

**TOWNSHIP OF SOUTHAMPTON**

**COUNTY OF BURLINGTON**

**REPORT OF AUDIT**

**For the Year Ended December 31, 2014**

# TOWNSHIP OF SOUTHAMPTON

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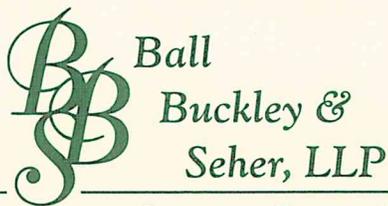
**TOWNSHIP OF SOUTHAMPTON**

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**PART I**

**REPORT OF EXAMINATION ON FINANCIAL STATEMENTS  
AND SUPPLEMENTARY DATA**

**For the Year Ended December 31, 2014**



CERTIFIED PUBLIC ACCOUNTANTS



## INDEPENDENT AUDITOR'S REPORT

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

### Report on the Financial Statements

We have audited the accompanying balance sheets - regulatory basis of the various funds and account groups of the Township of Southampton, County of Burlington, State of New Jersey, as of December 31, 2014 and 2013, and the related statements of operations and changes in fund balances - regulatory basis for the years then ended, and the related statements of revenues - regulatory basis and statement of expenditures - regulatory basis of the various funds, for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the Township's 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 modified accrual 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 misstatement, whether due to error or fraud.

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

### **Basis of Adverse Opinion on U.S. Generally Accepted Accounting Principles**

As described in Note 1, the financial statements are prepared by the Township on the basis of 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 the State of New Jersey.

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

### **Adverse Opinion of U.S. Generally Accepted Accounting Principles**

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2014 and 2013, and the respective changes in financial position, and, where applicable, cash flows thereof for the years then ended.

### **Unmodified Opinion on Regulatory Basis of Accounting**

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash and unencumbered cash balances of the Township as of December 31, 2014 and 2013, and the revenues it received and expenditures it paid for the years then ended, in accordance with the financial reporting provisions of Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated July 16, 2015, on our consideration of the Township's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control over financial reporting and compliance.

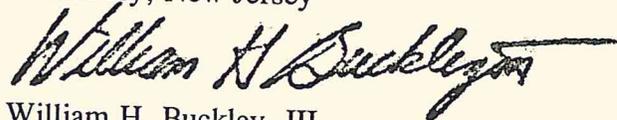
**Disclaimer of Opinion on Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Township's financial statements as a whole. The accompanying supplemental schedules and information presented in the "General Comments", "Other Comments", and "Schedule of Findings and Questioned Costs" sections, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information has been subjected to auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information, is fairly stated in all material respects, in relation to the financial statements as a whole.

Respectfully submitted,

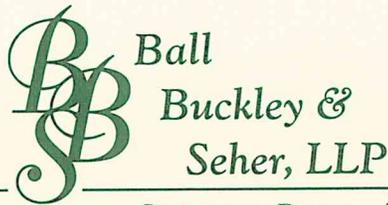
*Ball, Buckley & Seher, LLP*

BALL, BUCKLEY & SEHER, LLP  
Certified Public Accountants  
Woodbury, New Jersey



William H. Buckley, III  
Registered Municipal Accountant #46  
Certified Public Accountant

July 16, 2015



CERTIFIED PUBLIC ACCOUNTANTS



**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 Southampton  
County of Burlington  
Southampton, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of United States, the regulatory basis financial statements of the various funds and account groups as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the Township of Southampton, County of Burlington, State of New Jersey basic financial statements, and have issued our report thereon dated July 16, 2015, which was adverse due to being presented in accordance with the State of New Jersey regulatory basis of accounting.

**Internal Control Over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be a significant deficiency (2012-1).

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which is described in the accompanying summary schedule of prior year audit findings and questioned costs as item 2012-1.

## Township's Response to Finding

The Township's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The Township's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

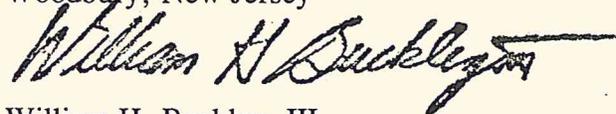
## Purpose of this Report

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

Respectfully submitted,

*Ball, Buckley & Seher, LLP*

BALL, BUCKLEY & SEHER, LLP  
Certified Public Accountants  
Woodbury, New Jersey



William H. Buckley, III  
Registered Municipal Accountant #46  
Certified Public Accountant

July 16, 2015

**CURRENT FUND**

TOWNSHIP OF SOUTHAMPTON  
CURRENT FUND  
COMPARATIVE BALANCE SHEETS  
REGULATORY BASIS  
December 31, 2014 and 2013

	Ref.	Balance December 31, 2014	Balance December 31, 2013
<b>ASSETS</b>			
Regular fund:			
Cash - chief financial officer	A-4	\$ 3,630,426.41	\$ 3,473,722.65
Change funds		240.00	240.00
		<u>3,630,666.41</u>	<u>3,473,962.65</u>
Receivables and other assets with full reserves:			
Delinquent property taxes receivable	A-6	465,377.42	373,074.67
Tax title liens receivable	A-7	766,854.35	731,057.61
Tax penalty receivable		3,203.61	1,477.78
Property acquired for taxes - assessed valuation	A	340,800.00	340,800.00
Revenue accounts receivable	A-8	10,038.50	6,528.19
Interfund amounts due from:			
State and federal grant trust fund	A	143,853.13	0.00
Trust funds	B	7,211.38	6,409.32
Animal control trust fund	B	0.30	0.31
General capital fund	C	0.00	39,196.17
Utility operating fund	D	88,412.49	82,130.89
Payroll funds	F	5,276.10	213.42
		<u>1,831,027.28</u>	<u>1,580,888.36</u>
Deferred charges:			
Cash deficit	A-1	116,438.46	0.00
Overexpenditure of appropriations	A-3	0.00	263.74
Overexpenditure of appropriations reserves	A-9	181.55	0.00
Emergency authorization (40A-4-47)	A-3	20,500.00	0.00
Special emergency authorization		90,000.00	180,000.00
		<u>227,120.01</u>	<u>180,263.74</u>
Total regular fund		<u>5,688,813.70</u>	<u>5,235,114.75</u>
Federal and state grant fund:			
Federal and state grant receivable	A-12	604,706.80	574,031.34
Amount due from current fund	A	0.00	14,851.72
		<u>604,706.80</u>	<u>588,883.06</u>
Total		<u>\$ 6,293,520.50</u>	<u>\$ 5,823,997.81</u>
<b>LIABILITIES, RESERVES, AND FUND BALANCE</b>			
Regular fund:			
Appropriation reserves	A-3; A-9	\$ 216,532.69	\$ 117,003.35
Reserve for encumbrances - current year	A-3; A-9	75,532.21	111,862.45
Reserve for encumbrances - prior year		13,012.36	13,012.36
Tax overpayments	A-5; A-6	45,137.00	17,138.67
Prepaid taxes	A-8	243,078.09	261,511.09
Prepaid revenue	A-8	800.00	0.00
Due county for added and omitted taxes	A-6	7,067.55	3,584.50
Local school taxes payable	A-10	20.52	20.52
Regional high school taxes payable	A-11	2,437,794.67	2,320,629.47
Amount due to State of New Jersey for inspection fees	A-4	2,490.00	7,478.00
Amount due to State of New Jersey for veterans and senior citizens deductions	A-4; A-6	122,549.76	115,420.66
Special emergency note payable	A	90,000.00	180,000.00
Interfund amount due to:			
Federal and state grant fund	A	0.00	14,851.72
Trust fund - other	B	73,925.38	73,635.93
General capital fund	C	365,277.12	0.00
Reserve for accumulated sick leave pay		0.00	3,508.60
Reserve for repairs to old telephone building		1,036.00	1,036.00
Reserve for revaluation	A-3	12,416.41	12,416.41
		<u>3,706,669.76</u>	<u>3,253,109.73</u>
Reserve for receivables and other assets	A	1,831,027.28	1,580,888.36
Fund balance	A-1	151,116.66	401,116.66
		<u>5,688,813.70</u>	<u>5,235,114.75</u>
Federal and state grant fund:			
Due to current fund	C	143,853.13	0.00
Reserve for federal and state grants:			
Appropriated	A-13	440,313.93	508,976.11
Unappropriated	A-14	13,531.74	13,482.24
Reserve for encumbrances	A-13	7,008.00	66,424.71
		<u>604,706.80</u>	<u>588,883.06</u>
Total		<u>\$ 6,293,520.50</u>	<u>\$ 5,823,997.81</u>

See Accompanying Notes to the Financial Statements

**TOWNSHIP OF SOUTHAMPTON  
CURRENT FUND  
COMPARATIVE STATEMENTS OF OPERATIONS AND  
CHANGES IN FUND BALANCE  
REGULATORY BASIS**

For the Years Ended December 31, 2014 and 2013

	Ref.	Year 2014	Year 2013
Revenue and other income realized:			
Fund balance utilized	A-2	\$ 250,000.00	\$ 350,000.00
Miscellaneous revenue anticipated	A-2	1,915,377.58	2,069,144.36
Receipts from delinquent taxes	A-2	344,930.03	423,181.25
Receipts from current taxes	A-2	25,182,435.23	24,702,473.19
Non-budget revenue	A-2	122,835.58	28,453.90
Other credits to income:			
Unexpended balance of appropriation reserves	A-9	38,482.00	178,520.71
Return of prior year utility deficit		0.00	35,000.00
Total income		<u>27,854,060.42</u>	<u>27,786,773.41</u>
Expenditures:			
Budget and appropriations			
Operations:			
Salaries and wages	A-3	1,413,765.00	1,371,280.79
Other expenses	A-3	2,849,603.73	2,875,427.28
Capital Improvements	A-3	60,000.00	60,000.00
Municipal debt service	A-3	988,920.97	882,404.18
Deferred charges and statutory expenditures	A-3	356,585.74	380,854.47
County taxes	A-6	4,115,860.13	4,199,176.40
County's share of added and omitted tax	A-6	7,067.55	3,584.50
Local district school tax	A-10	10,935,705.00	10,742,685.00
Municipal open space tax	A-6	199,641.11	200,728.27
Municipal open space share of added and omitted taxes	A-6	341.77	162.66
Regional high school tax	A-11	6,922,147.00	6,687,817.00
Prior period adjustment - state and federal grant revenue		24,557.59	0.00
Overexpenditure of appropriation reserves		181.55	0.00
Creation of interfund		116,803.29	67,325.73
Total expenditures		<u>27,991,180.43</u>	<u>27,471,446.28</u>
Excess or (deficit) in revenue		(137,120.01)	315,327.13
Expenditures included above which are by statute			
deferred charges to budget of succeeding year		20,681.55	263.74
Statutory excess to fund balance		0.00	315,590.87
Deficit in operations to be raised in budget of succeeding years		<u>\$ (116,438.46)</u>	0.00
Fund balance - January 1	A-1	\$ 401,116.66	435,525.79
		401,116.66	751,116.66
Decreased by utilization as anticipated revenue	A-2	250,000.00	350,000.00
Fund balance - December 31	A	<u>\$ 151,116.66</u>	<u>\$ 401,116.66</u>

