

TOWNSHIP OF MEDFORD
AUDIT REPORT FOR THE YEAR
ENDED DECEMBER 31, 2016

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**TOWNSHIP OF MEDFORD
COUNTY OF BURLINGTON**

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**TOWNSHIP OF MEDFORD
COUNTY OF BURLINGTON**

PART I

**INDEPENDENT AUDITOR'S REPORT
AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

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INDEPENDENT AUDITOR’S REPORT

The Honorable Mayor and Members
of the Township Council
Township of Medford
Medford, New Jersey

Report on the Financial Statements

We have audited the accompanying statements of assets, liabilities, reserves and fund balance - regulatory basis of the various funds and account group of Medford Township, County of Burlington, State of New Jersey as of December 31, 2016 and 2015, and the related statements of operations and changes in fund balance - regulatory basis for the years then ended, the related statement of revenues - regulatory basis, and statement of expenditures - regulatory basis for the year ended December 31, 2016 and the related notes to the financial statements, which collectively comprise the Township’s basic financial statements as listed in the table of contents.

Management’s Responsibility for the Financial Statements

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

Auditor’s Responsibility

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

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

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

Opinions

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

As described in Note 1 to the financial statements, Medford Township prepares its financial statements using accounting practices that demonstrate compliance with regulatory basis of accounting and budget laws of the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the State of New Jersey.

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

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

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

Opinion on Regulatory Basis of Accounting

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

Other Matters

Report on Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements referred to in the first paragraph as a whole. The supplemental statements and schedules presented for the various funds are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and is not a required part of the above financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain

additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements of each of the respective individual funds and account group taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 16, 2017, on our consideration of Medford 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 Medford Township’s internal control over financial reporting and compliance.

Respectfully submitted,

HOLMAN FRENIA ALLISON, P.C.

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

Medford, New Jersey
May 16, 2017

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements-regulatory basis of Medford Township (herein referred to as “the Township”), as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the Township’s basic financial statements, and have issued our report thereon dated May 16, 2017. Our report indicated that the Township’s financial statements were not prepared and presented in accordance with accounting principles generally accepted in the United States of America but rather prepared and presented in accordance with the regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* or audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and which are described in the accompanying Comments & Recommendations section as Finding No. 2016-001.

Response to Findings

The Township of Medford's response to the finding identified in our audit is described in the accompanying Comments & Recommendations section. The Township of Medford's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Respectfully submitted,

HOLMAN FRENIA ALLISON, P.C.

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

Medford, New Jersey
May 16, 2017

BASIC FINANCIAL STATEMENTS

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

ASSETS	REFERENCE	2016	2015
Current Fund:			
Cash	A-4	\$ 11,736,173	\$ 9,649,988
Cash - Change Fund	A-5	550	400
Total		<u>11,736,723</u>	<u>9,650,388</u>
Receivables & Other Assets With Full Reserves:			
Delinquent Taxes Receivable	A-6	1,001,198	898,511
Tax Title Liens Receivable	A-7	302,713	275,481
Foreclosed Property - Assessed Valuation	A-33	688,300	962,500
Revenue Accounts Receivable	A-8	10,374	14,419
Due from:			
Federal & State Grant Fund	A	172,186	225,701
Trust- Other	B	7,976	25,485
Trust - Municipal Open Space	B	-	481,370
Trust - Animal Control Fund	B	-	30
General Capital Fund	C	-	799,477
Total Receivables & Other Assets With Full Reserves		<u>2,182,747</u>	<u>3,682,974</u>
Deferred Charges To Future Taxation:			
Emergency Authorization	A	-	414,949
Special Emergency Appropriation	A-29	-	120,000
Total		<u>-</u>	<u>534,949</u>
Total Regular Funds		<u>13,919,470</u>	<u>13,868,311</u>
Federal & State Grants:			
Cash	A-4	151,527	375,547
Due from General Capital Fund	C	-	51,250
Grants Receivable	A-25	929,441	643,937
Deferred Charge- Overexpenditure of Grant	A	36,856	-
Total Federal & State Grants		<u>1,117,824</u>	<u>1,070,734</u>
Total Assets		<u>\$ 15,037,294</u>	<u>\$ 14,939,045</u>

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

LIABILITIES RESERVES & FUND BALANCE	REFERENCE	2016	2015
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3	\$ 943,080	\$ 1,033,648
Reserve for Encumbrances	A-31	841,801	1,216,122
Accounts Payable	A	39,565	28,478
Tax Overpayments	A-10	66,682	22,028
Prepaid Taxes	A-11	602,947	624,435
Due to State of New Jersey for Senior Citizen & Veteran Deductions	A-12	98,077	93,886
Due County for Added & Omitted Taxes	A-13	111,137	148,338
Due to State - Construction Code Fees	A-23	8,215	10,607
Due to State - Marriage License Fees	A-24	625	425
Due to Utility Operating Fund	D	18,746	62,281
Due to Trust Other Fund	B	9,030	-
Due to Municipal Open Space Fund	B	274,745	-
Local District School Taxes Payable	A-15	2,298,146	1,990,063
Regional High School Taxes Payable	A-16	2,519,051	2,192,494
Special Emergency Note Payable	A-30	140,000	280,000
Reserve for:			
FEMA Receipts	A-32	110,670	123,170
Municipal Court - POAA	A-17	788	774
Purchase of Public Safety Equipment	A-18	29,345	25,575
Election Workers	A-19	2,252	2,332
Revaluation	A-20	-	4,159
Insurance Claims	A-21	-	1,029
Workers Compensation Claims	A-22	-	31,231
Library State Aid	A	-	3,300
New Jersey Saver Rebates	A	-	1,200
Auction	A	4,292	4,292
PILOT	A	9,842	19,685
Tax Map	A	-	10
Subtotal Regular Fund		8,129,036	7,919,562
Reserve for Receivables & Other Assets	A	2,182,747	3,682,974
Fund Balance	A-1	3,607,687	2,265,775
Total Regular Fund		13,919,470	13,868,311
Federal & State Grants:			
Due Current Fund	A	172,186	225,701
Reserve for Encumbrances	A-31	295,927	183,925
Unappropriated Reserves	A-26	150,618	125,166
Appropriated Reserves	A-27	499,093	535,942
Total Federal & State Grants		1,117,824	1,070,734
Total Liabilities, Reserves & Fund Balance		\$ 15,037,294	\$ 14,939,045

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

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

	2016	2015
Revenue & Other Income Realized:		
Fund Balance Utilized	\$ 1,017,604	\$ 1,169,582
Miscellaneous Revenue Anticipated	6,654,501	6,380,429
Receipts From Delinquent Taxes & Tax Title Liens	892,357	1,002,549
Receipts From Current Taxes	92,054,528	90,516,057
Nonbudget Revenue	182,998	317,875
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	889,894	457,714
Cancellation of Reserves	53,226	-
Liquidation of Interfunds	875,326	-
	102,620,434	99,844,206
Total Income		
Expenditures:		
Budget Appropriations Within "CAPS":		
Operations:		
Salaries & Wages	5,459,367	5,148,370
Other Expenses	7,405,458	8,193,290
Deferred Charges & Statutory Expenditures	1,485,205	1,412,912
Excluded From "CAPS":		
Operations:		
Salaries & Wages	539,169	527,370
Other Expenses	787,945	870,331
Deferred Charges & Statutory Expenditures	534,949	160,000
Municipal Debt Service	3,665,858	3,777,605
Capital Improvement Fund	217,432	-
Regional High School Tax	22,072,060	21,418,946
Local District School Tax	43,726,288	43,110,124
County Taxes	13,309,832	12,890,416
Due County for Added & Omitted Taxes	111,137	148,338
Municipal Open Space Trust Fund Tax	903,007	902,354
Creation of Interfund & Other Assets	43,211	704,056
	100,260,918	99,264,112
Total Expenditures		
Excess/(Deficit) in Revenue	2,359,516	580,094
Adjustment to Income Before Fund Balance:		
Expenditures Included Above which are by Statute		
Deferred Charges to Budget of Succeeding Year	-	414,949
	2,359,516	995,043
Statutory Excess to Fund Balance		
Fund Balance January 1	2,265,775	2,440,314
	4,625,291	3,435,357
Total		
Decreased by: Utilization as Anticipated Revenue	1,017,604	1,169,582
	\$ 3,607,687	\$ 2,265,775
Fund Balance December 31		

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

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

	BUDGET	APPROPRIATED BY N.J.S.A.40A:47-87	REALIZED	EXCESS OR (DEFICIT)
Fund Balance Utilized	\$ 1,017,604	\$ -	\$ 1,017,604	\$ -
Miscellaneous Revenue:				
Licenses - Alcoholic Beverages	22,000	-	20,688	(1,312)
Fees & Permits - Other	200,000	-	212,927	12,927
Fines & Costs - Municipal Court	164,000	-	198,194	34,194
Interest & Costs on Taxes	220,000	-	224,643	4,643
Interest on Investments & Deposits	10,000	-	61,357	51,357
Tower Fees	9,000	-	-	(9,000)
Cable Television Fees	368,000	-	380,976	12,976
Emergency Medical Service Billing Income	615,000	-	581,352	(33,648)
Garden State Trust	9,842	-	9,842	-
Energy Receipts Tax	1,981,293	-	1,981,293	-
Fees & Permits:				
Uniform Construction Code	800,000	-	605,611	(194,389)
Interlocal Services Agreement - Police Salaries:				
Lenape Regional High School	520,669	-	513,391	(7,278)
Interlocal Services Agreement - UCC:				
Medford Lakes	18,500	-	18,500	-
Interlocal Services Agreement - MCA:				
Medford Lakes	10,000	-	10,000	-
Liquidation of Reserve - Due from General Capital Fund	500,000	-	500,000	-
Liquidation of Interfund - State & Federal Grants	300,000	-	50,529	(249,471)
FEMA Revenue	414,000	-	475,714	61,714
Payment in Lieu of Taxes	129,500	-	135,561	6,061
State & Federal Revenue Offset with				
Emergency Management Assistance	7,000	-	7,000	-
Recycling Tonnage Grant	62,120	-	62,120	-
Municipal Alliance on Alcohol & Drug Abuse	12,089	-	12,089	-
Recreation Trails	24,000	-	24,000	-
Advanced Training Award	1,500	-	1,500	-
Drive Sober or Get Pulled Over	-	5,000	5,000	-
Air Show	-	8,000	8,000	-
NJ DOT	-	196,000	196,000	-
Municipal Park Development	-	180,000	180,000	-
NJ Motor Vehicle Security & Customer Service Act	-	96,742	96,742	-
National Priority Safety Program	-	3,972	3,972	-
Art, Wine & Music Festival	-	3,500	3,500	-
Taste of Medford	-	3,500	3,500	-
Halloween Parade	-	16,500	16,500	-
Medford Celebrates	-	47,500	47,500	-
Dickens Festival	-	6,500	6,500	-
Total Miscellaneous Revenue	6,398,513	567,214	6,654,501	(311,226)
Receipts From Delinquent Taxes	950,000	-	892,357	(57,643)
Subtotal General Revenues	8,366,117	567,214	8,564,462	(368,869)
Local Tax for Municipal Purposes	12,267,947	-	13,038,099	770,152
Budget Totals	20,634,064	567,214	21,602,561	401,283
Nonbudget Revenues	-	-	182,998	182,998
Total	\$ 20,634,064	\$ 567,214	\$ 21,785,559	\$ 584,281

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

ANALYSIS OF REALIZED REVENUES

Allocation of Current Tax Collections:	
Revenue From Collections	\$ 92,054,528
Less: School, County Taxes, Special District & Open Space	<u>80,122,324</u>
Balance for Support of Municipal Budget Appropriations	11,932,204
Add: Budget Appropriation - Reserve for Uncollected Taxes	<u>1,105,895</u>
Total Amount for Support of Municipal Budget Appropriation	<u><u>\$ 13,038,099</u></u>
Receipts From Delinquent Taxes:	
Delinquent Tax Collections	888,993
Tax Title Lien Collections	<u>3,364</u>
Total Receipts From Delinquent Taxes	<u><u>\$ 892,357</u></u>

ANALYSIS OF NONBUDGET REVENUE

Miscellaneous Revenue Not Anticipated:	
Receipts:	
Copy Costs	\$ 9,951
Prior Year Refunds & Reimbursements	164,054
Miscellaneous	<u>8,993</u>
Total	<u><u>\$ 182,998</u></u>

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

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

OPERATIONS	APPROPRIATIONS			PAID OR CHARGED			CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	EXPENDED	ENCUMBERED	RESERVED		
General Government:							
Office of the Manager:							
Salaries and Wages	\$ 65,450	\$ 69,740	\$ 60,081	\$ -	\$ 9,659	\$ -	
Other Expenses	5,550	5,550	2,933	658	1,959	-	
Human Resources:							
Salaries and Wages	22,509	23,578	23,578	-	-	-	
Other Expenses	825	825	659	64	102	-	
Mayor & Council:							
Salaries and Wages	17,497	17,497	17,497	-	-	-	
Other Expenses	1,000	1,000	42	957	1	-	
Municipal Clerk:							
Salaries and Wages	62,391	64,374	64,208	-	166	-	
Other Expenses	47,800	47,962	29,076	1,287	17,599	-	
Other Expenses-Elections	12,000	12,000	12,000	-	-	-	
Financial Administration:							
Office of Treasurer:							
Salaries and Wages	76,403	83,001	62,367	-	20,634	-	
Other Expenses	32,970	33,440	21,641	5,733	6,066	-	
Auditing Services:							
Other Expenses	29,000	34,500	2,750	23,900	7,850	-	
Revenue Administration:							
Salaries and Wages	61,709	61,709	59,686	-	2,023	-	
Other Expenses	13,000	13,000	12,130	453	417	-	
Division of Assessments:							
Salaries and Wages	122,961	122,961	120,774	-	2,187	-	
Other Expenses	88,100	70,100	22,323	6,357	41,420	-	
Legal Services (Legal Department)							
Other Expenses	170,000	208,000	143,421	60,215	4,364	-	
Engineering Services:							
Other Expenses	25,000	40,000	17,423	17,556	5,021	-	
Economic Development Commissior							
Salaries & Wages	750	750	-	-	750	-	
Other Expenses							
Division of Planning:							
Salaries and Wages	112,793	108,793	102,039	-	6,754	-	
Other Expenses	51,695	51,695	30,244	18,009	3,442	-	
Bds & Committes							
Other Expenses	1,900	1,900	621	150	1,129	-	
Division of Zoning:							
Other Expenses	35,267	39,267	28,915	6,506	3,846	-	

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

OPERATIONS	APPROPRIATIONS				CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED EXPENDED	ENCUMBERED	
Public Safety Functions:					
Police:					
Salaries and Wages	3,264,216	3,214,216	3,156,133	-	58,083
Other Expenses	281,740	318,740	181,545	133,865	3,330
Fire:					
Other Expenses	136,070	136,070	105,380	30,470	220
First Aid Organizations:					
Salaries and Wages	163,350	153,350	138,287	-	15,063
Other Expenses	104,825	104,825	66,309	32,656	5,860
Emergency Management Services:					
Other Expenses	2,000	2,000	506	908	586
Uniform Fire Safety Act: PL1983C.383)					
Salaries and Wages	470,315	480,315	462,935	-	17,380
Other Expenses	17,350	17,350	13,358	3,923	69
Prosecutor:					
Other Expenses	18,000	18,000	14,896	2,979	125
Public Works Functions:					
Department of Public Works:					
Road Repairs & Maintenance:					
Salaries and Wages	162,939	147,939	128,237	-	19,702
Other Expenses	103,700	124,700	92,746	29,931	2,023
Snow Removal:					
Salaries and Wages	45,000	45,000	18,259	-	26,741
Other Expenses	85,000	85,000	36,508	15,936	32,556
Sanitation:					
Salaries and Wages	364,988	364,988	309,429	-	55,559
Other Expenses	904,200	860,300	597,547	243,917	18,836
Building & Grounds:					
Salaries and Wages	89,242	89,242	78,008	-	11,234
Other Expenses	95,250	103,137	83,781	11,757	7,599
Vehicle Maintenance:					
Salaries and Wages	87,600	87,600	87,570	-	30
Other Expenses	248,000	272,095	203,141	46,195	22,759

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

OPERATIONS	APPROPRIATIONS				PAID OR CHARGED		CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	EXPENDED	ENCUMBERED	RESERVED		
Parks & Recreation:							
Parks & Playgrounds:							
Salaries and Wages	31,530	31,530	26,593	-	4,937	-	-
Other Expenses	675	675	106	205	364	-	-
Landfill/Solid Waste Dispos:	744,950	785,350	706,728	119	78,503	-	-
Community Services:							
Other Expenses	30,500	30,500	28,319	-	2,181	-	-
Environmental Commission - Other Expenses	400	400	-	-	400	-	-
Municipal Court:							
Salaries and Wages	130,453	130,453	99,490	-	30,963	-	-
Other Expenses	36,794	21,284	17,022	690	3,572	-	-
Insurance:							
General Liability	280,483	282,146	277,156	-	4,990	-	-
Employee Group Insurance	1,310,500	1,310,500	1,152,661	-	157,839	-	-
Worker's Compensation	260,000	260,000	260,000	-	-	-	-
Health Benefit Waivers	50,000	50,000	50,000	-	-	-	-
Retiree Health Benefits	1,291,272	1,291,272	1,291,272	-	-	-	-
Uniform Construction Code Appropriations							
Offset by Dedicated Revenues:							
Construction Code Official:							
Salaries and Wages	162,578	162,578	155,459	-	7,119	-	-
Other Expenses:							
Direct Costs	79,983	79,983	77,418	229	2,336	-	-
Indirect Costs	21,127	-	-	-	-	-	-

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

OPERATIONS	APPROPRIATIONS			PAID OR CHARGED EXPENDED	ENCUMBERED	RESERVED	CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	BUDGET				
Unclassified:							
Celebration of Public Events, Anniversary or Holiday:							
Other Expenses	1,500	1,500		1,500	-	-	-
Utilities:							
Electricity	140,000	149,653		130,099	9,746	9,808	-
Street Lighting	230,000	230,000		190,838	26,463	12,699	-
Telephone	60,000	82,633		52,404	150	30,079	-
Heating Gas/Oil	75,000	77,134		27,423	1,200	48,511	-
Gasoline/Diesel Fuel	220,000	144,000		80,409	33,488	30,103	-
Safety Supplies	5,975	5,975		4,663	1,312	-	-
Catastrophic Illness Fund	250	250		222	-	28	-
Hepatitis Vaccination	500	500		-	-	500	-
Total Operation Within "CAPS"	12,864,825	12,864,825		11,238,765	767,984	858,076	-
Detail:							
Salaries and Wages	5,531,924	5,459,367		5,168,029	2,979	288,359	-
Other Expenses (Including Contingent)	7,332,901	7,405,458		6,070,736	765,005	569,717	-
Statutory Expenditures:							
Public Employees Retirement System	194,783	194,783		194,569	-	214	-
Social Security System(O.A.S.I.)	430,000	430,000		403,511	-	26,489	-
Police & Fire Retirement System	820,422	820,422		820,422	-	-	-
Unemployment	40,000	40,000		20,000	-	20,000	-
Total Deferred Charges & Statutory Expenditures Within "CAPS"	1,485,205	1,485,205		1,438,502	-	46,703	-
Total General Appropriations for Municipal Purposes Within "CAPS"	14,350,030	14,350,030		12,677,267	767,984	904,779	-

