

**TOWNSHIP OF SOUTHAMPTON  
COUNTY OF BURLINGTON  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended December 31, 2015**

**NOTE 13 - PENSION PLANS (Continued)**

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

*Public Employees' Retirement System*

The following presents the Township's proportionate share of the net pension liability at June 30, 2015, the plan's measurement date, calculated using a discount rate of 4.90%, as well as what the Township's proportionate share of the net position liability would be if it were calculated using a discount rate that is 1.00% lower or 1.00% higher than the current rates used:

	1.00% Decrease (3.90%)	Current Discount Rate (4.90%)	1.00% Increase (5.90%)
Township's proportionate share of the net pension liability	<u>\$4,840,297.36</u>	<u>\$3,894,427.89</u>	<u>\$ 3,101,417.76</u>

**Pension Plan Fiduciary Net Position**

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

**Supplementary Pension Information**

In accordance with GASB Statement No. 68, the following information is also presented for the pension plan. These schedules are presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

*Public Employees' Retirement System*

Schedule of the Township's Proportionate Share of the Net Pension Liability  
(Last Two Fiscal Years)

	Measurement Date Ended June 30,	
	2015	2014
Township's proportion of the net pension liability	0.0173486661%	0.0179642881%
Township's proportionate share of the net pension liability	\$ 3,894,427.99	\$ 3,363,406.06
Township's covered-employee payroll	\$ 1,212,291.00	\$ 1,202,498.00
Township's proportionate share of the net pension liability as a percentage of its covered-employee payroll	321.24%	279.70%
Plan fiduciary net position as a percentage of the total pension liability	47.93%	52.08%

**TOWNSHIP OF SOUTHAMPTON  
COUNTY OF BURLINGTON  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended December 31, 2015**

**NOTE 13 - PENSION PLANS (Concluded)**

**Sensitivity of District's Proportionate Share of Net Pension Liability to Changes in the Discount Rate (Concluded)**

*Public Employees' Retirement System (Concluded)*

Schedule of the Township's Contributions  
(Last Two Fiscal Years)

	Fiscal Year Ended June 30,	
	2015	2014
Township's contractually required contribution	\$ 149,152.00	\$ 148,095.00
Township's contribution in relation to the contractually required contribution	(149,152.00)	(148,095.00)
Township's contribution deficiency (excess)	\$ -.	\$ -.
Township's covered-employee payroll	\$ 1,212,291.00	\$ 1,202,498.00
Township's contributions as a percentage of its covered-employee payroll	12.30%	12.32%

**Other Notes to Supplementary Pension Information**

*Public Employees' Retirement System*

Changes in Benefit Terms - None.

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

**NOTE 14 - OTHER POST-RETIREMENT BENEFITS**

The Township does not provide for any post-retirement benefits for health care.

**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.

**TOWNSHIP OF SOUTHAMPTON  
COUNTY OF BURLINGTON  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended December 31, 2015**

**NOTE 15 - SCHOOL TAXES (Concluded)**

The Township of Southampton School District raises local school taxes on a calendar year basis. There were no deferred school taxes at December 31, 2015, however the District had prepaid school taxes at year end in the amount of \$245,569.48.

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 \$3,477,252.50 would be the maximum amount permitted to be deferred as of December 31, 2015, 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:

	Balance December 31, 2015	Balance December 31, 2014
Balance of tax Deferred	\$ 2,453,973.73 <u>724,910.00</u>	\$ 2,437,794.67 <u>724,910.00</u>
Tax payable	<u>\$ 3,178,883.73</u>	<u>\$ 3,162,704.67</u>

**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, 2015, including the provision for social security is \$76,888.41. 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, 2015 was \$30,619.67.

**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

**TOWNSHIP OF SOUTHAMPTON  
COUNTY OF BURLINGTON  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended December 31, 2015**

**NOTE 17 - RISK MANAGEMENT (Concluded)**

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, 2015, 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.

**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:

Year	Contributions To Fund	Amount Reimbursed	Ending Balance
2015	\$ 257.08	\$ 6,471.65	\$ 75,924.25
2014	\$ 1,784.18	\$ 3,388.05	\$ 79,408.86
2013	\$ 2,647.10	\$ 287.87	\$ 79,713.43

**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.

**TOWNSHIP OF SOUTHAMPTON  
COUNTY OF BURLINGTON  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended December 31, 2015**

**NOTE 20 - DEFERRED COMPENSATION (Concluded)**

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.

**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>
2015	\$ -	\$ 5,049.50	\$ 3,890.72	\$ 1,171.15
2014	-	2,837.50	2,992.50	18.12
2013	-	2,999.92	3,213.86	4,704.87

**NOTE 22 - LEASE OBLIGATION**

At December 31, 2015, the Township did not have any lease agreements in effect.

**NOTE 23 - SUBSEQUENT EVENTS**

Subsequent events were evaluated through August 18, 2016, which is the date that the financial statements were available to be issued.

**CURRENT FUND**

**\*\*SCHEDULES\*\***

**TOWNSHIP OF SOUTHAMPTON**  
**CURRENT FUND**  
**SCHEDULE OF CASH - CHIEF FINANCIAL OFFICER**  
**For the Year Ended December 31, 2015**

	Ref.	Current Fund	
Balance - December 31, 2014	A		\$ 3,630,426.41
Increased by:			
Tax collector	A-5	\$ 26,631,348.51	
Interest on investments	A-2	18,937.42	
Miscellaneous revenue not anticipated	A-2	158,058.95	
Revenue accounts receivable	A-8	1,573,684.35	
Rental income Good Farm	A-2	43,202.00	
Due from State of New Jersey - veterans' and senior citizens' deductions		325,893.83	
Due State of New Jersey - state inspection fees		14,630.00	
Due State of New Jersey - marriage license fees		825.00	
Due general capital fund		70,000.00	
Due trust fund - other		215,000.00	
Refund of appropriations	Contra	945.00	
Reserve for state and federal grants - unappropriated	A-14	12,834.36	
State and federal grants receivable	A-12	299,244.48	
		29,357,464.64	29,364,603.90
			32,995,030.31
Decreased by:			
2015 budget appropriations	A-3	4,840,059.74	
2014 appropriation reserves	A-9	205,763.36	
County taxes		4,454,143.03	
Municipal open space tax	A-6	199,530.46	
Local district school tax	A-10	11,505,606.00	
Regional high school tax	A-11	6,938,325.94	
Refund of tax overpayments		30,306.56	
Refund of appropriations	Contra	945.00	
Special emergency notes		90,000.00	
Refund FEMA reimbursement funds		594.25	
Due trust fund - other		226,553.18	
Due from capital fund		400,000.00	
Due to State of New Jersey - inspection fees		13,212.00	
Due to State of New Jersey - marriage license fees		625.00	
Reserve for encumbrances - state and federal grants	A	7,008.00	
Reserve for state and federal grants - appropriated	A-13	141,738.68	
		29,054,411.20	
Balance - December 31, 2015	A		\$ 3,940,619.11

See Accompanying Auditor's Report

TOWNSHIP OF SOUTHAMPTON  
 CURRENT FUND  
 SCHEDULE OF CURRENT CASH - COLLECTOR  
 For the Year Ended December 31, 2015

	<u>Ref.</u>	
Increased by:		
Taxes collected in advance	A	\$ 198,909.85
Interest and cost on taxes	A-2	110,649.66
Mobile home trailer park fees	A-2	67,539.34
Revenue accounts receivable	A-8	90.00
Miscellaneous revenue not anticipated	A-2	6,100.03
Taxes receivable	A-6	26,176,364.69
Tax title liens receivable	A-7	36,759.45
Tax overpayments		34,935.49
		<u>26,631,348.51</u>
Decreased by:		
Payments to chief financial officer	A-4	<u>26,631,348.51</u>
Balance - December 31, 2015		<u>\$ 0.00</u>

See Accompanying Auditor's Report

**TOWNSHIP OF SOUTHAMPTON**  
**CURRENT FUND**  
**SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY**  
**For the Year Ended December 31, 2015**