See Accompanying Notes to the Financial Statements

TOWNSHIP OF SOUTHAMPTON  
CURRENT FUND  
STATEMENT OF REVENUES  
REGULATORY BASIS

For the Year Ended December 31, 2014

	Ref.	Budget	Anticipated Per N.J.S.A. 40A:4-87	Realized	Excess Or (Deficit)
		\$	\$	\$	\$
Fund balance anticipated	A-1	250,000.00	0.00	250,000.00	0.00
Miscellaneous revenues:					
Licenses:					
Alcoholic beverages	A-8	12,500.00	0.00	12,500.00	0.00
Other	A-2	800.00	0.00	420.00	(380.00)
Fees and permits	A-2	56,000.00	0.00	59,571.00	3,571.00
Fines and costs - municipal court	A-8	91,000.00	0.00	98,047.47	7,047.47
Interest and costs on taxes	A-5	80,000.00	0.00	84,108.94	4,108.94
Interest on investments and deposits	A-8	14,200.00	0.00	14,520.22	320.22
Energy receipts tax	A-8	1,100,389.00	0.00	1,100,389.00	0.00
Open space pilot aid	A	5,472.00	0.00	5,472.00	0.00
Uniform construction code fees	A-8	180,000.00	0.00	140,667.00	(39,333.00)
Shared service agreements:					
Eastampton Township - vehicle maintenance services	A-4	1,000.00	0.00	0.00	(1,000.00)
Shamong Township - municipal court	A-4	28,000.00	0.00	23,333.30	(4,666.70)
Pemberton Township - trash collection	A-4	4,500.00	0.00	0.00	(4,500.00)
Special items of revenue:					
Recycling tonnage grant	A-13	13,142.91	0.00	13,142.91	0.00
Clean communities program	A-13	0.00	27,211.82	27,211.82	0.00
DEP wildlife conservation grant	A-13	0.00	5,000.00	5,000.00	0.00
County of Burlington, park development project	A-13	195,000.00	0.00	195,000.00	0.00
Reserve for debt service - general capital fund	C	20,000.00	0.00	20,000.00	0.00
Rental income Good Farm	A-4	43,202.00	0.00	43,202.00	0.00
Cable television franchise fees	A-8	45,310.00	0.00	45,309.92	(0.08)
Housing inspection fees	A-4	26,000.00	0.00	27,482.00	1,482.00
Total	A-1 A-1; A-2	1,916,515.91	32,211.82	1,915,377.58	(33,350.15)
Receipts from delinquent taxes		418,753.00	0.00	344,930.03	(73,822.97)
Amount to be raised by taxes for support of municipal budget - local taxes for municipal purposes	A-2	3,483,695.32	0.00	3,454,471.25	(29,224.07)
Non-budget revenues	A-1; A-2	6,068,964.23	32,211.82	5,964,778.86	(136,397.19)
Total	A-3	6,068,964.23	32,211.82	6,087,614.44	(13,561.61)

See Accompanying Notes to the Financial Statements

TOWNSHIP OF SOUTHAMPTON  
CURRENT FUND  
STATEMENT OF REVENUES  
REGULATORY BASIS  
For the Year Ended December 31, 2014

ANALYSIS OF REALIZED REVENUES

	<u>Ref.</u>	
Allocations of current tax collections:		
Revenue from collections	A-1; A-6	\$ 25,182,435.23
Allocated to:		
School taxes, county taxes and local open space taxes	A-6	22,180,762.56
Balance for support of municipal appropriations		<u>3,001,672.67</u>
Add: appropriation "reserve for uncollected taxes"	A-3	<u>452,798.58</u>
Amount for support of municipal budget appropriations	A-2	<u>\$ 3,454,471.25</u>
Analysis of receipts from delinquent taxes:		
Delinquent tax collections	A-6	\$ 344,898.06
Tax title lien collections	A-7	<u>31.97</u>
Total	A-2	<u>\$ 344,930.03</u>
Other licenses:		
Township clerk:		
Raffle licenses		\$ 20.00
Pig farm park licenses		<u>400.00</u>
	A-2,A-8	<u>\$ 420.00</u>
Other fees and permits:		
Tax collector:		
Trailer fees	A-5	\$ 59,571.00
	A-2	<u>\$ 59,571.00</u>

See Accompanying Notes to the Financial Statements

TOWNSHIP OF SOUTHAMPTON  
CURRENT FUND  
STATEMENT OF REVENUES  
REGULATORY BASIS  
For the Year Ended December 31, 2014

ANALYSIS OF NON-BUDGET REVENUES

	<u>Ref.</u>		
Chief financial officer:			
Refunds		\$ 29,291.25	
Administrative fee - statutory deductions		6,814.27	
Tax sale premiums forfeited		4,100.00	
Employee contribution to health benefit cost		44,179.20	
billboard rental		4,000.00	
Other rental fees		1,105.00	
Sale of recycling buckets		316.00	
Sale of recyclable metals		6,320.07	
Right of way		1,750.00	
JIF safety award		2,825.00	
Miscellaneous		161.41	
	A-4	\$ 100,862.20	
Tax collector:			
Trailer fee - penalties		53.41	
Duplicate tax bill fees		360.00	
Tax penalty received		678.22	
Miscellaneous		282.95	
	A-5	1,374.58	
Revenue accounts receivable:			
Chief financial officer:			
Clerk	A-8	1,813.96	
Planning and zoning board application fees	A-8	6,375.00	
Municipal court other	A-8	33.13	
Tax search fees	A-8	20.00	
Registrar fees	A-8	1,559.00	
Registrar other	A-8	0.11	
Discovery	A-8	78.00	
		9,879.20	
Other miscellaneous items			
Sewer operating - prior year appropriations lapsed		10,719.60	
Total	A-2	\$ 122,835.58	

See Accompanying Notes to the Financial Statements

TOWNSHIP OF SOUTHAMPTON  
CURRENT FUND  
STATEMENT OF EXPENDITURES  
REGULATORY BASIS  
For the Year Ended December 31, 2014

	Appropriations		Expended			Unexpended Balance	
	Budget	Budget After Modifications	Paid Or Charged	Encumbrances	Reserved	Canceled	Overexpended
<b>OPERATIONS- within "CAP"</b>							
General government functions:							
Human resources (personnel):							
Other expenses	\$ 2,500.00	\$ 450.00	\$ 0.00	\$ 396.00	\$ 54.00	\$ 0.00	\$ 0.00
Executive:							
Salaries and wages	162,401.00	162,401.00	159,094.29	0.00	3,306.71	0.00	0.00
Other expenses	40,350.00	38,100.00	35,805.92	422.88	1,871.20	0.00	0.00
Municipal clerk:							
Salaries and wages	30,278.00	30,278.00	29,540.49	0.00	737.51	0.00	0.00
Other expenses	7,270.00	7,270.00	6,321.17	545.95	402.88	0.00	0.00
Data processing:							
Salaries and wages	3,348.00	3,488.00	3,207.79	0.00	280.21	0.00	0.00
Other expenses	23,200.00	23,200.00	21,861.01	510.83	828.16	0.00	0.00
Financial administration:							
Salaries and wages	63,520.00	63,520.00	61,944.48	0.00	1,575.52	0.00	0.00
Other expenses	1,250.00	1,250.00	732.50	0.00	517.50	0.00	0.00
Audit services:							
Other expenses	31,000.00	38,145.00	38,143.45	0.00	1.55	0.00	0.00
Revenue - administration (tax collection):							
Salaries and wages	61,720.00	56,720.00	54,396.24	0.00	2,323.76	0.00	0.00
Other expenses	4,400.00	3,400.00	3,027.53	0.00	372.47	0.00	0.00
Tax assessment - administration:							
Salaries and wages	23,323.00	22,923.00	22,461.88	0.00	461.12	0.00	0.00
Other expenses:							
Revision of tax map	1,000.00	0.00	0.00	0.00	0.00	0.00	0.00
Miscellaneous	5,050.00	4,050.00	622.94	2,966.18	460.88	0.00	0.00
Legal services:							
Other expenses	104,800.00	109,800.00	102,470.97	3,649.50	3,679.53	0.00	0.00
Engineering services:							
Other expenses	50,000.00	50,000.00	37,737.14	0.00	12,262.86	0.00	0.00
Historical sites office:							
Salaries and wages	520.00	520.00	520.00	0.00	0.00	0.00	0.00
Other expenses	400.00	400.00	284.40	0.00	115.60	0.00	0.00
Municipal court:							
Salaries and wages	152,127.00	152,127.00	149,053.42	0.00	3,073.58	0.00	0.00
Other expenses	12,015.00	12,015.00	8,860.19	162.98	2,991.83	0.00	0.00

See Accompanying Notes to the Financial Statements

TOWNSHIP OF SOUTHAMPTON  
CURRENT FUND  
STATEMENT OF EXPENDITURES  
REGULATORY BASIS  
For the Year Ended December 31, 2014

	Appropriations		Expended			Unexpended Balance	
	Budget	Budget After Modifications	Paid Or Charged	Encumbrances	Reserved	Canceled	Overexpended
\$	12,607.00	13,227.00	12,978.40	0.00	248.60	0.00	\$ 0.00
Salaries and wages	3,450.00	3,450.00	1,688.45	0.00	1,761.55	0.00	0.00
Other expenses:	3,500.00	2,500.00	1,499.22	380.41	620.37	0.00	0.00
Legal	1,500.00	1,500.00	1,173.50	0.00	326.50	0.00	0.00
Engineering	6,094.00	6,370.00	6,249.19	0.00	120.81	0.00	0.00
Miscellaneous	1,500.00	1,500.00	1,500.00	0.00	0.00	0.00	0.00
Zoning board of adjustment:	12,000.00	12,000.00	7,495.87	702.00	3,802.13	0.00	0.00
Salaries and wages	1,650.00	1,650.00	1,125.00	125.00	400.00	0.00	0.00
Other expenses:	3,300.00	2,300.00	1,095.82	0.00	1,204.18	0.00	0.00
Planner	35,473.00	32,473.00	31,496.50	0.00	976.50	0.00	0.00
Legal	3,000.00	2,000.00	683.95	0.00	1,316.05	0.00	0.00
Engineering	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Miscellaneous	62,000.00	53,600.00	53,600.00	0.00	0.00	0.00	0.00
Zoning board:	140,000.00	140,000.00	140,000.00	0.00	0.00	0.00	0.00
Salaries and wages	630,030.00	624,030.00	617,708.63	0.00	6,321.37	0.00	0.00
Other expenses:	5,088.00	5,088.00	5,000.00	0.00	88.00	0.00	0.00
Public defender:	2,050.00	2,250.00	1,784.18	0.00	465.82	0.00	0.00
Other expenses:	500.00	500.00	0.00	0.00	500.00	0.00	0.00
Insurance:	7,050.00	7,550.00	4,740.78	2,500.80	308.42	0.00	0.00
General liability	600.00	600.00	450.00	0.00	150.00	0.00	0.00
Workers compensation							
Employee group health							
Employee group health waivers							
Unemployment insurance							
Surety bond premiums							
Other insurance premiums							
Flexible spending account							