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

	APPROPRIATIONS			PAID OR CHARGED			CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	EXPENDED	ENCUMBERED	RESERVED		
OPERATIONS EXCLUDED FROM "CAPS":							
Landfill Fees - Recycling Tax	31,000	31,000	26,245	3,817	938	-	-
LOSAP	70,000	70,000	-	70,000	-	-	-
Interlocal Service Agreement							
Police Salaries-Lenape Regional High School	520,669	520,669	483,306	-	37,363	-	-
Municipal Court Salaries - Medford Lakes	10,000	10,000	10,000	-	-	-	-
UCC Salaries - Medford Lakes	18,500	18,500	18,500	-	-	-	-
Public & Private Programs Offset by Revenues:							
Drive Sober or Get Pulled Over	-	5,000	5,000	-	-	-	-
Air Show	-	8,000	8,000	-	-	-	-
Emergency Management Assistance	7,000	7,000	7,000	-	-	-	-
Municipal Alliance on							
Alcoholism & Drug Abuse	12,089	12,089	12,089	-	-	-	-
Municipal Alliance on							
Alcoholism & Drug Abuse - Township Match	3,022	3,022	3,022	-	-	-	-
Municipal Park Development	-	180,000	180,000	-	-	-	-
NJ Motor Vehicles Security & Customer							
Service Grant	-	96,742	96,742	-	-	-	-
NJ DOT Grant	-	196,000	196,000	-	-	-	-
National Priority Safety Programs							
Recycling Tonnage Grant	-	3,972	3,972	-	-	-	-
Recreational Trails Grant	62,120	62,120	62,120	-	-	-	-
Advanced Training Award	24,000	24,000	24,000	-	-	-	-
Art, Wine & Music Festival	1,500	1,500	1,500	-	-	-	-
Taste of Medford	-	3,500	3,500	-	-	-	-
Halloween Parade	-	3,500	3,500	-	-	-	-
Medford Celebrates	-	16,500	16,500	-	-	-	-
Dickens Festival	-	47,500	47,500	-	-	-	-
	-	6,500	6,500	-	-	-	-
Total Operations Excluded from "CAPS"	759,900	1,327,114	1,214,996	73,817	38,301	-	-
Detail:							
Salaries and Wages	539,169	539,169	501,806	-	37,363	-	-
Other Expenses	220,731	787,945	713,190	73,817	938	-	-

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

	APPROPRIATIONS		PAID OR CHARGED		CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	EXPENDED	ENCUMBERED	
OPERATIONS EXCLUDED FROM "CAPS"					
Municipal Debt Service - Excluded from "CAPS":					
Payment of Bond Principal	3,188,980	3,188,980	3,188,980	-	-
Interest on Bonds	436,878	436,878	436,878	-	-
Interest on Notes	40,000	40,000	40,000	-	-
Total Municipal Debt Service Excluded from "CAPS"	3,665,858	3,665,858	3,665,858	-	-
Capital Improvement Fund	217,432	217,432	217,432	-	-
Total Capital Improvements Excluded from "CAPS"	217,432	217,432	217,432	-	-
Statutory Expenditures/Deferred Charges:					
Emergency Authorizations	414,949	414,949	414,949	-	-
Special Emergency Authorizations - 5 Years (N.J.S. 40A:40-55)	120,000	120,000	120,000	-	-
Total Statutory Expenditures/Deferred Charges	534,949	534,949	534,949	-	-
Total General Appropriations Excluded from "CAPS"	5,178,139	5,745,353	5,633,235	73,817	38,301
Subtotal General Appropriations	19,528,169	20,095,383	18,310,502	841,801	943,080
Reserve For Uncollected Taxes	1,105,895	1,105,895	1,105,895	-	-
Total General Appropriations	\$ 20,634,064	\$ 21,201,278	\$ 19,416,397	\$ 841,801	\$ 943,080
Budget Appropriation by 40A:4-87	\$ 20,634,064	567,214			
Total	\$ 21,201,278				
Reserve for Federal & State Grant Fund - Appropriated		\$ 676,945			
Cash Disbursements		17,422,394			
Special Emergency Authorizations		534,949			
Refund		(323,786)			
Reserve for Uncollected Taxes		1,105,895			
Total		\$ 19,416,397			

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

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

ASSETS	REFERENCE	2016	2015
Animal Control Fund:			
Cash	B-4	\$ 26,491	\$ 25,045
Total Animal Control Fund		<u>26,491</u>	<u>25,045</u>
Birchwood Lake Dam - Trust Assessment:			
Cash	B-4	<u>396,696</u>	<u>383,832</u>
Total Trust Assessment Funds		<u>396,696</u>	<u>383,832</u>
Other Funds:			
Cash	B-4	3,729,343	3,246,459
Due From Current Fund	A,B-8	<u>9,030</u>	<u>-</u>
Total Other Funds		<u>3,738,373</u>	<u>3,246,459</u>
Municipal Open Space Fund:			
Cash	B-4	2,216,909	2,341,143
Due From Current Fund	A, B-11	<u>274,745</u>	<u>-</u>
Total Open Space Fund		<u>2,491,654</u>	<u>2,341,143</u>
Total Assets		<u><u>\$ 6,653,214</u></u>	<u><u>\$ 5,996,479</u></u>
LIABILITIES, RESERVES & FUND BALANCE			
Animal Control Fund:			
Due to Current Fund	A,B-6	\$ -	\$ 30
Reserve for Animal Control Expenditures	B-5	<u>26,491</u>	<u>25,015</u>
Total Animal Control Fund		<u>26,491</u>	<u>25,045</u>
Birchwood Lake Dam:			
Homeowners Dam Restoration	B-13	<u>396,696</u>	<u>383,832</u>
Total Other Funds		<u>396,696</u>	<u>383,832</u>
Other Funds:			
Due to Current Fund	A,B-8	7,976	25,485
Miscellaneous Trust Other Reserves	B-9	<u>3,730,397</u>	<u>3,220,974</u>
Total Other Funds		<u>3,738,373</u>	<u>3,246,459</u>
Municipal Open Space Fund:			
Accounts Payable	B	15	-
Due to Current Fund	A	-	481,370
Encumbrances	B-3	44,949	46,816
Appropriation Reserves	B-3	24,540	73,750
Reserve for Future Use	B-10	<u>2,422,150</u>	<u>1,739,207</u>
Total Open Space Fund		<u>2,491,654</u>	<u>2,341,143</u>
Total Liabilities, Reserves & Fund Balance		<u><u>\$ 6,653,214</u></u>	<u><u>\$ 5,996,479</u></u>

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

**TOWNSHIP OF MEDFORD
TRUST - MUNICIPAL OPEN SPACE FUND
STATEMENTS OF OPERATIONS AND CHANGES IN RESERVE FOR
FUTURE USE - REGULATORY BASIS
DECEMBER 31, 2016 AND 2015**

REVENUE REALIZED:	2016	2015
Amount to be Raised by Taxation	\$ 903,007	\$ 902,354
Miscellaneous	509,480	187,832
Interest Income	7,292	1,313
Unexpended Balance of Appropriation Reserves	<u>67,645</u>	<u>69,151</u>
 Total Income	 <u>1,487,424</u>	 <u>1,160,650</u>
 EXPENDITURES:		
Budget Appropriations:		
Salary and Wages	140,177	135,765
Other Expenses	124,800	164,098
Acquisition of Farmland	68,000	40,000
Debt Service	<u>471,504</u>	<u>657,203</u>
 Total Expenditures	 <u>804,481</u>	 <u>997,066</u>
 Statutory Excess to Reserve	 <u>682,943</u>	 <u>163,584</u>
 RESERVE FOR FUTURE USE:		
Balance January 1,	<u>1,739,207</u>	<u>1,575,623</u>
Balance December 31,	<u>\$ 2,422,150</u>	<u>\$ 1,739,207</u>

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

**TOWNSHIP OF MEDFORD
TRUST - MUNICIPAL OPEN SPACE FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2016**

	ANTICIPATED BUDGET	REALIZED	EXCESS OR (DEFICIT)
Amount to be Raised by Taxation	\$ 900,000	\$ 903,007	\$ 3,007
Interest Income	1,000	7,292	6,292
Miscellaneous	-	509,480	509,480
Total Revenues	<u>\$ 901,000</u>	<u>\$ 1,419,779</u>	<u>\$ 518,779</u>

ANALYSIS OF REALIZED REVENUES

Receipts:			
Interest on Deposits	\$	7,292	
Miscellaneous		509,480	\$ 516,772
Current Year Levy Due Current Fund			895,530
Added & Omitted Taxes - Current Year			<u>7,477</u>
Total Receipts From Delinquent Taxes			<u>\$ 1,419,779</u>

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

TOWNSHIP OF MEDFORD
TRUST - MUNICIPAL OPEN SPACE FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2016

	APPROPRIATIONS		PAID OR CHARGED			
	ORIGINAL BUDGET	BUDGET AFTER MODIFICATION	EXPENDED	ENCUMBERED	RESERVED	CANCELLED
Maintenance of Lands for Recreation & Conservation:						
Salary and Wages	\$ 160,477	\$ 140,177	\$ 126,145	\$ -	\$ 14,032	\$ -
Other Expenses	122,500	124,800	105,403	18,964	433	-
Total	282,977	264,977	231,548	18,964	14,465	-
Capital Improvements:						
Acquisition of Farmland	50,000	68,000	31,940	25,985	10,075	-
Debt Service:						
Payment of Bond Principal	325,182	325,182	325,182	-	-	-
Payment of Loan Principal	118,963	118,963	118,963	-	-	-
Interest on Bonds	21,275	21,275	21,275	-	-	-
Interest on Notes	6,084	6,084	6,084	-	-	-
Total Debt Service	471,504	471,504	471,504	-	-	-
Reserve for Future Use	96,519	96,519	-	-	-	96,519
Total Statement of Expenditures	\$ 901,000	\$ 901,000	\$ 734,992	\$ 44,949	\$ 24,540	\$ 96,519
Disbursed			\$ 579,676			
Refunds			(15,545)			
Due Current Fund:						
Disbursements Made On-Behalf of Open Space Trust Fund:						
Payment of Bond Principal			170,861			
Total			\$ 734,992			

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

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

ASSETS	REFERENCE	2016	2015
Cash	C-1	\$ 2,120,333	\$ 1,515,716
Due from:			
State of New Jersey Transportation Trust	C	-	41,000
County of Burlington	C-6	222,147	222,147
Deferred Charges to Future Taxation:			
Funded	C-3	19,317,219	22,831,382
Unfunded	C-4	5,926,852	3,309,838
		<u>27,586,551</u>	<u>33,303,417</u>
 Total Assets		<u>\$ 27,586,551</u>	<u>\$ 27,920,083</u>
 LIABILITIES, RESERVES & FUND BALANCE			
General Serial Bonds	C-11	\$ 19,102,400	\$ 22,497,600
Loans Payable	C-10	214,819	333,782
Bond Anticipation Notes	C-12	2,657,150	-
Improvement Authorizations:			
Funded	C-7	1,360,812	2,257,920
Unfunded	C-7	2,747,888	450,564
Due to Current Fund	A,C-9	-	799,477
Reserve for Receivables	C	222,147	205,000
Due Federal & State Grant Fund	C	-	51,250
Reserve for Encumbrances	C-8	858,424	1,094,248
Reserve for Debt Service	C	140,967	-
Capital Improvement Fund	C-5	77,582	-
Fund Balance	C	204,362	230,242
		<u>27,586,551</u>	<u>27,920,083</u>
 Total Liabilities, Reserves & Fund Balance		<u>\$ 27,586,551</u>	<u>\$ 27,920,083</u>

There was \$3,269,702 bonds and notes authorized but not issued on December 31, 2016 and \$3,309,838 as of December 31, 2015.

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**TOWNSHIP OF MEDFORD
WATER-SEWER UTILITY FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2016 AND 2015**

ASSETS	REFERENCE	2016	2015
Operating Fund:			
Cash	D-4	\$ 5,820,095	\$ 4,571,693
Insurance Claims	D	11,077	11,077
Due from Current Fund	A	18,746	62,281
Due from Utility Capital Fund	D-9	-	65
Due from Water & Sewer Connection Trust	D-18	-	400,501
Total		5,849,918	5,045,617
Receivables & Other Assets With Full Reserves:			
Water & Sewer Rents Receivable	D-6	214,036	198,754
Total Receivable & Other Assets With Full Reserves		214,036	198,754
Total Operating Fund		6,063,954	5,244,371
Assessment Trust Fund:			
Cash	D-4	666	666
Total Assessment Trust Fund		666	666
Sewer Connection Trust Fund:			
Cash	D-4	210,453	610,951
Total Sewer Connection Trust Fund		210,453	610,951
Capital Fund:			
Cash	D-4	1,401,707	2,220,005
Fixed Capital:			
Completed	D-11	29,234,878	29,185,937
Authorized & Uncompleted	D-10	49,465,457	49,465,457
Due from Water & Sewer Operating Fund	D-9	1,571,485	-
Total Capital Fund		81,673,527	80,871,399
Total Assets		\$ 87,948,600	\$ 86,727,387

There was \$794,339 bonds and notes authorized but not issued on December 31, 2016 and \$794,339 as of December 31, 2015.

**TOWNSHIP OF MEDFORD
WATER-SEWER UTILITY FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2016 AND 2015**

LIABILITIES RESERVES & FUND BALANCE	REFERENCE	2016	2015
Operating Fund:			
Liabilities:			
Prepaid Rents	D-8	\$ 587,459	\$ 609,291
Reserve for Encumbrances	D-3	358,087	377,805
Appropriation Reserves	D-3	96,845	232,123
Accounts Payable	D	17,172	7,503
Overpayments	D	2,871	8,077
Accrued Interest on Bonds & Notes	D-12	266,165	285,844
Due to Water & Sewer Capital Fund	D, D-9	1,571,485	-
Subtotal		<u>2,900,084</u>	<u>1,520,643</u>
Reserve for Receivables	D	214,036	198,754
Fund Balance	D-1	<u>2,949,834</u>	<u>3,524,974</u>
Total Operating Fund		<u>6,063,954</u>	<u>5,244,371</u>
Assessment Trust Fund:			
Fund Balance	D	<u>666</u>	<u>666</u>
Total Assessment Trust Fund		<u>666</u>	<u>666</u>
Sewer Connection Trust Fund:			
Due to Water & Sewer Operating Fund	D-18	-	400,501
Reserve for Sewer Connection Fees	D-19	<u>210,453</u>	<u>210,450</u>
Total Sewer Connection Trust Fund		<u>210,453</u>	<u>610,951</u>
Capital Fund:			
Serial Bonds	D-16	10,603,600	11,637,400
Loans Payable	D-17	14,824,770	15,865,232
Due Utility Operating Fund	D	-	65
Improvement Authorizations:			
Funded	D-13	301,655	1,021,323
Unfunded	D-13	1,043,691	1,260,527
Capital Improvement Fund	D-22	1,848,749	261,399
Reserve for Encumbrances	D-14	209,921	107,515
Reserve for Amortization	D-15	50,254,546	48,131,343
Deferred Reserve for Amortization	D	2,223,080	2,223,080
Reserve for Debt Service	D-21	355,488	355,488
Fund Balance	D	<u>8,027</u>	<u>8,027</u>
Total Capital Fund		<u>81,673,527</u>	<u>80,871,399</u>
Total Liabilities, Reserves & Fund Balance		<u>\$ 87,948,600</u>	<u>\$ 86,727,387</u>

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

**TOWNSHIP OF MEDFORD
WATER-SEWER UTILITY OPERATING FUND
STATEMENTS OF OPERATIONS AND CHANGE IN
OPERATING FUND BALANCE - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

	2016	2015
Revenue & Other Income Realized:		
Surplus Anticipated	\$ 901,173	\$ 700,693
Water & Sewer Rents	6,473,180	6,378,957
Miscellaneous	1,072,589	1,468,965
Other Credits to Income:		
Cancel Prior Year Accounts Payable	-	10,480
Unexpended Balance of Appropriation Reserves	252,710	60,294
	8,699,652	8,619,389
Total Income	8,699,652	8,619,389
Expenditures:		
Budget Appropriations:		
Operating	3,691,104	3,599,582
Capital Improvements	1,671,350	53,500
Debt Service	2,784,546	2,868,067
Deferred Charges & Statutory Expenditures	226,619	265,318
	8,373,619	6,786,467
Total Expenditures	8,373,619	6,786,467
Statutory Excess to Fund Balance	326,033	1,832,922
Fund Balance January 1	3,524,974	2,392,745
	3,851,007	4,225,667
Total	3,851,007	4,225,667
Less: Utilized by Operating Budget	901,173	700,693
	2,949,834	3,524,974
Balance December 31	\$ 2,949,834	\$ 3,524,974

**STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2016**

	ANTICIPATED BUDGET	REALIZED	EXCESS OR (DEFICIT)
Surplus Anticipated	\$ 901,173	\$ 901,173	-
Water & Sewer Rents	6,300,000	6,473,180	173,180
Miscellaneous	1,200,000	1,072,589	(127,411)
	8,401,173	8,446,942	45,769
Total Revenues	\$ 8,401,173	\$ 8,446,942	\$ 45,769

ANALYSIS OF MISCELLANEOUS REVENUES

Miscellaneous Receipts:			
Interest on Deposits	\$ 25,005		
Connection Fees		1,001,575	
Penalties		29,374	
Other		15,867	\$ 1,071,821
		694	
Due from Water & Sewer Utility Capital Fund:			
Interest on Deposits		694	
Due from Sewer Connection Fee Trust Fund:			
Interest on Deposits		74	768
		74	768
			\$ 1,072,589

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

**TOWNSHIP OF MEDFORD
WATER-SEWER UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2016**

	APPROPRIATIONS				UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
			PAID	ENCUMBRANCES	
Operating:					
Salaries & Wages	\$ 769,579	\$ 769,579	\$ 737,180	\$ -	\$ 32,399
Other Expenses	2,859,380	2,921,525	2,597,769	303,610	20,146
Capital Improvements:					
Capital Improvement Fund	1,587,350	1,587,350	1,587,350	-	-
Capital Outlay	109,000	84,000	28,679	54,477	844
Debt Service:					
Payment of Bond & Loan					
Principal	2,074,261	2,074,261	2,074,261	-	-
Interest on Bonds & Loans	737,839	737,839	710,285	-	27,554
Statutory Expenditures:					
Contribution to:					
Public Employees					
Retirement System	91,764	91,764	91,764	-	-
Retiree Health Benefits	112,000	74,855	36,488	-	38,367
Social Security System					
(O.A.S.I.)	60,000	60,000	54,911	-	5,089
Total Expenditures	\$ 8,401,173	\$ 8,401,173	\$ 7,918,687	\$ 358,087	\$ 96,845
Accrued Interest on Bonds & Loans					
Refunds					
Due to Utility Capital					
Cash Disbursed					
		\$	(19,679)		
			(22,390)		
			1,587,350		
			6,373,406		
Total		\$	7,918,687		

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

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

ASSETS	<u>2016</u>	<u>2015</u>
Land & Buildings	\$ 30,286,100	\$ 30,286,100
Equipment & Vehicles	<u>13,368,551</u>	<u>12,597,312</u>
Total	<u>\$ 43,654,651</u>	<u>\$ 42,883,412</u>
 FUND BALANCE		
Investment in General Fixed Assets	<u>\$ 43,654,651</u>	<u>\$ 42,883,412</u>

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

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**TOWNSHIP OF MEDFORD
COUNTY OF BURLINGTON**

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

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TOWNSHIP OF MEDFORD

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

Note 1: Summary of Significant Accounting Policies

Description of Financial Reporting Entity - The Township of Medford was incorporated in January, 1929 and is located in southwest New Jersey approximately twenty miles southeast of the City of Philadelphia. The population according to the 2010 census is 23,033.

The Township has a Mayor-Council form of government known as the Mayor-Council Plan E under the Optional Municipal Charter Law of 1960, popularly known as the Faulkner Act. There are five Council Members each elected to four-year terms. The Mayor is elected annually by the five Council Members. Administrative responsibility falls under the Township.

Component Units - The Township of Medford had no component units as defined by Governmental Accounting Standards Board Statement No. 14, as amended by GASB Statements No. 39 and 61.

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

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

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

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

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

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

Water and Sewer Assessment Trust Fund - The Water and Sewer Assessment Trust Fund accounts for the receipt and disbursement of funds for special assessments levied on specific property owners.

Sewer Connection Fee Trust Fund - The Sewer Connection Fee Trust Fund accounts for the receipt and disbursement of funds for the issuance of sewer connection permits.

TOWNSHIP OF MEDFORD

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

Note 1: Summary of Significant Accounting Policies (continued)

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

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

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

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

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

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

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

Interfunds - Interfund receivables and payables that arise from transactions between funds are recorded by all funds affected by such transactions in the period in which the transaction is executed. Interfund receivables in the Current Fund are recorded with offsetting reserves which are created by charges to

TOWNSHIP OF MEDFORD

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

Note 1: Summary of Significant Accounting Policies (continued)

operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves.