Year	Balance December 31, 2014	Levy	Added Taxes	2014 Collections	2015 Collections	Due From (To) State Of New Jersey	Adjustments and Canceled	Transferred To Tax Title Liens	Balance December 31, 2015
2006	\$ 509.10	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 509.10
2010	1,443.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,443.01
2011	(0.00)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(0.00)
2012	8,949.75	0.00	0.00	0.00	0.00	(500.00)	0.00	0.00	9,449.75
2013	21,860.83	0.00	0.00	0.00	5,606.62	(1,000.00)	0.00	0.00	17,254.21
2014	432,614.73	0.00	10,468.68	0.00	442,800.38	(10,681.46)	5.22	9,064.80	1,894.47
	465,377.42	0.00	10,468.68	0.00	448,407.00	(12,181.46)	5.22	9,064.80	30,550.54
2015	0.00	26,643,974.86	11,201.64	243,078.09	25,727,957.69	323,981.28	51,898.69	41,070.41	267,190.34
	\$ 465,377.42	\$ 26,643,974.86	\$ 21,670.32	\$ 243,078.09	\$ 26,176,364.69	\$ 311,799.82	\$ 51,903.91	\$ 50,135.21	\$ 297,740.88

Ref. A

A

A-5

A-7

A

County board judgements  
 Added/omitted/rollback taxes

\$ 11,201.64  
10,468.68

Analysis of 2015 property tax levy:

Tax yield:  
 General property tax \$ 26,587,434.43  
 Added and rollback taxes (54:4-63.1 et seq.) 56,540.43  
 County board judgements 11,201.64

\$ 26,655,176.50

Tax levy:

Local district school tax \$ 11,260,016.00  
 Regional high school tax 6,954,505.00  
 Municipal open space tax  
 Added and omitted taxes 505.78

200,036.24

County tax 3,673,643.50  
 County library tax 342,267.95  
 County open space tax 431,164.03  
 Due county for added and omitted taxes 11,165.23

4,458,240.71

Local tax for municipal purposes levied 3,726,122.34  
 Add: additional tax levied 56,256.21

3,782,378.55

\$ 26,655,176.50

**TOWNSHIP OF SOUTHAMPTON  
CURRENT FUND  
SCHEDULE OF TAX TITLE LIENS  
For the Year Ended December 31, 2015**

	<u>Ref.</u>		
Balance - December 31, 2014	A		\$ 766,854.35
Increased by:			
Transfers from taxes receivable	A-6	\$ 50,135.21	
Interest and cost on tax sale		<u>1,844.28</u>	
			<u>51,979.49</u>
			818,833.84
Decreased by:			
Collections	A-5		<u>36,759.45</u>
Balance - December 31, 2015	A		<u><u>\$ 782,074.39</u></u>

See Accompanying Auditor's Report

**TOWNSHIP OF SOUTHAMPTON**  
**CURRENT FUND**  
**SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE**  
**For the Year Ended December 31, 2015**

	Balance December 31, 2014	Accrued In 2015	Collected By Chief Financial Officer	Balance December 31, 2015
Clerk:				
Licenses:				
Alcoholic beverages	0.00	\$ 12,805.00	\$ 12,805.00	\$ 0.00
Other	0.00	20.00	20.00	0.00
Miscellaneous	0.00	1,955.65	1,955.65	0.00
Construction code official:				
Fees and permits	0.00	200,942.60	200,942.60	0.00
Housing inspections	0.00	41,383.52	41,383.52	0.00
Municipal court:				
Fines and costs	3,027.87	112,241.41	107,929.42	7,339.86
Interest on investments and deposits	2.62	45.02	44.65	2.99
Energy receipts tax	0.00	1,100,389.00	1,100,389.00	0.00
Garden state trust fund	0.00	5,472.00	5,472.00	0.00
Tax searches	0.00	90.00	90.00	0.00
Planning and zoning application fees	0.00	4,975.00	4,975.00	0.00
Registrar of vital statistics:				
Miscellaneous	0.00	984.00	984.00	0.00
Cable TV franchise fees	0.00	46,526.01	46,526.01	0.00
Interlocal service agreements:				
Westampton Township - vehicle maintenance	341.35	659.77	1,001.12	0.00
Shamong Township municipal court	4,666.66	29,863.01	34,529.67	0.00
Springfield Township - tax collector services	2,000.00	12,000.00	14,000.00	0.00
Discovery	0.00	726.71	726.71	0.00
<b>Total</b>	<b>\$ 10,038.50</b>	<b>\$ 1,571,078.70</b>	<b>\$ 1,573,774.35</b>	<b>\$ 7,342.85</b>

Ref.

Chief financial officer  
Tax collector

\$ 1,573,684.35  
90.00

\$ 1,573,774.35

See Accompanying Auditor's Report

**TOWNSHIP OF SOUTHAMPTON  
CURRENT FUND  
SCHEDULE OF APPROPRIATION RESERVES - 2014  
For the Year Ended December 31, 2015**

	Balance December 31, 2014	Balance After Transfers	Paid or Charged	Lapsed	Over- expended
Salaries and wages:					
Executive	\$ 3,306.71	\$ 3,306.71	\$ 116.54	\$ 3,190.17	\$ 0.00
Municipal clerk	737.51	737.51	0.00	737.51	0.00
Data processing	280.21	280.21	0.00	280.21	0.00
Financial administration	1,575.52	1,575.52	0.00	1,575.52	0.00
Revenue administration (tax collection)	2,323.76	2,323.76	0.00	2,323.76	0.00
Tax assessment (administration)	461.12	461.12	0.00	461.12	0.00
Municipal court	3,073.58	3,073.58	0.00	3,073.58	0.00
Planning board	248.60	248.60	0.00	248.60	0.00
Zoning board of adjustments	120.81	120.81	0.00	120.81	0.00
Zoning board	976.50	976.50	0.00	976.50	0.00
Office of emergency management	83.33	83.33	0.00	83.33	0.00
Discovery	106.04	106.04	0.00	106.04	0.00
Police courtroom security	1,541.68	1,541.68	0.00	1,541.68	0.00
Street and road maintenance	5,046.48	5,046.48	0.00	5,046.48	0.00
Recycling	32.30	32.30	0.00	32.30	0.00
Garbage and trash removal	3,576.55	3,576.55	0.00	3,576.55	0.00
Buildings and grounds	107.10	107.10	0.00	107.10	0.00
Vital statistics	190.73	190.73	0.00	190.73	0.00
Environmental commission	375.00	375.00	375.00	0.00	0.00
Building inspector	634.12	634.12	0.00	634.12	0.00
Plumbing inspector	173.25	173.25	0.00	173.25	0.00
Electrical inspector	446.84	446.84	0.00	446.84	0.00
Fire protection official	88.53	88.53	0.00	88.53	0.00
Stormwater permits (NJDEP)	8,811.55	8,811.55	0.00	8,811.55	0.00
Shared services agreements:					
Shamong Township - municipal court	3,000.00	3,000.00	0.00	3,000.00	0.00

See Accompanying Auditor's Report

**TOWNSHIP OF SOUTHAMPTON**  
**CURRENT FUND**  
**SCHEDULE OF APPROPRIATION RESERVES - 2014**  
**For the Year Ended December 31, 2015**

	Balance December 31, 2014	Balance After Transfers	Paid or Charged	Lapsed	Over- expended
Other expenses:					
Human resources (personnel)	\$ 450.00	\$ 450.00	\$ 396.00	\$ 54.00	\$ 0.00
Executive	2,294.08	1,294.08	1,011.46	282.62	0.00
Municipal clerk	948.83	948.83	545.95	402.88	0.00
Data processing	1,338.99	1,338.99	595.63	743.36	0.00
Financial administration	517.50	517.50	500.00	17.50	0.00
Audit services	1.55	1.55	0.00	1.55	0.00
Revenue administration (tax collection)	372.47	372.47	120.00	252.47	0.00
Assessment of taxes (miscellaneous)	3,427.06	3,427.06	3,021.18	405.88	0.00
Legal services and costs	7,329.03	14,829.03	6,188.02	8,641.01	0.00
Engineering services and costs	12,262.86	27,488.86	27,488.57	0.29	0.00
Historical sites office	115.60	115.60	0.00	115.60	0.00
Municipal court	3,154.81	3,154.81	500.71	2,654.10	0.00
Planning board:					
Legal	1,761.55	761.55	0.00	761.55	0.00
Engineering	1,000.78	1,000.78	995.41	5.37	0.00
Miscellaneous	326.50	326.50	0.00	326.50	0.00
Zoning board of adjustment:					
Legal	4,504.13	2,044.13	1,255.50	788.63	0.00
Engineering	525.00	525.00	125.00	400.00	0.00
Miscellaneous	1,204.18	204.18	0.00	204.18	0.00
Zoning board	1,316.05	1,316.05	357.50	958.55	0.00