OPERATIONS- within "CAP"

General government functions (continued):

- Land use - administration:
- Planning board:
- Salaries and wages
- Other expenses:
- Legal
- Engineering
- Miscellaneous
- Zoning board of adjustment:
- Salaries and wages
- Other expenses:
- Planner
- Legal
- Engineering
- Miscellaneous
- Zoning board:
- Salaries and wages
- Other expenses
- Public defender:
- Other expenses
- Insurance:
- General liability
- Workers compensation
- Employee group health
- Employee group health waivers
- Unemployment insurance
- Surety bond premiums
- Other insurance premiums
- Flexible spending account

See Accompanying Notes to the Financial Statements

TOWNSHIP OF SOUTHAMPTON  
CURRENT FUND  
STATEMENT OF EXPENDITURES  
REGULATORY BASIS  
For the Year Ended December 31, 2014

	Appropriations		Expended			Unexpended Balance Canceled	Overexpended
	Budget	Budget After Modifications	Paid Or Charged	Encumbrances	Reserved		
<b>OPERATIONS- within "CAP"</b>							
Public safety:							
Office of emergency management:							
Salaries and wages	\$ 4,000.00	\$ 5,250.00	\$ 5,166.67	\$ 0.00	\$ 83.33	\$ 0.00	\$ 0.00
Other expenses	3,000.00	3,000.00	1,949.01	0.00	1,050.99	0.00	0.00
Aid to volunteer fire companies:							
Other expenses	60,000.00	60,000.00	59,750.44	0.00	249.56	0.00	0.00
Reverse 911 coordinator							
Other expenses	2,500.00	2,500.00	2,500.00	0.00	0.00	0.00	0.00
EMT:							
Other expenses	17,153.00	23,391.00	23,391.00	0.00	0.00	0.00	0.00
Fire:							
Other expenses	20,000.00	20,000.00	20,000.00	0.00	0.00	0.00	0.00
Municipal prosecutor:							
Other expenses	11,602.00	11,602.00	10,529.40	601.68	470.92	0.00	0.00
Discovery:							
Salaries and wages	2,500.00	2,606.00	2,499.96	0.00	106.04	0.00	0.00
Police courtroom security:							
Salaries and wages	6,688.00	6,688.00	5,146.32	0.00	1,541.68	0.00	0.00
Other expenses	10,200.00	10,200.00	8,224.08	1,049.88	926.04	0.00	0.00
Public works functions:							
Street and road maintenance:							
Salaries and wages	358,785.00	358,785.00	353,738.52	0.00	5,046.48	0.00	0.00
Other expenses	144,600.00	144,600.00	141,335.09	1,434.24	1,830.67	0.00	0.00
Other public works functions (shade tree):							
Other expenses	6,525.00	5,525.00	4,386.98	0.00	1,138.02	0.00	0.00
Recycling:							
Salaries and wages	2,229.00	2,229.00	2,196.70	0.00	32.30	0.00	0.00
Other expenses	2,000.00	2,000.00	1,181.57	128.29	690.14	0.00	0.00
Garbage and trash removal:							
Salaries and wages	202,950.00	211,950.00	208,373.45	0.00	3,576.55	0.00	0.00
Other expenses	6,900.00	6,900.00	5,625.13	0.00	1,274.87	0.00	0.00

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TOWNSHIP OF SOUTHAMPTON  
CURRENT FUND  
STATEMENT OF EXPENDITURES  
REGULATORY BASIS  
For the Year Ended December 31, 2014

	Appropriations		Expended			Unexpended Balance Canceled	Overexpended
	Budget	Budget After Modifications	Paid Or Charged	Encumbrances	Reserved		
<b>OPERATIONS- within "CAP"</b>							
Public works functions (concluded):							
Buildings and grounds:							
Salaries and wages	\$ 15,225.00	\$ 15,225.00	\$ 15,117.90	\$ 0.00	\$ 107.10	\$ 0.00	\$ 0.00
Other expenses	88,000.00	108,500.00	102,221.24	858.00	5,420.76	0.00	0.00
Vehicle maintenance:							
Other expenses	85,500.00	100,500.00	97,825.06	1,983.29	691.65	0.00	0.00
Health and human services:							
Vital statistics:							
Salaries and wages	6,500.00	6,600.00	6,409.27	0.00	190.73	0.00	0.00
Other expenses	1,500.00	1,500.00	858.00	350.00	292.00	0.00	0.00
Environmental commission:							
Salaries and wages	1,500.00	1,500.00	1,125.00	375.00	0.00	0.00	0.00
Other expenses	1,250.00	1,250.00	365.00	0.00	885.00	0.00	0.00
Animal control services:							
Other expenses	2,000.00	6,000.00	5,792.43	39.95	167.62	0.00	0.00
Welfare/administration of public assistance:							
Other expenses	800.00	800.00	0.00	0.00	800.00	0.00	0.00
Parks and recreation:							
Recreation services and programs:							
Other expenses	17,550.00	17,550.00	13,856.60	0.00	3,693.40	0.00	0.00
Maintenance of parks:							
Other expenses	6,800.00	6,800.00	6,763.96	0.00	36.04	0.00	0.00
Celebration of public events:							
Salaries and wages	1,000.00	1,000.00	1,000.00	0.00	0.00	0.00	0.00
Other expenses	4,900.00	4,900.00	4,269.47	351.67	278.86	0.00	0.00
Sanitation:							
Landfill/solid waste costs:							
Other expenses-contractual	340,000.00	340,000.00	299,116.11	27,775.03	13,108.86	0.00	0.00
Aid to library (N.J.S. 40:54-35):							
Other expenses	38,000.00	38,000.00	38,000.00	0.00	0.00	0.00	0.00

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TOWNSHIP OF SOUTHAMPTON  
CURRENT FUND  
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For the Year Ended December 31, 2014

	Appropriations		Expended			Unexpended Balance Canceled	Overexpended
	Budget	Budget After Modifications	Paid Or Charged	Encumbrances	Reserved		
<b>OPERATIONS- within "CAP"</b>							
Unclassified:							
Registration of bonds	\$ 3,100.00	\$ 3,100.00	\$ 2,330.00	\$ 0.00	\$ 770.00	\$ 0.00	\$ 0.00
Accumulated sick leave	1,000.00	1,000.00	1,000.00	0.00	0.00	0.00	0.00
JIF coordinator:							
Salaries and wages	1,030.00	1,030.00	1,030.00	0.00	0.00	0.00	0.00
JIF wellness program	1,000.00	1,000.00	612.61	0.00	387.39	0.00	0.00
Code enforcement and administration:							
Uniform construction code enforcement:							
Salaries and wages	86,148.00	86,148.00	85,513.88	0.00	634.12	0.00	0.00
Other expenses	21,700.00	10,700.00	7,380.78	1,289.31	2,029.91	0.00	0.00
Sub code officials:							
Plumbing inspector:							
Salaries and wages	11,312.00	10,312.00	10,138.75	0.00	173.25	0.00	0.00
Electrical inspector:							
Salaries and wages	17,098.00	17,098.00	16,651.16	0.00	446.84	0.00	0.00
Fire protection official:							
Salaries and wages	3,345.00	3,345.00	3,256.47	0.00	88.53	0.00	0.00
Utility expenses and bulk purchases:							
Electricity	62,000.00	51,832.00	41,668.87	2,374.78	7,788.35	0.00	0.00
Street lighting	144,000.00	141,000.00	116,748.10	12,799.68	11,452.22	0.00	0.00
Telephone	15,000.00	15,750.00	15,747.03	0.00	2.97	0.00	0.00
Telecommunications	9,800.00	9,800.00	9,714.47	0.00	85.53	0.00	0.00
Fuel oil	3,500.00	3,500.00	2,936.50	0.00	563.50	0.00	0.00
Gasoline/diesel	124,000.00	124,000.00	111,623.38	5,335.46	7,041.16	0.00	0.00
Water	3,200.00	3,200.00	2,540.00	151.96	508.04	0.00	0.00
Propane	4,000.00	3,000.00	387.08	0.00	2,612.92	0.00	0.00
Natural gas	20,000.00	14,283.00	8,444.08	0.00	5,838.92	0.00	0.00
Sewerage processing	1,400.00	1,400.00	818.61	486.33	95.06	0.00	0.00
Fire hydrants	40,000.00	40,000.00	38,347.87	987.20	664.93	0.00	0.00
<b>Total operations within "CAP"</b>	<b>3,756,654.00</b>	<b>3,761,494.00</b>	<b>3,551,959.30</b>	<b>70,734.28</b>	<b>138,800.42</b>	<b>0.00</b>	<b>0.00</b>

See Accompanying Notes to the Financial Statements

TOWNSHIP OF SOUTHAMPTON  
CURRENT FUND  
STATEMENT OF EXPENDITURES  
REGULATORY BASIS  
For the Year Ended December 31, 2014

	Appropriations		Expended			Unexpended Balance Canceled	Overexpended
	Budget	Budget After Modifications	Paid Or Charged	Encumbrances	Reserved		
<b>OPERATIONS- within "CAP"</b>							
<i>Detail:</i>							
Salaries and wages	\$ 1,283,323.00	\$ 1,285,415.00	\$ 1,258,836.13	\$ 976.68	\$ 25,602.19	\$ 0.00	\$ 0.00
Other expenses	2,473,331.00	2,476,079.00	2,293,123.17	69,757.60	113,198.23	0.00	0.00
<b>DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAP"</b>							
Deferred charges:							
Overexpenditure of appropriation reserves	263.74	263.74	263.74	0.00	0.00	0.00	0.00
Deficit in sewer operating budget	4,438.00	4,438.00	4,438.00	0.00	0.00	0.00	0.00
Statutory expenditures:							
Contribution to:							
Public employees' retirement system	127,166.00	127,166.00	127,165.78	0.00	0.22	0.00	0.00
Social security system (O.A.S.I.)	109,000.00	109,000.00	108,181.56	0.00	818.44	0.00	0.00
Defined contribution retirement plan	900.00	900.00	894.86	0.00	5.14	0.00	0.00
Public employees' retirement system-ERT	7,358.00	7,358.00	7,358.00	0.00	0.00	0.00	0.00
Total deferred charges and statutory expenditures -within "CAP"	249,125.74	249,125.74	248,301.94	0.00	823.80	0.00	0.00
Total general appropriations for municipal purposes within "CAP"	4,005,779.74	4,010,619.74	3,800,261.24	70,734.28	139,624.22	0.00	0.00
<b>OPERATIONS EXCLUDED FROM "CAP"</b>							
Stormwater permits (NJDEP):							
Street division:							
Salaries and wages	125,350.00	125,350.00	116,538.45	0.00	8,811.55	0.00	0.00
Other expenses	20,200.00	20,200.00	15,448.96	1,121.93	3,629.11	0.00	0.00
Insurance:							
Employee group health insurance	15,470.00	15,470.00	10,449.44	3,676.00	1,344.56	0.00	0.00
Emergency services volunteer length of service awards program (LOSAP)	57,500.00	57,500.00	0.00	0.00	57,500.00	0.00	0.00