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

General Fixed Assets - Accounting for Governmental Fixed Assets, as required by *N.J.A.C.5:30-5.6*, differs in certain respects from accounting principles generally accepted in the United States of America. In accordance with the regulations, all local units, including municipalities, must maintain a general fixed assets reporting system that establishes and maintains a physical inventory of nonexpendable, tangible property as defined and limited by the U.S. Office of Management and Budget Circular A-87 (Attachment B, Section 19), except that the useful life of such property is at least five years. The Township has adopted a capitalization threshold of \$1,000. Generally, assets are valued at historical cost; however, assets acquired prior to December 31, 1985 are valued at actual historical cost or estimated historical cost. No depreciation of general fixed assets is recorded. Donated general fixed assets are recorded at their estimated fair market value on the acquisition date. Interest costs relative to the acquisition of general fixed assets are recorded as expenditures when paid. Public domain ("infrastructure") general fixed assets consisting of certain improvements such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. Expenditures for construction in progress are recorded in the Capital Funds until such time as the construction is completed and put into operation. The Township is required to maintain a subsidiary ledger detailing fixed assets records to control additions, retirements and transfers of fixed assets. In addition, a Statement of General Fixed Assets, reflecting the activity for the year, must be included in the Township's basic financial statements.

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

Utility Fixed Assets - Property and equipment purchased by a utility fund are recorded in the utility capital account at cost and are adjusted for disposition and abandonment. The amounts shown do not represent replacement cost or current value. The Reserve for Amortization and Deferred Reserve for Amortization accounts in the utility capital fund represent charges to operations for the cost of acquisition of property and equipment and improvements and contributed capital.

Foreclosed Property - Foreclosed property is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved. Ordinarily it is the intention of the municipality to resell foreclosed property in order to recover all or a portion of the delinquent taxes or assessments and to return the property to a taxpaying basis. For this reason the value of foreclosed property has not been included in the General Fixed Assets Account Group. If such property is converted to a municipal use, it will be recorded in the General Fixed Assets Account Group.

TOWNSHIP OF MEDFORD

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

Note 1: Summary of Significant Accounting Policies (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.

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

Fund Balance - Fund Balances included in the current fund and utility operating fund represent amounts available for anticipation as revenue in future year's budgets, with certain restrictions.

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

Property Tax Revenues - Property tax revenues are collected in quarterly installments due February 1, May 1, August 1, and November 1. The amount of tax levied includes not only the amount required in support of the Township's annual budget, but also the amounts required in support of the budgets of the County of Burlington. Township of Medford School District and the Lenape Regional High School District. Unpaid property taxes are subject to tax sale in accordance with the statutes.

School Taxes - The municipality is responsible for levying, collecting and remitting school taxes for the Township of Medford School District and the Lenape Regional High School District. Operations is charged for the full amount required to be raised from taxation to operate for both the local school district and the regional high school district the Township's share of the amount required to be raised by taxation for the period from July 1 to June 30, increased by the amount deferred at December 31, 2015 and decreased by the amount deferred at December 31, 2016.

County Taxes - The municipality is responsible for levying, collecting and remitting county taxes for the County of Burlington. Operations is charged for the amount due the County for the year, based upon the ratables required to be certified to the County Board of Taxation by January 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.

TOWNSHIP OF MEDFORD

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

Note 1: Summary of Significant Accounting Policies (continued)

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

Appropriations for principal payments on outstanding general capital 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.

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

Long-Term Debt - Long-Term Debt, relative to the acquisition of capital assets, is recorded as a liability in the General Capital and Utility Capital Funds. Where an improvement is a "local Improvement", i.e. assessable upon completion, long-term debt associated with that portion of the cost of the improvement to be funded by assessments is transferred to the Trust Fund upon the confirmation of the assessments or when the improvement is fully and permanently funded.

Compensated Absences and Postemployment Benefits - Compensated absences for vacation, sick leave and other compensated absences are recorded and provided for in the annual budget in the year in which they are paid, on a pay-as-you-go basis. Likewise, no accrual is made for postemployment benefits, if any, which are also funded on a pay-as-you-go basis.

Sewer Connection Fee Trust Fund - Sewer connection permits that have been issued and paid to the Township prior to the issuance of a certificate of occupancy are deposited into a Sewer Connection Fee Trust Fund. Upon the issuance of a certificate of occupancy, the sewer connection permit fees are transferred to the Water and Sewer Utility Operating Fund and realized as revenue.

Impact of Recently Issued Accounting Principles

Adopted Accounting Pronouncements

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

TOWNSHIP OF MEDFORD

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

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

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

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

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

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

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

Recently Issued Accounting Pronouncements

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

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

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

TOWNSHIP OF MEDFORD

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

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

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

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

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

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

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

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

Subsequent Events - The Township has evaluated subsequent events occurring after December 31, 2016 through the date of May 16, 2017, which is the date the financial statements were available to be issued.

TOWNSHIP OF MEDFORD

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

Note 2: Cash and Cash Equivalents

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

As of December 31, 2016, the Township’s bank balances of \$27,345,890 were exposed to custodial credit risk as follows:

Insured	\$	500,000
Uninsured and uncollateralized		9,312,090
Collateralized in the Authority's Name Under GUDPA		17,533,800
 Total	 \$	 <u><u>27,345,890</u></u>

Note 3: Interfund Receivables and Payables

The following interfund balances were recorded on the various statements of assets, liabilities, reserves and fund balance as of December 31, 2016:

	Due From	Due To
Current Fund	\$ 180,162	\$ 302,521
Federal and State Grant Fund	-	172,186
Open Space Trust	274,745	-
Trust Other	9,030	7,976
Utility Operating Fund	18,746	1,571,485
Utility Capital Fund	1,571,485	-
	\$ 2,054,168	\$ 2,054,168

The purpose of these interfunds is short-term borrowings.

TOWNSHIP OF MEDFORD

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

Note 3: Interfund Receivables and Payables (continued):

The summary of interfund transfers follows:

Fund	Transfers In	Transfers Out
Current Fund	\$ 5,028,978	\$ 4,650,698
Federal and State Grant Fund	-	42,199
Open Space Trust	895,530	481,370
Animal Control Trust	-	30
Trust Other	89,158	102,172
General Capital	-	799,479
Utility Operating Fund	3,666,010	3,603,729
Utility Capital Fund	759	759
	<u>\$ 9,680,435</u>	<u>\$ 9,680,435</u>

The purpose of interfund transfers were for the liquidation of prior year interfund receivables and payables and for payments made on behalf of other funds.

Note: 4: Property Taxes

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

Comparison of Tax Rate Information

	2016	2015	2014
Total Tax Rate	<u>\$3.092</u>	<u>\$3.046</u>	<u>\$2.953</u>
Apportionment of Tax Rate:			
Municipal	0.410	0.411	0.411
County	0.447	0.435	0.403
Local School	1.465	1.450	1.422
Regional High School	0.740	0.720	0.687
Municipal Open Space	0.030	0.030	0.030

Net Valuation Taxable:

2016	<u>\$2,985,099,633</u>
2015	<u>\$2,972,790,205</u>
2014	<u>\$2,970,853,153</u>

TOWNSHIP OF MEDFORD

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

Note 4: Property Taxes (continued):

Comparison of Tax Levies and Collection Currently

YEAR	TAX LEVY	CASH COLLECTIONS	PERCENTAGE OF COLLECTION
2016	\$ 93,069,111	\$ 92,054,528	98.90%
2015	91,626,530	90,516,057	98.78%
2014	88,484,212	87,367,500	98.73%

Delinquent Taxes and Tax Title Liens

YEAR ENDED DECEMBER 31	AMOUNT OF TAX TITLE LIENS	AMOUNT OF DELINQUENT TAXES	TOTAL DELINQUENT	PERCENTAGE OF TAX LEVY
2016	\$ 302,713	\$ 1,001,198	\$ 1,303,911	1.40%
2015	275,481	898,511	1,173,992	1.28%
2014	441,535	1,021,763	1,463,298	1.65%

Note 5: Property Acquired By Tax Title Lien Liquidation

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

YEAR	AMOUNT
2016	\$ 688,300
2015	962,500
2014	371,400

Note 6. Pension Obligations

A. Public Employees' Retirement System (PERS)

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

TOWNSHIP OF MEDFORD

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

Note 6. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS) (continued):

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

The following represents the membership tiers for PERS:

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

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

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

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

TOWNSHIP OF MEDFORD

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

Note 6. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS) (continued):

liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

Components of Net Pension Liability - At December 31, 2016, the Municipality reported a liability of \$8,621,944 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2016. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. The Municipality's proportion of the net pension liability was based on the Municipality's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2016. The Municipality's proportion measured as of June 30, 2016, was .02911%, which was a decrease of .00382% from its proportion measured as of June 30, 2015.

Collective Balances at December 31, 2016 & December 31, 2015

Actuarial Valuation Date (including roll Forward)	<u>12/31/16</u> June 30, 2016	<u>12/31/15</u> June 30, 2015
Deferred Outflows of Resources	2,298,847	1,000,276
Deferred Inflows of Resources	871,217	440,439
Net Pension Liability	8,621,944	7,391,768
 Municipality's Portion of the Plan's Total Net Pension Liability	 0.02911%	 0.03293%

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

TOWNSHIP OF MEDFORD

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

Note 6. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS) (continued):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ 160,342	\$ -
Changes of Assumptions	1,786,006	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	328,763	-
Changes in Proportion and Differences between Municipality Contributions and Proportionate Share of Contributions	23,736	871,217
	\$ 2,298,847	\$ 871,217

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

Year Ending	
<u>Dec 31,</u>	<u>PERS</u>
2017	\$ 329,996
2018	329,998
2019	421,321
2020	352,901
2021	(6,584)
	\$ 1,427,632

TOWNSHIP OF MEDFORD

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

Note 6. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS) (continued):

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2014	-	5.00
June 30, 2015	-	5.00
June 30, 2016	5.00	-
Changes in Proportion and Differences between Municipality Contributions and Proportionate Share of Contributions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	6.44
June 30, 2015	5.72	5.72
June 30, 2016	5.57	5.57

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

TOWNSHIP OF MEDFORD

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

Note 6. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS) (continued):

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

Pre-retirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Post-retirement mortality rate were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on the mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scales. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

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

TOWNSHIP OF MEDFORD

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

Note 6. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS) (continued):

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.65% at June 30, 2016) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2016 are summarized in the following table:

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

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

TOWNSHIP OF MEDFORD

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

Note 6. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS) (continued):

Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2034. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2034 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

	1% Decrease (2.98%)	Current Discount Rate (3.98%)	1% Increase (4.98%)
Municipality's proportionate share of the Net Pension Liability and the State's Proportionate Share of the Net Pension Liability associated with the Municipality	\$ 10,565,186	\$ 8,621,944	\$ 7,017,629

B. Police and Firemen's Retirement System (PFRS)

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

The vesting and benefit provisions are set by N.J.S.A. 43:16A. PFRS provides retirement as well as death and disability benefits. All benefits vest after ten years of service, except disability benefits which vest after four years of service.

The following represents the membership tiers for PFRS:

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

Service retirement benefits are available at age 55 and are generally determined to be 2% of final compensation for each year of creditable service, as defined, up to 30 years plus 1% for each year of service in excess of 30 years. Members may seek special retirement after achieving 25 years of creditable

TOWNSHIP OF MEDFORD

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

Note 6. Pension Obligations (continued):

B. Police and Firemen's Retirement System (PFRS) (continued):

service, in which benefits would equal 65% (tiers 1 and 2 members) and 60% (tier 3 members) of final compensation plus 1 % for each year if creditable service over 25 years but not to exceed 30 years. Members may elect deferred retirement benefits after achieving ten years of service, in which case benefits would begin at age 55 equal to 2% of final compensation for each year of service.

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

Contributions - The contribution policy for PFRS is set by *N.J.S.A. 43:16A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's contribution amount is based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. For fiscal year 2016, the State contributed an amount less than the actuarially determined amount. The Local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PFRS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. Municipality contributions to PFRS amounted to \$821,645 for 2016.

The employee contributions for PFRS are 10.00% of employees' annual compensation, as defined.

Net Pension Liability and Pension Expense - At December 31, 2016, the Municipality's proportionate share of the PFRS net pension liability is valued to be \$19,250,263. The net pension liability was measured as of June 30, 2016. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2015, to the measurement date of June 30, 2016. The Municipality's proportion of the net pension liability was based on the Municipality's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2016. The Municipality's proportion measured as of June 30, 2016, was .10078%, which was a decrease of .00016% from its proportion measured as of June 30, 2015.

TOWNSHIP OF MEDFORD

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

Note 6. Pension Obligations (continued):

B. Police and Firemen’s Retirement System (PFRS) (continued):

Collective Balances at December 31, 2016 & December 31, 2015

	<u>12/31/16</u> June 30, 2016	<u>12/31/15</u> June 30, 2015
Actuarial Valuation Date (including roll Forward)		
Deferred Outflows of Resources	\$ 4,192,406	\$ 3,333,933
Deferred Inflows of Resources	144,387	437,598
Net Pension Liability	19,250,263	16,811,658
Municipality's Portion of the Plan's Total Net Pension Liability	0.10077%	0.10093%

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ -	\$ 126,188
Changes of Assumptions	2,666,320	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	1,348,827	-
Changes in Proportion and Differences between Municipality Contributions and Proportionate Share of Contributions	<u>177,259</u>	<u>18,199</u>
	<u>\$ 4,192,406</u>	<u>\$ 144,387</u>

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

TOWNSHIP OF MEDFORD

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

Note 6. Pension Obligations (continued):

B. Police and Firemen’s Retirement System (PFRS) (continued):

Year Ending	<u>Dec 31,</u>	<u>PFRS</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
2017	\$	981,399		
2018		981,400		
2019		1,301,689		
2020		755,102		
2021		<u>28,430</u>		
		<u>\$ 4,048,020</u>		
Differences between Expected and Actual Experience				
Year of Pension Plan Deferral:				
June 30, 2014			-	-
June 30, 2015			-	5.53
June 30, 2016			-	5.58
Changes of Assumptions				
Year of Pension Plan Deferral:				
June 30, 2014			6.17	-
June 30, 2015			5.53	-
June 30, 2016			5.58	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments				
Year of Pension Plan Deferral:				
June 30, 2014			-	5.00
June 30, 2015			-	5.00
June 30, 2016			5.00	-
Changes in Proportion and Differences between Municipality Contributions and Proportionate Share of Contributions				
Year of Pension Plan Deferral:				
June 30, 2014			6.17	6.17
June 30, 2015			5.53	5.53
June 30, 2016			5.58	5.58

TOWNSHIP OF MEDFORD

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

Note 6. Pension Obligations (continued):

B. Police and Firemen’s Retirement System (PFRS) (continued):

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

Additionally, the State’s proportionate share of the net pension liability attributable to the Municipality is \$1,616,545 as of December 31, 2016. The net pension liability was measured as of June 30, 2016. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2015, to the measurement date of June 30, 2016. The State’s proportion of the net pension liability associated with the Municipality was based on a projection of the Municipality’s long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. The State’s proportion measured as of June 30, 2016 was .07395%, which was an increase of .00780% from its proportion measured as of June 30, 2015, which is the same proportion as the Municipality’s.

Municipality's Proportionate Share of the Net Pension Liability	\$	19,250,263
State's Proportionate Share of the Net Pension Liability Associated with the Municipality		1,616,545
Total Net Pension Liability	\$	20,866,808

For the year ended December 31, 2016, the Municipality’s total allocated pension expense was \$2,108,567.

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

TOWNSHIP OF MEDFORD

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

Note 6. Pension Obligations (continued):

B. Police and Firemen’s Retirement System (PFRS) (continued):

	<u>PFRS</u>
Inflation	3.08%
Salary Increases:	
Through 2026	2.10% - 8.98% Based on Age
Thereafter	3.10% - 9.98% Based on Age
Investment Rate of Return	7.65%
Mortality Rate Table	RP-2000
Period of Actuarial Experience	
Study upon which Actuarial	
Assumptions were Based	July 1, 2010 - June 30, 2013

Pre-retirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary’s modified MP-2014 projection scale. Post-retirement mortality rate were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on the mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary’s modified MP-2014 projection scales. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2013.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.65% at June 30, 2016) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PFRS’s target asset allocation as of June 30, 2016 are summarized in the following table:

TOWNSHIP OF MEDFORD

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

Note 6. Pension Obligations (continued):

B. Police and Firemen’s Retirement System (PFRS) (continued):

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

Discount Rate - The discount rate used to measure the total pension liability was 5.55% as of June 30, 2016. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.65%, and a municipal bond rate of 2.85% as of June 30, 2016 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 30% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2050. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2050 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the Municipality’s proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the Municipality’s proportionate share of the net pension liability calculated using the discount rate as disclosed above, as well as what the Municipality’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.55%) or 1-percentage-point higher (6.55%) than the current rate:

	1% Decrease (4.55%)	Current Discount Rate (5.55%)	1% Increase (6.55%)
Municipality's proportionate share of the Net Pension Liability and the State's Proportionate Share of the Net Pension Liability associated with the Municipality	\$ 24,821,803	\$ 19,250,263	\$ 14,707,008

TOWNSHIP OF MEDFORD

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

Note 6. Pension Obligations (continued):

C. Defined Contribution Retirement Program

The Defined Contribution Retirement Program (DCRP) is a cost-sharing multiple-employer defined contribution pension fund which was established in 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (N.J.S.A 43:15C-1 et. seq.) and expanded under the provisions of Chapter 89, P.L. 2008 and Chapter 1, P.L. 2010. The DCRP provides eligible members, and their beneficiaries, with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by *N.J.S.A.43:15C-1* et. seq.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the Township's contribution amounts for each pay period are transmitted to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period.

Related Party Investments - The Division of Pensions and Benefits does not invest in securities issued by the Township.

Note 7: Other Post Employment Benefits

Plan Description

The Township contributes to the State Health Benefits Program (S.H.B.P.), a cost-sharing, multiple employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. S.H.B.P. was established in 1961 under N.J.S.A.52:14-17.25 et seq., to provide health benefits to State employees, retirees, and their dependents. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. S.H.B.P. provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents.

The S.H.B.P. was extended to employees, retirees, and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the S.H.B.P.

The Township's defined benefit postemployment healthcare plan provides post employment health care benefits, at its cost, to certain retired employees. The Township will cover the entire cost of post-retirement health benefits for the retirees and his/her dependents only when the employee has worked twenty-five (25) or more years in a State or locally administered retirement system and twenty (20) continuous years or more of service with the Township of Medford. Post-retirement benefits included Medicare reimbursement.

The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the S.H.B.P. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the S.H.B.P. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295 or by visiting their website at www.state.nj.us/treasury/pensions/.

TOWNSHIP OF MEDFORD

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

Note 7: Other Post Employment Benefits (continued)

Funding Policy

Participating employers are contractually required to contribute based on the amount of premiums attributable to their retirees. Post-retirement medical benefits under the plan have been funded on a pay-as-you-go basis since 1994. Prior to 1994, medical benefits were funded on an actuarial basis.

Contributions to pay for the health premiums of participating retirees in the S.H.B.P. are billed to the Township on a monthly basis.

Note 8: Compensated Absences

Township employees are entitled to paid vacation and comp-time depending upon their length of service with the Township. Vacation days not used during the year may be accumulated and carried forward to the next succeeding year. Vacation days carried forward must be used in the next succeeding year or be forfeited. Vacation time unused is reimbursed to the employee at their current rate of pay upon termination. Comp-time may be carried forward to succeeding years up to a maximum of 480 hours for police employees and 240 hours for all other employees. Comp-time unused is reimbursed to the employee at their current rate of pay upon termination. Sick time is accumulated and carried forward to succeeding years but is not reimbursed to employees upon termination. The Township does not record accrued expenses related to compensated absences. However, it is estimated that, at December 31, 2016:

Vacation	\$	344,366
Comp		43,061
Employer Share of Payroll Taxes		<u>29,638</u>
Total	<u>\$</u>	<u>417,065</u>

Note 9: Length of Service Awards Program

The Township's Length of Service Awards Program (LOSAP) was created by a Township Ordinance adopted on August 27, 2002 pursuant to Section 457 (e)(11)(13) of the Internal Service Code of 1986, as amended, except for provisions added by reason of the Length of Service Award Program as enacted into federal law in 1997. The voters of the Township of Medford approved the adoption of the LOSAP at the general election held on November 5, 2002, and the first year of eligibility for entrance into the LOSAP by qualified volunteers was calendar year 2003. The LOSAP provides tax deferred income benefits to active volunteer firefighters and emergency medical personnel.

