692.50
			<u>\$ 1,207,899.48</u>
Decreased by:			
Transfer to 2014 Appropriation Reserves	A-15	\$ 508,995.08	
Disbursements	A-4	<u>26,716.90</u>	
			<u>535,711.98</u>
Balance, December 31, 2015			<u><u>\$ 672,187.50</u></u>

ANALYSIS OF BALANCE

Current Fund	A	\$ 638,712.11
Grant Fund	A	<u>33,475.39</u>
		<u><u>\$ 672,187.50</u></u>

TOWNSHIP OF WARREN

CURRENT FUND

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

YEAR	BALANCE DECEMBER 31, 2014	2015 LEVY	ADDED	2014	COLLECTIONS	2015	TRANSFERRED TO TAX TITLE LIENS	CANCELED	OVERPAYMENTS APPLIED	BALANCE DECEMBER 31, 2015
Prior	\$ 643,785.73	\$	\$ 3,004.24	\$	\$ 643,774.81	\$	\$	\$ 7.85	\$	\$ 3,007.31
	\$ 643,785.73	\$	\$ 3,004.24	\$	\$ 643,774.81	\$	\$	\$ 7.85	\$	\$ 3,007.31
2015		\$ 89,618,921.55		\$ 738,747.26	\$ 88,094,829.22		\$ 6,928.86	\$ 14,988.70	\$ 26,870.54	\$ 736,556.97
	\$ 643,785.73	\$ 89,618,921.55	\$ 3,004.24	\$ 738,747.26	\$ 88,738,604.03	\$	\$ 6,928.86	\$ 14,996.55	\$ 26,870.54	\$ 739,564.28
REF.	A			A-2-A-23	A-2		A-9		A-2-A-22	A

REF.

Collector
Due From State of N.J. per Chapter 20, P. L. 1971

A-4 \$ 88,632,762.25
A-18 105,841.78
\$ 88,738,604.03

ANALYSIS OF 2015 PROPERTY TAX LEVY

TAX YIELD		
General Purpose Tax	\$	89,343,557.53
Added Taxes (54-4-63.1 et. seq.)		275,364.02
	\$	89,618,921.55
TAX LEVY		
Local District School Tax (Abstract)	A-20	\$ 39,314,134.00
Regional High School Tax (Abstract)	A-21	18,080,349.00
County Taxes:		
County Tax	A-19	\$ 14,164,968.51
County Library Tax	A-19	2,080,280.87
County Open Space Preservation Tax	A-19	1,338,588.71
County Added	A-19	48,018.51
		17,631,856.60
Local Tax for Municipal Purposes (Abstract)	A-2	\$ 13,465,570.53
Municipal Open Space Tax (Including Added)	A-1-A-2	874,877.79
Add: Additional Tax Levied		252,133.63
Local Tax for Municipal Purposes Levied		14,592,581.95
	\$	89,618,921.55

"A-9"

TOWNSHIP OF WARREN

CURRENT FUND

SCHEDULE OF TAX TITLE LIENS

	<u>REF.</u>		
Balance, December 31, 2014	A		\$ 54,980.50
Increased by:			
Transferred from Taxes Receivable	A-8	\$ 6,928.86	
Interest and Cost on Tax Sale		<u>559.31</u>	
			\$ <u>7,488.17</u>
Decreased by:			
Receipts	A-4		<u>297.59</u>
Balance, December 31, 2015	A		\$ <u><u>62,171.08</u></u>

"A-10"

SCHEDULE OF PROPERTY ACQUIRED FOR TAXES

Balance, December 31, 2014 and December 31, 2015	A		\$ <u><u>900,149.00</u></u>
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TOWNSHIP OF WARREN

CURRENT FUND

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	<u>REF.</u>	BALANCE DECEMBER 31, 2014	ACCRUED IN 2015	COLLECTED BY TREASURER	BALANCE DECEMBER 31, 2015
Clerk:					
Alcoholic Beverage Licenses	A-2	\$	24,568.20	\$ 24,568.20	\$
Fees and Permits	A-2		977.47	977.47	
Uniform Construction Code Official	A-2		914,516.00	914,516.00	
Zoning - Fees and Permits	A-2		6,850.00	6,850.00	
Planning Board - Fees and Permits	A-2		10,650.00	10,650.00	
Registrar of Vital Statistics - Fees and Permits	A-2		3,912.00	3,912.00	
Board of Health - Fees and Permits	A-2		43,453.70	43,453.70	
Board of Adjustment - Fees and Permits	A-2		1,008.00	1,008.00	
Municipal Court: Fines and Costs	A-2	24,223.60	188,288.06	201,522.50	10,989.16
Engineering - Fees and Permits	A-2		2,776.00	2,776.00	
Escrow/Inspection Fees	A-2		17,678.40	17,678.40	
Police - Fees and Permits	A-2		2,582.12	2,582.12	
Mini-Dump Fees	A-2		7,135.00	7,135.00	
Street Opening/ Other Permits	A-2		4,900.00	4,900.00	
Interest on Investments and Deposits	A-2		51,058.61	51,058.61	
Bureau of Fire Prevention - Fees and Permits	A-2		21,820.00	21,820.00	
Bureau of Fire Prevention - Smoke Detectors	A-2		11,315.00	11,315.00	
Energy Receipts Tax	A-2		1,321,130.00	1,321,130.00	
Reserve for Open Space - Contribution of Open Space Debt Service	A-2		390,184.00	390,184.00	
Interest and Costs on Taxes	A-2		191,038.81	191,038.81	
Uniform Fire Safety Act	A-2		14,196.02	14,196.02	
Due From Warren Township Sewerage Authority:					
Property and Casualty Insurance	A-2		63,351.00	63,351.00	
Health Insurance	A-2		32,964.53	32,964.53	
Reserve for Debt Service	A-2		3,750.00	3,750.00	
Cable TV Franchise Fee - Cablevision	A-2		132,541.00	132,541.00	
Cable TV Franchise Fee - Verizon	A-2		99,626.32	99,626.32	
Rental of Property - Wagner Farm	A-2		99,286.00	99,286.00	
Watchung Hills Municipal Alliance Contribution	A-2		8,307.00	8,307.00	
Hotel and Motel Occupancy Fees	A-2		48,425.13	48,425.13	
Rental of Property - Cell Towers - Wagner Farm	A-2		84,251.61	84,251.61	
		<u>\$ 24,223.60</u>	<u>\$ 3,802,539.98</u>	<u>\$ 3,815,774.42</u>	<u>\$ 10,989.16</u>

REF.

A

A-4

A

"A-12"

TOWNSHIP OF WARREN

CURRENT FUND

SCHEDULE OF DUE FROM SEWERAGE AUTHORITY

	<u>REF.</u>		
Increased by:			
Disbursements	A-4	\$	149,281.84
Decreased by:			
Receipts	A-4		<u>114,652.75</u>
Balance, December 31, 2015	A	\$	<u><u>34,629.09</u></u>

"A-13"

SCHEDULE OF RESERVE FOR OUTSIDE POLICE SERVICES

Balance, December 31, 2014	A	\$	25,548.75
Increased by:			
Receipts	A-4		<u>282,554.78</u>
		\$	<u>308,103.53</u>
Decreased by:			
Disbursements	A-4		<u>282,274.78</u>
Balance, December 31, 2015	A	\$	<u><u>25,828.75</u></u>

TOWNSHIP OF WARREN

GRANT FUND

SCHEDULE OF GRANTS RECEIVABLE

	BALANCE DECEMBER 31, 2014	ACCRUED 2015	RECEIPTS	UNAPPROPRIATED RESERVE APPLIED	CANCELED	BALANCE DECEMBER 31, 2015
Watchung Hills Municipal Alliance for Prevention of Drug and Alcohol Abuse	\$ 47,352.84	\$ 33,230.00	\$ 25,231.71	\$	\$ 29,987.69	\$ 25,363.44
Click It or Ticket		1,850.00	1,850.00			
Shared Services - School Officer		107,000.00	106,000.00	1,000.00		
OEM Generator		73,000.00				73,000.00
Recycling Tonnage Grant		13,244.75		13,244.75		
Clean Communities Program	1,750.00	42,073.86	42,073.86			
Sustainable NJ Planning Grant		2,000.00	2,000.00		1,750.00	
Somerset County Youth Services Program		5,000.00	5,000.00			
Alcohol Education Rehabilitation Program		2,949.74	1,709.06	1,240.68		
Body Armor Replacement Program		5,887.82	2,941.63	2,946.19		
Drunk Driving Enforcement Fund		2,735.15		2,735.15		
Distracted Driving Program		5,000.00	5,000.00			
Drive Sober or Get Pulled Over	8,400.00	4,625.00	12,125.00		900.00	
Chelsea Donation - OEM		533.33		533.33		
Safety Grant - Garden State JIF		2,000.00	1,000.00	1,000.00		
	\$ 57,502.84	\$ 301,129.65	\$ 204,931.26	\$ 22,700.10	\$ 32,637.69	\$ 98,363.44

REF.