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TOWNSHIP OF SOUTHAMPTON  
CURRENT FUND  
STATEMENT OF EXPENDITURES  
REGULATORY BASIS  
For the Year Ended December 31, 2014

	Appropriations		Expended			Unexpended Balance Canceled	Overexpended
	Budget	Budget After Modifications	Paid Or Charged	Encumbrances	Reserved		
<b>OPERATIONS EXCLUDED FROM "CAP"</b>							
Shared services agreements:							
Township of Shamong:							
Tax assessor	\$ 31,000.00	\$ 31,000.00	\$ 30,593.20	\$ 0.00	\$ 406.80	\$ 0.00	\$ 0.00
Municipal court:							
Salaries and wages	3,000.00	3,000.00	0.00	0.00	3,000.00	0.00	0.00
Other expenses	7,000.00	7,000.00	5,783.55	0.00	1,216.45	0.00	0.00
Eastampton Township:							
Streets and roads:							
Salaries and wages	1,000.00	1,000.00	0.00	0.00	1,000.00	0.00	0.00
State and federal programs offset by revenues:							
Clean communities program	0.00	27,211.82	27,211.82	0.00	0.00	0.00	0.00
Matching funds for grants	1,000.00	1,000.00	1,000.00	0.00	0.00	0.00	0.00
DEP wildlife conservation grant	0.00	5,000.00	5,000.00	0.00	0.00	0.00	0.00
Recycling tonnage grant	13,142.91	13,142.91	13,142.91	0.00	0.00	0.00	0.00
NJDOT- Holly Boulevard	0.00	0.00	0.00	0.00	0.00	0.00	0.00
EDA grant- Stokes property	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Burlington County - development of parks grant - drainage improvement	195,000.00	195,000.00	195,000.00	0.00	0.00	0.00	0.00
Total operations excluded from "CAP"	469,662.91	501,874.73	420,168.33	4,797.93	76,908.47	0.00	0.00
Detail:							
Salaries and wages	128,350.00	128,350.00	116,538.45	0.00	11,811.55	0.00	0.00
Other expenses	341,312.91	373,524.73	303,629.88	4,797.93	65,096.92	0.00	0.00
<b>CAPITAL IMPROVEMENTS</b>							
Capital improvement fund	60,000.00	60,000.00	60,000.00	0.00	0.00	0.00	0.00
Total capital improvements	60,000.00	60,000.00	60,000.00	0.00	0.00	0.00	0.00

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TOWNSHIP OF SOUTHAMPTON  
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	Appropriations		Expended			Unexpended Balance Canceled	Overexpended
	Budget	Budget After Modifications	Paid Or Charged	Encumbrances	Reserved		
<u>MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAP"</u>							
Payment of bond principal	\$ 340,000.00	\$ 340,000.00	\$ 340,000.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Payment of bond anticipation notes and capital notes	404,240.00	404,240.00	404,240.00	0.00	0.00	0.00	0.00
Interest on bonds	204,010.00	204,010.00	204,010.00	0.00	0.00	0.00	0.00
Interest on notes	25,013.00	40,673.00	40,670.97	0.00	0.00	2.03	0.00
Total municipal debt service - excluded from "CAP"	973,263.00	988,923.00	988,920.97	0.00	0.00	2.03	0.00
<u>DEFERRED CHARGES- MUNICIPAL WITHIN "CAP"</u>							
Special emergency authorizations - 5 years	90,000.00	90,000.00	90,000.00	0.00	0.00	0.00	0.00
Deferred charges to future taxation - unfunded	17,460.00	17,460.00	17,460.00	0.00	0.00	0.00	0.00
Total deferred charges- municipal excluded from "CAP"	107,460.00	107,460.00	107,460.00	0.00	0.00	0.00	0.00
Total general appropriations for municipal purposes - excluded from "CAP"	1,610,385.91	1,658,257.73	1,576,549.30	4,797.93	76,908.47	2.03	0.00
Subtotal general appropriations	5,616,165.65	5,668,877.47	5,376,810.54	75,532.21	216,532.69	2.03	0.00
Reserve for uncollected taxes	452,798.58	452,798.58	452,798.58	0.00	0.00	0.00	0.00
Total general appropriations	\$ 6,068,964.23	\$ 6,121,676.05	\$ 5,829,609.12	\$ 75,532.21	\$ 216,532.69	\$ 2.03	\$ 0.00
Ref. A-2			A-3	A	A	A-1	A
Adopted budget	\$ 6,068,964.23						
Appropriation by 40A:4-87	32,211.82						
Emergency authorization 40A:4-46	20,500.00						
	\$ 6,121,676.05						

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TOWNSHIP OF SOUTHAMPTON  
CURRENT FUND  
STATEMENT OF EXPENDITURES  
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For the Year Ended December 31, 2014

	<u>Ref.</u>		
Paid or charged:			
State and federal grants	A-13	\$	241,354.73
Deferred charges to future taxation - unfunded	C-10		17,460.00
Deferred charges special emergency authorization	A		90,000.00
Reserve for uncollected taxes	A-2		452,798.58
Disbursed	A-4		<u>5,027,995.81</u>
		<u>\$</u>	<u>5,829,609.12</u>

See Accompanying Notes to the Financial Statements

**TRUST FUND**

TOWNSHIP OF SOUTHAMPTON  
TRUST FUND  
COMPARATIVE BALANCE SHEETS  
REGULATORY BASIS  
December 31, 2014 and 2013

	Ref.	Balance December 31, 2014	Balance December 31, 2013
<b>ASSETS</b>			
Animal control fund:			
Cash - chief financial officer	B-1	\$ 275.66	\$ 1,104.97
		<u>275.66</u>	<u>1,104.97</u>
Other funds:			
Cash - chief financial officer	B-1	729,409.04	902,239.13
Cash - tax collector	B-2	158,080.00	145,012.86
Due from payroll account	F	5,563.16	2,565.71
Due from current fund	A	73,925.38	73,635.93
Due from developers		<u>1,194.75</u>	<u>22,931.98</u>
		<u>968,172.33</u>	<u>1,146,385.61</u>
		\$ 968,447.99	\$ 1,147,490.58
		<u><u>968,447.99</u></u>	<u><u>1,147,490.58</u></u>
		Total all funds	Total all funds
		\$ 968,447.99	\$ 1,147,490.58
		<u><u>968,447.99</u></u>	<u><u>1,147,490.58</u></u>
<b>LIABILITIES, RESERVES, AND FUND BALANCE</b>			
Animal control fund:			
Due to current fund		\$ 0.30	\$ 0.31
Due to State of New Jersey		22.80	2.40
Reserve for dog fund expenditures	B-3	<u>252.56</u>	<u>1,102.26</u>
		<u>275.66</u>	<u>1,104.97</u>
Other funds:			
Due to current fund	A	7,211.38	6,409.32
Accounts payable		1,269.20	0.00
Reserve for encumbrances - general escrow		16,664.45	34,951.27
Due State of New Jersey - public defender fees		<u>2,262.90</u>	<u>0.00</u>
Due to general capital fund		949.50	0.00
Reserve for:			
Escrow for planning board subdivision and cash performance guarantees		182,629.19	160,604.22
Accumulated sick leave		29,619.67	28,619.67
Private contributions for street lighting improvements		1,000.60	1,000.60
Public contributions for public events		5,037.46	1,470.00
Public defender		<u>5,250.00</u>	<u>5,082.50</u>
Municipal open space tax	B-6	160,407.57	379,872.73
Tax title lien redemption	B-4	0.00	789.32
Tax sale premiums	B-5	157,900.00	144,200.00
Recreation		36,282.10	36,282.10
Snow removal		25,301.16	10,301.16
New Jersey unemployment compensation		79,408.86	79,713.43
COAH		<u>256,978.29</u>	<u>257,089.29</u>
		<u>968,172.33</u>	<u>1,146,385.61</u>
		\$ 968,447.99	\$ 1,147,490.58
		<u><u>968,447.99</u></u>	<u><u>1,147,490.58</u></u>
		Total all funds	Total all funds
		\$ 968,447.99	\$ 1,147,490.58
		<u><u>968,447.99</u></u>	<u><u>1,147,490.58</u></u>

See Accompanying Notes to the Financial Statements

**GENERAL CAPITAL FUND**

TOWNSHIP OF SOUTHAMPTON  
GENERAL CAPITAL FUND  
COMPARATIVE BALANCE SHEETS  
REGULATORY BASIS  
December 31, 2014 and 2013

	Ref.	Balance December 31, 2014	Balance December 31, 2013
<b><u>ASSETS</u></b>			
Cash - chief financial officer	C-2; C-3	\$ 1,379,168.87	\$ 3,328,147.38
Due from current fund	A	365,277.12	0.00
Due from trust funds - other	B	949.50	
Deferred charges to future taxation:			
Funded		6,705,000.00	6,774,000.00
Unfunded	C-4	4,122,295.80	4,543,995.80
		<u>\$ 12,572,691.29</u>	<u>\$ 14,646,143.18</u>
<b><u>LIABILITIES AND RESERVES</u></b>			
Bonds payable	C-7	\$ 6,705,000.00	\$ 6,774,000.00
Bond anticipation notes payable	C-8	4,069,260.00	4,473,500.00
Contract payable	C-6	189,827.04	1,239,800.03
Due to current fund	A	0.00	39,196.17
Improvement authorizations:			
Funded	C-6	34,698.09	167,677.64
Unfunded	C-6	1,175,542.85	1,451,606.03
Down payment of capital improvements		321.00	321.00
Capital improvement fund	C-5	138,250.00	220,250.00
Reserve for assessment revaluation		2,000.00	2,000.00
Reserve for debt service		254,601.00	274,601.00
Fund balance	C-1	3,191.31	3,191.31
		<u>\$ 12,572,691.29</u>	<u>\$ 14,646,143.18</u>

See Accompanying Notes to the Financial Statements

**TOWNSHIP OF SOUTHAMPTON  
GENERAL CAPITAL FUND  
STATEMENT OF FUND BALANCE  
REGULATORY BASIS  
For the Year Ended December 31, 2014**

	<u>Ref.</u>	
Balance - December 31, 2013	C	\$ <u>3,191.31</u>
Balance - December 31, 2014	C	\$ <u><u>3,191.31</u></u>