See Accompanying Auditor's Report

TOWNSHIP OF SOUTHAMPTON  
CURRENT FUND  
SCHEDULE OF APPROPRIATION RESERVES - 2014  
For the Year Ended December 31, 2015

	Balance December 31, 2014	Balance After Transfers	Paid or Charged	Lapsed	Over- expended
Other expenses (continued):					
Insurance:					
Employee group health	\$ 6,321.37	\$ 2,889.37	\$ 70.83	\$ 2,818.54	\$ 0.00
Employee group health waivers	88.00	88.00	0.00	88.00	0.00
Unemployment compensation	465.82	465.82	0.00	465.82	0.00
Surety bond premiums	500.00	500.00	0.00	500.00	0.00
Other insurance premiums	2,809.22	2,809.22	2,686.30	122.92	0.00
Flexible spending account	150.00	150.00	150.00	0.00	0.00
Office of emergency management	1,050.99	50.99	0.00	50.99	0.00
Aid to volunteer fire companies	249.56	249.56	0.00	249.56	0.00
Municipal prosecutor	1,072.60	1,072.60	601.68	470.92	0.00
Police courtroom security	1,975.92	1,975.92	1,837.29	138.63	0.00
Street and road maintenance	3,264.91	5,904.91	4,604.91	1,300.00	0.00
Other public works functions (shade tree)	1,138.02	570.02	0.00	570.02	0.00
Recycling	818.43	818.43	0.00	818.43	0.00
Garbage and trash removal	1,274.87	1,274.87	624.00	650.87	0.00
Buildings and grounds	6,278.76	2,578.76	2,491.81	86.95	0.00
Vehicle maintenance	2,674.94	13,674.94	11,722.59	1,952.35	0.00
Vital statistics	642.00	642.00	350.00	292.00	0.00
Environmental commission	885.00	385.00	0.00	385.00	0.00
Animal control services	207.57	617.57	614.95	2.62	0.00
Welfare/administration of public assistance	800.00	800.00	490.00	310.00	0.00

See Accompanying Auditor's Report

TOWNSHIP OF SOUTHAMPTON  
CURRENT FUND  
SCHEDULE OF APPROPRIATION RESERVES - 2014  
For the Year Ended December 31, 2015

	Balance December 31, 2014	Balance After Transfers	Paid or Charged	Lapsed	Over- expended
Other expenses (continued):					
Recreation services and programs	\$ 3,693.40	\$ 3,693.40	\$ 3,393.40	\$ 300.00	\$ 0.00
Maintenance of parks	36.04	36.04	0.00	36.04	0.00
Celebration of public events	630.53	630.53	630.53	0.00	0.00
Sanitary landfill - contractual	40,883.89	31,283.89	27,775.03	3,508.86	0.00
Registration of bonds	770.00	770.00	0.00	770.00	0.00
JIF wellness program	387.39	387.39	0.00	387.39	0.00
Building inspector	3,319.22	3,319.22	2,578.56	740.66	0.00
Electricity	10,163.13	7,463.13	4,584.22	2,878.91	0.00
Street lighting	24,251.90	24,251.90	24,251.90	0.00	0.00
Telephone	2.97	62.97	57.91	5.06	0.00
Telecommunications costs	85.53	85.53	0.00	85.53	0.00
Fuel oil	563.50	613.50	611.33	2.17	0.00
Gasoline	12,376.62	6,876.62	6,641.62	235.00	0.00
Water	660.00	660.00	401.96	258.04	0.00
Propane	2,612.92	1,412.92	0.00	1,412.92	0.00
Natural gas	5,838.92	2,612.92	0.00	2,612.92	0.00
Sewerage processing	581.39	581.39	535.83	45.56	0.00
Fire hydrants	1,652.13	1,652.13	987.20	664.93	0.00
Statutory expenditures:					
Public employees retirement system	0.22	0.22	0.00	0.22	0.00
Social security system	818.44	818.44	0.00	818.44	0.00
Defined contribution retirement plan	5.14	5.14	0.00	5.14	0.00
Stormwater permits (NJDEP)	4,751.04	4,751.04	4,751.04	0.00	0.00

See Accompanying Auditor's Report

TOWNSHIP OF SOUTHAMPTON  
CURRENT FUND  
SCHEDULE OF APPROPRIATION RESERVES - 2014  
For the Year Ended December 31, 2015

	Balance December 31, 2014	Balance After Transfers	Paid or Charged	Lapsed	Over- expended
Other expenses (concluded):					
Employee group health insurance (outside "CAPS")	\$ 5,020.56	\$ 5,020.56	\$ 3,676.00	\$ 1,344.56	\$ 0.00
Emergency services volunteer length of service awards program (LOSAP)	57,500.00	57,500.00	55,050.00	2,450.00	0.00
Shared services agreements:					
Shamong Township - tax assessor	406.80	406.80	0.00	406.80	0.00
Shamong Township - municipal court	1,216.45	1,216.45	0.00	1,216.45	0.00
Eastampton Township - streets and roads	1,000.00	1,000.00	0.00	1,000.00	0.00
<b>Total</b>	<b>\$ 292,064.90</b>	<b>\$ 292,064.90</b>	<b>\$ 205,763.36</b>	<b>\$ 86,301.54</b>	<b>\$ 0.00</b>
<u>Ref.</u>			A-4	A-1	A
Appropriation reserves	A \$ 216,532.69				
Reserve for encumbrances	A 75,532.21				
	<u>\$ 292,064.90</u>				

See Accompanying Auditor's Report

TOWNSHIP OF SOUTHAMPTON  
 CURRENT FUND  
 SCHEDULE OF LOCAL DISTRICT TAXES  
 For the Year Ended December 31, 2015

	<u>Ref.</u>	
Balance - December 31, 2014	A	\$ 20.52
Increased by:		
Levy for calendar year 2015	A-1	11,260,016.00
		<u>11,260,036.52</u>
Decreased by:		
Payments	A-4	11,505,606.00
		<u>11,505,606.00</u>
Balance - December 31, 2015 (prepaid)	A	<u>\$ (245,569.48)</u>

See Accompanying Auditor's Report

TOWNSHIP OF SOUTHAMPTON  
 CURRENT FUND  
 SCHEDULE OF REGIONAL HIGH SCHOOL TAXES  
 For the Year Ended December 31, 2015

	<u>Ref.</u>		
Balance - December 31, 2014:			
School tax payable	A	\$ 2,437,794.67	
School tax deferred		724,910.00	
		\$ 3,162,704.67	
Increased by:			
Levy for school year July 1, 2015 to June 30, 2016	A-1		6,954,505.00
			10,117,209.67
Decreased by:			
Payments	A-4		6,938,325.94
			\$ 3,178,883.73
Balance - December 31, 2015:			
School tax payable	A	2,453,973.73	
School tax deferred		724,910.00	
		\$ 3,178,883.73	

See Accompanying Auditor's Report

**TOWNSHIP OF SOUTHAMPTON  
FEDERAL AND STATE GRANT FUND  
SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE  
For the Year Ended December 31, 2015**