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A-2

A-4

A-27

A-1

A

TOWNSHIP OF WARREN

CURRENT FUND

SCHEDULE OF 2014 APPROPRIATION RESERVES

	BALANCE DECEMBER 31, 2014	ADJUSTED BALANCE	PAID OR CHARGED	BALANCE LAPSED
<u>OPERATIONS WITHIN "CAPS"</u>				
Salaries and Wages:				
Administrative and Executive	\$ 16,438.21	\$ 2,438.21	\$ 2,245.13	\$ 193.08
Township Clerk	9,231.22	1,231.22	676.61	554.61
Financial Administration	3,610.87	2,610.87	2,304.34	306.53
Township Committee	375.15	375.15		375.15
Assessment of Taxes	0.91	2,000.91	1,095.95	904.96
Collection of Taxes	361.77	1,861.77	1,223.21	638.56
Municipal Land Use Law (N.J.S. 4:550-1)	4,626.23	2,626.23	1,827.92	798.31
Zoning Costs - Board of Adjustment	1,369.72	2,369.72	1,736.44	633.28
Zoning Enforcement	4,097.81	97.81		97.81
Bureau of Fire Prevention	1,796.46	296.46	264.01	32.45
Police	27,110.83	3,610.83	3,591.17	19.66
Police Dispatch	2,613.64	613.64		613.64
Municipal Court	312.51	2,862.51	1,893.02	969.49
Emergency Management Service	294.97	294.97		294.97
Legal Services and Costs	800.00			
Engineering Services and Costs	67.42	6,067.42	5,736.24	331.18
Public Buildings and Grounds	9,075.56	75.56		75.56
Road Repairs and Maintenance	40,380.60	880.60	793.25	87.35
Maintenance of Township Vehicles and Equipment	13,574.58	74.58		74.58
Board of Health	1,711.33	5,711.33	4,831.00	880.33
Animal Control	354.93	354.93		354.93
Board of Recreation Commissioners	4,910.42	1,910.42	1,910.42	
Construction Official	5,415.77	12,915.77	12,763.38	152.39
Other Expenses:				
Administrative and Executive	7,804.51	112,741.23	112,505.37	235.86
Township Clerk	54.02	5,959.43	5,614.65	344.78
Audit Services	2,000.00	66,450.00	58,025.00	8,425.00
Financial Administration	3,235.52	2,373.80	2,352.92	20.88
Township Committee	1,032.21	6,196.21	5,964.00	232.21
Assessment of Taxes	3,517.96	15,418.01	11,888.58	3,529.43
Collection of Taxes	5,259.69	2,265.76	1,986.17	279.59
Municipal Land Use Law (N.J.S. 40:550-1)	2,682.36	4,044.28	3,939.42	104.86
Zoning Costs - Board of Adjustment	6,103.53	3,408.97	433.39	2,975.58
Zoning Enforcement	2,873.19	9,271.94	8,308.75	963.19
Environmental Commission (R.S. 40:56A-1 et. seq.)	925.00	925.00	384.00	541.00
Cable TV Advisory Committee	1,375.19	1,375.19		1,375.19
Vehicle and Pedestrian Traffic Advisory Committee	1,505.60	505.60		505.60
Open Space Advisory Committee	3,000.00	3,000.00		3,000.00
Green Team	2,204.63	2,249.50	44.87	2,204.63
Other Insurance Premiums	837.20	837.20		837.20
Consultant	940.00	1,940.00		1,940.00
New Jersey Disability	3,046.13	3,046.13	1,186.80	1,859.33
Group Insurance Plan for Employees	1,541.45	41.45		41.45
Surety Bond Premiums	1,000.00			
Employee Health Benefit Waiver	2,000.00			
Fire Hydrant Services	273.49	36,506.31	36,506.31	
Fire - Miscellaneous	3,014.63	16,424.18	16,415.78	8.40
Bureau of Fire Prevention	1,083.69	1,083.69		1,083.69
Police	716.81	42,318.68	37,728.13	4,590.55
First Aid Organization Contributions	1,055.00	25,055.00	25,000.00	55.00
Police Dispatch	1,773.16	348.16		348.16
Municipal Court	4,070.21	4,895.13	2,524.04	2,371.09
Municipal Prosecutor	3,220.00	220.00		220.00
Emergency Management Services	6,340.00	6,340.00	6,000.00	340.00
Legal Services and Costs	11,940.63	8,740.63	7,776.74	963.89
Engineering Services and Costs	3,452.12	12,980.21	7,168.59	5,811.62
Reserve For Master Plan		39,250.00	39,250.00	
Public Defender	3,291.25	3,291.25		3,291.25
Public Buildings and Grounds	1,653.56	15,474.89	14,705.79	769.10

TOWNSHIP OF WARREN

CURRENT FUND

SCHEDULE OF 2014 APPROPRIATION RESERVES

	BALANCE DECEMBER 31, 2014	ADJUSTED BALANCE	PAID OR CHARGED	BALANCE LAPSED
Other Expenses (Continued):				
Maintenance of Property	\$ 10,871.00	\$ 10,871.00	\$ 9,375.00	\$ 1,496.00
Maintenance of Wagner Farm Property	9,736.44	9,881.59	9,791.70	89.89
Road Repairs and Maintenance	24,825.09	57,389.05	51,070.49	6,318.56
Solid Waste Recycling	5,906.65	38,271.10	32,364.45	5,906.65
Street Lighting	3,138.14	5,505.12	4,718.69	786.43
Electricity	8,254.95	10,461.46	10,155.78	305.68
Telephone	5,549.06	7,995.49	7,852.63	142.86
Water	2,777.94	3,332.07	846.45	2,485.62
Fuel Oil	4,886.92	14,261.73	14,261.73	
Gasoline		227.17		227.17
Natural Gas	7,408.02	3,679.06	3,078.95	600.11
Maintenance of Township's Vehicles and Equipment	536.35	14,439.16	14,347.81	91.35
Maintenance of Fire Equipment	9,628.46	12,700.78	12,072.32	628.46
Community Services Act	6,025.81	6,025.81	5,853.87	171.94
Board of Health	7,002.87	35,719.05	28,716.18	7,002.87
Animal Control	9,500.00	500.00		500.00
Board of Recreation Commissioners	3,803.13	6,407.13	3,398.00	3,009.13
Celebration of Public Events	11,165.41	12,165.41		12,165.41
Historical Sites Committee	4,667.00	4,667.00	4,500.00	167.00
Senior Citizens Committee	226.99	226.99	226.99	
Therapeutic Recreation	555.00	555.00		555.00
Public Monuments	1,710.00	1,710.00		1,710.00
Senior Citizen Bus	6,210.10	6,210.10	2,469.99	3,740.11
Construction Code Official	3,548.00	1,802.35	1,402.35	400.00
3rd Party Inspection Fees	1,975.00	1,975.00		1,975.00
Interest on Tax Appeal Refunds	5,000.00	5,000.00	65.39	4,934.61
Contingent	5,000.00	5,000.00		5,000.00
Social Security System (O.A.S.I.)	79,558.73	3,558.73		3,558.73
Firemen's Widow Pension	3,500.00	3,500.00		3,500.00
State Unemployment Insurance	1,000.00	1,000.00		1,000.00
DCRP - Employer's Share	3,838.43	3,838.43		3,838.43
Flexible Spending	150.00	500.00	100.00	400.00
Capital Improvement Fund		203,200.00	203,200.00	
Overlay and Drainage Improvements	43,417.65	43,417.65	43,417.65	
Purchase of Police Equipment	25,000.00	25,000.00	24,609.36	390.64
Improvements to Municipal Building	31,136.34	31,136.34	30,000.00	1,136.34
Purchase of Public Work Equipment	3,813.30	5,283.00	5,269.70	13.30
Purchase of Fire Equipment	150.00	150.00		150.00
Purchase of Office Equipment	7,000.00	7,000.00	7,000.00	
TOTAL	\$ 601,826.43	\$ 1,110,821.51	\$ 978,766.87	\$ 132,054.64

REF. A A-1

Balance, December 31, 2014	A:A-15	\$ 601,826.43	
Accounts Payable	A-7	508,995.08	
		<u>\$ 1,110,821.51</u>	
Disbursements	A-4		\$ 836,973.16
Accounts Payable	A-7		<u>141,793.71</u>
			<u>\$ 978,766.87</u>

"A-16"

TOWNSHIP OF WARREN

CURRENT FUND

SCHEDULE OF RESERVE FOR SALE OF MUNICIPAL ASSETS

	<u>REF.</u>		
Balance, December 31, 2014	A	\$	54,444.77
Decreased by:			
Disbursements	A-4		<u>30,000.00</u>
Balance, December 31, 2015	A	\$	<u><u>24,444.77</u></u>

"A-17"

SCHEDULE OF RESERVE FOR STATE TAX APPEALS

Balance, December 31, 2014	A	\$	253,995.14
Decreased by:			
Disbursements	A-4		<u>6,726.02</u>
Balance, December 31, 2015	A	\$	<u><u>247,269.12</u></u>

TOWNSHIP OF WARREN

CURRENT FUND

SCHEDULE OF DUE FROM STATE OF NEW JERSEY
PER CHAPTER 20, P.L. 1971

	<u>REF.</u>		
Balance, December 31, 2014	A		\$ 53,887.99
Increased by:			
Deductions Per Tax Billings		\$ 106,250.00	
Senior Citizens' Deduction Allowed by Tax Collector		<u>1,500.00</u>	
			<u>107,750.00</u>
			\$ <u>161,637.99</u>
Decreased by:			
Receipts	A-4	101,500.00	
Senior Citizens' Deduction Disallowed by Tax Collector		<u>1,908.22</u>	
			<u>103,408.22</u>
Balance, December 31, 2015	A		\$ <u><u>58,229.77</u></u>

CALCULATION OF STATE'S SHARE OF
2015 SENIOR CITIZENS DEDUCTIONS
ALLOWED BY COLLECTOR (CHAPTER 20, P.L. 1971)

Senior Citizens Deductions Per Tax Billings		\$ 10,250.00
Veterans Deductions Per Tax Billings		96,000.00
Senior Citizens and Veterans Deductions Allowed by Tax Collector		<u>1,500.00</u>
		\$ <u>107,750.00</u>
Less:		
Senior Citizens' Deduction Disallowed by Collector		<u>1,908.22</u>
	A-8	\$ <u><u>105,841.78</u></u>

"A-19"

TOWNSHIP OF WARREN

CURRENT FUND

SCHEDULE OF COUNTY TAXES PAYABLE

	<u>REF.</u>		
2015 Tax Levy:			
County Tax	A-8	\$ 14,164,968.51	
County Library Tax	A-8	2,080,280.87	
County Open Space Preservation Tax	A-8	1,338,588.71	
County Added	A-8	<u>48,018.51</u>	
	A-1		\$ <u>17,631,856.60</u>
Decreased by:			
Payments	A-4		\$ <u><u>17,631,856.60</u></u>

"A-20"

SCHEDULE OF LOCAL DISTRICT SCHOOL TAX

Increased by:			
2015 Tax Levy - Calendar Year	A-1:A-8		\$ <u>39,314,134.00</u>
Decreased by:			
Payments	A-4		\$ <u><u>39,314,134.00</u></u>

"A-21"

SCHEDULE OF REGIONAL HIGH SCHOOL TAX

Increased by:			
2015 Tax Levy - Calendar Year	A-1:A-8		\$ <u>18,080,349.00</u>
Decreased by:			
Payments	A-4		\$ <u><u>18,080,349.00</u></u>

"A-22"