See Accompanying Notes to the Financial Statements

**SEWER UTILITY FUND**



**TOWNSHIP OF SOUTHAMPTON**  
**SEWER UTILITY OPERATING FUND**  
**COMPARATIVE STATEMENTS OF OPERATIONS AND**  
**CHANGES IN OPERATING FUND BALANCE**  
**REGULATORY BASIS**

For the Years Ended December 31, 2014 and 2013

	Ref.	Year 2014	Year 2013
Revenue and other income realized:			
Fund balance utilized	D-2	\$ 0.00	\$ 0.00
Sewer rents	D-2	171,782.22	169,030.61
Additional sewer rents	D-2	0.00	13,888.00
Miscellaneous revenue not anticipated	D-2	2,869.96	5,967.74
Appropriation reserves lapsed	D-6	0.00	3,266.23
Total income		<u>174,652.18</u>	<u>192,152.58</u>
Expenditures:			
Budget appropriations:			
Other expenses	D-3	133,400.00	142,250.00
Capital improvements	D-3	1,600.00	52,238.46
Municipal debt service	D-3	52,404.66	26,445.59
Total expenditures		<u>187,404.66</u>	<u>220,934.05</u>
Deficit in revenue		<u>12,752.48</u>	<u>28,781.47</u>
Adjustments to income before surplus:			
Realized from general budget for anticipated deficit	D-2	4,438.00	28,781.47
Total adjustments to income before surplus		<u>4,438.00</u>	<u>28,781.47</u>
Operating deficit to be raised in budget of succeeding year		<u>\$ 8,314.48</u>	<u>\$ 0.00</u>
 <u>FUND BALANCE</u>			
Balance - January 1	D	\$ 162.13	\$ 162.13
		162.13	162.13
Decreased by:			
Utilization by operating budget	D-1	0.00	0.00
Balance - December 31	D	<u>\$ 162.13</u>	<u>\$ 162.13</u>

See Accompanying Notes to the Financial Statements

**TOWNSHIP OF SOUTHAMPTON  
SEWER UTILITY OPERATING FUND  
STATEMENT OF REVENUES  
REGULATORY BASIS  
For the Year Ended December 31, 2014**

	<u>Ref.</u>	<u>Anticipated Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Sewer rents	D-1	\$ 183,000.00	\$ 171,782.22	\$ (11,217.78)
Deficit (general budget)	D-1	4,438.00	4,438.00	0.00
		<u>187,438.00</u>	<u>176,220.22</u>	<u>(11,217.78)</u>
Non-budget revenue	D-2	0.00	2,869.96	2,869.96
		<u>\$ 187,438.00</u>	<u>\$ 179,090.18</u>	<u>\$ (8,347.82)</u>
	<u>Ref.</u>	D-3	D-1	
Detail of non-budget revenue:				
Interest earned on investments:				
Sewer operating fund				\$ 152.65
Interest and costs				2,217.31
Connection fees				<u>500.00</u>
Total non-budget revenues	D-4		D-1;D-2	<u>\$ 2,869.96</u>

See Accompanying Notes to the Financial Statements

**TOWNSHIP OF SOUTHAMPTON  
SEWER UTILITY OPERATING FUND  
STATEMENT OF EXPENDITURES  
REGULATORY BASIS  
For the Year Ended December 31, 2014**

	Appropriations		Expended		Unexpended Balances Cancelled
	Budget	Budget After Modifications	Paid Or Charged	Reserved	
Operating:					
Other expenses	\$ 133,400.00	\$ 133,400.00	\$ 119,940.99	\$ 13,459.01	\$ 0.00
Total operating	<u>133,400.00</u>	<u>133,400.00</u>	<u>119,940.99</u>	<u>13,459.01</u>	<u>0.00</u>
Capital improvements:					
Capital improvement fund	1,600.00	1,600.00	1,600.00	0.00	0.00
Total capital improvements	<u>1,600.00</u>	<u>1,600.00</u>	<u>1,600.00</u>	<u>0.00</u>	<u>0.00</u>
Debt service:					
Payment of principal	20,000.00	20,000.00	20,000.00	0.00	0.00
Interest on bonds	32,438.00	32,438.00	32,404.66	0.00	33.34
Total debt service	<u>52,438.00</u>	<u>52,438.00</u>	<u>52,404.66</u>	<u>0.00</u>	<u>33.34</u>
	<u>\$ 187,438.00</u>	<u>\$ 187,438.00</u>	<u>\$ 173,945.65</u>	<u>\$ 13,459.01</u>	<u>\$ 33.34</u>
<u>Ref.</u>	D-2	D-3		D	D-1
Cash			\$ 139,459.22		
Accounts payable			481.77		
Due to sewer fund			1,600.00		
Accrued interest on bonds			32,404.66		
			<u>\$ 173,945.65</u>		

See Accompanying Notes to the Financial Statements

**PAYROLL ACCOUNT**

TOWNSHIP OF SOUTHAMPTON  
 PAYROLL ACCOUNT  
 COMPARATIVE BALANCE SHEETS  
 REGULATORY BASIS  
 December 31, 2014 and 2013

	<u>Ref.</u>	<u>Balance December 31, 2014</u>	<u>Balance December 31, 2013</u>
<u>ASSETS</u>			
Cash		\$ 21,689.06	\$ 18,314.40
 <u>LIABILITIES</u>			
Due to current fund	A	\$ 5,276.10	\$ 213.42
Due to unemployment trust fund	B	5,563.16	2,565.71
Payroll withholding payable	F-1	10,831.68	10,830.40
Reserve for flexible spending		18.12	4,704.87
		<u>\$ 21,689.06</u>	<u>\$ 18,314.40</u>

See Accompanying Notes to the Financial Statements

**GENERAL FIXED ASSETS**

**TOWNSHIP OF SOUTHAMPTON  
GENERAL FIXED ASSETS  
STATEMENT OF GENERAL FIXED ASSETS  
REGULATORY BASIS  
At December 31, 2014 and 2013**

	<u>Ref.</u>	<u>2014</u>	<u>2013</u>
General fixed assets:			
Land and improvements	G-1	\$ 1,261,300.00	\$ 1,261,300.00
Buildings	G-1	1,430,900.00	1,430,900.00
Equipment	G-1	<u>2,242,462.02</u>	<u>1,476,440.79</u>
Total general fixed assets		<u>4,934,662.02</u>	<u>4,168,640.79</u>
Investments in general fixed assets	G-1	<u>\$ 4,934,662.02</u>	<u>\$ 4,168,640.79</u>

See Accompanying Notes to the Financial Statements

**NOTES TO FINANCIAL STATEMENTS**

**TOWNSHIP OF SOUTHAMPTON  
COUNTY OF BURLINGTON  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended December 31, 2014**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The Township of Southampton was incorporated in 1845 and is located in the County of Burlington in the State of New Jersey. The Township covers approximately 43.31 square miles with a population, according to the 2010 census, of 10,464. The governing body is a Township Committee comprised of five elected members who serve three-year terms. The Mayor and Deputy Mayor are elected by the members of the Committee and serve for a one-year term in this office.

The Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria to be used to determine which component units should be included in the financial statements of an oversight entity. The primary criterion for including activities within the reporting entity, as set forth in the Statement, is the degree of oversight responsibility maintained by the reporting entity. However, the State of New Jersey, Division of Local Government Services requires the financial statements of the Township to be presented separately. As such, the financial statements of the Township of Southampton include each board, body, officer, or commission supported and maintained wholly or in part by funds appropriated by the Township, as required by N.J.S. 40A:5-5.

Except as noted below, the financial statements of the Township of Southampton include every board, body, officer, or commission supported and maintained wholly or in part by funds appropriated by the Township of Southampton, as required by N.J.S. 40A:5-5.

**B. Description of Funds**

The accounting policies of the Township of Southampton 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 Township of Southampton accounts for its financial transactions through the following separate funds and accounts as presented below. This presentation differs from the three fund, two account group presentation as required by GAAP.

**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** - receipt and disbursement of funds for the acquisition of general capital facilities, other than those acquired in the Current Fund. In addition, the fund is used to track the status of debt authorized for capital projects.

**Sewer Operating and Capital Funds** - account for the operations and acquisition of capital facilities of the municipally-owned Sewer Utility.

**Payroll Account** - receipt and disbursement of funds to meet obligations to employees and payroll tax liabilities.

**General Fixed Assets Account Group** - to account for fixed assets used in governmental operations.

TOWNSHIP OF SOUTHAMPTON  
COUNTY OF BURLINGTON  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended December 31, 2014

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Basis of Accounting**

The accounting principles and practices prescribed for municipalities by the State of New Jersey differ in certain respects from accounting principles generally accepted in the United States of America applicable to local governmental units. A modified accrual basis of accounting is followed with minor exceptions. The more significant policies in New Jersey follow.

**Revenues** - are recorded when received in cash except for certain amounts which are due from other governmental units. Receipts from Federal and State grants are realized as revenue when anticipated in the Township 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 amounts that are due the Township which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenue when received. Fund balance utilized to balance budget is recorded as revenue and budgeted transfers from other funds are also recorded as revenue when anticipated in the budget.

**Expenditures** - are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods or services through the issuances of a purchase order in accordance with the Encumbrance Accounting System. Outstanding encumbrances at December 31 are reported as cash liability in the financial statements as encumbrances payable and constitute part of the Municipality's statutory appropriation reserve balance. Appropriation reserves covering unexpended appropriation balances are automatically created at December 31 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. Grant appropriations are charged upon budget adoption to create separate spending reserves. Budgeted transfers to other funds are recorded as expenditures when the budget is adopted to the extent permitted or required by law. 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.

**Property Taxes** - Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied annually and are payable in quarterly installments on February 1, May 1, August 1, and November 1 of each year. All unpaid taxes levied become delinquent January 1 of the following year. Delinquent taxes are considered fully collectible and therefore no allowance for uncollectible taxes is provided.

**Foreclosed Property** - Foreclosed property is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved.

**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.

**Insurance** - Cost of insurance for all funds are recorded as expenditures at the time of payment. Insurance costs chargeable to future periods are not carried as prepayments.

**TOWNSHIP OF SOUTHAMPTON  
COUNTY OF BURLINGTON  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended December 31, 2014**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Basis of Accounting (Continued)**

**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. The Township did not take a physical inventory of the supplies in the Utility Fund; therefore, no amount is reported on the utility balance sheet.

**Proprietary Fund - Cash Flows Statement** - In accordance with the reporting requirements of the Division of Local Government Services, the utility fund's financial statements do not include a statement of cash flows.

**General Fixed Assets** - The Township has developed a fixed asset accounting and reporting system as promulgated by the Division of Local Government Services, which differs in certain respects from generally accepted accounting principles.

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

All fixed assets are valued at historical cost or estimated historical cost if actual historical costs is not available, except for land which is valued at assessed value at the time the land is foreclosed or donated. Land purchased by the Township is valued at cost.