As required by *N.J.A.C.5:30-14.49*, the Township must have an annual review of its LOSAP performed in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

Note 10: Sanitary Landfill Escrow Closure Fund

The Township of Medford operates a municipal landfill located in the southern part of the Township. The Sanitary Landfill Facility Closure and Contingency Fund Act of 1981 was enacted to provide funding, during the life of the landfill, of costs associated with the closure of sanitary landfills. The Act requires the owner or operator of every sanitary landfill to establish an escrow account for closure and deposit, on

TOWNSHIP OF MEDFORD

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

Note 10: Sanitary Landfill Escrow Closure Fund (continued):

a monthly basis, an amount equal to \$1.00 per ton of solid waste accepted for disposal. No withdrawals may be made from the fund without written approval from the State Department of Environmental Protection and Energy.

At December 31, 2016, it is estimated that the landfill has reached 100% of its holding capacity. However, the escrow closure fund balance at year-end does not necessarily represent the estimated cost of closure as of that date. The required balance of the fund merely represents the amount required to be escrowed in accordance with the statute. Actual costs associated with closure are not known.

Note 11. Fixed Assets

The following schedule is a summarization of the changes in General Fixed Assets for the fiscal year ended December 31, 2016:

	Balance December 31, <u>2015</u>	<u>Additions</u>	<u>Deletions</u>	Balance December 31, <u>2016</u>
Land & Buildings	\$ 30,286,100	\$ -	\$ -	\$ 30,286,100
Furniture & Equipment	<u>12,597,312</u>	<u>1,046,848</u>	<u>275,609</u>	<u>13,368,551</u>
Total	<u>\$ 42,883,412</u>	<u>\$ 1,046,848</u>	<u>\$ 275,609</u>	<u>\$ 43,654,651</u>

Note 12: Capital Debt

Summary of Debt:

	<u>2016</u>	<u>2015</u>	<u>2014</u>
<u>Issued</u>			
General Bonds, Loans and Notes	\$ 21,974,369	\$ 22,831,382	\$ 23,377,118
Water/Sewer Utility Capital Bonds, Loans and Notes	<u>25,428,370</u>	<u>27,502,632</u>	<u>28,164,170</u>
Total Debt Issued	<u>47,402,739</u>	<u>50,334,014</u>	<u>51,541,288</u>
 Authorized But Not Issued			
General Bonds and Notes	3,309,838	3,309,838	4,640,925
Water/Sewer Utility Bond and Notes	<u>794,339</u>	<u>794,339</u>	<u>1,542,358</u>
Total Authorized But Not Issued	<u>4,104,177</u>	<u>4,104,177</u>	<u>6,183,283</u>
Total Bonds and Notes Issued and Authorized But Not Issued	<u>\$ 51,506,916</u>	<u>\$ 54,438,191</u>	<u>\$ 57,724,571</u>

TOWNSHIP OF MEDFORD

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

Note 12: Capital Debt (continued):

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

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 0.780%

	GROSS DEBT	DEDUCTIONS	NET DEBT
Regional High School District	\$ 10,989,744	\$ 10,989,744	\$ -
Local School District Debt	20,835,000	20,835,000	-
Water & Sewer Utility Debt	26,222,710	26,222,710	-
General Debt	25,079,207	-	25,079,207
Total	\$ 83,126,661	\$ 58,047,454	\$ 25,079,207

Net Debt, \$25,079,207 divided by Equalized Valuation Basis per N.J.S.A.40A:2-2, as amended, \$3,215,228,283 equals 0.780%.

Borrowing Power Under 40A:2-6:

3 1/2% of Equalized Valuation Bases (Municipal)	\$ 112,532,990
Net Debt	<u>25,079,207</u>
Remaining Borrowing Power	<u>\$ 87,453,783</u>

Calculation of Self-Liquidating Purpose - Water-Sewer Utility per N.J.S.40A:2-45

Cash Receipts From Fees, Rents & Other Charges	<u>\$ 8,446,942</u>
Deductions:	
Operating & Maintenance Costs	\$ 3,917,723
Debt Service per Water & Sewer Utility Operating Fund	<u>2,784,546</u> 6,702,269
Excess Revenue - Self Liquidating	<u>\$ 1,744,673</u>

TOWNSHIP OF MEDFORD

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

Note 12: Capital Debt (continued):

General Debt - Bonds:

<u>Calendar Year</u>	<u>General Debt - Bonds</u>		
	<u>Interest</u>	<u>Principal</u>	<u>Total</u>
2017	530,576	3,213,000	3,743,576
2018	426,316	3,225,800	3,652,116
2019	321,800	1,318,600	1,640,400
2020	295,219	1,255,000	1,550,219
2021	270,119	870,000	1,140,119
2022-2026	1,053,769	4,510,000	5,563,769
2027-2031	531,219	3,255,000	3,786,219
2032-2033	137,688	1,455,000	1,592,688
	<u>\$ 3,566,706</u>	<u>\$ 19,102,400</u>	<u>\$ 22,669,106</u>

Green Acres Loans:

<u>Calendar Year</u>	<u>General Debt - Green Acres</u>		
	<u>Interest</u>	<u>Principal</u>	<u>Total</u>
2017	\$ 4,296	\$ 121,355	\$ 125,651
2018	1,869	61,999	63,868
2019	629	31,465	32,094
	<u>\$ 6,794</u>	<u>\$ 214,819</u>	<u>\$ 221,613</u>

Bond Anticipati

	<u>December 31, 2015</u>	<u>Issued</u>	<u>Retired</u>	<u>December 31, 2016</u>
General Capital Fund	\$ -	\$ 2,657,150	\$ -	\$ 2,657,150
Total	<u>\$ -</u>	<u>\$ 2,657,150</u>	<u>\$ -</u>	<u>\$ 2,657,150</u>

Notes mature September 28, 2017 @ 2.00 %.

TOWNSHIP OF MEDFORD

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

Note 12: Capital Debt (continued):

Water & Sewer Utility Bonds:

Calendar Year	Water & Sewer Bonds		
	Interest	Principal	Total
2017	\$ 323,649	\$ 960,000	\$ 1,283,649
2018	298,889	980,200	1,279,089
2019	273,463	1,055,400	1,328,863
2020	244,569	988,000	1,232,569
2021	217,169	863,000	1,080,169
2022-2026	712,463	3,827,000	4,539,463
2027-2031	805,238	1,375,000	2,180,238
2032-2035	38,325	555,000	593,325
	<u>\$ 2,913,765</u>	<u>\$ 10,603,600</u>	<u>\$ 13,517,365</u>

Water & Sewer Loans Payable:

Calendar Year	Water & Sewer Loans		
	Interest	Principal	Total
2017	\$ 376,838	\$ 1,071,338	\$ 1,448,176
2018	351,587	1,089,280	1,440,867
2019	325,337	1,114,450	1,439,787
2020	303,312	1,139,376	1,442,688
2021	275,163	1,173,518	1,448,681
2022-2026	910,449	5,843,448	6,753,897
2027-2030	175,133	3,393,360	3,568,493
	<u>\$ 2,717,819</u>	<u>\$ 14,824,770</u>	<u>\$ 17,542,589</u>

Note 13. Special Emergency Notes

At December 31, 2016, the Township had the following outstanding special emergency notes:

Purpose	Maturity	Interest Rate	Amount
Current Fund:			
Revaluation	5/18/2017	1.10%	<u>\$ 140,000</u>
Total			<u>\$ 140,000</u>

TOWNSHIP OF MEDFORD

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

Note 14. Deferred Charges to be Raised in Succeeding Budgets

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2016, the following deferred charges are shown on the statement of assets, liabilities, reserves and fund balance of the following fund(s):

	Balance Dec. 31, 2016	2017 Budget Appropriation
Grant Fund:		
Appropriation Overexpenditure	<u>\$ 36,856</u>	<u>\$ 36,856</u>
Total	<u><u>\$ 36,856</u></u>	<u><u>\$ 36,856</u></u>

The appropriations in the 2017 Budget as adopted are not less than that required by the statutes.

Note 15: School Taxes

The Medford Township School District and the Lenape Regional High School Tax has been raised and the liability deferred by statutes, resulting in the school tax payable set forth in the Current Fund liabilities as follows:

	Balance December 31,	
	2016	2015
Local School Tax		
Balance of Tax	\$ 21,806,025	\$ 21,497,942
Deferred	<u>19,507,879</u>	<u>19,507,879</u>
Local School Tax Payable	<u><u>\$ 2,298,146</u></u>	<u><u>\$ 1,990,063</u></u>
Regional School Tax		
Balance of Tax	\$ 11,036,028	\$ 10,709,471
Deferred	<u>8,516,977</u>	<u>8,516,977</u>
Regional School Tax Payable	<u><u>\$ 2,519,051</u></u>	<u><u>\$ 2,192,494</u></u>

Note 16: Reserve for Interest Rebate

The Tax Reform Act of 1986 placed restrictions on the investments of the proceeds of certain tax exempt bonds issued after December 31, 1986. Specifically, investment earnings which are above arbitrage bond yield are required to be rebated to the United States Treasury Department within sixty days of the end of the fifth bond year. A bond year is defined, at the option of the issuing entity, as either the date of the first anniversary of bond settlement.

TOWNSHIP OF MEDFORD

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

Note 16: Reserve for Interest Rebate (continued):

The Township of Medford has the following bond issues outstanding that require a rebate calculation:

Issue Date	Settlement Date	Amount
July 23, 2008	July 23, 2008	\$4,000,000
May 9, 2013	May 9, 2013	1,610,000

Note 17: Joint Insurance Pool

The Township of Medford is a member of the Professional Municipal Management Joint Insurance Fund. The Fund provides its members with the following coverage:

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

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

The Fund publishes its own financial report for the year ended December 31, 2016, which can be obtained from:

Burlington County Municipal Joint Insurance Fund
P.O. Box 325
Hammonton, New Jersey 08037

Note 18: 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	Township Contributions	Amount Reimbursed	Ending Balance
2016	\$ 23,758	\$ 13,734	\$ 95,813
2015	33,509	43,084	85,789
2014	62,102	8,973	95,364

TOWNSHIP OF MEDFORD

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

Note 19: Guarantor of Debt

In 2006, the Township became co-borrower of various loans for the reconstruction of several dams located within the Township. All of the loans were made from the New Jersey Department of Environmental Protection, Dam Restoration Loan Program. In the event the original borrower defaults on a loan the Township will be required to make the remaining payments. The terms of the loans are as follows:

Agreement Borrowers Name	Interest Date	Amount	Rate	Term
Old Taunton Colony Club	01/10/06	\$ 433,440.00	2.00%	20 Years
YMCA Camp Ockanickon, Inc.	01/10/06	1,809,000.00	2.00%	20 Years
Birchwood Lake Colony Club	01/24/06	2,340,000.00	2.00%	20 Years
Jewish Federation of Southern NJ	01/24/06	227,500.00	2.00%	20 Years

In addition, the Township acts as a fiduciary for the Birchwood Lakes Colony Club with regards to collecting the annual billings of their association for the repayment of their loan and then pays their debt service payments with the collections.

SUPPLEMENTARY EXHIBITS

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CURRENT FUND

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**TOWNSHIP OF MEDFORD
CURRENT FUND
SCHEDULE OF CURRENT CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2016**

	REGULAR	FEDERAL & STATE GRANT FUND
Balance December 31, 2015	\$ 9,649,988	\$ 375,547
Increased by Receipts:		
Taxes Receivable	\$ 92,227,363	\$ -
Prepaid Taxes	602,947	-
Petty Cash	400	-
Tax Title Liens Receivable	3,364	-
Proceeds from Special Emergency Note	140,000	-
Due State of New Jersey:		
Marriage License Fees	2,450	-
Senior Citizens & Verterans Deductions	175,460	-
Construction Code Fees	38,878	-
Miscellaneous Revenue		
Anticipated	5,980,578	-
Miscellaneous Revenue Not Anticipated	182,998	-
Refunds	323,786	-
Due Current Fund	-	722
Due Federal & State Grant Fund	37,570	-
Due General Capital Fund	299,477	-
Due from Animal Control	33	-
Due from Municipal Open Space	923,106	-
Due Trust Other	26,539	-
Reserve for:		
FEMA Funds	433	-
Election Funds	920	-
Municipal Court POAA	14	-
Public Safety Equipment	3,770	-
Federal & State Grants		
Receivable	-	341,985
Federal & State Grants Unappropriated	-	25,452
	100,970,086	368,159
Total Receipts		
Subtotal	110,620,074	743,706

**TOWNSHIP OF MEDFORD
CURRENT FUND
SCHEDULE OF CURRENT CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2016**

	REGULAR	FEDERAL & STATE GRANT FUND
Decreased by Disbursements:		
2016 Appropriations	17,422,394	-
2015 Appropriation Reserves	1,323,644	-
Due County - Added & Omitted Taxes	148,338	-
County Taxes Payable	12,288,483	-
County Library Taxes Payable	1,021,349	-
Local School Taxes Payable	43,418,205	-
Regional High School Taxes Payable	21,745,503	-
Municipal Open Space Tax Levy	899,137	-
Due State of New Jersey:		
Marriage License Fees	2,250	-
Construction Code Fees	41,270	-
Petty Cash Funds	800	-
Reserve for:		
FEMA	12,500	-
Election Funds	1,000	-
Purchase of Safety Equipment	3,770	-
PILOT	9,842	-
Due From Municipal Open Space	170,861	-
Due Current Fund	-	37,570
Due Grant Fund	722	-
Due Animal Control	3	-
Due Utility Operating	58,938	-
Refund of Tax Overpayments	34,892	-
Special Emergency Note Payable	280,000	-
Federal & State Grants Appropriated	-	554,609
	98,883,901	592,179
Balance December 31, 2016	\$ 11,736,173	\$ 151,527

EXHIBIT A-5

**SCHEDULE OF CHANGE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016**

OFFICE	AMOUNT
Tax Office	\$ 350
Municipal Court	200
Total	\$ 550

**TOWNSHIP OF MEDFORD
CURRENT FUND
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY
FOR THE YEAR ENDED DECEMBER 31, 2016**

YEAR	BALANCE DECEMBER 31, 2015	2016 LEVY	ADDED TAXES	COLLECTED 2015	2016	DUE FROM STATE OF NEW JERSEY	TRANSFER TO TITLE LIENS	CANCELED	BALANCE DECEMBER 31, 2016
Arrears 2014	\$ -	\$ -	\$ 66,445	\$ -	\$ 17,496	\$ -	\$ -	\$ -	\$ 48,949
2015	255	-	-	-	252	-	-	3	-
	898,256	-	-	-	873,745	(2,500)	8,346	18,665	-
Total 2016	898,511	-	66,445	-	891,493	(2,500)	8,346	18,668	48,949
	-	92,299,466	769,645	624,435	91,256,324	173,769	13,653	48,681	952,249
Total	\$ 898,511	\$ 92,299,466	\$ 836,090	\$ 624,435	\$ 92,147,817	\$ 171,269	\$ 21,999	\$ 67,349	\$ 1,001,198

ANALYSIS OF 2016 PROPERTY TAX LEVY

General Purpose Tax	\$ 92,299,466
Added & Omitted Taxes (54:4-6 et seq)	836,090
Total	\$ 93,135,556
TAX LEVY:	
Local District School Tax	\$ 43,726,288
Regional High School Tax	22,072,060
County Taxes:	
County Tax	\$ 10,980,359
County Library Tax	1,021,349
County Open Space Preservation	1,308,124
Due County for Added & Omitted Taxes	111,137
Local Open Space Tax	13,420,969
Due Open Space Trust Fund for Added & Omitted Taxes	895,530
Local Tax for Municipal Purposes	7,477
Add: Additional Taxes Levied	12,267,947
	745,285
Total	\$ 93,135,556

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

Balance December 31, 2015		\$	275,481
Increased by:			
Transfers From Taxes Receivable	\$	21,999	
Interest & Cost on Taxes		79	
Adjustment to Tax System		8,518	30,596
			<hr/>
Subtotal			306,077
Decreased by:			
Collections			<hr/>
			3,364
Balance December 31, 2016		\$	<hr/> <hr/> 302,713

TOWNSHIP OF MEDFORD
CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2016

	BALANCE DECEMBER 31, 2015	ACCRUED IN 2016	COLLECTED	BALANCE DECEMBER 31, 2016
Miscellaneous Revenue Anticipated:				
Licenses - Alcoholic Beverages	\$ -	\$ 20,688	\$ 20,688	\$ -
Fees & Permits - Other	-	212,927	212,927	-
Fines & Cost Municipal Court	14,419	194,149	198,194	10,374
Interest & Costs on Taxes	-	224,643	224,643	-
Interest on Investments & Deposits	-	61,357	61,357	-
Cable Television Fees	-	380,976	380,976	-
Emergency Medical Service Billing Income	-	581,352	581,352	-
Gardent State Trust Fund	-	9,842	9,842	-
Energy Receipts Tax	-	1,981,293	1,981,293	-
Uniform Construction Code Fees	-	605,611	605,611	-
Interlocal Services Agreement:				
Police Salaries-Lenape Regional High School	-	513,391	513,391	-
UCC - Medford Lakes	-	18,500	18,500	-
MCA - Medford Lakes	-	10,000	10,000	-
Liquidation of Reserve from General Capital Fund	-	500,000	500,000	-
Liquidation of Interfund - State & Federal Grants	-	50,529	50,529	-
FEMA Revenue	-	475,714	475,714	-
Payment in Lieu of Taxes	-	135,561	135,561	-
Total Anticipated Revenues	\$ 14,419	\$ 5,976,533	\$ 5,980,578	\$ 10,374

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

OPERATIONS	ENCUMBERED	RESERVED	BALANCE AFTER TRANSFERS	EXPENDED	BALANCE LAPSED
General Government Functions:					
General Administration:					
Office of the Manager:					
Salaries and Wages	\$ -	\$ 743	\$ 743	\$ 743	\$ -
Other Expenses	1,009	1,726	2,735	2,072	663
Human Resources:					
Salaries and Wages	-	211	211	-	211
Other Expenses	-	44	44	-	44
Mayor & Council:					
Salaries and Wages	-	-	-	-	-
Other Expenses	-	532	532	-	532
Municipal Clerk:					
Salaries and Wages	-	2,800	2,800	2,203	597
Other Expenses	19,546	1,636	21,182	20,992	190
Other Expenses-Elections	-	2,704	2,704	-	2,704
Financial Administration:					
Office of Treasurer:					
Salaries and Wages	-	22,955	12,955	1,699	11,256
Other Expenses	19,643	732	20,375	20,241	134
Audit Services	23,595	-	33,595	33,595	-
Revenue Administration:					
Salaries and Wages	-	3,974	3,974	1,641	2,333
Other Expenses	117	5,957	6,074	1,216	4,858
Division of Assessments:					
Salaries and Wages	-	5,792	5,792	1,850	3,942
Other Expenses	6,615	3,665	10,280	10,280	-
Legal Services & Costs:					
Other Expenses	86,970	2,164	89,134	80,450	8,684
Engineering Services & Costs:					
Other Expenses	4,519	4,147	8,666	8,666	-
Division of Planning:					
Salaries and Wages	-	7,064	7,064	2,127	4,937
Other Expenses	28,132	16,639	44,771	12,982	31,789
Division of Zoning:					
Other Expenses	2,093	16,032	18,125	3,624	14,501
Department of Public Safety:					
Police:					
Salaries and Wages	224	321,162	321,386	47,743	273,643
Other Expenses	190,147	3,071	193,218	188,225	4,993
Fire:					
Other Expenses	59,586	721	60,307	54,644	5,663
First Aid Organizations:					
Salaries and Wages	-	4,514	4,514	4,480	34
Other Expenses	42,638	25,804	68,442	31,594	36,848
Emergency Management Services:					
Other Expenses	-	1,057	1,057	-	1,057
Uniform Fire Safety Act: PL1983C.383):					
Salaries and Wages	-	5,196	5,196	5,172	24
Other Expenses	7,854	951	8,805	7,629	1,176
Prosecutor:					
Other Expenses - Contractual	4,225	1,100	5,325	4,225	1,100
Department of Public Works:					
Road Repairs & Maintenance:					
Salaries and Wages	-	3,326	3,326	1,512	1,814
Other Expenses	36,644	998	37,642	26,105	11,537
Snow Removal:					
Salaries and Wages	-	8,160	8,160	8,160	-
Other Expenses	10,879	6,066	16,945	16,945	-
Sanitation:					
Salaries and Wages	-	14,017	14,017	5,046	8,971
Other Expenses	395,156	8,233	403,389	395,459	7,930