TOWNSHIP OF WARREN

CURRENT FUND

SCHEDULE OF TAX OVERPAYMENTS

	<u>REF.</u>		
Balance, December 31, 2014	A		\$ 260,510.49
Increased by:			
Overpayments in 2015 - Receipts	A-4		<u>161,955.32</u>
			\$ <u>422,465.81</u>
Decreased by:			
Refunds	A-4	\$ 51,850.06	
Applied to Taxes Receivable	A-8	26,870.54	
Canceled		<u>17,587.04</u>	
			<u>96,307.64</u>
Balance, December 31, 2015	A		\$ <u><u>326,158.17</u></u>

"A-23"

SCHEDULE OF PREPAID TAXES

Balance, December 31, 2014 (2015 Taxes)	A		\$ 738,747.26
Increased by:			
Collections of 2016 Taxes	A-4		<u>710,461.15</u>
			\$ <u>1,449,208.41</u>
Decreased by:			
Applied to Taxes Receivable	A-8		<u>738,747.26</u>
Balance, December 31, 2015 (2016 Taxes)	A		\$ <u><u>710,461.15</u></u>

"A-24"

TOWNSHIP OF WARREN

CURRENT FUND

SCHEDULE OF RESERVE FOR TAX SALE PREMIUMS

	<u>REF.</u>	
Balance, December 31, 2014	A	\$ 321,800.00
Increased by:		
Receipts	A-4	437,000.00
		<u>\$ 758,800.00</u>
Decreased by:		
Disbursements	A-4	41,300.00
		<u>41,300.00</u>
Balance, December 31, 2015	A	<u><u>\$ 717,500.00</u></u>

"A-25"

SCHEDULE OF RESERVE FOR REDEMPTION OF OUTSIDE LIENS

Balance, December 31, 2014	A	\$ 3,898.76
Increased by:		
Receipts	A-4	228,393.19
		<u>228,393.19</u>
		<u>\$ 232,291.95</u>
Decreased by:		
Disbursements	A-4	232,291.95
		<u><u>\$ 232,291.95</u></u>

TOWNSHIP OF WARREN

GRANT FUND

SCHEDULE OF RESERVE FOR GRANTS - APPROPRIATED

	BALANCE DECEMBER 31, 2014	TRANSFERRED FROM 2015 BUDGET	PAID OR CHARGED	CANCELED	BALANCE DECEMBER 31, 2015
Alcohol Education Rehabilitation Fund	\$ 2,567.29	\$ 2,949.74	\$	\$	5,517.03
Drunk Driving Enforcement Fund		2,735.15			2,735.15
Drive Sober or Get Pulled Over	3,287.26	4,625.00	7,912.26		
Shared Services - School Officer	30,932.12	107,000.00	137,932.12		
Municipal Alliance Program	45,088.90	33,230.00	18,849.37	22,192.00	37,277.53
Municipal Alliance Program - Match	24,552.68	8,307.55			32,860.23
Police Distracted Driving	2,350.00	5,000.00	7,350.00		
Police Grant - Private Grant	502.50	502.50			
Chelsea Donation - OEM	1,233.34	533.33			1,766.67
Somerset County - Friends of Youth Services	146.72				146.72
Somerset County Youth Services Program	4,026.97	5,000.00	6,300.00		2,726.97
OEM Generator		73,000.00			73,000.00
Body Armor Replacement Program	7,135.86	5,887.82	3,643.20		9,380.48
Click it or Ticket		1,850.00	1,850.00		
Clean Communities Program	49,859.59	42,073.86	49,859.59		42,073.86
Recycling Tonnage Program	81,101.01	13,244.75	88,746.21		5,599.55
Wal-Mart Grant	507.79		507.79		
Safety Grant - Garden State JIF	2,801.43	2,000.00	1,483.18		3,318.25
Sustainable NJ Planning Grant	2,300.00	2,000.00	2,239.30		2,060.70
	<u>\$ 258,393.46</u>	<u>\$ 309,437.20</u>	<u>\$ 327,175.52</u>	<u>\$ 22,192.00</u>	<u>\$ 218,463.14</u>

REF.

Disbursements	\$ 293,700.13				
Accounts Payable	<u>33,475.39</u>				
	\$ <u>327,175.52</u>				

A-3

A-1

A

A-4

A-7

TOWNSHIP OF WARREN

CURRENT AND GRANT FUNDS

SCHEDULE OF RESERVE FOR GRANTS - UNAPPROPRIATED

	BALANCE DECEMBER 31, 2014	APPLIED TO RECEIVABLE	BALANCE DECEMBER 31, 2015
Body Armor Replacement Fund	\$ 2,946.19	\$ 2,946.19	\$
Recycling Tonnage Grant	13,244.75	13,244.75	
Chelsea - OEM	533.33	533.33	
Safety Grant - Garden State JIF	1,000.00	1,000.00	
Alcohol Education Rehabilitation Fund	1,240.68	1,240.68	
Drunk Driving Enforcement Fund	2,735.15	2,735.15	
Shared Services School Officer	1,000.00	1,000.00	
	<u>\$ 22,700.10</u>	<u>\$ 22,700.10</u>	<u>\$ -0-</u>

REF.

A

A-14

A

TOWNSHIP OF WARREN

CURRENT FUND

SCHEDULE OF INTERFUNDS

REF.	TOTAL	GRANT FUND	ASSESSMENT TRUST FUND	ANIMAL CONTROL TRUST FUND	OTHER TRUST FUND	GENERAL CAPITAL FUND
Balance, December 31, 2014:						
A	\$ 7,738.23	\$	\$	\$ 7,738.23	\$	\$
A	1,202,645.70	223,590.72	52,303.04		618,274.95	308,476.99
A-4	1,440,915.91	204,931.26	22,243.41	7,738.23	1,206,003.01	
A-29	8,307.55	8,307.55				
A-29	22,192.00	22,192.00				
A-29	32,637.69	32,637.69				
A-4	1,743,512.58	293,700.13		83.41	1,118,949.01	330,780.03
Balance, December 31, 2015:						
A	\$ 22,386.45	\$	\$	\$ 83.41	\$	\$ 22,303.04
A	933,450.49	153,575.09	74,546.45		705,328.95	

TOWNSHIP OF WARREN

GRANT FUND

SCHEDULE OF DUE CURRENT FUND

	<u>REF.</u>		
Balance, December 31, 2014 (Due From)	A		\$ 223,590.72
Increased by:			
Disbursements	A-4	\$ 204,931.26	
Transfer	A-28	8,307.55	
Canceled Receivable	A-14	<u>32,637.69</u>	
			<u>245,876.50</u>
			\$ 469,467.22
Decreased by:			
Receipts	A-4	\$ 293,700.13	
Canceled Reserve	A-26	<u>22,192.00</u>	
			<u>315,892.13</u>
Balance, December 31, 2015 (Due From)	A		\$ <u><u>153,575.09</u></u>

"A-30"

TOWNSHIP OF WARREN

CURRENT FUND

SCHEDULE OF RESERVE FOR RETIREMENT

	<u>REF.</u>	
Balance, December 31, 2014 and December 31, 2015	A	\$ <u>56,745.00</u>

"A-31"

SCHEDULE OF RESERVE FOR FEMA - FIRE DEPARTMENT

Balance, December 31, 2014	A	\$ 8,409.97
Decreased by: Disbursements	A-4	<u>7,715.45</u>
Balance, December 31, 2015	A	\$ <u>694.52</u>

"A-32"

TOWNSHIP OF WARREN

CURRENT FUND

SCHEDULE OF RESERVE FOR FEMA - FIRE DEPARTMENT - SANDY

REF.

Balance, December 31, 2014
and December 31, 2015

A

\$ 12,544.42

"A-33"

SCHEDULE OF RESERVE FOR FEMA - RESCUE SQUAD - SANDY

Balance, December 31, 2014
and December 31, 2015

A

\$ 13,116.08

"A-34"

TOWNSHIP OF WARREN

CURRENT FUND

SCHEDULE OF RESERVE FOR FEMA - SEWERAGE AUTHORITY - SANDY

	<u>REF.</u>	
Balance, December 31, 2014 and December 31, 2015	A	\$ <u><u>20,966.50</u></u>

"A-35"

SCHEDULE OF DEFERRED CHARGES

Balance, December 31, 2014	A	\$ 50,000.00
Decreased by:		
Budget Appropriations	A-3	<u>10,000.00</u>
Balance, December 31, 2015	A	\$ <u><u>40,000.00</u></u>

TOWNSHIP OF WARREN

TRUST FUND

SCHEDULE OF CASH-TREASURER

REF.	ASSESSMENT	ANIMAL CONTROL	OTHER
B	\$	\$	\$
		21,108.03	7,512,480.03
Balance, December 31, 2014			
Increased by Receipts:			
Due Current Fund		83.41	1,118,949.01
Due General Capital Fund			230,000.00
Dog and Cat Licenses and Other Fees		8,810.20	
Prepaid Licenses		2,310.00	
Reserve for Open Space Deposits			878,959.96
Assessment Receivable	22,243.41		
Due State of New Jersey - Marriage Licenses and Domestic Partnerships			1,600.00
Reserve for Affordable Housing Trust Deposits			202,221.25
Reserve for Unemployment Compensation Insurance			7,508.95
Reserve for Miscellaneous Trust Deposits			10,831,814.49
State of New Jersey-Dog License Fees		1,168.80	
	<u>22,243.41</u>	<u>12,372.41</u>	<u>13,271,053.66</u>
	\$ <u>22,243.41</u>	\$ <u>33,480.44</u>	\$ <u>20,783,533.69</u>
Decreased by Disbursements:			
Due Current Fund			
Due State of New Jersey - Marriage Licenses and Domestic Partnerships		7,738.23	1,206,003.01
Reserve for Miscellaneous Trust Deposits			1,775.00
Reserve for Open Space Deposits			10,291,359.65
Reserve for Affordable Housing Trust Deposits			589,383.80
Expenditures Under R.S. 4:19-15.11		392.31	286,221.78
State of New Jersey-Dog License Fees		1,167.60	
	<u>22,243.41</u>	<u>9,298.14</u>	<u>12,374,743.24</u>
	\$ <u>-0-</u>	\$ <u>24,182.30</u>	\$ <u>8,408,790.45</u>
Balance, December 31, 2015			

