

TOWNSHIP OF HADDON

**AUDIT REPORT FOR THE YEAR
ENDED DECEMBER 31, 2016**

**TOWNSHIP OF HADDON
COUNTY OF CAMDEN**

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COUNTY OF CAMDEN**

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**TOWNSHIP OF HADDON
COUNTY OF CAMDEN**

PART I

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

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members
of the Township Board of Commissioners
Township of Haddon
135 Haddon Avenue
Westmont, New Jersey 08108

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 the Township of Haddon, County of Camden, 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, statement of expenditures - regulatory basis, and statement of general fixed assets group of accounts - 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 opinion.

Opinions

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

As discussed in Note 1 to the financial statements, the Township of Haddon 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 these regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

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

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township of Haddon, County of Camden, 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.

Unmodified 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 and account group of the Township of Haddon, County of Camden, State of New Jersey, as of December 31, 2016, and the results of its operations and changes in fund balance --regulatory basis of such funds for the years then ended, and the related statement of revenues--regulatory basis, statement of expenditures--regulatory basis of the various funds, and the related notes to financial statements, 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 made for the purpose of forming an opinion on the financial statements referred to in the first paragraph as a whole. The supplemental financial statements 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 basic financial statements 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 10, 2017, on our consideration of the Township of Haddon's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township of Haddon's internal control over financial reporting and compliance.

Respectfully submitted,

HOLMAN FRENIA ALLISON, P.C.

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

May 10, 2017
Medford, New Jersey

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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*

Honorable Mayor and Members
of the Township Board of Commissioners
Township of Haddon
135 Haddon Avenue
Westmont, New Jersey 08108

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 the Township of Haddon (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 10, 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. We did identify certain deficiencies in internal control, described in the accompanying schedule of Comments & Recommendations section that we consider to be significant deficiencies as Finding No. 2016-001.

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 instances of noncompliance or other matters that are 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's 2016-001 and 2016-002.

Response to Findings

Township of Haddon's response to the findings identified in our audit is described in the accompanying Comments & Recommendations section. Township of Haddon'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
RMA #435

May 10, 2017
Medford, New Jersey

BASIC FINANCIAL STATEMENTS

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

	REFERENCE	2016	2015
ASSETS			
Regular Fund:			
Cash	A-4	\$ 3,962,328	\$ 4,152,184
Petty Cash	A	200	200
Cash - Change Fund	A-6	650	650
Due from State of New Jersey for Senior Citizen & Veteran Deductions	A-9	36,854	33,487
Total Regular Fund		4,000,032	4,186,521
Receivables & Other Assets With Full Reserves:			
Delinquent Property Taxes Receivable	A-7	23,763	31,422
Tax Title Liens Receivable	A-8	95,462	66,417
Foreclosed Property - Assessed Valuation	A-11	1,894,100	1,894,100
Revenue Accounts Receivable	A-10	21,126	21,204
Protested Checks Receivable	A	19,194	6,195
Due From Bank	A	1,144	1,144
Due From Interfunds:			
Animal Control Fund	B	1,767	259
Water-Sewer Utility Operating Fund	D	173,866	164,898
Payroll Fund	B	162,128	19,538
Total Receivables & Other Assets With Full Reserves		2,392,550	2,205,177
Deferred Charges			
Emergency Authorization	A-12	-	12,500
Overexpenditure of Appropriation	A-12	35,810	-
Expenditure without Appropriation	A-12	-	8,298
Total Deferred Charges		35,810	20,798
Total Regular Fund, Receivables, Other Assets With Full Reserves & Deferred Charges		6,428,392	6,412,496
State & Federal Grants:			
Due from Current Fund	A	222,712	295,926
Grants Receivable	A-23	1,308,346	1,218,124
Total State & Federal Grants		1,531,058	1,514,050
Total Assets		<u>\$ 7,959,450</u>	<u>\$ 7,926,546</u>

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

**TOWNSHIP OF HADDON
CURRENT FUND
STATEMENT 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	\$ 294,160	\$ 453,485
Reserve for Encumbrances	A-3,A-14	75,188	112,686
Accounts Payable	A-13	6,652	4,377
Prepaid Taxes	A-15	281,491	249,287
Tax Overpayments	A-16	15,235	41,049
Local School District Taxes Payable	A-18	52	52
Fire District Taxes Payable	A-19	11,498	11,497
Due County for Added & Omitted Taxes	A-21	40,713	10,872
Due to State of NJ - U.C.C. Training Fees	A-17	3,764	-
Due to C.C.M.U.A.	A	147,426	183,456
Reserve for Revaluation	A	32,523	32,523
Reserve for Champion School Improvements	A	3,038	3,038
Reserve for Local School Contribution	A	8,014	8,014
Reserve for Public Works Retro Payroll	A	15,000	15,000
Reserve for Salt & Sand	A	19,500	19,500
Reserve for Tax Appeals	A	3,050	3,050
Reinsurance Proceeds Payable	A	20,139	20,139
Reserve for Street Scape	A	109,684	109,684
Due to Federal & State Grant Fund	A	222,712	295,926
Due to General Capital Fund	C	438,124	688,901
Due to Trust - Other Fund	B	83,063	84,119
Subtotal		<u>1,831,026</u>	<u>2,346,655</u>
Reserve for Receivables & Other Assets		2,392,550	2,205,177
Fund Balance	A-1	<u>2,204,816</u>	<u>1,860,664</u>
Total Regular Fund		<u>6,428,392</u>	<u>6,412,496</u>
State & Federal Grants:			
Reserve for Grants Unappropriated	A-24	134,023	86,832
Reserve for Grants Appropriated	A-25	1,395,243	1,325,005
Reserve for Encumbrances	A-25	<u>1,792</u>	<u>102,213</u>
Total State & Federal Grants		<u>1,531,058</u>	<u>1,514,050</u>
Total Liabilities, Reserves & Fund Balance		<u><u>\$ 7,959,450</u></u>	<u><u>\$ 7,926,546</u></u>