Purpose	Balance December 31, 2014	2015 Revenue	Received	Unappropriated Reserve	Balance December 31, 2015
State grants:					
Clean communities program	\$ 0.00	\$ 33,065.28	\$ 33,065.28	\$ 0.00	\$ 0.00
Recycling tonnage grant	0.00	13,142.91	0.00	13,142.91	0.00
NJDOT- Holly Boulevard	205,000.00	0.00	153,750.00	0.00	51,250.00
NJDOT- safe roads to school	0.00	92,000.00	0.00	0.00	92,000.00
Community development block grant	65,000.00	65,000.00	65,000.00	0.00	65,000.00
EDA grant- Stokes	28,129.20	0.00	28,129.20	0.00	0.00
DEP community forestry grant	20,000.00	0.00	0.00	0.00	20,000.00
DEP - community wildlife protection grant	5,000.00	0.00	5,000.00	0.00	0.00
Sustainable New Jersey small cities grant	0.00	10,000.00	5,000.00	0.00	5,000.00
Local grants:					
Arbor day foundation - mini grant	0.00	300.00	300.00	0.00	0.00
Municipal park development program:					
Playground improvements	19,093.65	0.00	0.00	0.00	19,093.65
Recreation improvements	67,483.95	0.00	0.00	0.00	67,483.95
Drainage improvement	195,000.00	0.00	0.00	0.00	195,000.00
Unspecified project	0.00	88,750.00	0.00	0.00	88,750.00
	<u>\$ 604,706.80</u>	<u>\$ 302,258.19</u>	<u>\$ 290,244.48</u>	<u>\$ 13,142.91</u>	<u>\$ 603,577.60</u>

Ref. A A-2 A-4 A-14 A

See Accompanying Auditor's Report

**TOWNSHIP OF SOUTHAMPTON  
FEDERAL AND STATE GRANT FUND  
SCHEDULE OF RESERVE FOR FEDERAL AND STATE GRANTS - APPROPRIATED  
For the Year Ended December 31, 2015**

Grant	Balance December 31, 2014	From 2015 Budget Appropriations	Expended	Balance December 31, 2015
<b>State share:</b>				
Clean communities program	\$ 19,580.69	\$ 33,065.28	\$ 31,702.75	\$ 20,943.22
Recycling tonnage grant	10,766.91	13,142.91	19,577.13	4,332.69
DEP community forestry grant	20,000.00	0.00	0.00	20,000.00
Parking trust fund	7,500.00	0.00	0.00	7,500.00
NJDOT - safe roads to schools	0.00	92,000.00	0.00	92,000.00
EDA grant- Stokes	28,129.20	0.00	0.00	28,129.20
Sustainable New Jersey small cities - solar suitcase	0.00	10,000.00	9,707.11	292.89
DEP - community wildlife protection grant	5,000.00	0.00	0.00	5,000.00
<b>Total state share</b>	<b>90,976.80</b>	<b>148,208.19</b>	<b>60,986.99</b>	<b>178,198.00</b>
<b>Local share:</b>				
Matching funds for grants	3,965.95	1,000.00	0.00	4,965.95
Burlington County CDBG Holly Blvd - Phase II	60,000.00	0.00	0.00	60,000.00
Burlington County CDBG Holly Blvd - 2015	0.00	65,000.00	65,000.00	0.00
Municipal park development program - recreation improvements	90,371.18	0.00	24,584.28	65,786.90
Municipal park development program - drainage improvements	195,000.00	0.00	0.00	195,000.00
Municipal park development program - unspecified project	0.00	88,750.00	0.00	88,750.00
Arbor day foundation - mini grant	0.00	300.00	300.00	0.00
<b>Total local share</b>	<b>349,337.13</b>	<b>155,050.00</b>	<b>89,884.28</b>	<b>414,502.85</b>
	<b>\$ 440,313.93</b>	<b>\$ 303,258.19</b>	<b>\$ 150,871.27</b>	<b>\$ 592,700.85</b>

Ref. A

A-3

A

Disbursed  
Encumbrances

\$ 141,738.68  
9,132.59

\$ 150,871.27

TOWNSHIP OF SOUTHAMPTON  
 STATE AND FEDERAL GRANT  
 SCHEDULE OF RESERVE FOR FEDERAL AND STATE GRANTS - UNAPPROPRIATED  
 For the Year Ended December 31, 2015

	Balance December 31, 2014	Received In 2015	Applied to Receivables	Balance December 31, 2015
Recycling tonnage grant	\$ 13,531.74	\$ 12,834.36	\$ 13,142.91	\$ 13,223.19
	<u>\$ 13,531.74</u>	<u>\$ 12,834.36</u>	<u>\$ 13,142.91</u>	<u>\$ 13,223.19</u>

Ref.

A

A-12

A-12

A

See Accompanying Auditor's Report

**TRUST FUND**  
**\*\*SCHEDULES\*\***

**TOWNSHIP OF SOUTHAMPTON**  
**TRUST FUND**  
**SCHEDULE OF CASH - CHIEF FINANCIAL OFFICER**  
**For the Year Ended December 31, 2015**

	Ref.	Total	Animal Control	Other Funds
Balance - December 31, 2014	B	\$ 729,684.70	\$ 275.66	\$ 729,409.04
<b>Receipts:</b>				
Dog licenses	B-3	3,658.20	3,658.20	0.00
Interest earned		1,105.10	2.13	1,102.97
Late fees	B-3	505.00	505.00	0.00
Kennel licenses	B-3	125.00	125.00	0.00
Budget appropriation transfer due to current fund		1,000.00 2.87	0.00	1,000.00 2.87
State dog license fees		769.80	769.80	0.00
COAH fees received		19,427.28	0.00	19,427.28
Reserve for general trust fund		16,874.00	0.00	16,874.00
Reserve for escrow		175,188.15	0.00	175,188.15
Reserve for open space trust fund		200,327.57	0.00	200,327.57
Public defender fees		17,958.00	0.00	17,958.00
Total receipts		<u>436,940.97</u>	<u>5,060.13</u>	<u>431,880.84</u>
		<u>1,166,625.67</u>	<u>5,335.79</u>	<u>1,161,289.88</u>
<b>Disbursements:</b>				
Due to current fund		304.57	2.02	302.55
Paid to State of New Jersey:				
Dog license fees		792.60	792.60	0.00
Accounts payable		1,269.20	0.00	1,269.20
Reserve for public defender		12,500.00	0.00	12,500.00
Reserve for escrow		86,840.23	0.00	86,840.23
Reserve for snow trust		21,072.47	0.00	21,072.47
Reserve for general trust		17,350.07	0.00	17,350.07
Reserve for COAH		27,658.71	0.00	27,658.71
Reserve for municipal open space:				
Expenditures for park creation	B-6	60,435.44	0.00	60,435.44
Payment of bond interest	B-6	90,000.00	0.00	90,000.00
Payment of bond principal	B-6;C-7	125,000.00	0.00	125,000.00
Reserve for unemployment		3,032.04	0.00	3,032.04
Expenditures under R.S. 4:19-15.11	B-3	3,031.58	3,031.58	0.00
Total disbursements		<u>449,286.91</u>	<u>3,826.20</u>	<u>445,460.71</u>
Balance - December 31, 2015	B	<u>\$ 717,338.76</u>	<u>\$ 1,509.59</u>	<u>\$ 715,829.17</u>

See Accompanying Auditor's Report

**TOWNSHIP OF SOUTHAMPTON  
TRUST FUND  
SCHEDULE OF CASH - COLLECTOR  
For the Year Ended December 31, 2015**

	Ref.	Total	Tax Sale Premium Trust Fund	Tax Title Lien Redemption Trust Fund
Balance - December 31, 2014	B	\$ 158,080.00	\$ 158,070.15	\$ 9.85
Increased by:				
Deposits for redemption of liens	B-4	257,444.77	0.00	257,444.77
Premium received at tax sale	B-5	132,900.00	132,900.00	0.00
Interest on investment		177.07	145.53	31.54
		<u>390,521.84</u>	<u>133,045.53</u>	<u>257,476.31</u>
		548,601.84	291,115.68	257,486.16
Decreased by:				
Redemption of liens	B-4	237,856.15	0.00	237,856.15
Refund of premium upon redemption:				
Current year	B-5	109,700.00	109,700.00	0.00
Due to current fund		339.82	300.08	39.74
		<u>347,895.97</u>	<u>110,000.08</u>	<u>237,895.89</u>
Balance - December 31, 2015	B	<u>\$ 200,705.87</u>	<u>\$ 181,115.60</u>	<u>\$ 19,590.27</u>

See Accompanying Auditor's Report

TOWNSHIP OF SOUTHAMPTON  
 TRUST FUND  
 ANIMAL CONTROL FUND  
 SCHEDULE OF RESERVE FOR DOG FUND EXPENDITURES  
 For the Year Ended December 31, 2015