TOWNSHIP OF WARREN

TRUST FUND

SCHEDULE OF ASSESSMENT RECEIVABLE

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	DATE OF CONFIRMATION	INSTALLMENTS	DUE DATES	BALANCE DECEMBER 31, 2014	COLLECTED	BALANCE DECEMBER 31, 2015	BALANCE PLEDGED TO CAPITAL
02-38	Hill Hollow Road Sewer Project	6/25/09	20	7/1/10 - 7/1/28	\$ 154,964.95	\$ 22,243.41	\$ 132,721.54	\$ 132,721.54
				<u>REF.</u>	B	B-2	B	

"B-4"

TOWNSHIP OF WARREN

TRUST FUND

SCHEDULE OF DUE CURRENT FUND -
ANIMAL CONTROL TRUST FUND

	<u>REF.</u>	
Balance, December 31, 2014 (Due To)	B	\$ 7,738.23
Increased by:		
Receipts	B-2	<u>83.41</u>
		\$ 7,821.64
Decreased by:		
Disbursements	B-2	<u>7,738.23</u>
Balance, December 31, 2015 (Due To)	B	<u><u>\$ 83.41</u></u>

"B-5"

SCHEDULE OF AMOUNT DUE STATE OF NEW JERSEY-
DEPARTMENT OF HEALTH - DOG LICENSES

Increased by:		
State License Fees	B-2	\$ 1,168.80
Decreased by:		
Disbursements	B-2	<u>1,167.60</u>
Balance, December 31, 2015	B	<u><u>\$ 1.20</u></u>

TOWNSHIP OF WARREN

TRUST FUND

SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES

	<u>REF.</u>		
Balance, December 31, 2014	B		\$ 9,769.80
Increased by:			
Dog Licenses		\$ 7,292.20	
Late Fees		735.00	
Kennel Fees		200.00	
Cat Licenses		583.00	
Sub-total	B-2	\$ 8,810.20	
Prepaid Dog and Cat Licenses	B-7	3,600.00	
			12,410.20
			\$ 22,180.00
Decreased by:			
Expenditures Under R.S. 4:19-15.11	B-2		392.31
Balance, December 31, 2015	B		\$ 21,787.69

<u>LICENSE FEES COLLECTED</u>	
<u>YEAR</u>	<u>AMOUNT</u>
2014	\$ 14,206.20
2013	9,202.00
	\$ 23,408.20

TOWNSHIP OF WARREN

TRUST FUND

SCHEDULE OF PREPAID LICENSES
ANIMAL CONTROL TRUST FUND

	<u>REF.</u>	
Balance, December 31, 2014	B	\$ 3,600.00
Increased by:		
Dog License Receipts	B-2	<u>2,310.00</u>
		\$ <u>5,910.00</u>
Decreased by:		
Applied to Reserve for Expenditures	B-6	<u>3,600.00</u>
Balance, December 31, 2015	B	\$ <u><u>2,310.00</u></u>

"B-8"

TOWNSHIP OF WARREN

TRUST FUND

SCHEDULE OF RESERVE FOR OPEN SPACE TRUST DEPOSITS

	<u>REF.</u>		
Balance, December 31, 2014	B		\$ 2,218,772.86
Increased by:			
Open Space Taxes		\$ 874,877.79	
Interest Earned		<u>4,082.17</u>	
	B-2		<u>878,959.96</u>
			\$ <u>3,097,732.82</u>
Decreased by:			
Disbursements	B-2		<u>589,383.80</u>
Balance, December 31, 2015	B		\$ <u><u>2,508,349.02</u></u>

"B-9"

SCHEDULE OF RESERVE FOR STATE UNEMPLOYMENT
COMPENSATION INSURANCE (N.J.S. 43:31-3 ET.SEQ.)

Balance, December 31, 2014	B		\$ 192,606.37
Increased by:			
Interest Earned		\$ 542.18	
Employee Withholdings		<u>6,966.77</u>	
	B-2		<u>7,508.95</u>
Balance, December 31, 2015	B		\$ <u><u>200,115.32</u></u>

TOWNSHIP OF WARREN

TRUST FUND

SCHEDULE OF RESERVE FOR MISCELLANEOUS TRUST DEPOSITS

	BALANCE DECEMBER 31, 2014	INCREASED	DECREASED	BALANCE DECEMBER 31, 2015
Payroll Deductions Payable	\$ 126,907.34	\$ 9,473,192.56	\$ 9,426,290.53	\$ 173,809.37
Flexible Spending	1,622.53	5,742.15	1,622.53	5,742.15
Building Surcharge (D.C.A.)	14,229.00	66,185.00	49,420.00	30,994.00
Plumbing Inspections	183,918.06	87,294.00	67,903.00	203,309.06
Elevator Inspections	8,089.00	23,088.00	18,736.00	12,441.00
Insurance	253,927.04	89,952.02	102,567.07	241,311.99
Fire Subcode Inspections	93,247.92	44,423.00	33,114.00	104,556.92
Snow Removal	123,236.42		48,004.91	75,231.51
Uniform Fire Code Fines and Penalties	24,669.90		6,419.42	18,250.48
Police Forfeitures	57,559.41	10,531.08	16,771.74	51,318.75
Municipal Alliance	24,409.74	11,002.00	8,939.08	26,472.66
Recreation Commission	65,858.17	133,649.74	131,581.32	67,926.59
Engineering and Inspection Fees	81,589.25	46,248.58	13,951.21	113,886.62
Performance Bonds	740,672.60	306,915.28	52,878.10	994,709.78
Escrow Deposits	225,615.51	202,859.55	174,160.63	254,314.43
Fuel Trust	120,758.21	206,703.53	121,950.11	205,511.63
Federal Equitable Sharing		17,510.50		17,510.50
Dealman Bequest - Library	10,000.00	100,000.00		100,000.00
Wetland Remediation				10,000.00
POAA	114.03	76.00		190.03
Public Defender	10,739.33	6,441.50	17,050.00	130.83
	<u>\$ 2,167,163.46</u>	<u>\$ 10,831,814.49</u>	<u>\$ 10,291,359.65</u>	<u>\$ 2,707,618.30</u>

REF.

B

B-2

B-2

B

"B-11"

TOWNSHIP OF WARREN

TRUST FUND

SCHEDULE OF RESERVE FOR AFFORDABLE HOUSING TRUST DEPOSITS
OTHER TRUST FUND

	<u>REF.</u>	
Balance, December 31, 2014	B	\$ 3,781,812.29
Increased by:		
Receipts	B-2	202,221.25
		<u>\$ 3,984,033.54</u>
Decreased by:		
Disbursements	B-2	286,221.78
		<u>286,221.78</u>
Balance, December 31, 2015	B	<u>\$ 3,697,811.76</u>

"B-12"

SCHEDULE OF DUE STATE OF NEW JERSEY-
MARRIAGE LICENSES & CIVIL UNIONS
OTHER TRUST FUND

Balance, December 31, 2014	B	\$ 400.00
Increased by:		
Receipts	B-2	1,600.00
		<u>\$ 2,000.00</u>
Decreased by:		
Disbursements	B-2	1,775.00
		<u>1,775.00</u>
Balance, December 31, 2015	B	<u>\$ 225.00</u>

"B-13"

TOWNSHIP OF WARREN

TRUST FUND

SCHEDULE OF DUE CURRENT FUND
OTHER TRUST FUND

	<u>REF.</u>	
Balance, December 31, 2014 (Due From)	B	\$ 618,274.95
Increased by:		
Disbursements	B-2	1,206,003.01
		\$ <u>1,824,277.96</u>
Decreased by:		
Receipts	B-2	<u>1,118,949.01</u>
Balance, December 31, 2015 (Due From)	B	\$ <u><u>705,328.95</u></u>

"B-14"

SCHEDULE OF DUE GENERAL CAPITAL FUND
OTHER TRUST FUND

Balance, December 31, 2014 (Due From)	B	\$ <u>230,000.00</u>
Decreased by:		
Receipts	B-2	\$ <u><u>230,000.00</u></u>

"B-15"

TOWNSHIP OF WARREN

TRUST FUND

SCHEDULE OF DUE CURRENT FUND
ASSESSMENT TRUST FUND

	<u>REF.</u>	
Balance, December 31, 2014 (Due From)	B	\$ 52,303.04
Increased by:		
Disbursements	B-2	<u>22,243.41</u>
Balance, December 31, 2015 (Due From)	B	<u>\$ 74,546.45</u>

"B-16"

SCHEDULE OF DUE GENERAL CAPITAL FUND
ASSESSMENT TRUST FUND

Balance, December 31, 2014 and December 31, 2015 (Due To)	B	<u>\$ 207,267.99</u>
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TOWNSHIP OF WARREN

GENERAL CAPITAL FUND

SCHEDULE OF CASH - TREASURER

	<u>REF.</u>		
Balance, December 31, 2014	C		\$ 2,813,003.03
Increased by Receipts:			
Deferred Charges to Future Taxation - Unfunded	C-5	\$ 1,691.17	
Due Current Fund	C-6	360,780.03	
Capital Improvement Fund	C-8	273,200.00	
Various Capital Reserves	C-14	108,980.00	
Bond Anticipation Note Payable	C-13	<u>175,000.00</u>	
			<u>919,651.20</u>
			\$ 3,732,654.23
Decreased by Disbursements:			
Contracts Payable	C-7	\$ 1,419,016.18	
Due Trust Other Fund	C-9	230,000.00	
Reserve for Debt Service	C-15	3,750.00	
Bond Anticipation Note Payable	C-13	<u>175,000.00</u>	
			<u>1,827,766.18</u>
Balance, December 31, 2015	C		\$ <u><u>1,904,888.05</u></u>

"C-3"

TOWNSHIP OF WARREN

GENERAL CAPITAL FUND

ANALYSIS OF CASH

	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2015</u>
Fund Balance	\$ 159,206.53
Capital Improvement Fund	131,147.11
Grants Receivable	(175,000.00)
Improvement Authorizations-Funded	1,072,367.40
Due Current Fund	22,303.04
Due Assessment Trust Fund	(207,267.99)
Various Capital Reserves	386,391.55
Improvement Expenditures (Exhibit "C-5")	(5,225,742.71)
Cash on Hand to Pay Notes (Exhibit "C-5")	3,680.60
Contracts Payable	<u>5,737,802.52</u>
	<u>\$ 1,904,888.05</u>

REF.