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

**TOWNSHIP OF HADDON
CURRENT FUND
STATEMENT 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	\$ 1,160,200	\$ 1,418,000
Miscellaneous Revenue Anticipated	3,562,269	3,199,048
Receipts From Delinquent Taxes & Tax Title Liens	21,363	9,571
Receipts From Current Taxes	45,819,320	44,365,649
Nonbudget Revenue	492,107	476,030
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	358,513	619,096
Refund of Prior Year Expenditures	-	15,735
Liquidation of Reserves For:		
General Capital Fund	-	110,288
Water-Sewer Operating	-	39,644
Due from Business Improvement District	-	24,060
Total	<u>51,413,772</u>	<u>\$ 50,277,121</u>
Expenditures:		
Budget & Emergency Appropriations:		
Operations Within "CAPS":		
Salaries & Wages	4,063,784	3,926,553
Other Expenses	4,270,180	4,327,874
Deferred Charges & Statutory Expenditures - Municipal Within "CAPS"	958,073	963,827
Cash Deficit of Proceeding Year	-	142,025
Operations Excluded from "CAPS":		
Salaries & Wages	314,650	357,518
Other Expenses	674,091	721,868
Capital Improvements	85,000	65,000
Municipal Debt Service	1,628,367	1,699,488
Deferred Charges - Municipal Excluded from "CAPS"	24,505	220,016
Special District Taxes - Business Improvement District	168,335	160,713
Fire District Taxes	1,524,515	1,458,380
County Taxes	11,647,765	11,507,867
Due County for Added & Omitted Taxes	40,713	10,872
Local District School Tax	24,477,219	23,229,748
Create Reserves for:		
Due From Business Improvement District	-	151,138
Interfund Advances	68,033	185
Total Expenditures	<u>49,945,230</u>	<u>48,943,072</u>
Regulatory Excess to Fund Balance	1,468,542	1,334,049
Adjustments to Income Before Surplus:		
Expenditures Included Above Which are by Statute		
Deferred Charges to Budget of Succeeding Year	<u>35,810</u>	<u>20,798</u>
Excess to Fund Balance	1,504,352	1,354,847
Fund Balance January 1	<u>1,860,664</u>	<u>1,923,817</u>
Total	3,365,016	3,278,664
Decreased by: Utilization as Anticipated Revenue	<u>1,160,200</u>	<u>1,418,000</u>
Fund Balance December 31	<u><u>\$ 2,204,816</u></u>	<u><u>\$ 1,860,664</u></u>

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

**TOWNSHIP OF HADDON
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	\$ 1,160,200	\$ -	\$ 1,160,200	\$ -
Miscellaneous Revenue:				
Licenses:				
Alcoholic Beverages	25,000	-	25,425	425
Other	25,000	-	6,950	(18,050)
Fees & Permits:				
Other	54,000	-	69,854	15,854
Fines & Costs:				
Municipal Court	330,000	-	326,679	(3,321)
Interest & Costs on Taxes	100,000	-	101,668	1,668
Parking Meters	16,000	-	35,742	19,742
Operation of Crystal Lake	210,000	-	220,450	10,450
Consolidated Municipal Property				
Tax Relief Act	144,635	-	92,547	(52,088)
Energy Receipts Tax	1,117,580	-	1,169,668	52,088
Uniform Construction Code				
Fees & Permits	240,000	-	765,270	525,270
Borough of Audubon Park - Police				
Protection Services	401,600	-	419,900	18,300
Uniform Fire Safety Act	23,000	-	20,191	(2,809)
Recycling Tonnage Grant	-	20,187	20,187	
Drunk Driving Enforcement	1,950	-	1,950	-
Safe & Secure Communities Program	60,000	-	60,000	-
Sustainable Grant	17,500	-	17,500	-
NJDOT Muinciapl Aid	-	200,000	200,000	-
Alcohol Education and Rehabilitation	-	906	906	-
Municipal Alliance Grant	7,382	-	7,382	-
Total Miscellaneous Revenues	2,773,647	221,093	3,562,269	567,529
Receipts from Delinquent Taxes	25,000	-	21,363	(3,637)
Local Tax for Municipal Purposes	8,015,354	-	8,137,234	121,880
Budget Totals	11,974,201	221,093	12,881,066	685,772
Nonbudget Revenues	-	-	492,107	492,107
Total	\$ 11,974,201	\$ 221,093	\$ 13,373,173	\$ 1,177,879

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

**TOWNSHIP OF HADDON
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	\$ 45,819,320
Less: Allocated for School, County Taxes & Special District Taxes	<u>37,858,547</u>

Total Allocation of Current Tax Collections	7,960,773
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Add: Budget Appropriation - Reserve for Uncollected Taxes	<u>176,461</u>
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Total Amount for Support of Municipal Budget Appropriation	<u><u>\$ 8,137,234</u></u>
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Receipts from Delinquent Taxes:

Delinquent Tax Collections	\$ 20,945
Tax Title Lien Collections	<u>418</u>

Total Receipts from Delinquent Taxes	<u><u>\$ 21,363</u></u>
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Fees & Permits Other:

Merchandise Application Fees	\$ 13,675
Solicitor's Permits	2,450
Planning & Zoning	13,584
Rent Control Board	32,400
Other	<u>7,745</u>

Total Fees & Permits Other	<u><u>\$ 69,854</u></u>
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ANALYSIS OF NONBUDGET REVENUES

Miscellaneous Revenue Not Anticipated:

Receipts:

Interest On Investments	\$ 15,959
Payment in Lieu of Taxes	127,326
SC & Vet Administrative Fee	3,074
Insurance Reimbursements	12,754
Vacant Property Fines	26,834
Copies	552
FEMA Reimbursement	50,229
LEA Rebates	18,532
Cable Franchise Fees	225,801
Other	<u>11,046</u>

Total Nonbudgeted Revenue	<u><u>\$ 492,107</u></u>
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The accompanying Notes to the Financial Statement are an integral part of this Statement.

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

	APPROPRIATIONS		EXPENDED			
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED	CANCELLED
General Government Functions:						
General Administration:						
Salaries and Wages	\$ 2,000	\$ 2,000	\$ -	-	\$ 2,000	-
Other Expenses	37,100	37,100	33,575	860	2,665	-
Human Services:						
Salaries and Wages	15,600	8,600	7,839	-	761	-
Other Expenses	40,000	35,000	33,081	-	1,919	-
Mayor & Commissioners:						
Salaries and Wages	25,860	26,360	25,870	-	490	-
Other Expenses	3,000	3,000	2,043	-	957	-
Municipal Clerk:						
Salaries and Wages	70,200	70,900	70,792	-	108	-
Other Expenses	35,400	35,400	29,264	139	5,997	-
Registrar of Vital Statistics:						
Salaries and Wages	2,050	2,050	1,140	-	910	-
Other Expenses	1,000	900	636	-	264	-
Financial Administration (Treasury):						
Salaries and Wages	24,700	24,700	23,083	-	1,617	-
Other Expenses	10,000	10,000	8,697	187	1,116	-
Audit Services:						
Annual Audit	40,000	40,000	36,887	-	3,113	-
Revenue Administration (Tax Collector):						
Salaries and Wages	69,500	73,000	72,508	-	492	-
Other Expenses	11,900	11,900	8,818	283	2,799	-
Assessments of Taxes:						
Salaries and Wages	71,600	71,700	71,586	-	114	-
Other Expenses	16,500	16,500	5,842	1,004	9,654	-
Legal Services:						
Other Expenses	204,500	174,500	163,291	-	11,209	-
Municipal Court:						
Salaries and Wages	147,000	167,000	165,499	-	1,501	-
Other Expenses	23,930	23,930	13,179	2,568	8,183	-
Public Defender:						
Salaries and Wages	5,700	5,700	5,100	-	600	-
Engineering Services & Costs:						
Other Expenses	15,000	15,000	7,799	-	7,201	-