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

OPERATIONS	ENCUMBERED	RESERVED	BALANCE AFTER TRANSFERS	EXPENDED	BALANCE LAPSED
Building & Grounds:					
Salaries and Wages	-	934	934	627	307
Other Expenses	45,909	3,892	49,801	41,586	8,215
Shade Tree Program:					
Other Expenses	2,073	4,077	6,150	-	6,150
Vehicle Maintenance:					
Salaries and Wages	-	4,982	4,982	1,759	3,223
Other Expenses	98,117	32,465	130,582	83,697	46,885
Parks & Recreation:					
Parks & Playgrounds:					
Salaries and Wages	-	14,172	14,172	1,233	12,939
Other Expenses	-	1,050	1,050	-	1,050
Landfill/Solid Waste Disposal	-	90,291	90,291	66,089	24,202
Community Services:					
Other Expenses	-	2,181	2,181	-	2,181
Municipal Court:					
Salaries and Wages	-	22,439	22,439	1,186	21,253
Other Expenses	983	4,109	5,092	1,951	3,141
Insurance:					
General Liability	-	2,520	2,520	-	2,520
Employee Group Insurance	-	93,073	93,073	224	92,849
Health Benefit Waivers	-	25,555	25,555	-	25,555
Retiree Health Benefits	-	609	609	76	533
Uniform Construction Code Appropriations					
Offset by Dedicated Revenues:					
Construction Code Official:					
Salaries and Wages	-	14,199	14,199	2,595	11,604
Other Expenses:					
Direct Costs	1,315	645	1,960	1,408	552
Unclassified:					
Celebration of Public Events, Anniversary or Holiday:					
Other Expenses	-	325	325	-	325
Utilities:					
Electric	-	19,359	19,359	3,690	15,669
Street Lighting	-	23,286	23,286	23,286	-
Telephone & Telegraph	-	32,208	32,208	754	31,454
Water & Sewer	-	22	22	-	22
Heating Gas/Oil	-	10,047	10,047	-	10,047
Gasoline/Diesel Fuel	57,287	88,332	145,619	52,119	93,500
Safety Supplies	846	-	846	280	566
Catatrophic Illness Fund	-	75	75	-	75
Statutory Expenditures:					
Public Employees Retirement System	-	172	172	172	-
Social Security System (O.A.S.I.)	-	12,035	12,035	6,989	5,046
Unemployment	-	20,000	20,000	-	20,000
OPERATIONS EXCLUDED FROM "CAPS":					
Recycling Tax	-	6,701	6,701	2,535	4,166
LOSAP	70,000	-	70,000	66,300	3,700
Total General Appropriations	\$ 1,216,122	\$ 1,033,648	\$ 2,249,770	\$ 1,359,876	\$ 889,894

Cash Disbursements	\$ 1,323,644
Accounts Payable	36,232
Total	<u>\$ 1,359,876</u>

**TOWNSHIP OF MEDFORD
CURRENT FUND
SCHEDULE OF TAX OVERPAYMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance December 31, 2015		\$ 22,028
Increased by:		
Overpayments Created in 2016:		
2016 Taxes	\$ 60,881	
Prior Year Taxes	18,665	79,546
		<hr/>
Subtotal		101,574
Decreased by:		
Refunded		<hr/> 34,892
Balance December 31, 2016		<u><u>\$ 66,682</u></u>

**SCHEDULE OF PREPAID TAXES
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance December 31, 2015 (2016 Taxes)		\$ 624,435
Increased by:		
Collections		<hr/> 602,947
Subtotal		1,227,382
Decreased by:		
Applied to 2016 Taxes Receivable		<hr/> 624,435
Balance December 31, 2016 (2017 Taxes)		<u><u>\$ 602,947</u></u>

**TOWNSHIP OF MEDFORD
CURRENT FUND
SCHEDULE OF DUE TO STATE OF NEW JERSEY
SENIOR CITIZENS & VETERANS DEDUCTIONS
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance December 31, 2015		\$	93,886
Increased by:			
Cash Received	\$	175,460	
Prior Year Veteran & Senior Citizens Disallowed		2,500	177,960
			<hr/>
Subtotal			271,846
Decreased by:			
2016 Levy - Deductions per Tax Billing		168,500	
2016 Veteran & Senior Citizens Allowed		5,269	173,769
			<hr/>
Balance December 31, 2016		\$	<u>98,077</u>

**TOWNSHIP OF MEDFORD
CURRENT FUND
SCHEDULE OF DUE COUNTY FOR ADDED & OMITTED TAXES
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance December 31, 2015	\$ 148,338
Increased by:	
County Share of 2016 Levy	<u>111,137</u>
Subtotal	259,475
Decreased by:	
Payments	<u>148,338</u>
Balance December 31, 2016	<u><u>\$ 111,137</u></u>

ANALYSIS OF BALANCE DECEMBER 31, 2016

Rollback Taxes (2014)	\$ 1,053
Rollback Taxes (2015)	2,332
Rollback Taxes (2016)	2,397
Added Taxes (2015)	2,606
Added Taxes (2016)	102,322
Omitted/Added Taxes (2015)	<u>427</u>
Total	<u><u>\$ 111,137</u></u>

**SCHEDULE OF DUE COUNTY TAXES
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance December 31, 2015	\$ -
Increased by:	
County Share of 2016 Levy	<u>13,309,832</u>
Subtotal	13,309,832
Decreased by:	
Payments	<u>13,309,832</u>
Balance December 31, 2016	<u><u>\$ -</u></u>

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

Balance December 31, 2015:		
School Tax Payable	\$ 1,990,063	
School Tax Deferred	<u>19,507,879</u>	\$ 21,497,942
Increased by:		
Fiscal Year Levy - 2016 to 2017		<u>43,726,288</u>
Subtotal		65,224,230
Decreased by:		
Cash Disbursements		<u>43,418,205</u>
Balance December 31, 2016:		
School Tax Payable	2,298,146	
School Tax Deferred	<u>19,507,879</u>	
Total		<u>\$ 21,806,025</u>
Local District School Tax Liability:		
Cash Payments		\$ 43,418,205
School Tax Payable December 31, 2016		<u>2,298,146</u>
Total		45,716,351
School Tax Payable December 31, 2015		<u>1,990,063</u>
Amount Charged to 2016 Operations		<u>\$ 43,726,288</u>

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

Balance December 31, 2015:		
School Tax Payable	\$ 2,192,494	
School Tax Deferred	<u>8,516,977</u>	\$ 10,709,471
Increased by:		
Fiscal Year Levy - 2016 to 2017		<u>22,072,060</u>
Subtotal		32,781,531
Decreased by:		
Cash Disbursements		<u>21,745,503</u>
Balance December 31, 2016:		
School Tax Payable	2,519,051	
School Tax Deferred	<u>8,516,977</u>	
Total		<u>\$ 11,036,028</u>
Local District School Tax Liability:		
Cash Payments		\$ 21,745,503
School Tax Payable December 31, 2016		<u>2,519,051</u>
Total		24,264,554
School Tax Payable December 31, 2015		<u>2,192,494</u>
Amount Charged to 2016 Operations		<u>\$ 22,072,060</u>

**TOWNSHIP OF MEDFORD
CURRENT FUND
SCHEDULE OF RESERVE FOR MUNICIPAL COURT - POAA
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance December 31, 2015	\$ 774
Increased by:	
Cash Receipts	<u>14</u>
Balance December 31, 2016	<u><u>\$ 788</u></u>

**SCHEDULE OF RESERVE FOR PURCHASE OF PUBLIC SAFETY EQUIPMENT
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance December 31, 2015	\$ 25,575
Increased by:	
Cash Receipts	<u>3,770</u>
Balance December 31, 2016	<u><u>\$ 29,345</u></u>

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

Balance December 31, 2015	\$ 2,332
Increased by:	
Cash Receipts	<u>920</u>
Subtotal	3,252
Decreased by:	
Cash Disbursements	<u>1,000</u>
Balance December 31, 2016	<u><u>\$ 2,252</u></u>

**TOWNSHIP OF MEDFORD
CURRENT FUND
SCHEDULE OF RESERVE FOR REVALUATION
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance December 31, 2015	\$ 4,159
Decreased by:	
Closing of Reserve	<u>4,159</u>
Balance December 31, 2016	<u><u>\$ -</u></u>

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

Balance December 31, 2015	\$ 1,029
Decreased by:	
Closing of Reserve	<u>1,029</u>
Balance December 31, 2016	<u><u>\$ -</u></u>

**SCHEDULE OF RESERVE FOR WORKERS COMPENSATION CLAIMS
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance December 31, 2015	\$ 31,231
Decreased by:	
Closing of Reserve	<u>31,231</u>
Balance December 31, 2016	<u><u>\$ -</u></u>

**TOWNSHIP OF MEDFORD
CURRENT FUND
SCHEDULE OF DUE TO STATE - CONSTRUCTION CODE FEES
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance December 31, 2015	\$ 10,607
Increased by:	
Cash Receipts	<u>38,878</u>
Subtotal	49,485
Decreased by:	
Cash Disbursements	<u>41,270</u>
Balance December 31, 2016	<u><u>\$ 8,215</u></u>

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

Balance December 31, 2015	\$ 425
Increased by:	
Cash Receipts	<u>2,450</u>
Subtotal	2,875
Decreased by:	
Cash Disbursements	<u>2,250</u>
Balance December 31, 2016	<u><u>\$ 625</u></u>

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

PROGRAM	BALANCE DECEMBER 31, 2015	2016 ANTICIPATED REVENUE	RECEIVED	TRANSFER FROM UNAPPROPRIATED RESERVES	ADJUSTMENT/ CANCELED	BALANCE DECEMBER 31, 2016
Federal Grants:						
Emergency Management Assistance Grant	\$ -	\$ 7,000	\$ 7,000	\$ -	\$ -	\$ -
Community Development Block Grant	130,000	-	65,000	-	-	65,000
National Priority Safety Programs	22,166	3,972	5,651	-	-	20,487
Total Federal Grants	152,166	10,972	77,651	-	-	85,487
State Grants:						
Clean Communities Program	53,503	-	53,503	-	-	-
Municipal Alliance on Alcohol & Drug Abuse	22,499	12,089	11,669	-	-	22,919
NJ Motor Vehicles Security & Customer Service Grant	49,981	96,742	99,962	-	-	46,761
NJ Historic Preservation Trust Grant	3,095	-	-	-	-	3,095
Recycling Tonnage Grant	-	62,120	50,841	-	-	11,279
Drive Sober or Get Pulled Over Grant	14,983	5,000	2,183	-	9,944	7,856
Advanced Training Award	-	1,500	1,500	-	-	-
Recreational Trails	-	24,000	-	-	-	24,000
NJ DOT	-	196,000	-	-	-	196,000
Municipal Park Development Grant	327,500	180,000	-	-	-	507,500
Total State Grants	471,561	577,451	219,658	-	9,944	819,410
Local Grants:						
Air Show	-	8,000	-	-	5,870	2,130
Medford Celebrates Grant	-	47,500	35,638	-	11,862	-
Taste of Medford	-	3,500	-	-	-	3,500
Halloween Parade Grant	14,523	16,500	-	-	18,758	12,265
Art, Wine & Musical Festival	-	3,500	3,500	-	-	-
Dickens Festival Grant	5,687	6,500	5,538	-	-	6,649
Total Local Grants	20,210	85,500	44,676	-	36,490	24,544
Total All Grants	\$ 643,937	\$ 673,923	\$ 341,985	\$ -	\$ 46,434	\$ 929,441

**TOWNSHIP OF MEDFORD
FEDERAL AND STATE GRANT FUND
SCHEDULE OF RESERVES FOR STATE GRANTS - UNAPPROPRIATED
FOR THE YEAR ENDED DECEMBER 31, 2016**

GRANT	BALANCE DECEMBER 31, 2015	RECEIVED	ANTICIPATED AS REVENUE	CANCELLED	BALANCE DECEMBER 31, 2016
State Grants:					
Clean Communities Grant	\$ -	\$ 21,874	\$ -	\$ -	\$ 21,874
Recycle Tonnage	122,616	-	-	-	122,616
Bulletproof Vest Partnership	2,550	3,147	-	-	5,697
Total State Grants	<u>125,166</u>	<u>25,021</u>	<u>-</u>	<u>-</u>	<u>150,187</u>
Local Grants:					
Art, Wine & Music Festival	-	431	-	-	431
Total Local Grants	<u>-</u>	<u>431</u>	<u>-</u>	<u>-</u>	<u>431</u>
Total Grants	<u>\$ 125,166</u>	<u>\$ 25,452</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 150,618</u>

**TOWNSHIP OF MEDFORD
FEDERAL AND STATE GRANT FUND
SCHEDULE OF RESERVES FOR STATE AND FEDERAL GRANTS
AND MATCHING FUNDS - APPROPRIATED
FOR THE YEAR ENDED DECEMBER 31, 2016**

	BALANCE DECEMBER 31, 2015	TRANSFERRED FROM 2016 BUDGET	PRIOR YEAR ENCUMBRANCES RECLASSIFIED	EXPENDED	RESERVE FOR ENCUMBRANCES	OVER- EXPENDED	CANCELED	BALANCE DECEMBER 31, 2016
Federal Grants:								
Emergency Management	\$ 7,213	\$ 7,000	\$ 1,997	\$ 13,348	\$ -	\$ -	\$ -	2,862
Bulletproof Vest Partnership	2,957	-	-	-	-	-	-	2,957
Community Development	92,300	-	-	65,000	-	-	-	27,300
Block Grant	-	-	-	-	-	-	-	-
Municipal Court Alcohol Education & Rehabilitation	-	-	462	-	-	-	-	462
NJ DEP National Recreation Trails Program	219	-	-	-	-	-	-	219
Over the Limit Under Arrest	3,007	-	-	-	-	-	-	3,007
National Priority Safety Programs	40,826	3,972	284	1,880	254	-	-	42,948
Body Armor Grant	16,658	-	-	5,580	-	-	-	11,078
Total Federal Grants	163,180	10,972	2,743	85,808	254	-	-	90,833
State Grants:								
Advanced Training Award	-	1,500	-	-	-	-	-	1,500
Clean Communities	76,563	-	12,493	67,054	4,861	-	-	17,141
Municipal Alliance on Alcohol & Drug Abuse	14,164	15,111	-	14,714	-	-	-	14,561
Recycling Tonnage	-	62,120	8,726	93,534	14,168	36,856	-	-
Recreational Trails	-	24,000	-	-	-	-	-	24,000
Municipal Park Development	-	180,000	-	-	-	-	-	180,000
NJ DOT	-	196,000	-	-	196,000	-	-	-
NJ Motor Vehicles Security & Customer Service Grant	146,723	96,742	-	109,604	-	-	-	133,861
Wal-Mart Foundation Grant	582	-	-	-	-	-	-	582
County Park Improvement	15,744	-	159,738	160,171	13	-	-	15,298
Firefighter Grant	86,782	-	-	-	80,631	-	-	6,151
Drive Sober or Get Pulled Over	13,204	5,000	-	2,775	-	-	9,944	5,485
Total State Grants	353,762	580,473	180,957	447,852	295,673	36,856	9,944	398,579
Local Grants:								
Air Show	-	8,000	-	2,130	-	-	5,870	-
Halloween Parade Grant	13,645	16,500	-	11,792	-	-	18,353	-
Dickens Festival Grant	5,148	6,500	-	5,467	-	-	-	6,181
Medford Celebrates	-	47,500	226	35,638	-	-	12,088	-
Taste of Medford	-	3,500	-	-	-	-	-	3,500
Art, Wine & Music Festival	207	3,500	-	3,492	-	-	215	-
Total Local Grants	19,000	85,500	226	58,519	-	-	36,526	9,681
Total All Grants	\$ 535,942	\$ 676,945	\$ 183,926	\$ 592,179	\$ 295,927	\$ 36,856	\$ 46,470	\$ 499,093
Original Budget	\$	109,731						
Appropriation by 40A.4-87		567,214						
Total		\$ 676,945						

**TOWNSHIP OF MEDFORD
FEDERAL AND STATE GRANT FUND
SCHEDULE OF DUE TO CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance December 31, 2015		\$ 225,701
Increased by:		
Receipts:		
Interfunds Liquidated	\$ 222,679	
Reimbursement of Prior Year Expenditures	36	
Interest Earned on Deposits	89	222,804
Subtotal		448,505
Decreased by:		
Interfund Advances		276,319
Balance December 31, 2016		<u>\$ 172,186</u>

**TOWNSHIP OF MEDFORD
CURRENT FUND
SCHEDULE OF SPECIAL EMERGENCY APPROPRIATIONS
(5 YEAR - N.J.S.40A:4-53)
FOR THE YEAR ENDED DECEMBER 31, 2016**

DESCRIPTION	ORIGINAL AMOUNT AUTHORIZED	1/5 OF AMOUNT AUTHORIZED	DATE	BALANCE DECEMBER 31, 2015	AUTHORIZED	BUDGET APPROPRIATION	BALANCE DECEMBER 31, 2016
Revaluation	\$ 700,000	\$ 140,000	03/21/2011	\$ 120,000	-	\$ 120,000	\$ -
				\$ 120,000	-	\$ 120,000	\$ -

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

DESCRIPTION	AMOUNT	ISSUE DATE	DATE OF MATURITY	INTEREST RATE	BALANCE DECEMBER 31, 2015	INCREASE	DECREASE	BALANCE DECEMBER 31, 2016
Revaluation	\$ 280,000	09/09/2015	05/19/2016	1.50%	\$ 280,000	\$ -	\$ 280,000	\$ -
Revaluation	140,000	5/18/2016	5/18/2017	1.10%	-	140,000	-	140,000
					\$ 280,000	\$ 140,000	\$ 280,000	\$ 140,000

**TOWNSHIP OF MEDFORD
CURRENT FUND
SCHEDULE OF RESERVE FOR ENCUMBRANCES
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance December 31, 2015:			
Current Fund	\$	1,216,122	
Federal and State Grant Fund		183,925	\$ 1,400,047
Increased by:			
Current Year Encumbrances:			
Current Fund - Appropriations		841,801	
Federal and State Grant Fund - Appropriated Grant Reserves		295,927	1,137,728
Subtotal			2,537,775
Decreased by:			
Prior Year Encumbrances Reclassified:			
Current Fund - Appropriations		1,216,122	
Federal and State Grant Fund - Appropriated Grant Reserves		183,925	1,400,047
Balance December 31, 2016			<u>\$ 1,137,728</u>

ANALYSIS OF BALANCE, DECEMBER 31, 2016

Current Fund	\$	841,801
Federal & State Grant Fund - Appropriated Grant Reserves		<u>295,927</u>
Total		<u>\$ 1,137,728</u>

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

Balance December 31, 2015	\$	123,170
Decreased by:		
Cash Disbursement		<u>12,500</u>
Balance December 31, 2016		<u>\$ 110,670</u>

**SCHEDULE OF FORECLOSED PROPERTY - ASSESSED VALUATION
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance December 31, 2015	\$	962,500
Decreased by:		
Adjustment to Valuation		<u>274,200</u>
Balance December 31, 2016		<u>\$ 688,300</u>

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TRUST FUND

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

	ANIMAL CONTROL	OTHER	BIRCHWOOD LAKE DAM RESTORATION TRUST	MUNICIPAL OPEN SPACE
Balance December 31, 2015	\$ 25,045	\$ 3,246,459	\$ 383,832	\$ 2,341,143
Increased by Receipts:				
Dog License Fees Collected	18,635	-	-	-
Due to State Department of Health	1,925	-	-	-
Due Current Fund	3	-	-	899,137
Reserve for Future Use	-	-	-	509,480
Refunds	-	-	-	15,545
Trust Other Reserves:				
Interest Earnings	-	-	-	7,292
Other Receipts	-	18,637,415	180,626	-
Total Receipts	<u>20,563</u>	<u>18,637,415</u>	<u>180,626</u>	<u>1,431,454</u>
Subtotal	<u>45,608</u>	<u>21,883,874</u>	<u>564,458</u>	<u>3,772,597</u>
Decreased by Disbursements:				
Due State Department of Health	1,925	-	-	-
Expenditures Under R.S.4:19-15.11	17,159	-	-	-
Current Years Appropriations	-	-	-	579,676
Appropriation Reserves	-	-	-	52,906
Dam Restoration Expenditures	-	-	167,762	-
Due Current Fund	33	26,539	-	923,106
Trust Other Reserves	-	18,127,992	-	-
Total Disbursements	<u>19,117</u>	<u>18,154,531</u>	<u>167,762</u>	<u>1,555,688</u>
Balance December 31, 2016	<u>\$ 26,491</u>	<u>\$ 3,729,343</u>	<u>\$ 396,696</u>	<u>\$ 2,216,909</u>