C

"C-4"

SCHEDULE OF DEFERRED CHARGES TO
FUTURE TAXATION FUNDED

Balance, December 31, 2014	C	\$ 10,379,000.00
Decreased by:		
2015 Budget Appropriation to Pay Bonds	C-11	<u>1,150,000.00</u>
Balance, December 31, 2015	C	<u>\$ 9,229,000.00</u>

TOWNSHIP OF WARREN
GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION UNFUNDED

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2014	2015 AUTHORIZATIONS	RECEIPTS	BUDGET APPROPRIATIONS	CANCELED	BALANCE DECEMBER 31, 2015	BOND ANTICIPATION NOTES	ANALYSIS OF BALANCE DECEMBER 31, 2015	
									EXPENDITURES	UNEXPENDED IMPROVEMENT AUTHORIZATION
09-18	Various Capital Improvements	\$ 611.00	\$	\$ 611.00	\$	\$	\$	\$	\$	\$
09-26	Improvements to Dock Watch Hollow Road	342.77		342.77						
10-21	Acquisition of Turnout Gear	384.87		384.87						
11-05	Improvements to Old Stirling Road	352.53		352.53						
12-01	Refunding of Certain General Obligation Bonds	350,000.00			175,000.00	3,680.60	171,319.40	171,319.40	232,710.14	394,289.86
14-17	Construction of Sanitary Sewer Extension - Hillcrest	627,000.00					627,000.00		122,417.00	5,583.00
14-18	Acquisition of Various Capital Equipment	128,000.00					166,000.00			166,000.00
14-22	Improvements to Dead River Road	166,000.00					5,830,000.00		4,829,155.57	1,000,844.43
14-05/15-16	Construction of Municipal Complex	3,500,000.00	2,330,000.00				465,000.00		40,060.00	424,940.00
15-13	Construction of Sanitary Sewer Extensions	128,000.00	465,000.00				218,000.00			218,000.00
15-20	Acquisition of Various Capital Equipment	166,000.00	218,000.00				508,000.00		1,400.00	506,600.00
15-21	Improvements to Round Top Road		508,000.00							
		<u>\$ 4,772,691.17</u>	<u>\$ 3,521,000.00</u>	<u>\$ 1,691.17</u>	<u>\$ 175,000.00</u>	<u>\$ 3,680.60</u>	<u>\$ 8,113,319.40</u>	<u>\$ 171,319.40</u>	<u>\$ 5,225,742.71</u>	<u>\$ 2,716,257.29</u>
		C	C-10	C-2	C-13	C-10	C		C-3	C-10

REF. C-13
C-3

Bond Anticipation Notes Payable \$ 175,000.00
Less: Cash on Hand to Pay Notes 3,680.60
\$ 171,319.40

"C-6"

TOWNSHIP OF WARREN

GENERAL CAPITAL FUND

SCHEDULE OF DUE CURRENT FUND

	<u>REF.</u>		
Balance, December 31, 2014 (Due From)	C	\$	308,476.99
Increased by:			
Improvement Authorizations	C-10		<u>30,000.00</u>
		\$	<u>338,476.99</u>
Decreased by:			
Receipts	C-2		<u>360,780.03</u>
Balance, December 31, 2015 (Due To)	C	\$	<u><u>22,303.04</u></u>

"C-7"

SCHEDULE OF CONTRACTS PAYABLE

Balance, December 31, 2014	C	\$	199,522.20
Increased by:			
Improvement Authorizations	C-10	\$	6,833,611.58
Capital Reserves	C-14		<u>123,684.92</u>
			<u>6,957,296.50</u>
		\$	<u>7,156,818.70</u>
Decreased by:			
Disbursements	C-2		<u>1,419,016.18</u>
Balance, December 31, 2015	C:C-3	\$	<u><u>5,737,802.52</u></u>

"C-8"

TOWNSHIP OF WARREN

GENERAL CAPITAL FUND

SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>REF.</u>		
Balance, December 31, 2014	C		\$ 23,988.11
Increased by:			
2015 Budget Appropriation		\$ 70,000.00	
2014 Appropriation Reserves		<u>203,200.00</u>	
	C-2	\$ <u>273,200.00</u>	
Improvement Authorizations Canceled	C-10	<u>7,959.00</u>	
			\$ <u>281,159.00</u>
			\$ <u>305,147.11</u>
Decreased by:			
Appropriated to Finance Improvement Authorizations	C-10		<u>174,000.00</u>
Balance, December 31, 2015	C		\$ <u><u>131,147.11</u></u>

"C-9"

SCHEDULE OF DUE TRUST OTHER FUND

Balance December 31, 2014 (Due To)	C		\$ <u>230,000.00</u>
Decreased by:			
Disbursements	C-2		\$ <u><u>230,000.00</u></u>

TOWNSHIP OF WARREN
GENERAL CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

ORDINANCE NUMBER	IMPROVEMENT AUTHORIZATIONS	ORDINANCE DATE	ORDINANCE AMOUNT	BALANCE DECEMBER 31, 2014		2015 AUTHORIZATIONS	CONTRACTS PAYABLE	ORDINANCES CANCELED	BALANCE DECEMBER 31, 2015	
				FUNDED	UNFUNDED				FUNDED	UNFUNDED
General Improvements:										
08-09	Acquisition of Various Equipment	05/08/08	\$ 520,000.00	\$ 11,016.72	\$	\$	\$	\$ 11,016.72	\$	\$
09-05	Improvements to Mountainview Road	02/12/09	420,000.00	17,096.72				17,096.72		
09-18	Various Capital Improvements	07/23/09	520,000.00	22,878.46	611.00		11,946.66			11,542.80
10-22	Acquisition of Fire Truck	11/03/10	975,000.00	15,804.48			700.00			10,852.93
10-23	Improvements & Upgrades for Dept. of Public Works	11/04/10	15,000.00	10,852.93						
11-07	Repair, Upgrade and New Construction of Barris Located at Wagner Farm	05/05/11	336,000.00	196,716.64			24,849.57			171,867.07
12-01	Refunding Bond Ordinance	04/12/12	695,000.00		3,680.60		680.00	3,680.60		
12-04	Acquisition of Public Works Dump Trucks	05/03/12	250,000.00	13,010.59				12,330.59		
12-07	Purchase of New Software	05/03/12	25,000.00	1,540.00				1,540.00		
12-10	Rehabilitation of Housing	05/24/12	200,000.00	152,986.58			2,000.00			150,986.58
13-05	Open Space Recreation, Farmland Preservation	10/03/12	200,000.00	152,000.00						152,000.00
13-05	Various Capital Improvements	04/25/13	230,000.00	38,981.59			394.50	38,587.09		
13-08	Painting of Robert Lamare Library Building	04/25/13	30,000.00	16,736.43				16,736.43		
14-09	Painting of Robert Lamare Library Building	04/23/14	20,000.00	5,038.00				5,038.00		
14-10	Renovating Mens Bathroom at Library Building	04/23/14	15,000.00	8,765.96				8,765.96		
14-11	Purchase of Pick up Truck w/ Plow and Equipment	04/23/14	36,000.00	1,381.00			55.00			10,345.00
14-12	Replacement of Roofs at Police/Court Buildings	04/23/14	35,000.00	10,400.00			23,000.00			6,390.00
14-13	Purchase of Police Digital Recorder and Light Tower	04/23/14	37,000.00	29,390.00				1,381.00		
14-17	Construction of Sanitary Sewer Extensions - Hillcrest	06/12/14	662,000.00				221,709.90			394,289.86
14-18	Acquisition of Various Capital Equipment	06/12/14	135,000.00	6,325.00			128,000.00			5,683.00
14-22	Improvements to Dead River Road	08/14/14	350,000.00	159,600.00			128,742.00			166,000.00
14-23	Construction of New Facility at Wagner Farm	09/18/14	348,229.18	348,229.18						
14-05/15-16	Construction of Municipal Building	09/30/15	7,190,000.00	1,136,472.22		2,440,000.00	6,075,627.79			1,000,844.43
15-02	Construction of Parking Lot	03/19/15	120,000.00			120,000.00				
15-06	Purchase of Pickup Truck w/ Tailgate and Plow	05/14/15	36,000.00	36,000.00			36,000.00			
15-07	Purchase of Pickup Truck w/ Plow	05/14/15	32,000.00	32,000.00			32,000.00			
15-08	Purchase of FWD Utility Vehicle	05/14/15	40,000.00	40,000.00			30,558.50			9,441.50
15-09	Purchase of FWD Police Vehicle	05/14/15	31,000.00	31,000.00			30,887.66			112.34
15-13	Construction of Sanitary Sewer Extensions	09/02/15	490,000.00	490,000.00		490,000.00	65,060.00			424,940.00
15-20	Acquisition of Various Capital Equipment	11/11/15	260,000.00	260,000.00		260,000.00	1,000.00			218,000.00
15-21	Improvements to Round Top Road	11/19/15	535,000.00			535,000.00	28,400.00			506,600.00
				\$ 2,355,222.50	\$ 4,414,291.36	\$ 3,984,000.00	\$ 6,833,611.58	\$ 131,277.59	\$ 1,072,367.40	\$ 2,716,257.29
				C	C		C-7		C-C-3	C-C-5
Deferred Charges to Future Taxation-Unfunded						\$ 3,521,000.00				
Capital Improvement Fund						174,000.00				
Due Current Fund						30,000.00				
Fund Balance						259,000.00				
						\$ 3,984,000.00				
Capital Improvement Fund								\$ 7,959.00		
Fund Balance								119,637.99		
Deferred Charges to Future Taxation-Unfunded								3,680.60		
								\$ 131,277.59		

TOWNSHIP OF WARREN
GENERAL CAPITAL FUND

SCHEDULE OF GENERAL SERIAL BONDS

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	MATURETIES OF BONDS OUTSTANDING DECEMBER 31, 2015	INTEREST RATE	BALANCE DECEMBER 31, 2014	DECREASED	BALANCE DECEMBER 31, 2015
General Improvement Bonds of 2006	02/15/06	\$ 3,358,000.00	\$ 250,000.00	3.875%	\$	\$	
			02/15/17-02/15/20	3.875%			
			02/15/21	3.875%	1,798,000.00	250,000.00	1,548,000.00
Open Space Bonds of 2006	02/15/06	900,000.00	258,000.00	3.875%			
			02/15/16	3.875%			
			02/15/17-02/15/21	3.875%	470,000.00	60,000.00	410,000.00
General Improvement Bonds of 2009	04/15/09	4,364,000.00	295,000.00	3.000%			
			04/15/16	3.000%			
			04/15/17	3.250%			
			04/15/18	3.375%			
			04/15/19-04/15/20	3.500%			
			04/15/21-04/15/22	3.750%			
			04/15/23	4.000%			
			04/15/24	4.000%			
General Obligation Refunding Bonds	11/10/10	2,350,000.00	359,000.00	4.000%	3,389,000.00	255,000.00	3,134,000.00
			05/01/16	4.000%			
			05/01/17	4.500%			
General Improvement Bonds of 2014	06/15/14	3,572,000.00	380,000.00	4.000%	1,150,000.00	385,000.00	765,000.00
			12/15/16	3.000%			
			12/15/17	3.000%			
			12/15/18	2.500%			
			12/15/19	2.000%			
			12/15/20-12/15/21	2.000%			
			12/15/22-12/15/24	2.250%			
			12/15/25	2.500%			
			12/15/26	2.500%			
					3,572,000.00	200,000.00	3,372,000.00
					<u>\$ 10,379,000.00</u>	<u>\$ 1,150,000.00</u>	<u>\$ 9,229,000.00</u>

REF.