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

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

	APPROPRIATIONS		EXPENDED			
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED	CANCELLED
Economic Development:						
Other Expenses	13,000	13,000	13,000	-	-	-
Land Use Administration:						
Planning Board:						
Salaries and Wages	38,550	41,650	40,218	-	1,432	-
Other Expenses	7,500	7,500	4,409	47	3,044	-
Code Enforcement & Administration:						
Rent Control Commission:						
Salaries and Wages	10,500	10,750	10,047	-	703	-
Other Expenses	1,050	1,050	601	-	449	-
Insurance:						
General Liability	214,700	214,700	208,351	-	6,349	-
Disability Insurance		-		-	-	-
Worker's Compensation	185,500	185,500	185,172	-	328	-
Employee Group Health	1,225,000	1,262,000	1,255,397	-	6,603	-
Health Benefits Waiver		-		-	-	-
Public Safety Functions:						
Police:						
Salaries and Wages	2,328,699	2,328,699	2,276,049	-	52,650	-
Other Expenses	159,500	159,500	132,838	11,065	15,597	-
Office of Emergency Management:						
Salaries and Wages	7,400	7,400	5,690	-	1,710	-
Other Expenses	250	250	-	-	250	-
Uniform Fire Safety Act:						
Salaries and Wages	39,500	40,000	39,878	-	122	-
Other Expenses	19,500	19,550	19,541	-	9	-
Fire Hydrant Service		-		-	-	-
Municipal Prosecutor:						
Salaries and Wages	13,500	13,750	13,669	-	81	-
Public Works Functions:						
Streets & Roads Maintenance:						
Salaries and Wages	691,150	816,150	790,860	-	25,290	-
Other Expenses	69,500	69,500	49,594	10,693	9,213	-
Maintenance of Traffic Lights:						
Other Expenses	6,000	6,000	3,971	-	2,029	-
Shade Tree Program:						
Salaries and Wages	3,425	3,525	3,463	-	62	-

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

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

	APPROPRIATIONS			EXPENDED		
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED	CANCELLED
Other Expenses	30,000	30,000	26,685	1,178	2,137	-
Solid Waste Collection:						
Other Expenses	750,000	750,000	730,396	10,644	8,960	-
Building & Grounds:						
Other Expenses	32,500	32,500	28,359	1,999	2,142	-
Vehicle Maintenance:						
Other Expenses	76,000	76,000	53,365	8,550	14,085	-
Community Services Act:						
Other Expenses	100,000	100,000	71,274	-	28,726	-
Health & Human Services:						
Environmental Commission:						
Other Expenses	2,000	2,000	757	-	1,243	-
Animal Control Program:						
Other Expenses	9,000	9,400	9,354	-	46	-
Park & Recreation Functions:						
Crystal Lake Pool:						
Salaries and Wages	99,000	85,100	85,048	-	52	-
Other Expenses	86,500	71,500	70,186	693	621	-
Parks & Playgrounds:						
Other Expenses	10,000	11,000	10,782	186	32	-
Utility Expense & Bulk Purchases:						
Electricity	280,000	214,350	207,485	-	6,865	-
Street Lighting	-	-	-	-	-	-
Telephone & Telegraph	33,000	33,000	29,236	214	3,550	-
Natural Gas	42,000	25,650	22,816	-	2,834	-
Gasoline	65,000	45,000	42,452	-	2,548	-
Landfill/Solid Waste Disposal Costs:						
Disposal Costs	410,000	355,000	323,950	24,794	6,256	-
Appropriation Offset By Dedicated Revenues:						
Code Enforcement & Administration:						
Salaries and Wages	148,500	163,600	163,548	-	52	-
Other Expenses	32,800	38,000	37,894	84	22	-
Other Common Operating Functions:						
Accumulated Leave Compensation	9,000	9,000	8,474	-	526	-
Celebration of Public Events, Anniversary or Holiday - Other Expenses	61,000	61,000	60,964	-	36	-
Senior Citizens Coordinator:						

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

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

	APPROPRIATIONS		EXPENDED			
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED	CANCELLED
Salaries and Wages	61,250	61,250	56,024	-	5,226	-
Other Expenses	2,000	2,000	815	-	1,185	-
Community Communications:						
Salaries and Wages	79,700	39,900	39,817	-	83	-
Other Expenses	33,000	33,000	25,782	-	7,218	-
Disolution of Fire District #2:	30,000	30,000	26,673	-	3,327	-
Total Operations Within "CAPS" Including Contingent	8,389,014	8,333,964	7,971,413	75,188	287,363	-
Detail:						
Salaries and Wages	3,955,384	4,063,784	3,967,728	-	96,056	-
Other Expenses	4,433,630	4,270,180	4,003,685	75,188	191,307	-
Deferred Charges & Statutory Expenditures Municipal Within "CAPS":						
Statutory Expenditures:						
Contributions to:						
Social Security System (O.A.S.I.)	220,000	205,000	203,504	-	1,496	-
Police & Fireman's Retirement						
System of New Jersey	537,656	564,656	564,373	-	283	-
Employees Retirement System	188,417	188,417	188,417	-	-	-
Total Deferred Charges & Statutory Expenditures Within "CAPS"	946,073	958,073	956,294	-	1,779	-
Total General Appropriations for Municipal Purposes Within "CAPS"	9,335,087	9,292,037	8,927,707	75,188	289,142	-
Stormwater Regulations:						
Salaries and Wages	116,500	151,500	146,678	-	4,822	-
Borough of Audubon Park:						
Police Services	387,600	387,600	387,600	-	-	-
Municipal Clerk/Treasurer	-	-	-	-	-	-
Tax Collector	14,000	14,000	14,000	-	-	-
Public & Private Programs Offset by Revenues:						
SFSP Fire District Payment	6,000	6,000	5,804	-	196	-
Safe & Secure Communities Program	161,200	161,200	161,200	-	-	-

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

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

	APPROPRIATIONS		EXPENDED			
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED	CANCELLED
Drunk Driving Enforcement Grant:						
Salaries and Wages	1,950	1,950	1,950	-	-	-
Recycling Tonnage Grant	-	20,187	20,187	-	-	-
Alcohol Education & Rehabilitation Grant	-	906	906	-	-	-
Seabelt Enforcement Grant	17,500	17,500	17,500	-	-	-
Municipal Alliance Grant	27,898	27,898	27,898	-	-	-
NJDOT Municipal Aid	-	200,000	200,000	-	-	-
Total Operations Excluded from "CAPS"	732,648	988,741	983,723	-	5,018	-
Detail:						
Salaries and Wages	279,650	314,650	309,828	-	4,822	-
Other Expenses	452,998	674,091	673,895	-	196	-
Capital Improvements-Excluded from "CAPS":						
Capital Improvement Fund	85,000	85,000	85,000	-	-	-
Total Capital Improvements Excluded from "CAPS"	85,000	85,000	85,000	-	-	-
Municipal Debt Service - Excluded From "CAPS":						
Payment of Bond Principal	902,500	902,500	902,500	-	-	-
Payment of Bond Anticipation Notes & Capital Note	220,000	220,350	220,332	-	-	18
Interest on Bonds	357,000	357,700	357,660	-	-	40
Interest on Notes	98,000	105,000	104,955	-	-	45
Green Trust Loan Program:						
Loan Repayments for Principal & Interest	43,000	43,000	42,920	-	-	80
Total Municipal Debt Service Excluded from "CAPS"	1,620,500	1,628,550	1,628,367	-	-	183
Deferred Charges - Excluded from "CAPS":						
Emergency Authorizations	12,500	12,500	12,500	-	-	-
Deferred Charges to Future Taxation - Unfunded:						
Overexpenditure of Ordinances	3,707	3,707	3,707	-	-	-