**TOWNSHIP OF MEDFORD
TRUST - ANIMAL CONTROL FUND
SCHEDULE OF RESERVE (DEFICIT) FOR ANIMAL CONTROL EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance (Deficit) December 31, 2015	\$ 25,015
Increased by:	
Dog License Fees Collected	18,635
Subtotal	43,650
Decreased by:	
Expenditures Under R.S.4:19-15,11: Disbursed	17,159
Balance (Deficit) December 31, 2016	\$ 26,491

LICENSE FEES COLLECTED

YEAR	AMOUNT
2015	\$ 19,361
2014	17,389
Total	\$ 36,750

**SCHEDULE OF DUE TO CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance December 31, 2015	\$ 30
Increased by:	
Receipts - Interest on Deposits	3
Subtotal	33
Decreased by:	
Disbursed - Interfund Liquidated	33
Balance December 31, 2016	\$ -

**TOWNSHIP OF MEDFORD
TRUST - ANIMAL CONTROL FUND
SCHEDULE OF DUE FROM (TO) STATE OF NEW JERSEY
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance December 31, 2015	\$ -
Increased by:	
Payments	<u>1,925</u>
Subtotal	1,925
Decreased by:	
Collections	<u>1,925</u>
Balance December 31, 2016	<u><u>\$ -</u></u>

**TRUST - OTHER FUND
SCHEDULE OF DUE TO/(FROM) CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance December 31, 2015	\$ 25,485
Decreased by:	
Interfund Activity	\$ 9,030
Prior Year Interfund Liquidated	<u>25,485</u>
	34,515
Balance December 31, 2016	<u><u>\$ (9,030)</u></u>

ANALYSIS OF BALANCE DECEMBER 31, 2016

Trust Other- Administrative Fees	<u>\$ (9,030)</u>
Total	<u><u>\$ (9,030)</u></u>

TOWNSHIP OF MEDFORD
TRUST FUND - OTHER
SCHEDULE OF CHANGES IN MISCELLANEOUS TRUST OTHER RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2016

	BALANCE DECEMBER 31, 2015	INCREASED BY OTHER RECEIPTS	DECREASED BY DISBURSEMENTS	BALANCE DECEMBER 31, 2016
Reserve for:				
Outside Employment of Off-Duty				
Municipal Policemen	\$ 13,430	\$ 162,984	\$ 161,639	\$ 14,775
Payroll Deductions Payable	40,770	8,109,849	8,053,742	96,877
Net Payroll	-	7,055,182	7,049,636	5,546
Special Law Enforcement	44,139	608	6,006	38,741
Miscellaneous Deposits:				
Recreation Improvements	11,000	-	27	10,973
Reserve for Street Opening				
Escrows	9,942	-	-	9,942
Village Parking Improvements	5,940	-	-	5,940
Sidewalk Construction	82,765	-	-	82,765
Park Pump Station	1	-	-	1
Off-Site Fire Hydrant	6,100	-	-	6,100
Bond Street Apron	1,000	-	-	1,000
Pedestrian Barrier - Jennings Road	5,000	-	-	5,000
Road Improvement Escrows:				
Tuckerton Road	11,536	-	-	11,536
Marlton Pike	1,905	-	-	1,905
Rt. 70 & Eayerstown Road	6,196	-	-	6,196
Eayerstown/New Freedom				
Intersection	488	-	-	488
Wilkins Station & Rt. 541 Traffic				
Light	7,864	-	-	7,864
Stokes/Branin/Schoolhouse Roads	27,160	-	-	27,160
Road Improvement Cowpath	3,975	-	-	3,975
General Road Trust	2,242	-	-	2,242
Hartford Road & Rt. 70 Intersection	44,966	-	-	44,966
Rt. 70 & Jones Road	574	-	-	574
Facility Use	4,380	-	275	4,105
Administration Agent Fees	291	37,268	34,344	3,215
Fair Share Traffic Construction	9,536	-	-	9,536
Miscellaneous Other	3,378	-	-	3,378
Redevelopment Project	4,753	-	-	4,753
Planning Board Subdivision Escrow	943,409	868,299	557,052	1,254,656
Tax Title Lien Redemption	1,231,627	2,113,007	2,126,899	1,217,735
NJ Unemployment Compensation				
Insurance	85,789	23,758	13,734	95,813
Sanitary Landfill Facility Closure &				
Contingency Fund	13,648	4	4	13,648
Public Defender	78	6,849	5,926	1,001
Housing	361,123	170,964	43,757	488,330
Unclaimed Bail - Disposal of Forfeited				
Property	13,434	2	2	13,434
Fire Safety Penalties	301	1	-	302
Resale of Snow Removal Chemicals -				
Commodity Resale	34,792	7,458	8,122	34,128
Snow Removal Trust Fund	77,143	29,377	51,000	55,520
Federal Forfeiture Trust	5,850	17	5,852	15
Recreation Programs Trust	1,837	2,916	3,319	1,434
Street Opening Trust	65,848	43,146	5,964	103,030
Accumulated Absences	34,140	128	-	34,268
Self Insurance Programs:				
Health Benefits	2,289	3,992	-	6,281
Sunshine Trust	335	606	692	249
K-9 Unit Trust	-	1,000	-	1,000
Total	\$ 3,220,974	\$ 18,637,415	\$ 18,127,992	\$ 3,730,397

**TOWNSHIP OF MEDFORD
TRUST - MUNICIPAL OPEN SPACE FUND
SCHEDULE OF RESERVE FOR FUTURE USE
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance December 31, 2015		\$ 1,739,207
Increased by Receipts:		
Receipts:		
Miscellaneous	\$ 509,480	
Interest on Deposits	7,292	\$ 516,772
		<hr/>
Due from Current Fund:		
Current Year Levy		895,530
Added & Omitted Taxes - Current Year		7,477
Cancel Prior Year Appropriation Reserves		67,645
		<hr/>
Subtotal		1,487,424
		<hr/>
Subtotal		3,226,631
Decreased by:		
Current Year Appropriations		804,481
		<hr/>
Balance December 31, 2016		<u><u>\$ 2,422,150</u></u>

**TRUST - MUNICIPAL OPEN SPACE FUND
SCHEDULE OF DUE FROM/(TO) CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance December 31, 2015		\$ (481,370)
Increased by:		
Interfund Liquidated	\$ 923,106	
Added & Omitted Taxes - Current Year		7,477
Current Year Levy		895,530
		<hr/>
Subtotal		1,826,113
		<hr/>
Subtotal		1,344,743
Decreased by:		
Debt Service Charges	170,861	
Received from Current Fund		899,137
		<hr/>
Balance December 31, 2016		<u><u>\$ 274,745</u></u>

**TOWNSHIP OF MEDFORD
TRUST - MUNICIPAL OPEN SPACE FUND
SCHEDULE OF 2015 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2016**

	BALANCE DECEMBER 31, 2015		BALANCE AFTER MODIFICATION	DISBURSED	LAPSED TO FUND BALANCE
	RESERVED	ENCUMBERED			
Salary and Wages	\$ 841	\$ -	\$ 841	\$ 470	\$ 371
Other Expenses	62,941	20,169	83,110	23,897	59,213
Acquisition of Farmland	9,968	26,647	36,615	28,554	8,061
	<u>\$ 73,750</u>	<u>\$ 46,816</u>	<u>\$ 120,566</u>	<u>\$ 52,921</u>	<u>\$ 67,645</u>

**TRUST - BIRCHWOOD LAKE DAM RESTORATION
SCHEDULE OF RESERVE FOR DAM RESTORATION
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance December 31, 2015	\$ 383,832
Increased by:	
Receipts:	
Homeowner Payments	<u>180,626</u>
Subtotal	<u>564,458</u>
Decreased by:	
Current Year Expenditures	<u>167,762</u>
Balance December 31, 2015	<u><u>\$ 396,696</u></u>

GENERAL CAPITAL FUND

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**TOWNSHIP OF MEDFORD
GENERAL CAPITAL FUND
SCHEDULE OF GENERAL CAPITAL CASH
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance December 31, 2015		\$ 1,515,716
Increased by Receipts:		
Grant Receipts	\$ 198,250	
Capital Improvement Fund	217,432	
BAN Proceeds	2,657,150	
Premium from Bond Sale	15,120	3,087,952
Subtotal		4,603,668
Decreased by Disbursements:		
Due Current Fund	799,477	
Due to Federal & State Grant Fund	51,250	
Improvement Authorizations	1,632,608	2,483,335
Balance December 31, 2016		<u>\$ 2,120,333</u>

**TOWNSHIP OF MEDFORD
GENERAL CAPITAL FUND
SCHEDULE OF GENERAL CAPITAL CASH AND INVESTMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

ORDINANCE NUMBER	IMPROVEMENT AUTHORIZATIONS	RECEIPTS		DISBURSEMENTS		BALANCE (OVERDRAFT) DECEMBER 31, 2016			
		BALANCE (OVERDRAFT) DECEMBER 31, 2015	NOTES ISSUED	MISCELLANEOUS	IMPROVEMENT AUTHORIZATIONS		MISCELLANEOUS	TRANSFERS FROM	TO
Fund Balance		\$ 230,241	\$ -	\$ 15,120	\$ -	\$ -	\$ 41,000	\$ -	\$ 204,361
Capital Improvement Fund		-	-	217,432	-	-	139,850	-	77,582
Due Current Fund		799,477	-	-	-	799,477	-	-	-
Due to Federal & State Grant Fund		51,250	-	-	-	51,250	-	-	-
Due from State of NJ Transportation Trust Fund		(41,000)	-	198,250	-	-	198,250	41,000	-
Due from County of Burlington		(222,147)	-	-	-	-	-	-	(222,147)
Due from Municipal Open Space		-	-	-	-	-	-	-	-
Reserve for Debt Service		-	-	-	-	-	-	321,447	321,447
Encumbrances Payable		1,094,248	-	-	-	-	1,094,248	858,424	858,424
		27,646	-	-	-	-	-	-	27,646
		5,845	-	-	-	-	-	-	5,845
		15,204	-	-	-	-	-	-	15,204
		10,703	-	-	-	-	-	-	10,703
		41,000	-	-	-	-	-	-	41,000
		42,529	-	-	-	-	-	-	42,529
		772	-	-	771	-	-	-	1
		300	-	-	-	-	-	-	300
		300,000	-	-	-	-	-	-	300,000
		4,987	-	-	-	-	-	-	4,987
		51,948	-	-	-	-	5,931	6,567	52,584
		(426,100)	-	-	-	-	-	-	(426,100)
		10,303	-	-	10,327	-	-	-	(24)
		(27,631)	-	-	5,295	-	2,870	30,501	(5,295)
		(458,022)	-	-	6,605	-	27,631	1,450	(490,808)
		(1,714,477)	-	-	99,004	-	220,744	1,388	(2,032,837)
		654,290	-	-	261,972	-	42,121	137,524	487,721
		196,583	-	-	47,997	-	33,983	155,764	270,367
		867,767	-	-	1,116,835	-	477,827	870,488	143,593
		-	2,657,150	-	83,802	-	279,948	139,850	2,433,250
		\$ 1,515,716	\$ 2,657,150	\$ 430,802	\$ 1,632,608	\$ 850,727	\$ 2,564,403	\$ 2,564,403	\$ 2,120,333
	Total								

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

Balance December 31, 2015		\$ 22,831,382
Decreased by:		
2016 Budget Appropriations:		
Serial Bonds Payable	\$ 3,395,200	
Green Acres Loan Payable	118,963	3,514,163
Balance December 31, 2016		\$ 19,317,219

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

ORDINANCE NUMBER	DESCRIPTION	BALANCE DECEMBER 31, 2015	AUTHORIZATIONS	FUNDED BY DOT GRANT	BALANCE DECEMBER 31, 2016	ANALYSIS OF BALANCE		
						BOND ANTICIPATION NOTES	EXPENDITURES	UNEXPENDED IMPROVEMENT AUTHORIZATIONS
2008-11	Acquisition of Real Property - Cow Pointe	426,100	-	-	426,100	-	426,100	-
2008-18	Various Capital Improvements	24	-	-	24	-	24	-
2009-19	Various Capital Improvements	32,693	-	-	32,693	-	5,295	27,398
2009-28	Improvements to Public Safety Facilities & Related Expenses	493,786	-	-	493,786	-	490,808	2,978
2010-15	Various Capital Improvements	2,317,099	-	-	2,317,099	-	2,032,837	284,262
2013-16	Various Capital Improvements	4,472	-	4,472	-	-	-	-
2014-10	Various Capital Improvements	31,639	-	31,639	-	-	-	-
2015-15	Various Capital Improvements	4,025	-	4,025	-	-	-	-
2016-08	Various Capital Improvements	-	2,657,150	-	2,657,150	2,657,150	-	-
Total		\$ 3,309,838	\$ 2,657,150	\$ 40,136	\$ 5,926,852	\$ 2,657,150	\$ 2,955,064	\$ 314,638

Improvement Authorizations Unfunded \$ 2,747,888
Less - Unexpended Proceeds of Bond Anticipation
Notes Issued:
Ordinance 2016-08
\$ 2,433,250
\$ 314,638

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

Balance December 31, 2015	\$ -
Increased by:	
2016 Budget Appropriation - Current Fund	<u>217,432</u>
Subtotal	217,432
Decreased by:	
Improvement Authorization	<u>139,850</u>
Balance December 31, 2016	<u><u>\$ 77,582</u></u>

**SCHEDULE OF DUE FROM COUNTY OF BURLINGTON
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance December 31, 2016 and 2015	<u><u>\$ 222,147</u></u>
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**TOWNSHIP OF MEDFORD
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
FOR THE YEAR ENDED DECEMBER 31, 2016**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	ORDINANCE DATE	BALANCE DECEMBER 31, 2015		AUTHORIZATIONS	PRIOR YEAR ENCUMBRANCES RECLASSIFIED	PAID	ENCUMBRANCES	BALANCE DECEMBER 31, 2016	
			FUNDED	UNFUNDED					FUNDED	UNFUNDED
1990-08	Construction of Bike Paths	05/21/90	71,000	-	-	-	-	-	27,646	-
1994-31	Acquisition of Real Property	10/03/94	1,500,000	-	-	-	-	-	-	-
1995-05	Purchase of Various Equipment	05/01/95	1,116,000	-	-	-	-	-	5,845	-
1999-36	Installation of Handicapped Accessible Tot Lot	10/06/99	25,000	-	-	-	-	-	15,204	-
2001-10	Various Capital Improvements	05/22/01	2,038,950	-	-	-	-	-	10,703	-
2002-16	Various General Capital Improvements	04/09/02	1,462,725	-	-	-	-	-	41,000	-
2002-29	Construction of Improvements to Various Municipal Buildings	07/23/02	42,529	-	-	-	-	-	42,529	-
2003-14	Various Capital Improvements	06/10/03	1,880,401	-	-	771	-	-	1	-
2003-16	Reconstruction & Resurfacing of Hopewell Road	06/10/03	61,428	300	-	-	-	-	300	-
2004-14	Various Capital Improvements	04/13/04	1,926,359	300,000	-	-	-	-	300,000	-
2004-25	Various Capital Improvements	10/26/04	73,325	4,987	-	-	-	-	4,987	-
2007-28	Repair, Reconstruction &/or Restoration of Public Property Damaged by Floods	11/27/07	1,200,000	51,948	-	6,567	-	5,931	52,584	-
2008-18	Various Capital Improvements	05/27/08	4,890,026	10,303	24	10,327	10,327	-	-	-
2009-19	Various Capital Improvements	06/09/09	3,739,144	-	32,693	2,870	5,295	2,870	-	27,398
2009-28	Improvements to Public Safety Facilities & Related Expenses	11/24/09	700,000	-	8,133	1,450	6,605	-	-	2,978
2010-15	Various Capital Improvements	05/25/10	3,975,169	-	397,622	1,388	99,004	15,744	-	284,262
2013-16	Various Capital Improvements	12/23/13	2,190,607	654,703	4,059	133,052	261,972	42,121	487,721	-
2014-10	Various Capital Improvements	08/5/14	1,045,000	224,213	4,008	82,458	47,997	33,983	228,699	-
2015-15	Various Capital Improvements	09/7/15	1,985,500	867,767	4,025	866,463	1,116,835	477,827	143,593	-
2016-08	Various Capital Improvements	07/05/16	2,797,000	-	-	-	83,802	279,948	-	2,433,250
Total			\$ 2,257,920	\$ 450,564	\$ 2,797,000	\$ 1,094,248	\$ 1,632,608	\$ 858,424	\$ 1,360,812	\$ 2,747,888

**TOWNSHIP OF MEDFORD
GENERAL CAPITAL FUND
SCHEDULE OF RESERVE FOR ENCUMBRANCES
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance December 31, 2015	\$	1,094,248
Increased by:		
Charges to Improvement Authorization		858,424
Subtotal		1,952,672
Decreased by:		
Prior Year Balance Reappropriated		1,094,248
Balance December 31, 2016	\$	858,424

**SCHEDULE OF DUE FROM/(TO) CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance December 31, 2015	\$	(799,477)
Increased by:		
Interfund Liquidated		799,477
Balance December 31, 2016	\$	-

**TOWNSHIP OF MEDFORD
GENERAL CAPITAL FUND
SCHEDULE OF GREEN ACRES TRUST LOANS PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2016**

PURPOSE	DATE OF ISSUE	MATURITIES OF LOAN PRINCIPAL AND INTEREST DECEMBER 31, 2016	INTEREST RATE	BALANCE DECEMBER 31, 2015	PAID BY BUDGET APPROPRIATION	BALANCE DECEMBER 31, 2016
Distefano Tract	11/10/97	\$ 60,577	2.00%	\$ 119,959	\$ 59,383	\$ 60,576
Distefano Tract	10/23/99	29,731	2.00%	104,597	29,145	75,452
	2018	30,328	2.00%			
	2019	15,392	2.00%			
Distefano Tract Phase II	09/06/00	31,047	2.00%	109,226	30,435	78,791
	2018	31,671	2.00%			
	2019	16,073	2.00%			
Total				\$ 333,782	\$ 118,963	\$ 214,819

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

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	MATURITIES OF BONDS		INTEREST RATE	BALANCE DECEMBER 31, 2015	ISSUED	PAID BY BUDGET APPROPRIATION	BALANCE DECEMBER 31, 2016
			OUTSTANDING DECEMBER 31, 2016	AMOUNT					
General Obligation Bonds	07/15/08	12,187,000	07/15/17	\$ 2,000,000	4.000%	\$ 6,000,000	-	\$ 2,000,000	\$ 4,000,000
			07/15/18	2,000,000	4.000%				
Refunding Bonds	11/21/11	1,251,800	07/01/17	88,000	2.000%	347,600	-	90,200	257,400
			07/01/18	85,800	2.000%				
			07/01/19	83,600	2.250%				
Refunding Bonds	05/09/13	3,510,000	08/01/17	385,000	2.000%	2,210,000	-	600,000	1,610,000
			08/01/18	370,000	2.000%				
			08/01/19	435,000	2.000%				
			08/01/20	420,000	2.000%				
General Obligation Bonds	05/09/13	11,470,000	05/01/17	490,000	2.000%	10,520,000	-	480,000	10,040,000
			05/01/18	495,000	2.000%				
			05/01/19	500,000	2.000%				
			05/01/20	510,000	2.000%				
			05/01/21	520,000	2.000%				
			05/01/22	535,000	2.000%				
			05/01/23	545,000	2.000%				
			05/01/24	560,000	3.000%				
			05/01/25	580,000	3.000%				
			05/01/26	595,000	3.000%				
			05/01/27	610,000	3.000%				
			05/01/28	630,000	3.000%				
			05/01/29	650,000	3.000%				
			05/01/30	670,000	3.000%				
			05/01/31	695,000	3.000%				
			05/01/32	715,000	3.125%				
			05/01/33	740,000	3.250%				
General Obligation Bonds	12/17/15	3,420,000	6/01/17	250,000	2.000%	3,420,000	-	225,000	3,195,000
			6/01/18	275,000	2.000%				
			6/01/19	300,000	2.000%				
			6/01/20	325,000	2.000%				
			6/01/21	350,000	2.000%				
			6/01/22	375,000	2.000%				
			6/01/23	420,000	2.000%				
			6/01/24	450,000	2.000%				
			6/01/25	450,000	2.250%				
Total						\$ 22,497,600	\$ -	\$ 3,395,200	\$ 19,102,400