C

C-4

C

"C-12"

TOWNSHIP OF WARREN

GENERAL CAPITAL FUND

SCHEDULE OF DUE ASSESSMENT TRUST FUND

REF.

Balance, December 31, 2014
and December 31, 2015

C

\$ 207,267.99

TOWNSHIP OF WARREN

GENERAL CAPITAL FUND

SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE

<u>ORDINANCE NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>DATE OF ORIGINAL ISSUE</u>	<u>DATE OF ISSUE</u>	<u>DATE OF MATURITY</u>	<u>INTEREST RATE</u>	<u>BALANCE DECEMBER 31, 2014</u>	<u>INCREASED</u>	<u>DECREASED</u>	<u>BALANCE DECEMBER 31, 2015</u>	
12-01	Settlement of the Warren Township Lawsuit	6/26/12	6/20/14	6/19/15	1.00%	\$ 350,000.00	\$ 175,000.00	\$ 350,000.00	\$ 175,000.00	
12-01	Settlement of the Warren Township Lawsuit	6/26/12	6/18/15	6/17/16	1.00%	\$ 350,000.00	\$ 175,000.00	\$ 350,000.00	\$ 175,000.00	
						<u>\$ 350,000.00</u>	<u>\$ 175,000.00</u>	<u>\$ 350,000.00</u>	<u>\$ 175,000.00</u>	
					<u>REF.</u>	C	C-2			C:C-5
	Disbursements				C-2			\$ 175,000.00		
	Paid by Budget				C-5			<u>175,000.00</u>		
								\$ 350,000.00		

TOWNSHIP OF WARREN

GENERAL CAPITAL FUND

SCHEDULE OF CAPITAL RESERVES

	BALANCE DECEMBER 31, 2014	INCREASED	DECREASED	BALANCE DECEMBER 31, 2015
Purchase of Fire Equipment	\$ 72,366.74	\$ 11,500.00	\$ 4,176.00	\$ 79,690.74
Improvement of Parks and Recreation Facilities	34,152.39		18,172.74	15,979.65
Improvements to Municipal Building	34,057.96	9,000.00	33,421.03	9,636.93
Purchase of Police Equipment	1,181.90	17,500.00		18,681.90
Purchase of Office Equipment	71,093.06	12,000.00	14,699.26	68,393.80
Housing Rehabilitation Refunds	32,122.50	20,180.00		52,302.50
Purchase of Cable Advisory Committee Equipment	27,372.58			27,372.58
Reserve for Office of Emergency Management	34,755.95	6,000.00		40,755.95
Reserve for Overlay and Drainage	48,456.89		48,456.89	
Improvement to Historic Buildings	12,266.50	4,500.00		16,766.50
Reserve for Public Works Equipment	33,270.00	28,300.00	4,759.00	56,811.00
	<u>\$ 401,096.47</u>	<u>\$ 108,980.00</u>	<u>\$ 123,684.92</u>	<u>\$ 386,391.55</u>

REF.

C

C-2

C-7

C

"C-15"

TOWNSHIP OF WARREN

GENERAL CAPITAL FUND

SCHEDULE OF RESERVE FOR DEBT SERVICE

	<u>REF.</u>	
Balance, December 31, 2014	C	\$ <u>3,750.00</u>
Decreased by:		
Disbursements	C-2	\$ <u><u>3,750.00</u></u>

"C-16"

SCHEDULE OF GRANTS RECEIVABLE

Balance, December 31, 2014 and December 31, 2015	C	\$ <u><u>175,000.00</u></u>
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TOWNSHIP OF WARREN

GENERAL CAPITAL FUND

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

<u>ORDINANCE NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>BALANCE DECEMBER 31, 2015</u>
14-05	Construction of Municipal Complex	\$ 5,830,000.00
14-17	Construction of Sanitary Sewer Extension - Hillcrest	627,000.00
14-18	Acquisition of Various Capital Equipment	128,000.00
14-22	Improvements to Dead River Road	166,000.00
15-13	Construction of Sanitary Sewer Extensions	465,000.00
15-20	Acquisition of Various Capital Equipment	218,000.00
15-21	Improvements to Round Top Road	508,000.00
		<hr/>
		\$ 7,942,000.00
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TOWNSHIP OF WARREN

PART II

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

SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE

NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE



SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

308 East Broad Street, Westfield, New Jersey 07090-2122

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E-mail info@senco.com

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

The Honorable Mayor and Members
of the Township Committee
Township of Warren
County of Somerset
Warren, New Jersey 07059

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the regulatory financial statements of the various individual funds and the account group of the Township of Warren, as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Township's regulatory financial statements, and have issued our report thereon dated May 11, 2016. Our report disclosed that, as described in Note 1 to the financial statements, the Township of Warren prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with a modified accrual basis and the budget laws of the State of New Jersey, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles.

Internal Control Over Financial Reporting

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

SUPLEE, CLOONEY & COMPANY

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. We also noted other instances of noncompliance which are discussed in Part III, Comments and Recommendations Section of this report.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township of Warren's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township of Warren's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


CERTIFIED PUBLIC ACCOUNTANTS


REGISTERED MUNICIPAL ACCOUNTANT NO. 50

May 11, 2016

TOWNSHIP OF WARREN

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2015

FEDERAL GRANTOR/PASS THROUGH GRANTOR/PROGRAM TITLE	FEDERAL C.F.D.A. NUMBER	GRANTOR'S NUMBER	GRANT AWARD AMOUNT	GRANT PERIOD		2015 RECEIPTS	2015 EXPENDITURES	CUMULATIVE EXPENDITURES DECEMBER 31, 2015	
				FROM	TO				
<u>National Highway Traffic Safety Administration</u>									
Drive Sober or Get Pulled Over	20.616	066-1160-100-157	\$ 4,400.00	12/6/13	1/2/14	\$	200.00	\$ 4,400.00	
Drive Sober or Get Pulled Over	20.616	066-1160-100-157	5,000.00	8/5/14	9/1/14		1,000.00	5,000.00	
Drive Sober or Get Pulled Over	20.616	066-1160-100-157	7,500.00	12/5/14	1/2/15	7,500.00	2,087.26	7,500.00	
Drive Sober or Get Pulled Over	20.616	066-1160-100-157	4,625.00	8/19/15	9/7/15	4,625.00	4,625.00	4,625.00	
<u>Pass Through County of Somerset</u>									
Click it or Ticket - 2015	20.616	1160-100-155-1160-430-YHTS-6020	1,850.00	5/18/15	5/31/15	1,850.00	1,850.00	1,850.00	
<u>Pass Through County of Somerset</u>									
2014 - Distracted Driver Crackdown	20.600	PT-14-03-02-DD-09	5,000.00	4/1/14	4/21/14	\$	2,350.00	\$ 5,000.00	
2015 - Distracted Driver Crackdown	20.600	PT-14-03-02-DD-09	5,000.00	4/1/15	4/21/15	5,000.00	5,000.00	5,000.00	
TOTAL							\$ 18,975.00	\$ 17,112.26	\$ 33,375.00

TOWNSHIP OF WARREN

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
YEAR ENDED DECEMBER 31, 2015

STATE GRANTOR DEPARTMENT/PROGRAM TITLE	STATE ACCOUNT NUMBER	GRANT AWARD AMOUNT	GRANT PERIOD		2015 RECEIPTS	2015 EXPENDITURES	CUMULATIVE EXPENDITURES DECEMBER 31, 2015
			FROM	TO			
DEPARTMENT OF LAW AND PUBLIC SAFETY							
Drunk Driving Enforcement Fund - 2015	6400-100-078-6400-YYYY	\$ 2,735.15		Continuous	\$	\$	
Alcohol Education Rehabilitation Fund - 2010	9735-760-098-Y900-001-X100-6020	278.46		Continuous			165.30
Alcohol Education Rehabilitation Fund - 2011	9735-760-098-Y900-001-X100-6020	201.09		Continuous			
Alcohol Education Rehabilitation Fund - 2012	9735-760-098-Y900-001-X100-6020	1,672.52		Continuous			
Alcohol Education Rehabilitation Fund - 2013	9735-760-098-Y900-001-X100-6020	580.52		Continuous			
Alcohol Education Rehabilitation Fund - 2015	9735-760-098-Y900-001-X100-6020	2,949.74		Continuous	1,709.06		
Body Armor Replacement Program - 2012	1020-718-066-1020-001-YCJS-0120	2,885.81		Continuous		2,518.83	2,885.81
Body Armor Replacement Program - 2013	1020-718-066-1020-001-YCJS-0120	2,951.84		Continuous		806.24	2,951.84
Body Armor Replacement Program - 2014	1020-718-066-1020-001-YCJS-0120	3,810.79		Continuous		318.13	318.13
Body Armor Replacement Program - 2015	1020-718-066-1020-001-YCJS-0120	5,887.82		Continuous	2,941.63		
					\$ 4,650.69	\$ 3,643.20	\$ 6,321.08
DEPARTMENT OF COMMUNITY AFFAIRS							
Sustainable N.J. Planning Grant		3,750.00		Continuous	\$	2,239.30	3,689.30
Sustainable N.J. Planning Grant		2,000.00		Continuous	2,000.00		
					\$ 2,000.00	\$ 2,239.30	\$ 3,689.30
DEPARTMENT OF ENVIRONMENTAL PROTECTION							
Clean Communities Grant	4900-765-042-4900-004-VCMC-6020	36,907.62		Continuous	\$	15,239.97	36,907.62
Clean Communities Grant - 2014	4900-765-042-4900-004-VCMC-6020	34,619.62		Continuous		34,619.62	34,619.62
Clean Communities Grant - 2015	4900-765-042-4900-004-VCMC-6020	42,073.86		Continuous	42,073.86		
Recycling Tonnage Grant - 2011	4900-752-042-4900-001-V42Y-6020	22,847.90		Continuous		14,582.91	22,847.90
Recycling Tonnage Grant - 2012	4900-752-042-4900-001-V42Y-6020	50,978.93		Continuous		50,978.93	50,978.93
Recycling Tonnage Grant - 2013	4900-752-042-4900-001-V42Y-6020	15,539.17		Continuous		15,539.17	15,539.17
Recycling Tonnage Grant - 2015	4900-752-042-4900-001-V42Y-6020	13,244.75		Continuous	42,073.86	7,645.20	7,645.20
					\$ 42,073.86	\$ 138,605.80	\$ 168,538.44
DEPARTMENT OF TRANSPORTATION							
Dead River Road		175,000.00		Continuous	\$	\$	
PASS THROUGH COUNTY OF SOMERSET							
Municipal Drug Alliance Program - 2014	14-ALL-07	50,909.00		07/01/14		15,763.29	43,775.39
Municipal Drug Alliance Program - 2015	15-ALL-07	33,230.00		07/01/15		3,086.08	3,086.08
					\$ 25,231.71	\$ 18,849.37	\$ 46,861.47
TOTAL					\$ 73,956.26	\$ 163,337.67	\$ 225,410.29