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

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

	APPROPRIATIONS		EXPENDED			
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED	CANCELLED
Expenditure Without Appropriation	8,298	8,298	8,298	-	-	-
Total Deferred Charges - Excluded from "CAPS"	24,505	24,505	24,505	-	-	-
Subtotal General Appropriations Reserve For Uncollected Taxes	11,797,740	12,018,833	11,649,302	75,188	294,160	183
	176,461	176,461	176,461	-	-	-
Total General Appropriations	\$ 11,974,201	\$ 12,195,294	\$ 11,825,763	\$ 75,188	\$ 294,160	\$ 183
Appropriation by 40A:4-87 Emergency Appropriations Original Budget	\$	253,993				
		-				
		11,974,201				
Total	\$	12,228,194				
Reserve for Federal & State Grants - Appropriated Due to Federal & State Grant Fund - Matching Funds Deferred Charge - Emergency Authorization Reserve for Uncollected Taxes Reimbursements Cash Disbursements			\$ 429,641 5,804 24,505 176,461 (868,110) 12,057,462			
Total			\$ 11,825,763			

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

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

ASSETS	REFERENCE	2016	2015
Assessment Fund:			
Due from General Capital Fund	C	\$ 450	\$ 450
Animal Control Fund:			
Cash	B-1	1,961	884
Change Fund	B	30	30
Total Animal Control Fund		1,991	914
Other Trust Funds:			
Cash	B-1	1,660,620	1,908,659
Due Utility Operating Fund	D	44,040	44,040
Due Current Fund	B-8	83,063	84,119
Other Receivable	B	3,710	3,080
Community Development Block Grant Receivable	B-6	47,053	63,519
Total Other Trust Funds:		1,838,486	2,103,417
Total - All Funds		\$ 1,840,927	\$ 2,104,781
LIABILITIES & RESERVES			
Assessment Fund:			
Deposits on Future Assessments	B-2	\$ 450	\$ 450
Animal Control Fund:			
Reserve for Animal Control Fund Expenditures	B-3	224	655
Due Current Fund	B-4	1,767	259
Total Animal Control Fund		1,991	914
Other Trust Funds:			
Payroll Deductions Payable	B-7	44,883	110,220
Due Current Fund - Payroll	A	162,128	19,538
Due State of New Jersey - Marriage License Fees	B-9	2,642	2,842
Due State of New Jersey - Burial License	B-9	145	145
Various Reserves	B-10	1,628,688	1,970,672
Total Other Funds		1,838,486	2,103,417
Total - All Funds		\$ 1,840,927	\$ 2,104,781

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

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

ASSETS	REFERENCE	2016	2015
Cash	C-1, C-2	\$ 1,586,032	\$ 2,729,260
Deferred Charges to Future Taxation:			
Unfunded	C-4	7,640,748	13,624,845
Funded	C-3	17,209,225	12,808,928
Overexpenditure of Improvement Authorization	C-8	-	3,707
Due From Current Fund	A,C-5	438,124	688,901
Total		<u>\$ 26,874,129</u>	<u>\$ 29,855,641</u>
LIABILITIES, RESERVES & FUND BALANCE			
General Serial Bonds	C-11	\$ 16,951,300	\$ 12,513,800
Green Acres Loan Payable - Crystal Lake Development	C-9	31,571	36,476
Green Acres Loan Payable - MacArthur Tract Acquisition	C-10	226,354	258,652
Bond Anticipation Notes	C-12	6,152,485	12,328,332
Improvement Authorizations:			
Unfunded	C-8	1,915,258	2,579,230
Funded	C-8	878,192	973,714
Reserve for Encumbrances	C-8	608,369	1,058,681
Capital Improvement Fund	C-7	5,300	1,550
Reserve for Flood Proceeds	C	25,866	25,866
Reserve for DY DEE Development	C-5	5,401	5,307
Reserve for Payment of Debt	C	50,000	50,000
Due Trust Assessment Fund	B	450	450
Fund Balance	C-14	23,583	23,583
Total		<u>\$ 26,874,129</u>	<u>\$ 29,855,641</u>

There were bonds and notes authorized but not issued on December 31, 2016 of \$1,488,263 and on December 31, 2015 was \$1,296,513.

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

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

ASSETS	REFERENCE	2016	2015
Operating Fund:			
Cash	D-4	\$ 1,599,440	\$ 1,274,798
Change Fund - Collector	D	75	75
Due from Bank	D	2,216	2,216
Due from Water-Sewer Capital Fund	D-19	231,377	246,080
Total		1,833,108	1,523,169
Receivables & Other Assets With Full Reserves:			
Consumer Accounts Receivable	D-7, D-8	31,057	8,986
Liens Receivable	D-10	1,235	1,235
Protested Checks Receivable	D-17	2,608	2,608
Total Receivable & Other Assets With Full Reserves		34,900	12,829
Deferred Charges:			
Emergency Authorization	D	-	37,500
Total Deferred Charges		-	37,500
Total Operating Fund		1,868,008	1,573,498
Capital Fund:			
Cash	D-4	463,618	818,810
NJEIT Loan Receivable	A	278,697	278,697
Fixed Capital:			
Water	D-12	9,709,255	9,709,255
Sewer	D-13	4,758,345	4,758,345
Fixed Capital Authorized & Uncompleted	D-14	16,677,663	15,927,663
Deferred Charges to Future Taxation:			
Overexpenditure of Improvement Authorizations	D-23	-	16,472
Total Capital Fund		31,887,578	31,509,242
Total Operating & Capital Fund		\$ 33,755,586	\$ 33,082,740

Bonds and Notes authorized but not issued as of December 31, 2016 was \$1,977,987 and as of December 31, 2015 was \$1,595,487.