**TOWNSHIP OF MEDFORD
GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES
FOR THE YEAR ENDED DECEMBER 31, 2016**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	DATE OF ORIGINAL ISSUE	DATE OF ISSUE	DATE OF MATURITY	INTEREST RATE	BALANCE DECEMBER 31, 2015	INCREASED	BALANCE DECEMBER 31, 2016
2016-08	Various Capital Improvements	09/28/16	09/28/16	09/28/17	2.00%	\$ -	\$ 2,657,150	\$ 2,657,150
Total						\$ -	\$ 2,657,150	\$ 2,657,150

**TOWNSHIP OF MEDFORD
GENERAL CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
FOR THE YEAR ENDED DECEMBER 31, 2016**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2015	IMPROVEMENT AUTHORIZATIONS	FUNDED BY GRANT PROCEEDS	BALANCE DECEMBER 31, 2016
2008-11	Acquisition of Real Property - Cow Pointe	\$ 426,100	-	-	\$ 426,100
2008-18	Various Capital Improvements	24	-	-	24
2009-19	Various Capital Improvements	60,324	-	-	60,324
2009-28	Improvements to Public Safety Facilities	466,155	-	-	466,155
2010-15	Various Capital Improvements	2,317,099	-	-	2,317,099
2013-16	Various Capital Improvements	4,472	-	4,472	-
2014-10	Various Capital Improvements	31,639	-	31,639	-
2015-15	Various Capital Improvements	4,025	-	4,025	-
Total		\$ 3,309,838	\$ -	\$ 40,136	\$ 3,269,702

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WATER-SEWER UTILITY FUND

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**TOWNSHIP OF MEDFORD
WATER AND SEWER UTILITY OPERATING FUND
SCHEDULE OF UTILITY CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2016**

	OPERATING FUND	SEWER CONNECTION TRUST		ASSESSMENT TRUST	CAPITAL FUND
Balance December 31, 2015	\$ 4,571,693	\$	610,951	\$ 666	\$ 2,220,005
Increased by Receipts:					
Rents Receivable	\$ 5,861,738	\$		-	-
Prepaid Rents	587,459	-		-	-
Petty Cash	100	-		-	-
Miscellaneous Revenue	1,059,394	74		-	-
Overpayments	12,327	-		-	-
Refunds	22,390	-		-	-
Due from Current Fund	58,938	-		-	-
Due from Utility Operating	-	-		-	-
Interest Earnings Due Utility Operating	-	-		-	694
Due Utility Capital Fund	759	-		-	-
Due Sewer Connection Trust Fund	400,572	-		-	-
Subtotal	<u>8,003,677</u>		<u>74</u>	<u>-</u>	<u>694</u>
Total	<u>12,575,370</u>		<u>611,025</u>	<u>666</u>	<u>2,220,699</u>
Decreased by Disbursements:					
2016 Budget Appropriations	6,373,406	-		-	-
2015 Appropriation Reserves	342,822	-		-	-
Refunds	23,182	-		-	-
Due Utility Operating	-	400,572		-	759
Due from Utility Capital	15,865	-		-	-
Improvement Authorizations	-	-		-	818,233
Total Disbursements	<u>6,755,275</u>		<u>400,572</u>	<u>-</u>	<u>818,992</u>
Balance December 31, 2016	<u>\$ 5,820,095</u>		<u>\$ 210,453</u>	<u>\$ 666</u>	<u>\$ 1,401,707</u>

TOWNSHIP OF MEDFORD
WATER AND SEWER UTILITY CAPITAL FUND
ANALYSIS OF WATER AND SEWER CAPITAL CASH AND INVESTMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

ORDINANCE NUMBER	IMPROVEMENT AUTHORIZATIONS	RECEIPTS		DISBURSEMENTS		TRANSFERS		BALANCE (OVERDRAFT) DECEMBER 31, 2016
		MISCELLANEOUS	MISCELLANEOUS	IMPROVEMENT AUTHORIZATIONS	MISCELLANEOUS	FROM	TO	
Capital Improvement Fund		\$ 261,399	\$ -	\$ -	\$ -	\$ -	\$ 1,587,350	\$ 1,848,749
Due (From)/To Utility Operating Fund		65	694	-	759	1,587,350	15,865	(1,571,485)
Reserve for Debt Service		355,488	-	-	-	-	-	355,488
Reserve for Encumbrances		107,515	-	-	-	107,515	209,921	209,921
Fund Balance		8,027	-	-	-	-	-	8,027
ORDINANCE IMPROVEMENT AUTHORIZATIONS								
1996-11	Construction of Various Utility Capital Improvements	14,285	-	-	-	-	-	14,285
1997-06	Construction of Various Utility Capital Improvements	151	-	-	-	-	-	151
1998-14	Construction of Various Utility Capital Improvements	(8,004)	-	-	-	-	-	(8,004)
2001-11	Various Capital Improvements	753	-	-	-	-	-	753
2002-10	Various Capital Improvements	23	-	-	-	-	-	23
2002-19	Improvements to the Wastewater Treatment Plant	(50,276)	-	-	-	-	-	(50,276)
2003-15	Various Capital Improvements	40	-	-	-	-	-	40
2003-17	Improvements to the Water Treatment Plant & Rehabilitation of Wells 9, 10 & 15 & the Englishtown Well & to Improve Related Water Mains at Deerbrook	1,042	-	-	-	-	-	1,042
2004-15	Various Utility Capital Improvements	-	-	-	-	2,746	2,746	-
2004-19	Various Utility Capital Improvements	-	-	-	-	6,951	6,951	-
2005-14	Various Utility Capital Improvements	913	-	-	-	-	-	913
2006-10	Various Utility Capital Improvements	6,292	-	3,229	-	-	-	592
2007-09	Various Utility Capital Improvements	(267)	-	32,031	-	2,471	-	(23,719)
2007-11	Various Infrastructure Improvements to the Sewage Treatment Plant	9,632	-	10,250	-	1,544	10,123	(618)

TOWNSHIP OF MEDFORD
WATER AND SEWER UTILITY CAPITAL FUND
ANALYSIS OF WATER AND SEWER CAPITAL CASH AND INVESTMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

	BALANCE (OVERDRAFT) DECEMBER 31, 2015	RECEIPTS		DISBURSEMENTS			TRANSFERS		BALANCE (OVERDRAFT) DECEMBER 31, 2016
		MISCELLANEOUS	IMPROVEMENT AUTHORIZATIONS	MISCELLANEOUS	FROM	TO			
2008-19 Various Utility Capital Improvements	-	-	-	-	-	-	-	-	-
2008-20 Improvements for Phase II of the Sewer Plant Upgrade Project	(89,631)	-	-	-	-	-	-	(89,631)	
2009-12 Improvements for Wastewater Treatment Plant	(95,689)	-	-	-	-	-	-	(95,689)	
2009-20 Various Utility Capital Improvements	572,078	-	429,335	-	-	62,566	35,101	115,278	
2009-27 Improvements for Wastewater Treatment Plant	134	-	-	-	-	-	-	134	
2010-16 Various Utility Capital Improvements	67,555	-	45,639	-	-	10,234	13,634	25,316	
2010-21 Various Utility Capital Improvements	(87,500)	-	-	-	-	-	4,460	(83,040)	
2014-11 Various Utility Capital Improvements	415,980	-	146,793	-	-	111,791	34,500	191,896	
2015-16 Various Utility Capital Improvements	730,000	-	150,956	-	-	27,483	-	551,561	
Total	\$ 2,220,005	\$ 694	\$ 818,233	\$ 759	\$ 1,920,651	\$ 1,920,651	\$ 1,920,651	\$ 1,401,707	

TOWNSHIP OF MEDFORD
WATER AND SEWER UTILITY OPERATING FUND
SCHEDULE OF WATER AND SEWER RENTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2016

Balance December 31, 2015		\$ 198,754
Increased by:		
Water & Sewer Rents Levied		6,493,484
Subtotal		6,692,238
Decreased by:		
Cancellations	\$ 5,022	
Prepays Applied	609,291	
Collections	5,863,889	6,478,202
Balance December 31, 2016		\$ 214,036

SCHEDULE OF 2015 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2016

	BALANCE DECEMBER 31, 2015		BALANCE	PAID OR	BALANCE
	ENCUMBERED	RESERVED	AFTER TRANSFERS	CHARGED	LAPSED
Operations:					
Salaries & Wages	\$ 154	\$ 76,601	\$ 76,755	\$ 7,457	\$ 69,298
Other Expenses	351,502	119,942	471,444	323,751	147,693
Capital Improvements:					
Capital Outlay	26,149	27,351	53,500	23,830	29,670
Statutory Expenditures:					
Retiree Health Benefits	-	5,698	5,698	138	5,560
Social Security System	-	2,531	2,531	2,042	489
Total	\$ 377,805	\$ 232,123	\$ 609,928	\$ 357,218	\$ 252,710

Accounts Payable	\$ 14,396
Disbursements	342,822
Total	\$ 357,218

**TOWNSHIP OF MEDFORD
WATER AND SEWER UTILITY OPERATING FUND
SCHEDULE OF PREPAID WATER AND SEWER RENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance December 31, 2015		\$ 609,291
Increased by:		
Collections		587,459
Subtotal		1,196,750
Decreased by:		
Applied to 2016 Revenue		609,291
Balance December 31, 2016		\$ 587,459

**SCHEDULE OF DUE TO WATER AND SEWER UTILITY CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance December 31, 2015		\$ (65)
Increased by:		
Budgeted Capital Improvement Fund	\$ 1,587,350	
Interest	694	
Prior Year Interfund Returned	65	1,588,109
Subtotal		1,588,044
Decreased by:		
Interfund	694	
Capital Expenditures Paid from Utility Operating Cash	15,865	16,559
Balance December 31, 2016		\$ 1,571,485

**TOWNSHIP OF MEDFORD
WATER AND SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED
FOR THE YEAR ENDED DECEMBER 31, 2016**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	DATE	AMOUNT	BALANCE DECEMBER 31, 2015	AUTHORIZED	CANCELLED	BALANCE DECEMBER 31, 2016
1987-16	Construction of Water Storage Tank	08/04/87	\$ 1,440,000	\$ 3,349	-	-	\$ 3,349
1989-08	Rehabilitation & Upgrade of Elm Drive Pumping Station	04/18/89	220,000	16,247	-	-	16,247
1990-09	Acquisition of Seven Yard Dump Truck	06/04/90	57,000	538	-	-	538
1992-12	Various Utility Capital Improvements & Rehabilitation of Water Storage Tank & Pump Stations	07/20/92	325,000	246,258	-	-	246,258
1993-12	Rehabilitation of Various Water Supply Mains	05/17/93	835,208	835,208	-	-	835,208
1993-28	Rehabilitation of Water Treatment & Distribution System	12/06/93	489,585	489,585	-	-	489,585
1994-13	Rehabilitation of Various Water Supply Mains	03/07/94	475,000	478,844	-	-	478,844
1995-06	Rehabilitation of Water Mains; Various Improvements; Control System for Water Treatment Plant & Construction of Southside Water Tank	04/17/95	327,500	327,750	-	-	327,750
1995-11	Replacement of Pump Station Force Main; Reconstruction of Sewer Lines & Rehabilitation of Sewer Treatment System	07/17/95	466,184	466,184	-	-	466,184
1996-11	Construction of Various Utility Capital Improvements	06/17/96	1,349,000	1,264,127	-	-	1,264,127
1997-06	Construction of Various Utility Capital Improvements	03/17/97	1,357,000	607,000	-	-	607,000
1998-14	Construction of Various Utility Capital Improvements	06/03/98	1,750,000	1,741,996	-	-	1,741,996
2000-15	Various Utility Capital Improvements	05/17/00	1,209,000	1,209,000	-	-	1,209,000
2001-11	Various Utility Capital Improvements	05/22/01	1,635,000	1,635,000	-	-	1,635,000
2002-19	Improvements to the Wastewater Treatment Fund	04/23/02	1,766,000	1,765,985	-	-	1,765,985
2003-15	Various Utility Capital Improvements	06/10/03	370,000	370,000	-	-	370,000
2003-17	Improvements to the Water Treatment Plant & Rehabilitation of Wells 9, 10 & 15 & the Englishtown Well & to Improve Related Water Mains at Deerbrook	06/10/03	188,794	188,794	-	-	188,794
2004-15	Various Utility Capital Improvements	05/11/04	995,000	508,210	-	-	508,210
2004-19	Various Utility Capital Improvements	08/24/04	2,900,000	2,950,000	-	-	2,950,000
2005-14	Various Utility Capital Improvements	05/24/05	1,540,000	1,590,000	-	-	1,590,000
2006-10	Various Utility Capital Improvements	05/23/06	1,665,000	1,665,000	-	-	1,665,000
2007-11	Various Utility Capital Improvements	05/08/07	3,478,658	3,478,658	-	-	3,478,658
2007-11	Various Infrastructure Improvements to the Sewerage Treatment Plant	05/08/07	2,245,000	2,245,000	-	-	2,245,000
2007-14	Repair, Reconstruction &/or Restoration of the Sewer System Damaged by the Floods	06/26/07	500,000	500,000	-	-	500,000
2008-19	Various Utility Capital Improvements	05/27/08	569,000	464,165	-	-	464,165
2008-20	Improvements for Phase II of the Sewer Plant Upgrade Project	05/27/08	7,051,172	7,102,172	-	-	7,102,172
2009-11	Improvements for Phase II of the Sewer Plant Upgrade Project	04/28/09	3,939,262	3,939,262	-	-	3,939,262
2009-12	Improvements for Wastewater Treatment Plant	04/28/09	2,730,000	2,730,000	-	-	2,730,000
2009-20	Various Utility Capital Improvements	06/09/09	1,305,500	1,254,777	-	-	1,254,777
2009-27	Improvements for Wastewater Treatment Plant	11/10/09	3,500,000	3,500,000	-	-	3,500,000
2010-16	Various Utility Capital Improvements	06/22/10	1,050,000	1,010,848	-	-	1,010,848
2010-21	Various Utility Capital Improvements	07/31/10	3,470,000	3,470,000	-	-	3,470,000
2014-11	Various Utility Capital Improvements	8/25/14	681,500	681,500	-	-	681,500
2015-16	Various Utility Capital Improvements	09/07/15	730,000	730,000	-	-	730,000
Total				\$ 49,465,457	\$	-	\$ 49,465,457

**TOWNSHIP OF MEDFORD
WATER AND SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2016**

ACCOUNT	BALANCE DECEMBER 31, 2015	INCREASED BY CAPITAL OUTLAY	BALANCE DECEMBER 31, 2016
Enlargement of Plant & Extension of Stokes Road Sewer Line	\$ 413,390	\$ -	\$ 413,390
Sanitary Sewer System	12,954,162	-	12,954,162
Extension of Sewer Line on Christopher Mill Road	1,375	-	1,375
Extension of Sewer Line on Tuckerton Road	3,517	-	3,517
Extension of Sewer Line on Taunton Road	3,963	-	3,963
Site Work for Addition to Sewer Plant	6,111	-	6,111
Reconstruction of Oakwood Wastewater System & Installation of Southside Water Supply Wells	1,720,000	-	1,720,000
Rodding Machine	1,231	-	1,231
High Water Alarm System	1,815	-	1,815
Road & Drainage System	30,000	-	30,000
Manhole Covers	4,848	-	4,848
Extension of Sewer Line on Hoot Owl Section	207,450	-	207,450
Sludge De-Watering System	171,657	-	171,657
General System	328,668	-	328,668
Pickup Truck	61,123	-	61,123
Meters & Hydrants	1,846,734	494	1,847,228
Lab Equipment & Furniture	9,165	-	9,165
Communications Equipment	2,558	-	2,558
Reconditioning of Wells	8,466	-	8,466
Fencing	1,565	-	1,565
Office Equipment & Furniture	47,773	-	47,773
Interim Upgrade of Sewer Plant	324,279	-	324,279
Feasibility Study of Wastewater Treatment Facility	26,287	-	26,287
Gate Valve Installation	10,898	-	10,898
Computer	28,149	-	28,149
Flow Control System	3,335	-	3,335
Gasoline Storage Tank	2,596	-	2,596
Safety Equipment	113,503	1,230	114,733
Manhole Inserts	22,974	-	22,974
Rehabilitation of Wastewater Treatment Facility	100,000	-	100,000
Wastewater Jetter/Vector	130,000	-	130,000
Construction of Water Line in Vicinity of Jackson Road	46,000	-	46,000
Discount on Repayment of Loan from Farmers Home Administration	3,120,000	-	3,120,000
Installation of Water Line at Laurel Knoll Subdivision	53,000	-	53,000
Rehabilitation of Sewerage Treatment Tank #1	84,200	-	84,200
Trucks	619,469	-	619,469
Sewerage Treatment Plant & Extension of Sewer Line on Stokes Road	1,240,105	-	1,240,105
Rehabilitation & Upgrading of Elm Drive Pumping Station	139,128	-	139,128
Charles Street Water main	33,234	-	33,234
Acquisition of Seven Yard Pickup Truck	50,462	-	50,462
Cost to Refinance Serial Bonds	432,497	-	432,497
Utility Equipment	628,918	47,217	676,135
Water Diversion Rights	1,107,422	-	1,107,422
Rehabilitation of Wells & Other Improvements to the Water & Sewer Utility System	1,250,930	-	1,250,930
Various Water & Sewer Capital Improvements & Upgrading & Rehabilitation of Utility System	872,100	-	872,100
Construction of Southside Water Supply Wells	474,050	-	474,050
Furniture & Equipment	8,226	-	8,226
Water & Sewer Improvements on Various Municipal Roadways	438,604	-	438,604
Total	<u>\$ 29,185,937</u>	<u>\$ 48,941</u>	<u>\$ 29,234,878</u>

**TOWNSHIP OF MEDFORD
WATER AND SEWER UTILITY OPERATING FUND
SCHEDULE OF ACCRUED INTEREST ON BONDS, LOANS AND NOTES
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance December 31, 2015	\$	285,844
Increased by:		
Charged to Budget Appropriations:		
Interest on Bonds & Loans		710,285
Subtotal		996,129
Decreased by:		
Disbursed		729,964
Balance December 31, 2016	\$	266,165

ANALYSIS OF ACCRUED INTEREST DECEMBER 31, 2016

PRINCIPAL OUTSTANDING DECEMBER 31, 2016	INTEREST RATE	ISSUE DATE		PERIOD	AMOUNT
		FROM	TO		
Serial Bonds:					
\$ 946,000	Various	11/15/16	12/31/16	1.5 Months	\$ 5,084
3,150,000	Various	07/15/16	12/31/16	5.5 Months	61,388
327,600	Various	07/01/16	12/31/16	6.0 Months	3,409
3,625,000	Various	08/01/16	12/31/16	5.0 Months	31,099
1,140,000	Various	11/01/16	12/31/16	2.0 Months	5,077
1,415,000	Various	12/01/16	12/31/16	1.0 Month	3,094
Loans:					
350,000	Various	08/01/16	12/31/16	5.0 Months	7,224
745,000	Various	08/01/16	12/31/16	5.0 Months	14,058
2,785,000	Various	08/01/16	12/31/16	5.0 Months	60,031
1,510,000	Various	08/01/16	12/31/16	5.0 Months	25,578
565,000	Various	08/01/16	12/31/16	5.0 Months	9,604
645,000	Various	08/01/16	12/31/16	5.0 Months	13,438
1,300,000	Various	08/01/16	12/31/16	5.0 Months	27,081
Total					\$ 266,165