	<u>Ref.</u>			
Balance - December 31, 2014	B		\$	252.56
Increased by:				
Dog license fees collected	B-1	\$		3,658.20
Late and miscellaneous fees collected	B-1			505.00
Kennel license fees collected	B-1			<u>125.00</u>
				<u>4,288.20</u>
				4,540.76
Decreased by:				
Expenditures under R.S. 4:19-15.11	B-1			<u>3,031.58</u>
Balance - December 31, 2015	B		\$	<u><u>1,509.18</u></u>

<u>License Fees Collected</u>	
<u>Year</u>	<u>Amount</u>
2013	\$ 2,384.00
2014	<u>2,435.80</u>
	<u><u>\$ 4,819.80</u></u>

See Accompanying Auditor's Report

**TOWNSHIP OF SOUTHAMPTON  
TRUST FUND - OTHER  
SCHEDULE OF TAX TITLE LIEN REDEMPTIONS  
For the Year Ended December 31, 2015**

	<u>Ref.</u>	
Balance - December 31, 2014	B	\$ 0.00
Increased by:		
Receipts	B-2	<u>257,444.77</u> 257,444.77
Decreased by:		
Disbursements	B-2	<u>237,856.15</u>
Balance - December 31, 2015	B	<u><u>\$ 19,588.62</u></u>

See Accompanying Auditor's Report

TOWNSHIP OF SOUTHAMPTON  
 TRUST FUND  
 SCHEDULE OF PREMIUM RECEIVED AT TAX SALE  
 For the Year Ended December 31, 2015

	Ref.	
Balance - December 31, 2014	B	\$ 157,900.00
Increased by:		
Premiums received at tax sale	B-2	132,900.00
		290,800.00
Decreased by:		
Premiums refunded at redemption:		
Current year	B-2	109,700.00
		109,700.00
Balance - December 31, 2015	B	\$ 181,100.00

See Accompanying Auditor's Report

**TOWNSHIP OF SOUTHAMPTON  
TRUST FUND  
SCHEDULE OF RESERVE FOR MUNICIPAL OPEN SPACE  
For the Year Ended December 31, 2015**

	<u>Ref.</u>		
Balance - December 31, 2014	B		\$ 160,407.57
Increased by:			
Municipal tax levy 2015	A-6	\$ 199,530.46	
Added and omitted taxes	A-6	505.78	
Sale of easement preserved land		797.11	
Interest on investments		<u>121.90</u>	
			<u>200,955.25</u>
			361,362.82
Decreased by:			
Creation of park	B-1	60,435.44	
Payment of bond interest	B-1;C-7	90,000.00	
Payment of bond principal	B-1	<u>125,000.00</u>	
			<u>275,435.44</u>
Balance - December 31, 2015	B		<u><u>\$ 85,927.38</u></u>

See Accompanying Auditor's Report

**GENERAL CAPITAL FUND**

**\*\*SCHEDULES\*\***

TOWNSHIP OF SOUTHAMPTON  
 GENERAL CAPITAL FUND  
 SCHEDULE OF CASH - CHIEF FINANCIAL OFFICER  
 For the Year Ended December 31, 2015

	<u>Ref.</u>		
Balance - December 31, 2014	C		\$ 1,379,168.87
Increased by receipts:			
Interest earned on investments		\$ 3,603.40	
Bond anticipation notes	C-8	2,714,915.00	
Capital improvement fund	C-5	20,000.00	
Interfund loan current fund	Contra	400,000.00	
Due current fund - sale of property		1,000,105.00	
Special emergency notes	Contra	90,000.00	
Due from current fund - budget appropriations for debt service and interest		<u>387,797.00</u>	<u>4,616,420.40</u>
			5,995,589.27
Decreased by disbursements:			
Improvement authorizations	C-6	130,202.25	
Contracts payable		111,296.05	
Bond anticipation notes	C-8	4,069,260.00	
Special emergency notes	Contra	90,000.00	
Due from current fund - budgeted expenditures for debt service		33,556.91	
Due to current fund		<u>3,202.34</u>	<u>4,437,517.55</u>
Balance - December 31, 2015	C		<u>\$ 1,558,071.72</u>

See Accompanying Auditor's Report

**TOWNSHIP OF SOUTHAMPTON  
GENERAL CAPITAL FUND  
ANALYSIS OF CASH  
For the Year Ended December 31, 2015**

	Balance December 31, 2015
Capital improvement fund	\$ 108,250.00
Reserve for assessment revaluation	2,000.00
Reserve for debt service	135,601.00
Down payment on capital improvement	321.00
Due to current fund	143,350.03
Due from trust fund - other	(949.50)
Contract payable	255,308.19
Fund balance	3,191.31
Improvement authorizations:	
Ordinance	
<u>Number</u>	
2006-18	Acquisition of E.M.S. vehicle
2011-05	Rehabilitation and improvement of Friendship Road, Emmons Road, and Brace Road
2013-10	Reconstruction and repaving of certain streets
2013-17	Purchase fire truck and real property
2014-13	Replacement of HVAC system at municipal building
2014-17	Acquisition of property - 69 Main Street
2015-07	Demolition of property - 69 Main Street
2015-07	Mobile storage center
2015-07	Replacement of fire company hose
2015-09	Roads, sidewalks, and engineering
2015-13	Renovation/construction - public works facility
	899,733.28
	\$ 1,558,071.72

Ref. C

See Accompanying Auditor's Report

TOWNSHIP OF SOUTHAMPTON  
 GENERAL CAPITAL FUND  
 SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED  
 For the Year Ended December 31, 2015

Improvement Description	Ordinance Number	Balance December 31, 2015	Financed By		Analysis Of Balance December 31, 2015	
			Bond Anticipation Notes	0.00	Expended	Unexpended Improvement Authorization
Acquisition of E.M.S. vehicle	2006-18	\$ 35,575.80	\$ 0.00	\$ 35,575.80	\$ 0.00	0.00
Acquisition of various pieces of equipment and the completion of various capital improvements	2007-17	407,510.00	407,510.00	0.00	0.00	0.00
Construction and repaving of various streets	2013-10	514,629.70	514,629.70	0.00	0.00	0.00
Purchase fire truck and real property	2013-17	1,792,775.30	1,792,775.30	0.00	0.00	0.00
		<u>\$ 2,750,490.80</u>	<u>\$ 2,714,915.00</u>	<u>\$ 35,575.80</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>

Ref. C C-8

See Accompanying Auditor's Report

TOWNSHIP OF SOUTHAMPTON  
 GENERAL CAPITAL FUND  
 SCHEDULE OF CAPITAL IMPROVEMENT FUND  
 For the Year Ended December 31, 2015

	<u>Ref.</u>	
Balance - December 31, 2014	C	\$ 138,250.00
Increased by:		
2015 budget appropriation	A-3;C-2	<u>20,000.00</u>
		158,250.00
Decreased by:		
Appropriated to finance improvement authorizations	C-6	<u>50,000.00</u>
Balance - December 31, 2015	C	<u><u>\$ 108,250.00</u></u>

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TOWNSHIP OF SOUTHAMPTON  
 GENERAL CAPITAL FUND  
 SCHEDULE OF IMPROVEMENT AUTHORIZATIONS  
 For the Year Ended December 31, 2015