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

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

	REFERENCE	2016	2015
LIABILITIES RESERVES & FUND BALANCE			
Operating Fund:			
Liabilities:			
Appropriation Reserves	D-3	\$ 373,472	\$ 27,909
Reserve for Encumbrances	D-16,D-3	20,484	17,735
Accrued Interest on Bonds & Notes	D-18	101,153	90,920
Due to Trust Other Fund	B	44,040	44,040
Due to Current Fund	A,D-9	173,866	164,898
Subtotal		713,015	345,502
Reserve for Receivables	D	34,900	12,829
Fund Balance	D-1	1,120,093	1,215,167
Total Operating Fund		1,868,008	1,573,498
Capital Fund:			
Serial Bonds	D-24	5,135,700	5,573,200
Bond Anticipation Notes	D-27	1,887,500	1,520,000
New Jersey Infrastructure Trust - Loan Payable	D-25 , D-26	4,182,943	4,620,154
Improvement Authorizations:			
Funded	D-23	100,195	128,162
Unfunded	D-23	1,676,911	1,583,936
Reserve for Encumbrances	D-23	682,604	722,073
Capital Improvement Fund	D-11	12,427	12,427
Due to Water - Sewer Operating Fund	D-19	231,377	246,080
Reserves for:			
Amortization	D-21	17,833,371	16,958,660
Deferred Amortization	D-22	127,763	127,763
Fund Balance	D-20	16,787	16,787
Total Capital Fund		31,887,578	31,509,242
Total Liabilities, Reserves & Fund Balance		\$ 33,755,586	\$ 33,082,740

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

**TOWNSHIP OF HADDON
WATER-SEWER UTILITY FUND
STATEMENT 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:		
Fund Balance Appropriated	\$ 532,000	\$ 152,000
Rents	3,138,337	3,196,813
Miscellaneous	586,000	931,757
Other Credits to Income:		
Accrued Interest Adjustment	-	20,758
Unexpended Balance of Appropriation Reserves	21,593	187,967
Total Income	4,277,930	4,489,295
Expenditures:		
Operating	2,573,700	2,188,650
Debt Service	1,038,823	1,000,363
Capital Improvements	-	37,500
Deferred Charges & Statutory Expenditures	226,798	221,202
Other Debits to Expenditures:		
Refund of Prior Year Revenue	1,683	6,441
Total Expenditures	3,841,004	3,454,156
Adjustments to Income Before Surplus:		
Expenditures Included Above Which are by Statute		
Deferred Charges to Budget of Succeeding Year	-	37,500
Excess/Deficit in Revenue	436,926	1,072,639
Operating Deficit to be Raised in Budget of Succeeding Year	-	-
Statutory Excess to Fund Balance	436,926	1,072,639
Fund Balance January 1	1,215,167	294,528
Less: Balance Appropriated	532,000	152,000
Fund Balance December 31	\$ 1,120,093	\$ 1,215,167

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

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

	ANTICIPATED	REALIZED	EXCESS OR (DEFICIT)
Fund Balance Anticipated	\$ 532,000	\$ 532,000	\$ -
Rents	3,100,000	3,138,337	38,337
Miscellaneous	250,000	586,000	336,000
	<hr/>		
Total	\$ 3,882,000	\$ 4,256,337	\$ 374,337
	<hr/>		

ANALYSIS OF REALIZED REVENUE

Rents:

Consumer Accounts Receivable:

Water	\$ 1,942,776
Sewer	1,195,561
	<hr/>

Total Rents	<hr/> <hr/> \$ 3,138,337
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Miscellaneous

Collector:

Other	\$ 73,997
Privilege Fees	506,175
Interest on Investments	4,059

Collected by Water-Sewer Utility Capital Fund:

Interest on Investments	1,769
	<hr/>

Total Miscellaneous	<hr/> <hr/> \$ 586,000
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The accompanying Notes to the Financial Statement are an integral part of this Statement.

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

	ORIGINAL BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	EXPENDED ENCUMBERED	RESERVED	UNEXPENDED BALANCE CANCELLED
Operating:						
Salaries and Wages	\$ 1,145,000	\$ 1,145,000	\$ 989,906	\$ -	\$ 155,094	\$ -
Other Expenses	1,428,700	1,428,700	1,202,888	20,484	205,328	-
Total Operating	2,573,700	2,573,700	2,192,794	20,484	360,422	-
Debt Service:						
Payment of Bond Principal	745,000	745,000	721,464	-	-	23,536
Interest on Bonds & Loans	310,000	310,000	307,042	-	-	2,958
Interest on Notes	12,000	12,000	10,317	-	-	1,683
Total Debt Service	1,067,000	1,067,000	1,038,823	-	-	28,177
Deferred Charges:						
Emergency Authorization	37,500	37,500	37,500	-	-	-
Overexpenditure of Ordinance	16,472	16,472	16,472	-	-	-
Overexpenditures of Appropriation	14,502	14,502	-	-	-	14,502
Total Deferred Charges	68,474	68,474	53,972	-	-	14,502
Statutory Expenditures:						
Contribution to:						
Social Security System (O.A.S.I.)	80,076	80,076	68,608	-	11,468	-
Public Employees Retirement System	80,750	80,750	80,750	-	-	-
Unemployment Compensation Insurance	10,000	10,000	10,000	-	-	-
State Disability Insurance	2,000	2,000	418	-	1,582	-
Total Statutory Expenditures	172,826	172,826	159,776	-	13,050	-
Total Expenditures	\$ 3,882,000	\$ 3,882,000	\$ 3,445,365	\$ 20,484	\$ 373,472	\$ 42,679
Budget Emergency Authorization	\$	3,882,000	-			
Total	\$	<u>3,882,000</u>				
Cash Disbursed		\$	3,381,160			
Deferred Charges			53,972			
Accrued Interest Adjustment			<u>10,233</u>			
Total			<u>\$ 3,445,365</u>			

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

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

ASSETS	<u>2016</u>	<u>2015</u>
Land	\$ 4,086,701	\$ 4,086,701
Building & Improvements	3,878,645	3,878,645
Equipment & Vehicles	<u>5,220,054</u>	<u>5,220,054</u>
Total	<u>\$ 13,185,400</u>	<u>\$ 13,185,400</u>
FUND BALANCE		
Investment in General Fixed Assets	<u>\$ 13,185,400</u>	<u>\$ 13,185,400</u>

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

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**TOWNSHIP OF HADDON
COUNTY OF CAMDEN**

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

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TOWNSHIP OF HADDON

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 financial statements of the Township of Haddon, County of Camden, New Jersey ("the Township"), include every board, body, office or commission supported and maintained wholly or in part by funds appropriated by the Township as required by *N.J.S.A.40A:5-5*. The financial statements of the Township do not include the operations of the Board of Education, first aid organization or volunteer fire companies that are subject to separate audits.

Component Unit – The financial statements of the component unit of the Township of Haddon are not presented in accordance with Governmental Accounting Standards Board Statement No. 14, as amended by GASB Statements No. 39 and 61. If the provisions of GASBS No. 14, as amended by GASB Statement No. 39 and 61, had been complied with, the financial statements of the following component unit would have been either blended or discretely presented with the financial statements of the Township, the primary government:

Haddon Township Business Improvement District
135 Haddon Avenue
Westmont, New Jersey 08108

Basis of Accounting, Measurement Focus and Basis of Presentation - - The financial statements of the Township of Haddon 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 Haddon accounts for its financial transactions through the use of separate funds which are described as follows:

Current Fund - resources and expenditures for government operations of a general nature, including Federal and State Grant funds.

Assessment Trust Fund - used to account for the financing of local improvements deemed to benefit the properties against which assessments are levied.