No depreciation has been provided for in the financial statements.

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.

Property and equipment purchased by the Sewer Utility Fund is recorded in the Sewer Capital account at cost and are adjusted for disposals and abandonments. Contributions in aid of construction are not capitalized. The balances in Reserve for Amortization and Deferred Reserve for Amortization accounts in the Utility Capital Fund represent charges to operations for the costs of acquisition of property, equipment, and improvements. The utilities do not record depreciation on fixed assets.

**Tax Appeals and Other Contingent Losses** - Losses which arise from tax appeals and other contingent losses are recognized at the time an unfavorable decision is rendered by an administrative or judicial body.

**Budgets** - The governing body prepares and approves by resolution an operating and capital budget for the Current Fund and Sewer Operating Fund which is then submitted for certification to the State of New Jersey, Department of Community Affairs, Director of Local Government Services. Upon the receipt of such certification and after a public hearing, the budget is then adopted by resolution. Transfers of budgeted amounts may be made by resolution of the Township Committee subsequent to October 31 in the current budget year and up to March 31 of the following year.

Once adopted, the Township may make emergency appropriations for purposes which are not known at the time the budget was adopted per N.J.S.A. 40A:4-46. Also, the Township may make amendments to the budget for any special item of revenue made available by any public or private funding source per N.J.S.A. 40A:4-87.

**TOWNSHIP OF SOUTHAMPTON  
COUNTY OF BURLINGTON  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended December 31, 2014**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Basis of Accounting (Continued)**

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

**Fund Balance** - Fund balances included in the current fund and utility operating funds represent amounts available for anticipation as revenue in future years budgets, with certain restrictions.

**Capitalization of Interest** - It is the policy of the Township of Southampton to treat interest on projects as a current expense and the interest is included in the current operating budget.

**School Taxes** - The municipality is responsible for levying, collecting, and remitting school taxes for the Township of Southampton School District and the Township's share of the Lenape Regional High School District. Operations are charged for the full amount required to be raised from taxation to operate the local school district for the period from January 1 to December 31. The regional high school district taxes are raised and charged to operations on a school year basis.

**County Taxes** - The municipality is responsible for levying, collecting, and remitting the Township's share of county taxes for the County of Burlington. Operations is charged for the amount due the County for the year, based upon the ratables required to be certified to the County Board of Taxation by January 10 of the current year. In addition, operations is charged for the County share of added and omitted taxes certified to the County Board of Taxation by October 10 of the current year and due to be paid to the County by February 15 of the following year.

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

**Comparative Data** - Comparative total data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes in the Township's financial position and operations. However, comparative data has not been presented in each of the statements because its inclusion would make the statements unduly complex and difficult to read.

**Use of Estimates** - The preparation of financial statements in accordance with accounting principles applicable to municipalities which have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**TOWNSHIP OF SOUTHAMPTON  
COUNTY OF BURLINGTON  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended December 31, 2014**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Concluded)**

**C. Basis of Accounting (Concluded)**

**Departures from Generally Accepted Accounting Principles** - The accounting principles and practices followed by the Township of Southampton differ in some respects, which in some instances may be material, from generally accepted accounting principles applicable to local government units. The more significant differences are as follows:

Taxes and other receivables are fully reserved.

Interfund receivables in the Current Fund are fully reserved and recognized as a revenue in the year of liquidation.

Unexpended and uncommitted appropriations are reflected as expenditures.

Overexpended appropriations and emergency appropriations are deferred to the succeeding years' operations.

No provision is made for accumulated vested vacation and sick leave.

Undetermined contributions to state-administered pension plans applicable to the six months ended December 31 are not accrued.

Estimated losses arising from tax appeals and other contingencies are not recorded when it is probable that a loss has been incurred and the amount of such loss can be reasonably estimated.

Depreciation expense is not calculated on fixed assets.

It was not practicable to determine the effect of such differences.

**D. Recent Accounting Pronouncements Not Yet Effective**

In June 2012, GASB issued Statement No. 67 "Financial Reporting for Pension Plans - an amendment of GASB Statement No. 25". This statement, which is effective for fiscal periods beginning after June 15, 2013, will not have any effect on the Township's financial reporting.

In June 2012, GASB issued Statement No. 68 "Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27". This statement, which is effective for fiscal periods beginning after June 15, 2014, will not have any effect on the Township's financial reporting.

In January 2013, GASB issued Statement No. 69 "Government Combinations and Disposals of Government Operations". This statement, which is effective for fiscal periods beginning after December 15, 2013, will not have any effect on the Township's financial reporting.

In April 2013, GASB issued Statement No. 70 "Accounting and Financial Reporting for Nonexchange Financial Guarantees". This statement, which is effective for fiscal years beginning after June 15, 2013, will not have any impact on the Township's financial statements.

**TOWNSHIP OF SOUTHAMPTON  
COUNTY OF BURLINGTON  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended December 31, 2014**

**NOTE 2 - INVESTMENTS**

As of December 31, 2014 and 2013, the Township did not have any investments.

**Interest Rate Risk** - The Township does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, New Jersey Statute 40A:5-15.1(a) limits the length of time for most investments to 397 days.

**Credit Risk** - New Jersey Statute 40A:5-15.1(a) limits municipal investments to those specified in the Statutes. The type of allowable investments are bonds of the United States of America, the local unit, or school districts of which the local unit is a part; obligations of federal agencies not exceeding 397 days; government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

**Concentration of Credit Risk** - The Township places no limit on the amount the Township may invest in any one issuer.

**NOTE 3 - CASH AND CASH EQUIVALENTS**

**Custodial Credit Risk Related to Deposits**

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

As of December 31, 2014, the Township's bank balances were exposed to custodial credit risk as follows:

Insurance	\$ 886,319.57
Uninsured and collateralized with securities held by pledging financial institutions (GUDPA)	<u>4,133,926.48</u>
	<u>\$ 5,020,246.05</u>

**New Jersey Cash Management Fund**

During the year, the Township participated in the New Jersey Cash Management Fund. The Fund is governed by regulations of the State Investment Council, who prescribe standards designed to insure the quality of investments in order to minimize risk to the Fund's participants. Deposits with the New Jersey Cash Management Fund are not subject to custodial credit risk as defined above. At December 31, 2014, the Township's deposits with the New Jersey Cash Management Fund were \$1,117,891.13.

TOWNSHIP OF SOUTHAMPTON  
COUNTY OF BURLINGTON  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended December 31, 2014

**NOTE 4 - INTERFUND RECEIVABLES AND PAYABLES**

The following schedule reconciles interfund receivables and payables for the year ended December 31, 2014:

	Due To					Total	
	Due From	Current Fund	State and Federal Grant Fund	Other Trust Funds	General Capital Fund		Utility Capital Fund
Current fund		\$ 0.00	\$ 0.00	\$ 73,925.58	\$ 365,277.12	\$ 0.00	\$ 439,202.70
State and federal grants fund		143,853.13	0.00	0.00	949.50	0.00	144,802.63
Animal control trust fund		0.30	0.00	0.00	0.00	0.00	0.30
Other trust funds		7,211.38	0.00	0.00	0.00	0.00	7,211.38
General capital fund		88,412.49	0.00	0.00	0.00	0.00	88,412.49
Utility operating fund		0.00	0.00	0.00	0.00	1,600.00	1,600.00
Payroll fund		5,276.10	0.00	2,563.16	0.00	0.00	7,839.26
		<u>\$ 244,753.40</u>	<u>\$ 0.00</u>	<u>\$ 76,488.74</u>	<u>\$ 366,226.62</u>	<u>\$ 1,600.00</u>	<u>\$ 689,068.76</u>

The interfund with the grant fund is the result of revenue received prior to year end that was not expended.

Interest earnings not transferred at year end are the interfunds for the animal control fund, the other trust funds and general capital fund. In addition to this the escrow trust fund has an interfund with the current fund for escrow bills paid by the current fund, the open space trust fund has an interfund with the current fund for prior year added and omitted open space tax assessments and the unemployment trust fund has prior year payroll deductions that still need to be transferred. Both the capital and sewer operating have interfunds with the current fund for funds utilized in the current year budgets. The interfunds from the state and federal grant fund to the current fund are the result of expenditures for grant appropriations for which reimbursement has not been received. The reimbursement was received for the state road aid grant in 2015. The Chief Financial Officer transfers most of these interfunds after the audit report is received.

**TOWNSHIP OF SOUTHAMPTON  
COUNTY OF BURLINGTON  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended December 31, 2014**

**NOTE 5 - PROPERTY TAXES**

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

**Comparison of Tax Rate Information**

	<u>2014</u>	<u>2013</u>	<u>2012</u>
Total Tax Rate	\$ 2.571	\$ 2.506	\$ 2.500
Apportionate of Tax Rate:			
Municipal	\$ .349	\$ .330	\$ .311
County	.413	.420	.447
Regional School	.693	.666	.672
Local School	1.096	1.070	1.050
Municipal Open Space	.020	.020	.020
Assessed Valuation:			
2014	\$ 998,205,573.00		
2013		\$ 1,003,641,345.00	
2012			\$ 1,008,588,157.00

**Comparison of Tax Levies and Collection Currently**

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

Year	<u>Currently</u>		Percentage of Collection
	<u>Tax Levy</u>	<u>Cash Collections</u>	
2014	\$ 25,704,401.97	\$ 25,182,435.23	97.97%
2013	\$ 25,166,914.99	\$ 24,702,473.19	98.15%
2012	\$ 25,243,041.26	\$ 24,687,919.37	97.80%

**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>December 31 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>
2014	\$ 766,854.35	\$ 465,377.42	\$ 1,232,231.77	4.79%
2013	\$ 731,057.61	\$ 373,074.67	\$ 1,104,132.28	4.39%
2012	\$ 672,405.97	\$ 428,332.72	\$ 1,100,738.69	4.36%

**TOWNSHIP OF SOUTHAMPTON  
COUNTY OF BURLINGTON  
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For the Year Ended December 31, 2014**

**NOTE 5 - PROPERTY TAXES (Concluded)**

**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 assessed valuation at time of foreclosure of such properties, was as follows:

<u>Year</u>	<u>Amount</u>
2014	\$ 340,800.00
2013	\$ 340,800.00
2012	\$ 340,800.00

**NOTE 6 - SEWER UTILITY LEVIES**

The following is a three year comparison of sewer utility charges (rents) for the current and previous two years.

<u>Year</u>	<u>Levy</u>
2014	\$ 186,379.79
2013	\$ 182,365.07
2012	\$ 165,636.70

In September 2012, the Township increased rates by an average of 10.64%, which explains the increase in billings for 2013.

**NOTE 7 - FUND BALANCES APPROPRIATED**

The following schedule details the amount of fund balances available at the end of the current year and four previous years and the amounts utilized in the subsequent years' budgets.