2015 Authorizations

Improvement Description	No.	Ordinance Date	Amount	Balance December 31, 2014		Municipal Open Space Trust Fund	Capital Improvement Fund	Transfers	Paid Or Charged	Balance December 31, 2015	
				Funded	Unfunded					Funded	Unfunded
Rehabilitation and improvement of Friendship Road, Emmons Road, and Brace Road	2011-05	03/15/11	\$ 100,000.00	\$ 583.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 583.00	\$ 0.00
Purchase of office copiers	2012-7	07/17/12	19,465.00	164.10	0.00	0.00	(164.10)	0.00	0.00	0.00	0.00
Reconstruction of old town hall Partial sediment buildup	2013-5a	04/16/13	26,539.81	106.80	0.00	0.00	(106.80)	0.00	0.00	0.00	0.00
Reconstruction and repaving of certain streets	2013-10	08/20/13	600,000.00	0.00	12,145.65	0.00	0.00	0.00	(16,341.40)	0.00	28,487.05
Repair of fire tankers and engines	2013-12	08/20/13	21,271.49	1,112.18	0.00	0.00	0.00	(1,112.18)	0.00	0.00	0.00
Purchase backhoe loader	2013-14	09/17/13	105,000.00	1,806.00	0.00	0.00	0.00	(1,806.00)	0.00	0.00	0.00
Purchase fire truck and real property	2013-17	09/17/13	3,250,000.00	0.00	1,163,397.20	0.00	0.00	(1,142,477.20)	20,408.50	0.00	511.50
Purchase of public works vehicles and equipment	2014-2	02/18/14	135,000.00	5,003.00	0.00	0.00	0.00	(5,003.00)	0.00	0.00	0.00
Emergency repairs at Saw Mill Park near Race Street	2014-11	06/14/14	55,000.00	12,000.00	0.00	0.00	0.00	(12,000.00)	0.00	0.00	0.00
Replacement of HVAC system at municipal building	2014-13	07/15/14	87,000.00	13,553.01	0.00	0.00	0.00	0.00	11,878.35	1,674.66	0.00
Acquisition of property - 69 Main Street	2014-17	07/15/14	142,000.00	370.00	0.00	0.00	0.00	0.00	(550.00)	920.00	0.00
Demolition and paving - 69 Main Street	2015-7	06/16/15	200,000.00	0.00	0.00	0.00	0.00	200,000.00	199,004.00	0.00	996.00
Change order - American Asphalt Mobile storage center	2015-7	06/16/15	17,500.00	0.00	0.00	0.00	0.00	17,500.00	17,500.00	0.00	0.00
Replace of fire company hose	2015-7	06/16/15	17,600.00	0.00	0.00	0.00	0.00	17,600.00	17,534.00	66.00	0.00
Roads, sidewalks, and engineering	2015-9	07/21/15	12,000.00	0.00	0.00	0.00	0.00	12,000.00	7,871.00	4,129.00	0.00
Relocation/construction of public works facility	2015-9	07/21/15	50,000.00	0.00	0.00	0.00	50,000.00	0.00	40,525.00	9,475.00	0.00
	2015-13	10/27/15	915,569.28	0.00	0.00	0.00	0.00	915,569.28	15,836.00	0.00	899,733.28
			\$ 34,698.09	\$ 1,175,542.85	\$ 0.00	\$ 50,000.00	\$ 0.00	\$ 0.00	\$ 313,665.45	\$ 16,847.66	\$ 929,727.83
			Ref.	C	C	C-8	C-5	C-5	C	C	C
Disbursements									\$ 130,202.25		
Due to current fund									6,686.00		
Contracts payable									176,777.20		
									\$ 313,665.45		

See Accompanying Auditor's Report

TOWNSHIP OF SOUTHAMPTON  
 GENERAL CAPITAL FUND  
 SCHEDULE OF BONDS PAYABLE  
 For the Year Ended December 31, 2015

Improvement Description	Date Of Issue	Original Issue	Maturities Of		Interest Rate	Balance December 31, 2014	Increased by Bonds Issued	Decreased By Principal Payment	Balance December 31, 2015
			Bonds Outstanding December 31, 2015	Amount					
Various capital improvements	07/27/06	\$ 8,130,000.00	\$ 420,000.00	\$ 420,000.00	4.30%	\$ 815,000.00	\$ 0.00	\$ 395,000.00	\$ 420,000.00
2014 Refunding bonds	12/23/14	5,890,000.00	190,000.00	190,000.00	1.00%				
			635,000.00	635,000.00	1.25%				
			620,000.00	620,000.00	1.50%				
			620,000.00	620,000.00	2.00%				
			500,000.00	500,000.00	2.00%				
			490,000.00	490,000.00	2.25%				
			535,000.00	535,000.00	2.50%				
			525,000.00	525,000.00	2.75%				
			515,000.00	515,000.00	3.00%				
			510,000.00	510,000.00	3.00%				
			500,000.00	500,000.00	3.00%				
						5,890,000.00	0.00	250,000.00	5,640,000.00
						<u>\$ 6,705,000.00</u>	<u>\$ 0.00</u>	<u>\$ 645,000.00</u>	<u>\$ 6,060,000.00</u>
General fund								A-3	C
Municipal open space fund								\$ 520,000.00	
								<u>125,000.00</u>	
								<u>\$ 645,000.00</u>	

See Accompanying Auditor's Report

TOWNSHIP OF SOUTHAMPTON  
 GENERAL CAPITAL FUND  
 SCHEDULE OF BOND ANTICIPATION NOTES  
 For the Year Ended December 31, 2015

Ordinance Number	Improvement Description	Date Of Issue Of Original Note	Date Of Maturity	Interest Rate	Balance December 31, 2014	Increase	Decrease	Balance December 31, 2015
2007-17	Acquisition of various pieces of equipment and the completion of various capital improvements	12/21/07	08/06/16	0.850%	\$ 611,760.00	\$ 407,520.00	\$ 611,760.00	\$ 407,520.00
2013-17	Purchase of fire truck and real property	10/11/2013	08/06/16	0.850%	3,457,500.00	2,307,395.00	3,457,500.00	2,307,395.00
					<u>\$ 4,069,260.00</u>	<u>\$ 2,714,915.00</u>	<u>\$ 4,069,260.00</u>	<u>\$ 2,714,915.00</u>
				Ref.				C
	Renewals					\$ 2,714,915.00	\$ 2,714,915.00	
	Paid by budget appropriation			A-3;C-2		0.00	1,354,345.00	
						<u>\$ 2,714,915.00</u>	<u>\$ 4,069,260.00</u>	

See Accompanying Auditor's Report

**TOWNSHIP OF SOUTHAMPTON**  
**GENERAL CAPITAL FUND**  
**SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED**  
**For the Year Ended December 31, 2015**

Ordinance Number	Improvement Description	Date of Ordinance	Balance December 31, 2014	Raised in 2015	Balance December 31, 2015	Ref.	C
2006-18	Acquisition of E.M.S. vehicle	11/21/2006	\$ 53,035.80	\$ 17,460.00	\$ 35,575.80		
			\$ 53,035.80	\$ 17,460.00	\$ 35,575.80		
				A-3			C

See Accompanying Auditor's Report

**SEWER UTILITY FUND**

**\*\*SCHEDULES\*\***

TOWNSHIP OF SOUTHAMPTON  
SEWER UTILITY FUND  
SCHEDULE OF CASH - CHIEF FINANCIAL OFFICER  
For the Year Ended December 31, 2015

	Ref.	Operating
Balance - December 31, 2014	D	\$ 101,956.16
Increased by receipts:		
Collections of sewer rents	D-5	\$ 211,300.37
Rent overpayments	D	539.43
Miscellaneous	D-2	4,560.42
		216,400.22
		318,356.38
Decreased by disbursements:		
Budget appropriations	D-3	131,132.28
Due to current fund		70,000.00
Accrued interest on loans		32,037.26
Appropriation reserves	D-6	28,193.95
		261,363.49
Balance - December 31, 2015	D	\$ 56,992.89

See Accompanying Auditor's Report

TOWNSHIP OF SOUTHAMPTON  
SEWER UTILITY OPERATING FUND  
SCHEDULE OF SEWER RENTS RECEIVABLE  
For the Year Ended December 31, 2015

	<u>Ref.</u>	
Balance - December 31, 2014	D	\$ 30,473.83
Increased by:		
Sewer rents receivable		<u>197,964.61</u>
		228,438.44
Decreased by:		
Collection of sewer rents	D-4	\$ 211,300.37
Rent overpayments applied	D	<u>2,699.98</u>
		214,000.35
Prior period adjustment		<u>(0.22)</u>
		<u>214,000.13</u>
Balance - December 31, 2015	D	<u>\$ 14,438.31</u>

See Accompanying Auditor's Report

**TOWNSHIP OF SOUTHAMPTON  
SEWER UTILITY CAPITAL FUND  
SCHEDULE OF FIXED CAPITAL  
For the Year Ended December 31, 2015**

	Balance December <u>31, 2014 and 2015</u>
Sewer:	
Construction of a sewerage collection system in the Village of Vincentown	\$ 2,295,000.00
	<u>\$ 2,295,000.00</u>

Ref.                      D

See Accompanying Auditor's Report

TOWNSHIP OF SOUTHAMPTON  
SEWER UTILITY CAPITAL FUND  
STATEMENT OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED  
For the Year Ended December 31, 2015