Dog Trust Fund - dog license revenues and expenditures.

Trust Other Funds - sundry deposits held for satisfactory completion of specific work; receipts and disbursements for dedicated purposes.

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

Water-Sewer Utility Operating Fund - revenue and expenditures necessary to operate a Township owned water supply system from user fees.

TOWNSHIP OF HADDON

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

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

Water-Sewer Utility Capital Fund - resources, including Federal and State Grants in aid of construction, and expenditures for the acquisition of water-sewer capital facilities, other than those acquired through the Water-Sewer Utility Operating Fund, including the status of bonds and notes authorized for said purposes.

General Fixed Asset Account Group - to account for fixed assets used in general government operations.

Budgets and Budgetary Accounting - The Township must adopt an annual budget for its current, water utility, and sewer utility 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 August 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 Township. 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.40AA-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 and Cash Equivalents - 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.

TOWNSHIP OF HADDON

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

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

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

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

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

General Fixed Assets - Accounting for governmental fixed assets, as required by *N.J.A.C.5:30-5.6*, differs in certain respects from accounting principles generally accepted in the United States of America. In accordance with the regulations, all local units, including municipalities, must maintain a general fixed assets reporting system that establishes and maintains a physical inventory of nonexpendable, tangible property as defined and limited by the U.S. Office of Management and Budget 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 \$5,000.00, the maximum amount allowed by the Circular. Generally, assets are valued at historical cost; however, assets acquired prior to December 31, 1985 are valued at actual historical cost or estimated historical cost. In some instances, assets are valued at the assessed valuation of the property at the time of acquisition, which approximates fair value. 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.

TOWNSHIP OF HADDON

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

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

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 Township 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.

Deferred Charges - The recognition of certain expenditures is deferred to future periods. These expenditures, or deferred charges, are generally over-expenditures 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 funds represent amounts available for anticipation as revenue in future years' budgets, with certain restrictions.

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

Other amounts that are due the Township which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenue when received.

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

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

County Taxes - The Township is responsible for levying, collecting, and remitting county taxes for the County of Camden. 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.

TOWNSHIP OF HADDON

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

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

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.

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 31st, 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.

Impact of Recently Issued Accounting Principles 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 HADDON

**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 HADDON

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 of Haddon has evaluated subsequent events occurring after December 31, 2016 through the date of May 10, 2017, which is the date the financial statements were available to be issued.

TOWNSHIP OF HADDON

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

Note 2. Cash and Cash Equivalents:

The Township is governed by the deposit and investment limitations of New Jersey state law. The Deposits and investments held at December 31, 2016, and reported at fair value are as follows:

<u>Type</u>	<u>Carrying Value</u>
Deposits:	
Demand Deposits	\$ 9,274,954
 Total Deposits	 \$ 9,274,954
Fund:	
Current Fund	\$ 3,963,178
Animal Control Trust Fund	1,991
Trust - Other Fund	1,660,620
General Capital Fund	1,586,032
Water - Sewer Utility Operating Fund	1,599,515
Water - Sewer Utility Capital Fund	463,618
 Total	 \$ 9,274,954

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

As of December 31, 2016, the Township's bank balances of \$11,495,558 were exposed to custodial credit risk as follows:

Uninsured & Uncollateralized	\$ 1,791,898
Insured Under F.D.I.C.	250,000
Collateralized Under GUDPA	9,453,660
 Total	 \$11,495,558

TOWNSHIP OF HADDON

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

Note 3. Property Taxes

Property taxes are an enforceable lien on the assessed property. Taxes are due on a quarterly basis on February 1, May 1, August 1 and November 1. All unpaid taxes become delinquent 8 days after the above due dates. The Township bills and collects its own property taxes as well as the taxes levied by the other taxing bodies within the municipality. Property tax revenues are recognized when collected. A reserve for uncollected taxes is established in the current operating budget to the extent that their collectability is improbable.

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>\$3.512</u>	<u>\$3.399</u>	<u>\$3.339</u>
Apportionment of Tax Rate:			
Municipal	0.637	0.637	0.637
County	0.928	0.915	0.904
Local School	1.947	1.847	1.798

Net Valuation Taxable:

2016	<u>\$1,256,876,026</u>	
2015	<u>\$ 1,258,163,190</u>	
2014		<u>\$1,259,576,400</u>

Comparison of Tax Levies and Collection Currently:

YEAR	TAX LEVY	CASH COLLECTIONS	PERCENTAGE OF COLLECTION
2016	\$ 45,996,255	\$ 45,819,321	99.62%
2015	44,431,342	44,365,649	99.85%
2014	43,726,413	43,596,757	99.70%

Delinquent Taxes and Tax Title Liens:

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	\$ 95,462	\$ 23,763	\$ 119,225	0.26%
2015	66,417	31,422	97,839	0.24%
2014	52,722	19,804	72,526	0.17%

TOWNSHIP OF HADDON

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

Note: 4: Property Acquired By Tax Title Lien Liquidation

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

YEAR	AMOUNT
2016	\$ 1,894,100
2015	1,894,100
2014	1,894,100

Note: 5: Water - Sewer Utility Service Charges

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

YEAR ENDED DECEMBER 31	<i>Balance Beginning of Year</i>					CASH	<i>Balance End of Year</i>	
	RECEIVABLE	LIENS	LEVY	TOTAL	COLLECTIONS		RECEIVABLE	LIENS
2016	\$ 8,986	\$ 1,235	\$ 3,160,408	\$ 3,170,629	\$ 3,138,337	\$ 31,057	\$ 1,235	
2015	8,406	1,235	3,197,393	3,207,034	3,196,813	8,986	1,235	
2014	8,563	2,282	3,114,852	3,125,697	3,116,056	8,406	1,235	

Note: 6: Fund Balance Appropriated

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

YEAR	BALANCE DECEMBER 31,	UTILIZED IN BUDGET OF SUCCEEDING YEAR	PERCENTAGE OF FUND BALANCE USED
CURRENT FUND:			
2016	\$ 2,204,816	\$ 1,400,000	63.50%
2015	1,860,664	1,160,200	62.35%
2014	1,923,817	1,418,000	73.71%
2013	1,699,329	1,200,000	70.62%
2012	2,036,746	1,336,500	65.62%
WATER/SEWER UTILITY FUND:			
2016	\$ 1,120,093	\$ 754,287	67.34%
2015	1,215,167	532,000	43.78%
2014	294,528	152,000	51.61%
2013	294,528	-	0.00%
2012	461,826	429,153	92.93%

TOWNSHIP OF HADDON

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

Note 7. 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/annrpts.shtml.

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

TOWNSHIP OF HADDON

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

Note 7. Pension Obligations (continued):

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

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 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 \$9,781,878 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 .03303%, which was an increase of .00172% from its proportion measured as of June 30, 2015.