<u>Year</u>	<u>December 31</u>	<u>Utilized In Adopted Budget Of Succeeding Year</u>
<b>Current Fund:</b>		
2014	\$ 151,116.66	\$ -
2013	\$ 401,116.66	\$ 250,000.00
2012	\$ 435,525.79	\$ 350,000.00
2011	\$ 660,208.54	\$ 452,200.00
2010	\$ 765,541.39	\$ 567,200.00
<b>Sewer Operating Fund:</b>		
2014	\$ 162.13	\$ -
2013	\$ 162.13	\$ -
2012	\$ 162.13	\$ 162.13
2011	\$ 779.61	\$ 617.48
2010	\$ 779.61	\$ -

**TOWNSHIP OF SOUTHAMPTON  
COUNTY OF BURLINGTON  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended December 31, 2014**

**NOTE 8 - TAXES COLLECTED IN ADVANCE**

Taxes collected in advance, set forth as cash liabilities in the financial statements as follows:

	<u>Balance December 31, 2014</u>	<u>Balance December 31, 2013</u>
Prepaid Taxes	\$ 243,078.09	\$ 261,511.09

**NOTE 9 - GENERAL FIXED ASSETS**

General fixed assets activity for the years ended December 31, 2014 and 2013 was as follows:

	<u>Balance December 31, 2013</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance December 31, 2014</u>
Land	\$ 1,261,300.00	\$ -	\$ -	\$ 1,261,300.00
Buildings	1,430,900.00	-	-	1,430,900.00
Equipment	<u>1,476,440.79</u>	<u>766,021.23</u>	<u>-.</u>	<u>2,242,462.02</u>
	<u>\$ 4,168,640.79</u>	<u>\$ 766,021.23</u>	<u>\$ -.</u>	<u>\$ 4,934,662.02</u>

	<u>Balance December 31, 2012</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance December 31, 2013</u>
Land	\$ 1,261,300.00	\$ -	\$ -	\$ 1,261,300.00
Buildings	1,430,900.00	-	-	1,430,900.00
Equipment	<u>1,438,366.79</u>	<u>38,074.00</u>	<u>-.</u>	<u>1,476,440.79</u>
	<u>\$ 4,130,566.79</u>	<u>\$ 38,074.00</u>	<u>\$ -.</u>	<u>\$ 4,168,640.79</u>

In 2011, the Township prepared an updated inventory of land and buildings owned, excluding properties acquired for taxes. This analysis was made from the 2012 tax duplicate which included the revaluation completed in 2011. Therefore, these properties are valued at the current assessed valuation rather than historical cost.

**TOWNSHIP OF SOUTHAMPTON  
COUNTY OF BURLINGTON  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 9 - GENERAL FIXED ASSETS (Concluded)**

Sewer utility plant and equipment for the years ended December 31, 2014 and 2013 was as follows:

	<u>Balance December 31, 2013</u>	<u>Additions</u>	<u>Disposals/ Adjustments</u>	<u>Balance December 31, 2014</u>
Construction of a sewerage collection system in the Village of Vincentown	\$ 2,295,000.00	\$ -.	\$ -.	\$ 2,295,000.00

	<u>Balance December 31, 2012</u>	<u>Additions</u>	<u>Disposals/ Adjustments</u>	<u>Balance December 31, 2013</u>
Construction of a sewerage collection system in the Village of Vincentown	\$ 2,295,000.00	\$ -.	\$ -.	\$ 2,295,000.00

**NOTE 10 - DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS**

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2014, the following deferred charges are shown on the balance sheets of the various funds:

	<u>Balance December 31, 2014</u>	<u>2015 Budget</u>	<u>Balance To Succeeding Budgets</u>
Current fund:			
Emergency appropriation (40A:4-87)	\$ 20,500.00	\$ 20,500.00	\$ -
Special emergency authorization	\$ 90,000.00	\$ 90,000.00	\$ -
Overexpenditure of appropriation reserves	\$ 181.55	\$ 181.55	\$ -
Cash deficit	\$ 116,438.46	\$ 114,011.42	\$ 2,427.04
General capital fund:			
Acquisition of EMS vehicle - Ord. 2006-18	\$ 53,035.80	\$ 17,460.00	\$ 35,575.80

The appropriations in the 2015 budget are not less than those required by statute.

**TOWNSHIP OF SOUTHAMPTON  
COUNTY OF BURLINGTON  
NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2014**

**NOTE 11 - LONG-TERM DEBT**

Long-term debt as of December 31, 2014 consisted of the following:

	Balance December 31, 2013	Additions	Reductions	Balance December 31, 2014	Amount Due in One Year
General	\$ 6,774,000.00	\$ 5,890,000.00	\$ 5,959,000.00	\$ 6,705,000.00	\$ 755,000.00
Sewer utility	780,000.00	0.00	20,000.00	760,000.00	25,000.00
Compensated absences *	0.00	0.00	0.00	0.00	0.00
	<u>\$ 7,554,000.00</u>	<u>\$ 5,890,000.00</u>	<u>\$ 5,979,000.00</u>	<u>\$ 7,465,000.00</u>	<u>\$ 780,000.00</u>

\* See Note 16 for Compensated Absences.

**Paid by Current Fund:**

\$1,539,000 General Improvement Bond dated 10/01/2001 payable in annual installments through 08/01/2019. \$120,000 of principal was paid on 08/01/2014 and the outstanding balance of \$594,000.00 was paid by the proceeds of advanced refunding dated December 23, 2014. Interest was paid semiannually at 4.5% per annum. The balance at December 31, 2014 is \$0.00.

\$8,130,000 General Improvement Bond dated 07/27/2006 payable in annual installments through 07/01/2026. \$345,000 of principal was paid on 07/01/2014 and \$4,900,000.00 was paid from the proceeds of an advanced refunding bond issued December 23, 2014. Interest is paid semiannually at varying rates. The balance remaining as of December 31, 2014 was \$815,000.00 and is payable by July 1, 2016.

\$5,890,000.00 of Refunding Bonds for the 2001 and 2006 bonds issued for the acquisition of various assets dated 12/23/14 payable in annual installments through 7/1/2026. Interest is paid semiannually at varying rates. The balance remaining as of December 31, 2014 was \$5,890,000.00.

**Paid by Sewer Utility Fund:**

\$810,000 Refunding Bond for the construction of the sewer system dated 03/11/2013 payable in annual installments through 12/01/2035. \$20,000.00 of principal was paid on 12/01/2014. Interest is paid semiannually at varying rates. The balance remaining as of December 31, 2014 was \$760,000.00.

**TOWNSHIP OF SOUTHAMPTON  
COUNTY OF BURLINGTON  
NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2014**

**NOTE 11 - LONG-TERM DEBT (Continued)**

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

Year Ended December 31	General Capital Fund		Sewer Utility Fund		Total
	Principal	Interest	Principal	Interest	
2015	\$ 645,000.00	\$ 102,215.83	\$ 25,000.00	\$ 32,037.50	\$ 804,253.33
2016	610,000.00	144,185.00	25,000.00	31,287.50	810,472.50
2017	635,000.00	124,225.00	25,000.00	30,537.50	814,762.50
2018	620,000.00	116,287.50	25,000.00	29,537.50	790,825.00
2019	620,000.00	106,987.50	25,000.00	28,287.50	780,275.00
2020-2024	2,565,000.00	358,675.00	150,000.00	121,187.50	3,194,862.50
2025-2029	1,010,000.00	45,300.00	195,000.00	79,437.50	1,329,737.50
2030-2034	-	-	240,000.00	33,243.76	273,243.76
2035	-	-	50,000.00	1,687.50	51,687.50
	<u>\$ 6,705,000.00</u>	<u>\$ 997,875.83</u>	<u>\$ 760,000.00</u>	<u>\$ 387,243.76</u>	<u>\$ 8,850,119.59</u>

As of December 31, 2014, the carrying value of the above bonds approximates the fair value of the bonds.

**TOWNSHIP OF SOUTHAMPTON  
COUNTY OF BURLINGTON  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 11 - LONG-TERM DEBT (Continued)**

**Summary of Municipal Debt Service**

	<u>2014</u>	<u>2013</u>	<u>2012</u>
Bonds and notes issued:			
General capital fund	\$ 10,774,260.00	\$ 11,247,500.00	\$ 8,350,621.36
Sewer utility fund	760,000.00	780,000.00	863,737.66
Bonds and notes authorized but not issued:			
General capital fund	53,035.80	70,495.80	87,955.80
Sewer utility fund	<u>105,987.86</u>	<u>75,587.86</u>	<u>75,587.86</u>
 Net bonds and notes issued and authorized but not issued	 <u>11,693,283.66</u>	 <u>12,173,583.66</u>	 <u>9,377,902.68</u>
 Deductions:			
Self-liquidating debt	<u>638,938.26</u>	<u>743,545.66</u>	<u>-</u>
 Net debt	 <u>\$ 11,054,345.40</u>	 <u>\$ 11,430,038.00</u>	 <u>\$ 9,377,902.68</u>

**Summary of Statutory Debt Condition - Annual Debt Statement**

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of \$11,054,345.40.

	<u>Gross Debt</u>	<u>Deduction</u>	<u>Net Debt</u>
Regional school district debt	\$ 4,560,576.93	\$ 4,560,576.93	\$ -
Local school district debt	6,751,000.00	6,751,000.00	-
Sewer utility debt	865,987.86	638,938.26	227,049.60
General debt	<u>10,827,295.80</u>	<u>-</u>	<u>10,827,295.80</u>
	 <u>\$ 23,004,860.59</u>	 <u>\$ 11,950,515.19</u>	 <u>\$ 11,054,345.40</u>

Net Debt \$11,054,345.40 divided by Equalized Valuation Basis per N.J.S. 40A:2-2, \$1,089,160,044.33 = 1.01%.

**Equalized Valuation Basis**

2012	\$1,108,780,829.00
2013	1,083,086,237.00
2014	<u>1,075,613,067.00</u>
 Average	 <u>\$1,089,160,044.33</u>

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

3 1/2% of equalized valuation basis (municipal) Net debt	\$ 38,120,601.55 <u>11,054,345.40</u>
 Remaining borrowing power	 <u>\$ 27,066,256.15</u>

The Township of Southampton School District, as a K-8 school district, is permitted to borrow up to 3.0% of the average equalized valuation for the past three years. State statutes allow a school district to exceed the district's limitations with voter approval. Any amounts in excess of the limit is treated as an impairment of the municipal limit.

**TOWNSHIP OF SOUTHAMPTON  
COUNTY OF BURLINGTON  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended December 31, 2014**

**NOTE 11 - LONG-TERM DEBT (Concluded)**

The Lenape Regional High School District is a 7-12 regional school district and as a result the amount of debt issued is not subject to any statutory limitation based on average equalized valuations. Debt is allocated based on the municipality's equalized valuation as a percentage of the total regional school district's assessed valuation. Since all debt authorized by the regional school district is deductible, it does not effect the debt of the municipality.