Ordinance Number	Improvement Description	Date	Ordinance Amount	Balance December 31, 2014	Improvement Authorization		Balance December 31, 2015
					Deferred Reserve for Amortization	Deferred Charges to Future Revenue	
2014-08	Preliminary cost associated with improvement to sewer system	5/20/14	\$ 32,000.00	\$ 32,000.00	\$ 0.00	\$ 0.00	\$ 32,000.00
				D	D-9	D-9	D

See Accompanying Auditor's Report

TOWNSHIP OF SOUTHAMPTON  
SEWER UTILITY OPERATING FUND  
SCHEDULE OF APPROPRIATION RESERVES  
For the Year Ended December 31, 2015

	<u>Balance December 31, 2014</u>	<u>Paid Or Charged</u>	<u>Over- expenditure</u>
Operating:			
Other expenses	\$ 13,459.01	\$ 28,193.95	\$ 14,734.94
	Ref.            D	D-4	D
Appropriation reserves	\$ 13,459.01		
Accounts payable	<u>481.77</u>		
	<u>\$ 13,940.78</u>		

See Accompanying Auditor's Report



TOWNSHIP OF SOUTHAMPTON  
SEWER UTILITY OPERATING FUND  
SCHEDULE OF SEWER CAPITAL IMPROVEMENT FUND  
For the Year Ended December 31, 2015

	<u>Ref.</u>	
Balance - December 31, 2014	D	\$ 0.00
Increased by:		
2015 budget appropriation	D-3	1,600.00
		<u>1,600.00</u>
Decreased by:		
Appropriated to finance improvement authorization	D-9	0.00
		<u>0.00</u>
Balance - December 31, 2015	D	<u>\$ 1,600.00</u>

See Accompanying Auditor's Report

TOWNSHIP OF SOUTHAMPTON  
SEWER UTILITY CAPITAL FUND  
SCHEDULE OF SERIAL BONDS PAYABLE  
For the Year Ended December 31, 2015

Purpose	Date Of Issue	Original Issue	Maturities Of Bonds Outstanding December 31, 2015	Interest Rate	Balance	
					December 31, 2014	December 31, 2015
Refunding bonds	3/11/2013	\$ 810,000.00	12/1/2016 \$ 25,000.00	3.000%		
			12/1/2017 25,000.00	4.000%		
			12/1/18-20 25,000.00	5.000%		
			12/1/21-23 30,000.00	5.000%		
			12/1/24-26 35,000.00	5.000%		
			12/1/27-28 40,000.00	5.000%		
			12/1/29 45,000.00	5.000%		
			12/1/30-31 45,000.00	3.375%		
			12/1/32-35 50,000.00	3.375%		
					\$ 760,000.00	\$ 735,000.00
					\$ 25,000.00	\$ 25,000.00
					\$ 760,000.00	\$ 735,000.00

Ref. D D-3 D

See Accompanying Auditor's Report

**TOWNSHIP OF SOUTHAMPTON**  
**SEWER UTILITY CAPITAL FUND**  
**SCHEDULE OF USDA LOANS AUTHORIZED BUT NOT ISSUED**  
**For the Year Ended December 31, 2015**

Ordinance Number	Description	Date of Ordinance	Balance December 31, 2014	Cancelled By Resolution	Balance December 31, 2015
2012-13	Refunding issue	10/16/12	\$ 75,587.86	\$ 75,587.86	\$ 0.00
2014-08	Preliminary cost associated with improvement to sewer system	05/20/14	30,400.00	0.00	30,400.00
			\$ 105,987.86	\$ 75,587.86	\$ 30,400.00

Ref.

Footnote

See Accompanying Auditor's Report

**PAYROLL ACCOUNT**

**\*\*SCHEDULES\*\***

**TOWNSHIP OF SOUTHAMPTON**  
**PAYROLL AGENCY ACCOUNT**  
**SCHEDULE OF PAYROLL DEDUCTIONS PAYABLE**  
**For the Year Ended December 31, 2015**

Federal taxes	\$	84.40
Public employees' retirement system		9,474.69
State of New Jersey unemployment/disability insurance		110.53
AXA deferred compensation plan		12.00
Due from United States Treasury		(88.64)
		(88.64)
	\$	9,592.98

Ref.                      F

See Accompanying Auditor's Report

**GENERAL FIXED ASSETS**

**\*\*SCHEDULES\*\***

EXHIBIT G-1

TOWNSHIP OF SOUTHAMPTON  
 GENERAL FIXED ASSETS  
 SCHEDULE OF ACTIVITY  
 For the Year Ended December 31, 2015

	Balance December 31, 2014	Additions	Adjustments	Balance December 31, 2015
Land and improvements	\$ 1,261,300.00	\$ 0.00	\$ 0.00	\$ 1,261,300.00
Buildings	1,430,900.00	0.00	0.00	1,430,900.00
Equipment	2,242,462.02	451,540.18	123,981.00	2,817,983.20
	<u>\$ 4,934,662.02</u>	<u>\$ 451,540.18</u>	<u>\$ 123,981.00</u>	<u>\$ 5,510,183.20</u>

Ref.

G

G

See Accompanying Auditor's Report

**TOWNSHIP OF SOUTHAMPTON**

**\*\*\*\*\***

**PART II**

**LETTER OF COMMENTS AND RECOMMENDATIONS**

**For the Year Ended December 31, 2015**

## GENERAL COMMENTS

### Contracts and Agreements Required to be Advertised per N.J.S. 40A:11-4

N.J.S. 40A:11-4 states, "Every contract or agreement, for the performance of any work or the furnishing or hiring of any materials or supplies, the costs or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. No work, materials, or supplies shall be undertaken, acquired, or furnished for a sum exceeding in the aggregate \$36,000.00, except by contract or agreement". As of December 2015, the Township had a qualified purchasing agent.

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

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

Sidewalk improvements  
Vincentown Village - construction of parking lot/park  
Sale of Township owned property

N.J.S. 40A:11-5 provides for exceptions to the above-mentioned statutory bidding requirements for various stipulated areas of expenditures. Included in these areas of exception are all professional services which include but are not limited to solicitors, engineers, land surveyors, and accountants. However, in lieu of requiring formal bidding procedures for these categories of expenditures, in awarding contracts to fill these positions, certain other statutory requirements must be adhered to by the governing body. These requirements include the following stipulation (N.J.S. 40A:11-5 (l) (a) (i) ):

"The governing body shall in each instance state supporting reasons for its action in the resolution awarding each contract and shall forthwith cause to be printed once, in a newspaper authorized by law to publish its legal advertisements, a brief notice stating the nature, duration, service, and amount of the contract, and that the resolution and contract are on file..."

My examination indicated that the Township complied with this requirement during 2015.

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

My examination of expenditures did not reveal any individual payments, contracts, or agreements in excess of \$36,000.00 "for the performance of any work or the furnishing or hiring of any materials or supplies," other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of N.J.S. 40A:11-6.

**GENERAL COMMENTS (Concluded)**

**Contracts or Agreements Not Required to be Advertised in Accordance with N.J.S. 40A:11-6.1**

N.J.S. 40A:11-6.1 states, "Except contracts which require the performance of professional services, all contracts or agreements which do not require public advertising for bids and the estimated cost or price exceeds \$5,400.00, at least three quotations as to the cost or price, whenever practicable, shall be solicited by the contracting agent, and the contract agreement shall be made with and awarded to the lowest responsible bidder."

Our audit indicated that, for individual payments, contracts, or agreements made "for the performance of any work or the furnishing or hiring of any materials or supplies" in excess of \$5,400.00, there was documentation that solicitation for quotations was done in accordance with the provisions of N.J.S. 40A:11-6.1.

**Collection of Interest on Delinquent Taxes and Assessments**

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

The governing body on January 2, 2015, adopted the following resolution authorizing interest to be charged on delinquent taxes and assessments:

"NOW, THEREFORE, BE IT RESOLVED by the Township Committee of the Township of Southampton, County of Burlington, State of New Jersey, that the interest charged on delinquent payments of taxes or assessments shall be, from the effective date of this resolution, eight percent (8%) per annum on the first \$1,500.00 of the delinquency, and eighteen percent (18%) per annum on any amount in excess of \$1,500.00.