TOWNSHIP OF WARREN

NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

YEAR ENDED DECEMBER 31, 2015

NOTE 1. GENERAL

The accompanying schedules of expenditures of Federal Awards and State Financial Assistance present the activity of all federal and state financial assistance programs of the Township of Warren, County of Somerset, New Jersey. All federal awards and state financial assistance received directly from federal or state agencies, as well as federal financial assistance passed through other government agencies is included on the Schedules of Expenditures of Federal Awards and State Financial Assistance.

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of financial assistance are presented on the prescribed basis of accounting, modified accrual basis with certain exceptions, prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with the budget laws of New Jersey, which is a comprehensive basis of accounting, other than U.S. generally accepted accounting principles. The basis of accounting, with exception, is described in Note 1 to the Township's financial statements - regulatory basis.

NOTE 3. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules of expenditures agree with the amounts reported in the related federal and state financial reports.

NOTE 4. RELATIONSHIP TO FINANCIAL STATEMENTS - REGULATORY BASIS

Amounts reported in the accompanying schedules of expenditures agree with amounts reported in the Township's regulatory basis financial statements. These amounts are reported in either the Grant Fund, the Open Space Trust Fund or the General Capital Fund.

Receipts:

	<u>Federal</u>	<u>State</u>	<u>Other</u>	<u>Total</u>
Grant Fund	\$ <u>18,975.00</u>	\$ <u>73,956.26</u>	\$ <u>112,000.00</u>	\$ <u>204,931.26</u>
	\$ <u><u>18,975.00</u></u>	\$ <u><u>73,956.26</u></u>	\$ <u><u>112,000.00</u></u>	\$ <u><u>204,931.26</u></u>

Expenditures:

	<u>Federal</u>	<u>State</u>	<u>Other</u>	<u>Total</u>
Grant Fund	\$ <u>17,112.26</u>	\$ <u>163,337.67</u>	\$ <u>146,725.59</u>	\$ <u>327,175.52</u>
	\$ <u><u>17,112.26</u></u>	\$ <u><u>163,337.67</u></u>	\$ <u><u>146,725.59</u></u>	\$ <u><u>327,175.52</u></u>

NOTE 5. OTHER

Matching contributions expended by the Township in accordance with terms of the various grants are not reported in the accompanying schedules.

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PART III

TOWNSHIP OF WARREN

STATISTICAL DATA

LIST OF OFFICIALS

GENERAL COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2015

COMPARATIVE STATEMENT OF OPERATIONS AND
CHANGE IN FUND BALANCE - CURRENT FUND

	<u>YEAR 2015</u>		<u>YEAR 2014</u>	
	<u>AMOUNT</u>	<u>%</u>	<u>AMOUNT</u>	<u>%</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>				
Fund Balance Utilized	\$ 690,000.00	0.73%	\$ 640,000.00	0.70%
Miscellaneous - From Other Than Local Property Tax Levies	4,480,034.60	4.73%	4,526,539.94	4.92%
Collection of Delinquent Taxes and Tax Title Liens	644,072.40	0.68%	821,682.59	0.89%
Collections of Current Tax Levy	<u>88,860,447.02</u>	<u>93.86%</u>	<u>85,934,119.38</u>	<u>93.49%</u>
<u>Total Revenue</u>	<u>\$ 94,674,554.02</u>	<u>100.00%</u>	<u>\$ 91,922,341.91</u>	<u>100.00%</u>
<u>EXPENDITURES</u>				
Budget Expenditures:				
Municipal Purposes	\$ 17,705,280.39	18.90%	\$ 16,928,901.67	18.68%
County Taxes	17,631,856.60	18.82%	16,979,397.70	18.74%
Local and Regional School Taxes	57,394,483.00	61.26%	55,849,948.00	61.64%
Municipal Open Space Taxes	874,877.79	0.93%	851,548.87	0.94%
Other Expenditures	<u>81,915.00</u>	<u>0.09%</u>	<u>2,743.47</u>	<u>0.00%</u>
<u>Total Expenditures</u>	<u>\$ 93,688,412.78</u>	<u>100.00%</u>	<u>\$ 90,612,539.71</u>	<u>100.00%</u>
Excess in Revenue	\$ 986,141.24		\$ 1,309,802.20	
Adjustments to Income Before Fund Balance:				
Expenditures Included Above Which are by Statute Deferred Charges to Budget of Succeeding Year			<u>50,000.00</u>	
Statutory Excess to Fund Balance	\$ 986,141.24		\$ 1,359,802.20	
Fund Balance - January 1	<u>2,886,409.25</u>		<u>2,166,607.05</u>	
	\$ 3,872,550.49		\$ 3,526,409.25	
Less: Utilization as Anticipated Revenue	<u>690,000.00</u>		<u>640,000.00</u>	
Fund Balance, December 31	<u>\$ 3,182,550.49</u>		<u>\$ 2,886,409.25</u>	

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Tax Rate	\$ <u>2.048</u>	\$ <u>2.037</u>	\$ <u>2.017</u>
Municipal	\$ 0.308	\$ 0.299	\$ 0.294
Municipal Open Space	0.020	0.020	0.020
County	0.404	0.400	0.389
Local School	0.902	0.914	0.923
Regional High School	<u>0.414</u>	<u>0.404</u>	<u>0.391</u>

Assessed Valuations:

2015	<u>\$4,362,478,395.00</u>		
2014		<u>\$4,239,621,316.00</u>	
2013			<u>\$4,112,508,628.00</u>

COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY

A study of the tabulation will indicate a possible trend in future tax levies. A decrease in the percentage of current collection could be an indication of a probable increase in future tax levies.

<u>YEAR</u>	<u>TAX LEVY</u>	<u>CURRENTLY</u>	
		<u>CASH COLLECTIONS</u>	<u>PERCENTAGE OF COLLECTION</u>
2015	\$89,618,921.55	\$88,860,447.02	99.15%
2014	\$86,741,849.07	\$86,062,119.38	99.21%
2013	\$83,557,362.82	\$82,630,619.81	98.89%

DELINQUENT TAXES AND TAX TITLE LIENS

This tabulation includes a comparison, expressed in percentage of the total of delinquent taxes and tax title liens, in relation to the tax levies of the last three years.

<u>Year</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2015	\$62,171.08	\$739,564.28	\$801,735.36	0.89%
2014	\$54,980.50	\$643,785.73	\$698,766.23	0.81%
2013	\$52,206.49	\$809,924.96	\$862,131.45	1.03%

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 was as follows:

<u>YEAR</u>	<u>AMOUNT</u>
2015	\$900,149.00
2014	\$900,149.00
2013	\$900,149.00

COMPARATIVE SCHEDULE OF FUND BALANCES

<u>YEAR ENDED DECEMBER 31st</u>	<u>CURRENT FUND</u>	<u>UTILIZED IN BUDGET OF SUCCEEDING YEAR</u>
2015	\$3,182,550.49	\$900,000.00*
2014	2,886,409.25	690,000.00
2013	2,116,607.05	640,000.00
2012	1,795,662.46	1,000,000.00
2011	1,430,521.35	975,000.00

*per introduced budget

TOWNSHIP OF WARREN

LARGEST TAXPAYERS OF THE TOWNSHIP

<u>Taxpayer</u>	<u>Type of Business</u>	2015 <u>Assessed Valuation</u>
Warren Corp Cent. /SJP Properties	Office Complex	\$94,960,900.00
Somerset Associates / Chubb & Son	Commercial	75,930,000.00
MBCC 33	Commercial	63,684,200.00
184 Property Owner LLC	Commercial	31,023,500.00
GC Net Lease / Warren Investors LLC	Commercial	28,043,100.00
Vicendese Family Ltd. Partnership	Commercial	17,359,900.00
Warren 2001 c/o Thompson Reuters	Commercial	16,147,000.00
10 Independence c/o Mack-Cali Realty	Commercial	14,704,400.00
Normandy Warren Holding LLC	Commercial	14,704,400.00
Warren II Senior Living LLC	Commercial	14,704,000.00
S/K Warren Associates LLC	Commercial	13,800,000.00
Normandy 25 Independence, LLC	Commercial	12,894,200.00
Mitsui Sumitomo Insr. Co. of America	Commercial	12,846,100.00
		<u>\$410,801,700.00</u>

POPULATION

<u>CENSUS YEAR</u>	<u>POPULATION</u>
2010	15,311
2000	14,259
1990	10,830
1980	9,805
1970	8,592
1960	5,426

VALUE OF CONSTRUCTION PERMITS ISSUED

<u>YEAR</u>	<u>AMOUNT</u>
2015	\$67,562,609
2014	41,550,364
2013	40,081,443
2012	46,068,792
2011	39,611,169