**Summary of Municipal Debt Service**

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

Cash receipts from fees, fund balance anticipated, rents or other charges for year		\$ 174,452.18
Deductions:		
Operating and maintenance cost	\$ 133,400.00	
Debt service per utility account	52,404.66	
Total deductions		185,804.66
Deficit in revenue		\$ (11,352.48)

**NOTE 12 - BOND ANTICIPATION NOTES AND SPECIAL EMERGENCY NOTES**

The Township has outstanding at December 31, 2014 and 2013, bond anticipation notes in the general capital fund in the amount of \$4,069,260.00 and \$4,473,500.00, respectively. The December 31, 2014 amounts payable to Passaic Valley Water are \$611,760.00 and \$3,457,500.00, bears an interest rate of .797% and mature on August 6, 2015. These funds were for the acquisition of various pieces of equipment, purchase of real estate, and various capital improvements.

The Township has outstanding at December 31, 2014 and 2013, special emergency notes in the current fund in the amount of \$90,000.00 and \$180,000.00, respectively. The December 31, 2014 amount payable to Investor Bank is \$90,000.00, bears an interest rate of 1.35% and matures on April 12, 2015.

**NOTE 13 - PENSION FUNDS**

**Description of Plans**

Substantially all of the Township's employees are covered by the Public Employees' Retirement System cost-sharing multiple-employer defined benefit pension plan which has been established by State Statute and is administered by the New Jersey Division of Pensions and Benefits (Division).

According to the State of New Jersey Administrative Code, all obligations of the System will be assumed by the State of New Jersey should the system terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees' Retirements System. This report may be obtained by writing to the Division of Pensions and Benefits, Post Office Box 295, Trenton, New Jersey 08625 or the report can be accessed on the internet at [http://www.state.nj.us/treasury/pensions/annrpts\\_archive.htm](http://www.state.nj.us/treasury/pensions/annrpts_archive.htm).

*Public Employees' Retirement System*

The Public Employees' Retirement System was established in January, 1955 under the provisions of N.J.S.A. 43:15A and 43:3B to provide retirement, death, disability, and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State or any county, municipality, school district, or public agency provided the employee is not required to be a member of another State-administered retirement system or other state or local jurisdiction.

**TOWNSHIP OF SOUTHAMPTON  
COUNTY OF BURLINGTON  
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**NOTE 13 - PENSION FUNDS (Concluded)**

*Funding Policy*

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 62, P.L. 1994, plan members enrolled in the PERS were required to contribute 5% of their annual covered salary. Effective July 1, 2008, however, in accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. For employees enrolled in the retirement system prior to July 1, 2008, the increase is effective with the payroll period that begins immediately after July 1, 2008. Pursuant to the provisions of Chapter 78, P.L. 2011, effective October 1, 2011 the active member contribution rate was increased to 6.5%. An additional 1.0% increase will be phased-in over seven years beginning on July 1, 2012. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, the statute also requires the return to the normal rate when such surplus pension assets no longer exist.

The Township is billed annually for its normal contribution plus any accrued liability.

The Township's contributions to the PERS, equal to the required contribution for each fiscal year, were as follows:

Year	Normal Contribution	Accrued Liability	Non- Contributory Life
2014	\$ 22,662.00	\$ 99,637.00	\$ 2,080.00
2013	35,907.00	85,855.00	7,247.00
2012	45,011.00	90,022.00	8,603.00
	Total Liability	Paid By Township	
2014	\$ 124,379.00	\$ 124,379.00	
2013	129,009.00	129,009.00	
2012	143,636.00	143,636.00	

**NOTE 14 - POST-RETIREMENT BENEFITS**

**Description of Plan**

The New Jersey State Health Benefits Commission administers cost-sharing multiple-employer health care plans under the State Health Benefits Program and the School Employees' Health. The health care plans under the State Health Benefits Plan (SHBP) provides access to health care coverage to eligible retirees who qualify based on state law and local requirements. Coverage under the current program includes medical, prescription drug, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents. The State of New Jersey pays a portion of the cost for retirees, spouses, and dependents.

**TOWNSHIP OF SOUTHAMPTON  
COUNTY OF BURLINGTON  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended December 31, 2014**

**NOTE 14 - POST-RETIREMENT BENEFITS (Concluded)**

Members of the Public Employees' Retirement System would generally qualify for coverage under the following criteria:

Service retirement - eligible at age 60

Early retirement - eligible after 25 years of service

Service or early retirement eligibility for state-paid SHBP benefits - attainment of 25 years of service

Ordinary disability retirement - eligible after 10 years of service

Accidental disability - eligible upon total and permanent disability prior to age 65 as a result of a duty injury

**NOTE 15 - SCHOOL TAXES**

School taxes in the State of New Jersey may be raised by either of the following methods:

Calendar year basis - whereby the tax is levied and paid based on the District's needs for one-half of each school year encompassed in the calendar year.

School year basis - taxes are raised for the school year commencing July 1 of the current year, paid out over the twelve months beginning with July 1.

The Township of Southampton School District raises local school taxes on a calendar year basis. There were no deferred school taxes at December 31, 2014, however the District's school taxes payable at year end were \$20.52.

The Lenape Regional High School District raises regional school taxes on a school year basis.

Regulations provide for the deferral of not more than 50% of the annual levy when school taxes are raised for a school year and have not been requisitioned by the school district. In the Township of Southampton's case, the amount of \$3,461,073.50 would be the maximum amount permitted to be deferred as of December 31, 2014, under these regulations. The Township, in prior years, elected to defer school taxes and the accumulation of such deferral amounts to \$724,910.00.

Regional high school taxes has been raised and liabilities deferred by statute, resulting in the school taxes payable set forth in the current fund liabilities as follows:

	<u>Balance December 31, 2014</u>	<u>Balance December 31, 2013</u>
Balance of tax	\$ 2,437,794.67	\$ 2,320,629.47
Deferred	<u>724,910.00</u>	<u>724,910.00</u>
Tax payable	<u>\$ 3,162,704.67</u>	<u>\$ 3,045,539.47</u>

**TOWNSHIP OF SOUTHAMPTON  
COUNTY OF BURLINGTON  
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For the Year Ended December 31, 2014**

**NOTE 16 - ACCRUED SICK AND VACATION TIME**

The Township allows employees to accrue unused sick and vacation time. The Chief Financial Officer maintains the records of the accumulated unused sick and vacation time. The estimated maximum liability at December 31, 2014, including the provision for social security is \$102,163.68. This amount is not reported as either an expenditure or liability.

The Township has an account to set aside funds to cover the future liability for accumulated sick and vacation time. The balance in this account at December 31, 2014 was \$29,619.67.

**NOTE 17 - 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 for property, liability, and surety bonds through the Burlington County Municipal Joint Insurance Fund.

The Fund provides the Township with the following coverage:

- Property Policy
- Automobile Policy
- Crime Policy and Excess Crime Policy
- Casualty Policy
- Workers' Compensation and Excess Workers Compensation Policy
- Environmental Legal Liability Policy
- Excess Liability Policy
- Public Officials and Employment Liability Policy
- Underground Storage Tank Policy

Contributions to the Fund, are payable in an annual premium and is based on actuarial assumptions determined by the Fund's actuary. The Township's agreement with the Fund provides that the Fund will be self-sustaining through member premiums and will reinsure through the Municipal Excess Liability Joint Insurance Fund for claims in excess of \$50,000.00 to \$250,000.00 based on the line of coverage for each insured event.

The fund publishes its own financial report for the year ended December 31, 2014, which can be obtained from:

- Burlington County Municipal Joint Insurance Fund
- 6000 Sagemore Drive, Suite 6203
- Marlton, New Jersey 08053

**NOTE 18 - LITIGATION**

Certain claims have been filed against the Township alleging damages and the outcome of these claims is not presently determinable. The claims are either being handled by the Township's insurance carrier or are not financially material to the financial statements.

**TOWNSHIP OF SOUTHAMPTON  
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**NOTE 19 - NEW JERSEY UNEMPLOYMENT COMPENSATION INSURANCE**

The Township has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the Township is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The Township is billed quarterly for amounts due to the State. The following is a summary of Township contributions, reimbursements to the State for benefits paid, and the ending balance of the Township's trust fund for the current and previous two years:

<u>Year</u>	<u>Contributions To Fund</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2014	\$ 1,784.18	\$ 3,388.05	\$ 76,406.86
2013	\$ 2,647.10	\$ 287.87	\$ 79,713.43
2012	\$ 2,356.58	\$ 357.39	\$ 77,354.42

**NOTE 20 - DEFERRED COMPENSATION**

Employees of the Township of Southampton may participate in a deferred compensation plan adopted under the provisions of the Internal Revenue Code Section 457 (Deferred Compensation Plans with Respect to Service for State and Local Governments).

The deferred compensation plan is available to all employees of the Township. Under the plan, employees may elect to defer a portion of their salaries and avoid paying taxes on the deferred portion until the withdrawal date. The deferred compensation amount is not available for withdrawal by employees until termination, retirement, death, or unforeseeable emergency.

The deferred compensation plan is administered by an unrelated financial institution. Under the terms of an IRC Section 457 deferred compensation plan, all deferred compensation and income attributable to the investment of the deferred compensation amounts held by the financial institution, until paid or made available to the employees or beneficiaries, are the property of the employees.

As part of its fiduciary role, the Township has an obligation of due care in selecting the third party administrator. In the opinion of the Township's legal counsel, the Township has acted in a prudent manner and is not liable for losses that may arise from the administration of the plan.

**TOWNSHIP OF SOUTHAMPTON  
COUNTY OF BURLINGTON  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended December 31, 2014**

**NOTE 21 - FLEXIBLE SPENDING PROGRAM**

The Township offers its employees a flexible spending program. The purpose of the program is to provide a tax incentive for plan participants incurring health premium expenses, dependent care expenses, and other medical expenses not covered by other insurance. The Township, who is the plan administrator, has contracted with Flexible-Flex Facts to act as its agent to furnish reimbursement services. The plan participants redirect a prescribed amount of their gross pay (tax-free) into a reimbursement account and then in-turn submit claims to Flexible-Flex Facts for repayment. Because of Internal Revenue Service regulations, if at the end of any plan year unexpended funds remain, these funds will be forfeited by the participants and returned to the Township.

The following is a summary of Township contributions, employee contributions, reimbursements to the plan participants for benefits paid, and the ending balance of the Township's payroll fiduciary fund for the current and prior two years.

<u>Year</u>	<u>Township Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2014	\$ -	\$ 2,837.50	\$ 2,992.50	\$ 2,822.18
2013	-	2,999.92	3,213.86	4,704.87
2012	4,700.00	4,699.82	4,481.01	4,923.18

**NOTE 22 - LEASE OBLIGATION**

At December 31, 2014, the Township did not have any lease agreements in effect.

**NOTE 23 - SUBSEQUENT EVENTS**

Subsequent events were evaluated through July 16, 2015, which is the date that the financial statements were available to be issued.