That the Township Committee determines that the penalties to be charged for tax delinquencies in excess of \$10,000.00 shall be six percent (6%) provided the delinquency exists in the calendar year following the year of delinquency."

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

**Delinquent Taxes and Tax Title Liens**

The delinquent taxes at December 31, 2015, include real estate taxes for 2015 and prior years that are in bankruptcy.

The last tax sale was held on October 9, 2015, and was complete.

Inspection of 2015 tax sale certificates revealed that all were on file.

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

<u>Year</u>	<u>Number Of Liens</u>
2015	50
2014	47
2013	44

It is essential to good management that all means provided by statute be utilized to liquidate liens by seriously undertaking foreclosure proceedings on appropriate properties in order to get such properties back on a taxpaying basis.

## **OTHER COMMENTS**

### **Examination of Bills**

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

### **Chief Financial Officer**

Certain interfunds appear on the statements of assets, liabilities, reserves and fund balance of the various funds and should be cleared by appropriate cash transfers.

The escrow account records maintained by the Chief Financial Officer indicate an amount due from developers totaling \$2,162.65. Attempts were made during 2015 to reduce this receivable. The amount required to be posted when applications are made should be reviewed and increased if deemed necessary.

The annual reports from the fire companies, ambulance squads, and the library were requested by the Township after the 2016 budget was introduced and are on file and available for audit.

During our audit, it was found that some W-9's and business registration certificates were not on file for vendors. The Chief Financial Officer is still in the process of updating all of these for their files. Thus, no recommendation is needed at this time.

### **Payroll Fund**

The examination of the payroll fund included testing the detail computation of various deductions or other credits from the payroll of the Township employees. Also, the examination ascertained that the accumulated withholdings were disbursed to the proper agencies.

### **Construction Code Office**

Indirect costs - These costs are allocated to the construction code budget appropriation and are within the limits as set by regulations N.J.A.C. 5:23-4.17(c).

Annual report - An annual report of revenue, expenditures, and a recommendation for any fee increase or decrease was filed with the governing body.

Construction Code Costs - A test was conducted to determine that all revenues collected for construction code fees are applied to pay for municipal costs of enforcing the Uniform Construction Code [N.J.A.C. 5:23.17(c)2]. No exceptions were discovered as a result of the test that would indicate that construction code revenues were not being applied to pay for costs related to enforcement of the Uniform Construction Code.

**OTHER COMMENTS (Concluded)**

**Municipal Court**

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

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

The scope of our audit was limited with regards to testing the actual status of individual traffic and criminal cases that were listed on the Monthly Management Report as being in an active status. The Automated Traffic System (ATS) and the Automated Criminal System (ACS), the computer software systems utilized by the municipal court, does not provide a detail listing of the active cases for an audit test to be applied.

A test sample was selected of traffic and criminal cases processed through the system. The purpose of the test was to determine that traffic fines were levied in accordance with state statutes, that payments on complaints were deposited intact and on a timely basis, that dispositions were entered in traffic and criminal dockets, closure procedures for delinquent traffic tickets were enforced, and that proper procedures were in effect for defendants paying on the partial payment system. This test disclosed no discrepancies.

**TOWNSHIP OF SOUTHAMPTON**  
**SCHEDULE OF FINDINGS AND RECOMMENDATIONS**  
**For the Year Ended December 31, 2015**

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

**FINANCIAL STATEMENT FINDINGS**

**Finding No. 2015-1**

**Criteria or Specific Requirement**

New Jersey statute requires that any deferred charges be raised in the budget of the succeeding year.

**Condition**

Per the Annual Financial Statement, the balance sheet for the sewer utility operating fund included the following deferred charges which were not included in the adopted budget for the year 2016:

Overexpenditure of appropriation reserves	\$14,734.94
Deficit in operations	\$ 8,314.48

**Effect**

The failure to include these items in the 2016 budget may cause a cash flow problem in the fund's operations for the year 2016.

**Recommendation**

All deferred charges be funded in the budget of the succeeding year as required by New Jersey statute.

**View of Responsible Official and Corrective Action**

Per the Chief Financial Officer, the deferred charges will be funded in the 2017 budget.

**Finding No. 2015-2**

**Criteria or Specific Requirement**

New Jersey statute requires that all interfunds be cleared by appropriate transfers.

**Condition**

The statements of assets, liabilities, reserves and fund, primarily of the trust funds - other and the sewer operating fund, include amounts due to or from the current fund from prior years which have not been cleared by appropriate transfers.

**Effect**

Cash in the various funds is either overstated or understated.

**Recommendation**

The Chief Financial Officer take immediate action to clear the various interfunds from the records.

**View of Responsible Official and Corrective Action**

In 2016, checks will be written out of the accounts listed in order to clear up the interfunds.

**Finding No. 2015-3**

**Criteria or Specific Requirement**

New Jersey statute requires that projects funded through the authorization of bonds and notes must be funded by bonds and notes or raised by a budget appropriation in the current fund budget as a deferred charge to future taxation - unfunded.

**Condition**

At December 31, 2015, the Township's records indicate that there are bonds and notes authorized but not issued in the amount of \$35,575.80 (Ordinance 2006-18 - acquisition of emergency medical service vehicle). This was funded by an annual budget appropriation of \$17,460.00. No appropriation was made in the 2016 budget to cover this deferred charge to future taxation - unfunded.

**Effect**

Additional funds will have to be raised in the 2017 budget or bond anticipation notes will have to be issued.

**Recommendation**

The Township should take action to fund the balance of the costs associated with the acquisition of the emergency medical services vehicle as authorized by Ordinance 2006-18.

**View of Responsible Official and Corrective Action**

Per the Chief Financial Officer, the deferred charges will be funded in the 2017 budget.

**TOWNSHIP OF SOUTHAMPTON  
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS AND  
QUESTIONED COSTS AS PREPARED BY MANAGEMENT**

This section identifies the status of prior year findings related to the financial statements and State Financial Assistance that are required to be reported in accordance with *Government Auditing Standards*, OMB Circular A-133 and State of New Jersey Circular 15-08-OMB.

**FINANCIAL STATEMENT FINDINGS**

**Finding No. 2012-1**

**Condition**

The Township has a receivable in the amount of \$26,147.15 in the escrow account which is due from unanticipated excess fees charged to applicants that were not collected during the application process.

**Current Status**

The Township has been able to reduce the amount due through collections. The Chief Financial Officer has indicated that the Township will be liquidating the amount due by collections or by budget appropriations from the current fund.

As of December 21, 2015, the uncollected balance was \$1,960.75. As of January 2016, an additional \$198.10 was paid. Also, one account is in litigation for the amount of \$1,470.75.

**TOWNSHIP OF SOUTHAMPTON  
OFFICIALS IN OFFICE AND SURETY BONDS**

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

Name	Title	Name Of Corporate Surety
James F. Young, Sr.	Mayor	
Latham Tiver	Deputy Mayor	
Ronald Heston	Committeeperson	
William J. Raftery	Committeeperson	
Elizabeth H. Rossell	Committeeperson	
Kathleen Hoffman	Administrator/Township Clerk/Qualified Purchasing Agent	A
Nancy Gower	Treasurer Chief Municipal Finance Officer	A
Melissa Chesla	Tax Collector Tax Search Clerk	A
Jody S. Mazeall (To 4/24/15)	Building Inspector Construction Code Official Zoning Officer	
Edward Touissaint (From 4/27/15)	Building Inspector Construction Code Official Zoning Officer	
James Renwick	Assessor	
Richard Andronici	Municipal Magistrate	A
Terry Bodine	Municipal Court and Violations Clerk	A
Parker McCay	Solicitor	

A - Blanket position bonds with the Burlington County Joint Insurance Fund.

The problems and weaknesses noted in my review were not of such magnitude that they would affect my ability to express an opinion on the financial statements taken as a whole.

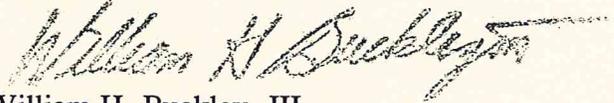
Should any questions arise as to my comments to recommendations, or should you desire assistance in implementing my recommendations, please do not hesitate to call me.

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

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