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

	<u>12/31/16</u>	<u>12/31/15</u>
Actuarial Valuation Date (including roll Forward)	June 30, 2016	June 30, 2015
Deferred Outflows of Resources	7,056,606	6,337,151
Deferred Inflows of Resources	5,081,739	6,560,796
Net Pension Liability	9,781,878	7,028,075

Municipality's Portion of the Plan's Total

Net Pension Liability	0.03303%	0.03131%
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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 HADDON

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

Note 7. 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	\$ 181,913	\$ -
Changes of Assumptions	2,026,283	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	372,992	-
Changes in Proportion and Differences between Municipality Contributions and Proportionate Share of Contributions	<u>4,475,418</u>	<u>5,081,739</u>
	<u>\$ 7,056,606</u>	<u>\$ 5,081,739</u>

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	\$ 474,282
2018	474,285
2019	674,842
2020	247,784
2021	<u>103,676</u>
	<u>\$ 1,974,869</u>

TOWNSHIP OF HADDON

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

Note 7. 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 HADDON

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

Note 7. 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 rates 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 HADDON

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

Note 7. 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	5.25%	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 HADDON

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

Note 7. 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:

	Decrease (2.98%)	Discount Rate (3.98%)	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	\$ 11,986,550	\$ 9,781,878	\$ 7,961,730

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 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.

TOWNSHIP OF HADDON

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

Note 7. Pension Obligations (continued):

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

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 \$602,935 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 \$14,126,122. 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 .07395%, which was an increase of .00780% from its proportion measured as of June 30, 2015.

TOWNSHIP OF HADDON

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

Note 7. 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>	<u>12/31/15</u>
Actuarial Valuation Date (including roll Forward)	June 30, 2016	June 30, 2015
Deferred Outflows of Resources	3,929,301	2,143,379
Deferred Inflows of Resources	506,760	831,587
Net Pension Liability	14,126,122	11,017,365
Municipality's Portion of the Plan's Total		
Net Pension Liability	0.07395%	0.06614%

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	\$ -	\$ 92,599
Changes of Assumptions	1,956,584	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	989,789	-
Changes in Proportion and Differences between Municipality Contributions and Proportionate Share of Contributions	<u>982,928</u>	<u>414,161</u>
	<u>\$ 3,929,301</u>	<u>\$ 506,760</u>

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

TOWNSHIP OF HADDON

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

Note 7. Pension Obligations (continued):

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

Year Ending			
	<u>Dec 31,</u>	<u>PFRS</u>	
	2017	\$	744,126
	2018		744,128
	2019		953,194
	2020		662,687
	2021		318,405
			<u>3,422,540</u>
		\$	<u>3,422,540</u>
		<u>Deferred</u>	<u>Deferred</u>
		<u>Outflows of</u>	<u>Inflows of</u>
		<u>Resources</u>	<u>Resources</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 HADDON

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

Note 7. 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 \$1,186,244 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	\$ 14,126,122
State's Proportionate Share of the Net Pension Liability Associated with the Municipality	<u>1,186,244</u>
Total Net Pension Liability	<u><u>\$ 15,312,366</u></u>

For the year ended December 31, 2016, the Municipality's total allocated pension expense was \$1,337,755.

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 HADDON

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

Note 7. Pension Obligations (continued):

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

PFRS

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 HADDON

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

Note 7. 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:

	Decrease (4.55%)	Discount Rate (5.55%)	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	\$ 19,744,173	\$ 15,312,366	\$ 11,698,494

TOWNSHIP OF HADDON

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

Note 7. 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 8. Capital Debt

The Local Bond Law governs the issuance of bonds and notes to finance general municipal capital expenditures. Bonds are retired in serial installments with the statutory period of usefulness. Bonds issued by the Township are general obligations bonds backed by the full faith and credit of the Township. Bond anticipation notes are issued to temporarily finance capital projects prior to the issuance of serial bonds. The terms of the notes cannot exceed one year but the notes may be renewed from time to time for a period not exceeding one year. All such notes must be paid no later than the tenth anniversary of the date of the original note. The State of New Jersey also prescribes that on or before the third anniversary date of the original note a payment of at least equal to the first legally payable installment of the bonds in anticipation of which such notes were issued be paid. A second legal installment must be paid if the notes are to be renewed beyond the fourth anniversary date of the original issuance and so on. Tax anticipation notes are issued if the cash on hand is not sufficient to carry on normal operations of the municipality at any time during the year. Such notes are authorized by a resolution adopted by the governing body.

During the fiscal year ended December 31, 2016 the following changes occurred in General Capital debt:

	December 31, 2015	Accrued/ Increases	Retired/ Decreases	December 31, 2016	Due Within One Year
General Serial Bonds	\$ 12,513,800	\$ 5,340,000	\$ (902,500)	\$ 16,951,300	\$ 1,064,650
Bond Anticipation Notes	12,328,332	18,970,817	(25,146,664)	6,152,485	6,152,485
Green Acres Loan Payable	295,128	-	(37,203)	257,925	37,949
Authorized but Not Issued	1,296,513	1,543,750	(1,352,000)	1,488,263	-
Total	\$ 26,433,773	\$ 25,854,567	\$ (27,438,367)	\$ 24,849,973	\$ 7,255,084

TOWNSHIP OF HADDON

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

Note 8. Capital Debt (continued):

During the fiscal year ended December 31, 2016 the following changes occurred in Utility Capital debt:

	December 31, 2015	Accrued/ Increases	Retired/ Decreases	December 31, 2016	Due Within One Year
General Obligation Bonds	\$ 5,573,200	\$ -	\$ (437,500)	\$ 5,135,700	\$ 465,350
Bond Anticipation Notes	1,520,000	1,887,500	(1,520,000)	1,887,500	1,887,500
NJIT Loan Payable	4,620,154	-	(437,211)	4,182,943	307,893
Accrued Interest	90,920	317,359	(307,126)	101,153	101,153
Authorized but Not Issued	1,595,487	750,000	(367,500)	1,977,987	-
Total	\$ 13,399,761	\$ 2,954,859	\$ (3,069,337)	\$ 13,285,283	\$ 2,761,896

Summary of Statutory Debt Condition – Annual Debt Statement:

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 1.873%

	GROSS DEBT	DEDUCTIONS	NET DEBT
Local School District Debt	\$ 5,240,000	\$ 5,240,000	\$ -
Water-Sewer Utility Debt	13,207,377	13,207,377	-
General Debt	24,849,973	50,000	24,799,973
Total	\$ 43,297,350	\$ 18,497,377	\$ 24,799,973

Net Debt, \$24,799,973 divided by Equalized Valuation Basis per N.J.S.A.40A:2-2, as amended, \$1,323,807,962 equals 1.873%.