TOWNSHIP OF WARREN

STATISTICS ON DEBT
AS OF DECEMBER 31, 2015

Gross Debt (Municipal and School)	\$39,844,138.01
Overlapping Debt	<u>20,058,613.70</u>
Gross Debt	\$59,902,751.71
Statutory Net Debt	17,342,319.40
Net Debt and Overlapping Debt	37,400,933.10
Gross Debt and Overlapping Debt Per Capita (Based on 2010 Population)	3,912.40
Net Debt and Overlapping Debt per Capita (Based on 2010 Population)	2,442.75
Average Equalized Valuations	\$4,463,935,799.00
Gross Debt as a percentage of Average Equalized Valuations for 2015	1.34%
Net Debt Statutory Percentage	0.388%

OVERLAPPING DEBT
AS OF DECEMBER 31, 2015

The Overlapping Debt of the Township was as follows:

	<u>GROSS DEBT</u>	<u>TOWNSHIP SHARE</u>	<u>AMOUNT</u>
County of Somerset	\$170,821,882.45	7.74%	\$13,221,614
Warren Township Sewerage Authority	6,837,000.00	100.00%	<u>6,837,000</u>
			<u><u>\$20,058,614</u></u>

GROSS AND STATUTORY NET DEBT
AS OF DECEMBER 31
(EXCLUSIVE OF OVERLAPPING DEBT)

<u>YEAR</u>	<u>GROSS DEBT</u>		<u>NET DEBT</u>	
	<u>AMOUNT</u>	<u>PERCENTAGES*</u>	<u>AMOUNT</u>	<u>PERCENTAGES*</u>
2015	\$39,844,138.01	0.89%	\$17,342,319.40	0.39%
2014	39,379,429.80	0.91%	15,019,941.17	0.35%
2013	36,807,331.22	0.87%	10,885,126.28	0.26%
2012	45,696,516.11	0.80%	13,087,495.93	0.30%
2011	34,857,612.51	0.80%	13,087,495.93	0.30%

* Of Average Equalized Valuations

TOWNSHIP OF WARREN

ASSESSED VALUATIONS - LAND AND IMPROVEMENTS BY CLASS

<u>YEAR</u>	<u>VACANT LAND</u>	<u>RESIDENTIAL</u>	<u>FARM</u>	<u>COMMERCIAL</u>	<u>INDUSTRIAL</u>	<u>TOTAL</u>
2015	\$56,274,000	\$3,632,657,400	\$30,875,000	\$597,292,500	\$39,694,000	\$4,356,792,900
2014	61,316,700	3,471,066,700	28,120,500	633,883,600	39,665,800	4,234,053,300
2013	72,272,000	3,344,937,520	27,157,100	627,211,600	35,451,500	4,107,029,720
2012	82,894,100	3,222,571,800	26,641,500	634,342,600	35,303,600	4,001,753,600
2011	96,740,500	3,145,601,700	25,551,000	638,821,400	36,119,200	3,942,833,800

ASSESSED VALUATIONS - NET VALUATIONS TAXABLE

<u>YEAR</u>	<u>REAL ESTATE LAND AND IMPROVEMENTS</u>	<u>BUSINESS PERSONAL PROPERTY</u>	<u>NET VALUATION TAXABLE</u>	<u>RATIO TO TRUE VALUE</u>	<u>AGGREGATE TRUE VALUE</u>
2015	\$4,356,792,900	\$5,685,495	\$4,362,478,395	98.03%	\$4,450,146,277
2014	4,234,053,300	5,568,016	4,239,621,316	98.74%	4,293,722,216
2013	4,107,029,720	5,478,908	4,112,508,628	98.19%	4,188,317,169
2012	4,001,753,600	5,764,382	4,007,517,982	96.69%	4,144,707,811
2011	3,942,833,800	6,013,698	3,948,847,498	94.82%	4,164,572,345

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 BOND</u>	<u>NAME OF SURETY</u>
Michael C. Marion	Mayor	*	
George K. Lazo	Deputy Mayor	*	
Gary DiNardo	Committee Person	*	
Carolann Garafola	Committee Person	*	
Victor Sordillo	Committee Person	*	
Mark M. Krane	Administrator	*	
Jeffery Lehrer	Township Attorney	*	
Patricia DiRocco	Township Clerk, Assessment Search Officer	*	
Carolyn Scannelli	Deputy Township Clerk	*	
Shaw Boswell	Chief Financial Officer (to June 30)	*	
Karen DeNave	Acting Chief Financial Officer (from July 1)	*	
Loree Saums	Tax Collector, Tax Search Officer (to April 1)	*	
Randy W. Bahr	Tax Collector, Tax Search Officer (from April 1)	*	
Edward L. Kerwin Jr.	Tax Assessor	*	
Mark S. Adler	Magistrate	*	
Lisa Reuter	Court Administrator	*	
Deborah Campanelli	Deputy Court Administrator	*	
Brent Bramnick	Municipal Prosecutor	*	
Scott Mitzner	Municipal Public Defender	*	
William Keane	Police Chief	*	

OFFICIALS IN OFFICE AND SURETY BONDS (CONTINUED)

<u>NAME</u>	<u>TITLE</u>	<u>AMOUNT OF BOND</u>	<u>NAME OF SURETY</u>
Mark Russo	Fire Chief	*	
Christian M. Kastrud	Engineer	*	
Kevin Sumner	Health Officer	*	
John T. Chadwick IV	Zoning Officer	*	
Jeffrey Heiss	Construction Code Official/ Building Subcode Official	*	
Michael L. Janoski	Electrical Subcode Official	*	
EIC Inspection Agency	Fire Subcode Official/ Plumbing Subcode Official/ Elevator Subcode Official	*	
Alfred Shajarback	Fire Marshal	*	
Douglas Buro	Superintendent of Public Works	*	
Jane Asch	Emergency Management Coordinator	*	
Brian Cooke	Animal Control Officer	*	
Barbara Streker	Registrar	*	
Eleanor M. Hermann	Recreation Director	*	

*All officials and employees handling and collecting Township funds are covered by a blanket position bond for faithful performance for \$1,000,000.00 through a Joint Insurance Fund. The blanket position bond is written by the Fidelity and Deposit Company of MD.

All of the bonds were examined and were properly executed.

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GENERAL COMMENTS AND RECOMMENDATIONS

GENERAL COMMENTS

CONTRACTS AND AGREEMENTS REQUIRED TO BE ADVERTISED FOR (N.J.S.A. 40A:11-4)

Every contract or agreement for the performance of any work or the furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds, not included within the terms of Section 3 of this act, shall be made or awarded only by the governing body of the contracting unit after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate the amount set forth in or the amount calculated by the Governor pursuant to Section 3 of P.L. 1971 c. 198 (C.40A:11-3), except by contract or agreement.

Effective July 1, 2015, the bid threshold in accordance with N.J.S.A. 40A:11-3 was increased to \$40,000.00 by resolution of the governing body.

The governing body of the Municipality has the responsibility of determining whether the expenditures in any category will exceed \$40,000.00 within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Township Council's opinion should be sought before a commitment is made.

The minutes indicated that bids were requested by public advertising for the following items:

- 2015 Cab/Chassis/Body Refurbishment Vehicle
- Hillcrest Road Sanitary Sewer System Project
- 2015 Street Overlay Project
- Municipal Parking Lot Project
- Construction of New Municipal Building
- Payroll Services

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

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

Our examination of expenditures did not reveal any individual payments, contracts or agreements in excess of \$40,000.00 for the performance of any work or the furnishing or hiring of any materials or supplies, other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of N.J.S.A. 40A:11-6.

COLLECTION OF INTEREST ON DELINQUENT TAXES AND ASSESSMENTS

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

The governing body on January 7, 2015 adopted the following resolutions authorizing interest to be charged on delinquent taxes:

WHEREAS, R.S. 54:4-67 as amended by Chapter 435, P.L. 1979 (approved February 14, 1980) allows the governing body to modify the rate of interest on delinquent taxes.

NOW, THEREFORE, BE IT RESOLVED by the Township Committee of the Township of Warren, County of Somerset, that the interest rate for delinquent taxes shall be 0% if payment is made within ten (10) days after due date, 8% per annum on first \$1,500.00 of delinquency and 18% per annum on any amount in excess on \$1,500.00, said interest to be calculated from the date the tax was payable until the date of actual payment.

WHEREAS, Chapter 75 of P.L. 1991, effective March 29, 1991, also known as N.J.S.A. 54:5-67 provides that the governing body may provide a penalty to a taxpayer with a delinquency in excess of \$10,000.00, who fails to pay that delinquency prior to the end of the calendar year, said penalty not to exceed 6% of the amount of the delinquency; and

WHEREAS, said penalty shall be applied to all taxes owned by an individual taxpayer regardless of the number of parcels involved; and

WHEREAS, the Township Committee has reviewed this statute.

NOW, THEREFORE, BE IT RESOLVED by the Township Committee of the Township of Warren, in the County of Somerset, New Jersey that the Tax Collector is hereby authorized and directed to charge a penalty of 6% of the amount of the delinquency in excess of \$10,000.00 due at the end of the calendar year.

BE IT FURTHER RESOLVED that this resolution shall be renewed by the Township Committee on an annual basis at the reorganization meeting.

DELINQUENT TAXES AND TAX TITLE LIENS

The last tax sale was held on December 2, 2015 and was complete.

Inspection of tax sale certificates on file revealed that all tax sale certificates were available for audit.

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

	<u>NUMBER OF LIENS</u>
2015	26
2014	26
2013	21

It is essential to good management that all means provided by statute be utilized to liquidate tax title liens in order to get such properties back on a tax paying basis.

VERIFICATION OF DELINQUENT TAXES AND OTHER CHARGES

A test verification of delinquent charges and current payments was made in accordance with the regulations of the Division of Local Government Services, including the mailing of verification notices as follows:

	<u>TYPE</u>
Payment of 2016 Taxes	50
Payment of 2015 Taxes	50
Delinquent Taxes	25

OTHER COMMENTS

Interfund Balances

Transactions invariably occur in one fund which require a corresponding entry to be made in another fund, thus creating interfund balances. Reference to the various balance sheets show the interfund balances remaining at year end. As a general rule all interfund balances should be closed out as of the end of the year.

It is the Township's policy to review and liquidate all interfund balances on a periodic basis.

RECOMMENDATIONS

NONE