**TOWNSHIP OF MEDFORD
WATER-SEWER UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
FOR THE YEAR ENDED DECEMBER 31, 2016**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	ORDINANCE AMOUNT		BALANCE DECEMBER 31, 2015		AUTHORIZATIONS	ENCUMBRANCES		RE-APPROPRIATED	BALANCE DECEMBER 31, 2016	
		DATE	AMOUNT	FUNDED	UNFUNDED		RECLASSIFIED	PAID		FUNDED	UNFUNDED
1996-11	Construction of Various Utility Capital Improvements	06/17/96	\$ 1,349,000	\$ 14,285	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,285	\$ -
1997-06	Construction of Various Utility Capital Improvements	04/21/97	1,357,000	151	-	-	-	-	-	151	-
1998-14	Construction of Various Utility Capital Improvements	06/03/98	1,750,000	-	26,276	-	-	-	-	-	26,276
2001-11	Various Utility Capital Improvements	05/22/01	1,635,000	753	-	-	-	-	-	753	-
2002-10	Various Utility Capital Improvements	03/12/02	303,604	23	-	-	-	-	-	23	-
2002-19	Improvements to the Wastewater Treatment Plant	04/23/02	1,766,000	-	-	-	-	-	-	-	-
2003-15	Various Utility Capital Improvements	06/10/03	370,000	40	-	-	-	-	-	40	-
2003-17	Improvements to the Water Treatment Plant & Rehabilitation of Wells 9, 10 & 15 & the Englishtown Well & to Improve Related Water Mains at Deerbrook	06/10/03	188,794	1,042	-	-	-	-	-	1,042	-
2004-15	Various Utility Capital Improvements	05/11/04	995,000	-	-	-	2,746	-	-	-	2,746
2004-19	Various Utility Capital Improvements	08/24/04	2,900,000	-	-	-	6,951	-	-	-	6,951
2005-14	Various Utility Capital Improvements	05/24/05	1,540,000	913	-	-	-	-	-	913	-
2006-10	Various Utility Capital Improvements	05/23/06	1,665,000	6,292	-	-	-	-	3,229	592	2,471
2007-09	Various Utility Capital Improvements	05/08/07	3,478,658	-	-	-	10,123	-	32,031	-	1,544
2007-11	Various Infrastructure Improvements to the Sewage Treatment Plant	05/08/07	2,245,000	9,632	800	-	-	-	10,250	-	182
2008-20	Improvements for Phase II of the Sewer Plant Upgrade Project	05/27/08	7,051,172	-	396	-	-	-	-	-	396
2009-20	Various Utility Capital Improvements	06/09/09	1,305,500	572,078	500	-	35,101	429,335	(23,452)	91,826	62,566
2009-27	Improvements for Wastewater Treatment Plant	11/10/09	3,500,000	134	-	-	-	-	-	134	-
2010-16	Various Utility Capital Improvements	06/22/10	1,050,000	-	502,555	-	13,634	45,639	-	-	460,316
2010-21	Various Utility Capital Improvements	07/31/10	3,470,000	-	-	-	4,460	-	-	-	4,460
2014-11	Various Utility Capital Improvements	8/25/14	681,500	415,980	-	-	34,500	146,793	-	191,896	-
2015-16	Various Utility Capital Improvements	09/07/15	730,000	-	730,000	-	-	166,821	-	-	551,561
Total			\$ 1,021,323	\$ 1,260,527	\$ -	\$ -	\$ 107,515	\$ 834,098	\$ -	\$ 301,655	\$ 1,043,691

Cash Disbursements	\$ 818,233
Interfund	15,865
Total	\$ 834,098

**TOWNSHIP OF MEDFORD
WATER-SEWER UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR ENCUMBRANCES
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance December 31, 2015	\$ 107,515
Increased by:	
Charges to Improvement Authorizations	<u>209,921</u>
Subtotal	317,436
Decreased by:	
Prior Year Balance Reappropriated	<u>107,515</u>
Balance December 31, 2016	<u><u>\$ 209,921</u></u>

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

Balance December 31, 2015	\$ 48,131,343
Increased by:	
Paid by Utility Operating Fund:	
Serial Bonds	\$ 1,033,800
Loans Payable	1,040,462
Capital Outlay	<u>48,941</u> <u>2,123,203</u>
Balance December 31, 2016	<u><u>\$ 50,254,546</u></u>

**TOWNSHIP OF MEDFORD
WATER-SEWER UTILITY CAPITAL FUND
SCHEDULE OF SERIAL BONDS PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2016**

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	MATURITIES OF BONDS			ISSUED	PAID BY BUDGET APPROPRIATION	BALANCE DECEMBER 31, 2016
			DATE	AMOUNT	INTEREST RATE			
General Obligation Bonds	12/28/06	\$ 1,581,750	05/15/17	\$ 78,000	4.000%	\$ -	\$ 74,000	\$ 946,000
			05/15/18	81,000	4.250%			
			05/15/19	84,000	5.000%			
			05/15/20	88,000	5.000%			
			05/15/21	93,000	4.125%			
			05/15/22	97,000	4.125%			
			05/15/23	101,000	4.125%			
			05/15/24	105,000	4.125%			
			05/15/25	109,000	4.125%			
			05/15/25	110,000	4.250%			
General Obligation Bonds	07/23/08	4,563,000	07/15/17-18	200,000	4.000%	-	200,000	3,150,000
			07/15/18	200,000	4.000%			
			07/15/20	250,000	4.000%			
			07/15/21	250,000	4.125%			
			07/15/22-23	250,000	4.250%			
			07/15/23	250,000	4.250%			
Refunding Bonds	11/21/11	1,593,200	07/15/25	300,000	4.375%	-	114,800	327,600
			07/15/26-28	300,000	4.500%			
			07/01/17	112,000	2.000%			
			07/01/18	109,200	2.000%			
			07/01/19	106,400	2.250%			
							442,400	

**TOWNSHIP OF MEDFORD
WATER-SEWER UTILITY CAPITAL FUND
SCHEDULE OF SERIAL BONDS PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2016**

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	MATUREITIES OF BONDS		INTEREST RATE	BALANCE DECEMBER 31, 2015	ISSUED	PAID BY BUDGET APPROPRIATION	BALANCE DECEMBER 31, 2016			
			DATE	AMOUNT								
Refunding Bonds	05/17/13	5,140,000	08/01/17	460,000	2.000%	4,160,000	-	535,000	3,625,000			
			08/01/18	480,000	2.000%							
			08/01/19	505,000	2.000%							
			08/01/20	530,000	2.000%							
			08/01/21	400,000	2.000%							
			08/01/22	385,000	2.000%							
			08/01/23	295,000	2.000%							
			08/01/24	285,000	2.250%							
		08/01/25	285,000	2.500%								
General Obligation Bonds	05/17/13	1,305,000	05/1/20-23	60,000	2.000%	1,195,000	-	55,000	1,140,000			
			05/1/24	65,000	3.000%							
			05/1/28	70,000	3.000%							
			05/1/29-30	75,000	3.000%							
			05/1/30	75,000	3.000%							
		05/1/33	85,000	3.250%								
General Obligation Bonds	12/17/15	1,470,000	6/1/20-21	60,000	2.000%	1,470,000	-	55,000	1,415,000			
			6/1/24	65,000	2.000%							
			6/1/26	70,000	3.000%							
			6/1/28	75,000	3.000%							
			6/1/29	80,000	3.000%							
			6/1/30	85,000	3.000%							
			6/1/31-33	90,000	3.000%							
			6/1/33	90,000	3.000%							
		6/1/34	100,000	3.000%								
		6/1/35	110,000	3.000%								
Total							\$	11,637,400	\$	1,033,800	\$	10,603,600

**TOWNSHIP OF MEDFORD
WATER-SEWER UTILITY CAPITAL FUND
SCHEDULE OF LOANS PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2016**

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING		INTEREST RATE	BALANCE DECEMBER 31, 2015	PAID BY BUDGET APPROPRIATION	BALANCE DECEMBER 31, 2016
			DATE	AMOUNT				
NJ Environmental Protection Loan	10/30/02	\$ 835,000	08/01/17	\$ 50,000	5.00%	\$ 400,000	\$ 50,000	\$ 350,000
			08/01/18-19	55,000	5.00%			
			08/01/20	60,000	5.00%			
			08/01/21	65,000	5.00%			
			08/01/22	65,000	4.75%			
NJ Environmental Protection Loan	10/30/02	880,709	(1)	(1)	NIL	316,978	45,845	271,133
NJ Environmental Protection Loan	11/08/07	1,100,000	08/01/17-18	55,000	5.00%	795,000	50,000	745,000
			08/01/19-20	60,000	4.00%			
			08/01/21-22	65,000	5.00%			
			08/01/23	70,000	4.25%			
			08/01/24-25	75,000	4.50%			
			08/01/26	80,000	4.50%			
			08/01/27	85,000	4.25%			

TOWNSHIP OF MEDFORD
WATER-SEWER UTILITY CAPITAL FUND
SCHEDULE OF LOANS PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2016

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	MATURITIES OF BONDS			INTEREST RATE	BALANCE DECEMBER 31, 2015	PAID BY BUDGET APPROPRIATION	BALANCE DECEMBER 31, 2016
			DATE	OUTSTANDING DECEMBER 31, 2016	AMOUNT				
NJ Environmental Protection Loan	11/08/07	1,106,200	(1)	(1)	NIL	681,381	56,178	625,203	
NJ Environmental Protection Loan	11/06/08	3,141,145	(1)	(1)	NIL	2,093,717	161,388	1,932,329	
NJ Environmental Protection Loan	11/06/08	3,785,000	08/01/17	175,000	5.00%	2,950,000	165,000	2,785,000	
			08/01/18	180,000	5.00%				
			08/01/19	190,000	5.00%				
			08/01/20	200,000	5.00%				
			08/01/21	210,000	5.00%				
			08/01/22	225,000	5.00%				
			08/01/23	235,000	5.00%				
			08/01/24	250,000	5.00%				
			08/01/25	260,000	5.00%				
			08/01/26	275,000	5.00%				
			08/01/27	285,000	5.00%				
			08/01/28	300,000	5.00%				
NJ Environmental Protection Loan	11/19/09	1,857,763	(1)	(1)	NIL	1,322,475	94,463	1,228,012	
NJ Environmental Protection Loan	11/19/09	1,965,000	08/01/17	90,000	5.00%	1,595,000	85,000	1,510,000	
			08/01/18	95,000	5.00%				
			08/01/19	100,000	4.00%				
			08/01/20	100,000	4.00%				
			08/01/21	105,000	4.00%				
			08/01/22	110,000	3.50%				
			08/01/23	115,000	4.00%				
			08/01/24	120,000	4.00%				
			08/01/25	125,000	3.75%				
			08/01/26	130,000	4.00%				
			08/01/27	135,000	4.00%				
			08/01/28	140,000	4.00%				
			08/01/29	145,000	4.00%				

**TOWNSHIP OF MEDFORD
WATER-SEWER UTILITY CAPITAL FUND
SCHEDULE OF LOANS PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2016**

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	MATURITIES OF BONDS			INTEREST RATE	BALANCE DECEMBER 31, 2015	PAID BY BUDGET APPROPRIATION	BALANCE DECEMBER 31, 2016	
			DATE	OUTSTANDING DECEMBER 31, 2016	AMOUNT					
NJ Environmental Protection Loan	03/10/10	2,252,000	(1)	(1)	NIL	533,898	38,136	495,762		
	03/10/10	735,000	08/01/17	35,000	5.00%	595,000	30,000	565,000		
NJ Environmental Protection Loan	12/02/10	2,478,810	(1)	(1)	NIL	1,890,617	126,041	1,764,576		
			08/01/17-19	35,000	5.00%	675,000	30,000	645,000		
			08/01/20-22	40,000	5.00%					
			08/01/23-24	45,000	5.00%					
			08/01/25-26	50,000	5.00%					
			08/01/27-28	55,000	5.00%					
			08/01/29-30	60,000	5.00%					

**TOWNSHIP OF MEDFORD
WATER-SEWER UTILITY CAPITAL FUND
SCHEDULE OF LOANS PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2016**

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING		INTEREST RATE	BALANCE DECEMBER 31, 2015	PAID BY BUDGET APPROPRIATION	BALANCE DECEMBER 31, 2016
			DATE	AMOUNT				
NJ Environmental Protection Loan	12/02/10	17,500	(1)	(1)	NIL	651,166	43,411	607,755
NJ Environmental Protection Loan	12/02/10	1,585,000	08/01/17	65,000	5.00%	1,365,000	65,000	1,300,000
			08/01/18	70,000	5.00%			
			08/01/19-20	75,000	5.00%			
			08/01/21	80,000	5.00%			
			08/01/22	85,000	5.00%			
			08/01/23	90,000	5.00%			
			08/01/24	95,000	5.00%			
			08/01/25-26	100,000	5.00%			
			08/01/27	105,000	5.00%			
			08/01/28	115,000	5.00%			
			08/01/29	120,000	5.00%			
			08/01/30	125,000	5.00%			
Total						\$ 15,865,232	\$ 1,040,462	\$ 14,824,770

(1) Semiannual Principal Payments due February 1 & August 1.

**TOWNSHIP OF MEDFORD
SEWER CONNECTION TRUST FUND
SCHEDULE OF DUE TO WATER AND SEWER UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance December 31, 2015	\$	400,501
Decreased by:		
Disbursements		400,501
		<hr style="border-top: 1px solid black;"/>
Balance December 31, 2016	\$	<u><u>-</u></u>

**SCHEDULE OF RESERVE FOR SEWER CONNECTION FEES
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance December 31, 2015	\$	210,450
Increased by:		
Interest		74
		<hr style="border-top: 1px solid black;"/>
Subtotal		210,524
Decreased by:		
Due to Sewer Operating		71
		<hr style="border-top: 1px solid black;"/>
Balance December 31, 2016	\$	<u><u>210,453</u></u>

**TOWNSHIP OF MEDFORD
WATER-SEWER UTILITY CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
FOR THE YEAR ENDED DECEMBER 31, 2016**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2015 & 2016
1998-14	Construction of Various Utility Capital Improvements	\$ 34,280
2002-19	Improvements to the Wastewater Treatment Fund	50,291
2007-09	Various Utility Capital Improvements	252
2007-11	Various Infrastructure Improvements to the Sewerage Treatment Plant	800
2008-20	Improvements for Phase II of the Sewer Plant Upgrade Project	90,027
2009-12	Improvements to the Wastewater Treatment Fund	95,689
2009-20	Various Utility Capital Improvements	500
2010-16	Various Utility Capital Improvements	435,000
2010-21	Various Utility Capital Improvements	<u>87,500</u>
	Total	<u>\$ 794,339</u>

**TOWNSHIP OF MEDFORD
WATER-SEWER UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR DEBT SERVICE
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance December 31, 2016 & 2015 \$ 355,488

**SCHEDULE OF CAPITAL IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance December 31, 2015 \$ 261,399
Increased By:
 2016 Budget Appropriation 1,587,350
Balance December 31, 2016 \$ 1,848,749

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**TOWNSHIP OF MEDFORD
COUNTY OF BURLINGTON**

PART II

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

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The Honorable Mayor and Members of the
Township Council
Township of Medford
Medford, New Jersey 08055

We have audited the financial statements – statutory basis of the Medford Township in the County of Burlington for the year ended December 31, 2016.

Scope of Audit

The audit covered the financial transactions of the Treasurer, Tax Collector, and Water-Sewer Utility Collector, the activities of the Mayor and Council and the records of the various outside departments.

Cash on hand was counted and cash balances were reconciled with independent certifications obtained directly from the depositories.

The accrued and realized revenues for the various Township Departments as shown on the Statements of Revenue and Revenue Accounts Receivable are presented as recorded in the Township records.

In accordance with requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the following are the *General Comments* and *Recommendations* for the year then ended.

GENERAL COMMENTS

Contracts and Agreements Required to be advertised by (N.J.S.A.40A:11-4)

N.J.S.A.40A:11-4 - Every contract or agreement, for the performance of any work or furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only by the governing body of the contracting unit after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other Law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate \$40,000, except by contract or agreement.

It is pointed out that the governing body of the municipality has the responsibility of determining whether the expenditures in any category will exceed the statutory minimum within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the solicitor's opinion should be sought before a commitment is made.

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

Contracts and Agreements Required to be advertised by (N.J.S.A.40A:11-4) (continued):

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.

Contracts and Agreements Requiring Solicitation of Quotations

The examination of expenditures did not reveal any individual payments, contracts or agreements in excess of \$6,000, "for the performance of any work or the furnishing or hiring of any materials or supplies", other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provision of (*N.J.S.A.40A:11-6.1*).

Collection of Interest on Delinquent Taxes and Assessments

N.J.S.54:4-67, as amended, provides the method for authorizing interest and the maximum rates to be charged for the nonpayment of taxes or assessments on or before the date when they would become delinquent.

The governing body on January 4, 2016 adopted the following resolution authorizing interest to be charged on delinquent taxes:

“BE IT RESOLVED that the rate of interest to be charged for the nonpayment of taxes and water/sewer rents on the date when they become delinquent is hereby fixed as eight (8%) percent per annum of the first One Thousand Five Hundred Dollars (\$1,500.00) of the delinquency, and eighteen (18%) percent per annum on any amount in excess of One Thousand Five Hundred Dollars (\$1,500.00). The same to be calculated from the date of actual payment; provided, however, that no interest be charged if payment is made with ten (10) days after the date upon which same became payable.”

The Township also charges an additional 6% penalty on delinquencies in excess of \$10,000 at the end of the calendar year.

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

Delinquent Taxes and Tax Title Liens

The delinquent taxes at December 31, 2016 included real estate taxes for 2016.

The last tax sale was held on March 17, 2016 and was complete.

Delinquent Taxes and Tax Title Liens (continued):

Inspection of 2016 tax sale certificates on file revealed that all tax sale certificates were available for audit.

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

YEAR	NUMBER OF LIENS
2016	64
2015	51
2014	73

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

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.

Municipal Court

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

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

A test sample was selected of fifteen (15); ten traffic and five 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 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 a the partial payment system. This test disclosed no discrepancies regarding fines being properly levied, entering of dispositions and closure procedures.

The computer software does not allow for a posting distribution in the cash receipts journal when a transaction involves both a check and cash payment being made by the defendant. The computer system requires this particular type of transaction be posted as either entirely cash or check. As a result of this limitation no test can be conducted to determine if the receipt detail batch totals from the journal agree with the detail of cash and checks deposited for that particular day.

A review of the partial payment system indicated that collection procedures are being enforced to collect delinquent balances.

Tax Collector's Annual Report

N.J.S.54:4-91 requires that on or before May 1st of each year, the Tax Collector shall file with the Treasurer and the governing body a statement of receipts during the preceding year as well as added assessments, taxes canceled and taxes unpaid as of December 31, all for the preceding tax year. This report was filed in 2016 with the governing body.

Construction Code Office

- (1) **Indirect Costs** – Indirect costs are not allocated to the Construction Code Budget Appropriation.
- (2) **Annual Report** – An annual report of revenue, expenditures and a recommendation for any fee increase or decrease was filed with the governing body.
- (3) **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.
- (4) **Construction Code Permits** – A test of the fees charged for construction code permits disclosed no exceptions regarding charges being levied in accordance with the Township Ordinances in effect.

Chief Financial Officer

Finding 2016-001:

During our audit it was noted that a grant in the State and Federal Grant Fund was over- expended.

Recommendation:

That the Township should only expend funds as appropriated by (N.J.S.A. 40A:4-57).

Managements Response:

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

Prior Year Findings

In accordance with Government Auditing Standards, our procedures included a review of all prior year findings. Corrective action was taken on all prior year findings.

OFFICIALS IN OFFICE AND SURETY BONDS

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

NAME	POSITION	AMOUNT OF BOND
Jeffrey Beenstock	Mayor	
Charles Watson	Deputy Mayor	
Bradley Denn	Councilman	
Christopher Buoni	Councilman	
Frank Czekay	Councilman	
Albert Stanley	Chief Financial Officer	\$1,000,000 (A)
Katherine Burger	Township Clerk & Township Manager	\$1,000,000 (A)
Patricia D. Capasso	Tax Collector	\$1,000,000 (A)
Joseph Rahman	Tax Assessor	
Peter C. Lange	Magistrate	\$1,000,000 (A)
Stacy McBride	Court Administrator	\$1,000,000 (A)
Timothy Prime	Solicitor	
Paul C. Dougherty	Prosecutor	

(A) Covered under the Blanket Bond Coverage through the Burlington County Municipal Joint Insurance Fund for \$1,000,000.

Acknowledgment

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

Should you have any questions, please contact us.

Respectfully submitted,

HOLMAN FRENIA ALLISON, P.C.

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

Medford, New Jersey
May 16, 2017