Borrowing Power Under 40A:2-6:

3 1/2% of Equalized Valuation Bases (Municipal)	\$ 46,333,279
Net Debt	<u>24,799,973</u>
Remaining Borrowing Power	<u>\$ 21,533,306</u>

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

Cash Receipts From Fees, Rents & Other Charges	\$ 4,262,923
Deductions:	
Operating & Maintenance Costs	\$ 2,800,498
Debt Service	<u>1,038,823</u>
	<u>3,839,321</u>
Excess in Revenue - Self Liquidating	<u>\$ 423,602</u>

TOWNSHIP OF HADDON

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

Note 8. Capital Debt (continued):

Summary of Municipal Debt

	Year 2016	Year 2015	Year 2014
Issued			
General:			
Bonds, Loans & Notes	\$ 23,361,710	\$25,137,260	\$23,268,179
Water-Sewer Utility:			
Bonds & Notes	7,023,200	7,093,200	6,838,750
Infrastructure Trust Loan	4,182,943	4,620,154	4,912,132
Bonds Issued by Another Public Body Guaranteed by the Township	-	-	-
Total Issued	<u>34,567,853</u>	<u>36,850,614</u>	<u>35,019,061</u>
Authorized but not Issued	Year 2016	Year 2015	Year 2014
General:			
Bonds & Notes	\$1,488,263	\$1,296,513	\$2,296,763
Water-Sewer Utility:			
Bonds & Notes	<u>1,977,987</u>	<u>1,595,487</u>	<u>1,637,987</u>
Total Authorized But Not Issued	<u>3,466,250</u>	<u>2,892,000</u>	<u>3,934,750</u>
Total Issued & Authorized but not Issued	<u>38,034,103</u>	<u>39,742,614</u>	<u>38,953,811</u>
Deductions:			
Bonds Issued by Another Public Body Guaranteed by the Township	-	-	-
Self-Liquidating Debt	<u>13,234,130</u>	<u>13,358,842</u>	<u>7,268,889</u>
Total Deductions	<u>13,234,130</u>	<u>13,358,842</u>	<u>7,268,889</u>
Net Debt	<u>\$ 24,799,973</u>	<u>\$26,383,772</u>	<u>\$31,684,922</u>

TOWNSHIP OF HADDON

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

Note 8. Capital Debt (continued):

A. Schedule of General Capital Annual Debt Service for Principal and Interest for Bonded Debt Issued and Outstanding as follows:

Fiscal			
Year	Principal	Interest	Total
2017	\$ 1,064,650	\$ 525,867	\$ 1,590,517
2018	1,059,650	501,172	1,560,822
2019	970,000	474,442	1,444,442
2020	1,060,000	447,570	1,507,570
2021	1,075,000	418,683	1,493,683
2022-2026	5,045,000	1,627,275	6,672,275
2027-2031	2,960,000	962,600	3,922,600
2032-2036	1,302,000	604,593	1,906,593
2037-2041	1,120,000	397,200	1,517,200
2042-2046	1,295,000	155,800	1,450,800
Total	<u>\$ 16,951,300</u>	<u>\$ 6,115,202</u>	<u>\$ 23,066,502</u>

B. Schedule of Annual Debt Service for Principal and Interest for Long-Term Loan for Crystal Lake Development as follows:

Fiscal			
Year	Principal	Interest	Total
2017	\$ 5,004	\$ 607	\$ 5,611
2018	5,104	506	5,610
2019	5,207	404	5,611
2020	5,311	299	5,610
2021	5,418	192	5,610
2022	5,527	83	5,610
Total	<u>\$ 31,571</u>	<u>\$ 2,091</u>	<u>\$ 33,662</u>

C. Schedule of Annual Debt Service for Principal and Interest for Long-Term Loan for MacArthur Tract Acquisition as follows:

Fiscal			
Year	Principal	Interest	Total
2017	\$ 32,947	\$ 4,363	\$ 37,310
2018	33,609	3,701	37,310
2019	34,248	3,025	37,273
2020	34,974	2,336	37,310
2021	35,677	1,633	37,310
2022-2023	54,864	916	55,780
Total	<u>\$ 226,319</u>	<u>\$ 15,974</u>	<u>\$ 242,293</u>

TOWNSHIP OF HADDON

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

Note 8. Capital Debt (continued):

D. Schedule of Water-Sewer Capital Annual Debt Service for Principal and Interest for Bonded Debt Issued and Outstanding as follows:

Fiscal				
Year	Principal	Interest	Total	
2017	\$ 465,350	\$ 154,199	\$ 619,549	
2018	475,350	142,344	617,694	
2019	365,000	129,928	494,928	
2020	395,000	119,444	514,444	
2021	395,000	108,119	503,119	
2022-2026	2,050,000	344,639	2,394,639	
2027-2031	850,000	77,992	927,992	
2032	140,000	3,850	143,850	
Total	<u>\$ 5,135,700</u>	<u>\$ 1,080,515</u>	<u>\$ 6,216,215</u>	

E. Schedule of Water-Sewer Capital Annual Debt Service for Principal and Interest for Long-Term Loan from New Jersey Infrastructure Trust as follows:

Fiscal				
Year	Principal	Interest	Total	
2017	\$ 307,893	\$ 128,850	\$ 436,743	
2018	319,572	121,850	441,422	
2019	322,893	114,600	437,493	
2020	333,870	98,450	432,320	
2021	344,267	89,100	433,367	
2022-2026	1,704,962	252,950	1,957,912	
2027-2028	849,486	73,750	923,236	
Total	<u>\$ 4,182,943</u>	<u>\$ 879,550</u>	<u>\$ 5,062,493</u>	

Bond Anticipation Notes (See Exhibit C-12 & D-27) – Notes mature November 7, 2017 @ 0.72%.

	December 31, <u>2015</u>	<u>Issued</u>	<u>Retired</u>	December 31, <u>2016</u>
General Capital Fund	\$ 12,328,332	\$ 18,970,817	\$ 25,146,664	\$ 6,152,485
Utility Capital Fund	<u>1,520,000</u>	<u>1,887,500</u>	<u>1,520,000</u>	<u>1,887,500</u>
Total	<u>\$ 13,848,332</u>	<u>\$ 20,858,317</u>	<u>\$ 26,666,664</u>	<u>\$ 8,039,985</u>

Note 9. Compensated Absences

The Township has established a Compensated Absences Trust Fund to set aside funds for future payments of compensated absences. At December 31, 2016 the balance of the fund was \$174,531. It is estimated that, at December 31, 2016, accrued benefits for compensated absences are valued at \$1,689,690.

TOWNSHIP OF HADDON

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

Note 10. Deferred Charges to be Raised in Succeeding Budgets

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

	Balance 12/31/2016	Raised in Subsequent Years
Current Fund:		
Overexpenditure of Appropriation	\$ 35,810	\$ 35,810
Total	<u>\$ 35,810</u>	<u>\$ 35,810</u>

The appropriations in the 2016 budget as introduced are not less than that required by the statutes.

Note 11. Joint Insurance Pool

The Township of Haddon is a member of the Camden County Municipal Joint Insurance Fund. The Fund provides its members with the following coverage:

Workers' Compensation & Employer's Liability
General & Automobile Liability
Public Officials Liability
Casualty & Crime Coverage
Property – Blanket Building & Grounds

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 Township's agreement with the pool provides that the pool will be self-sustaining through member premiums and will reinsure through commercial insurance for claims in excess of \$500,000 for each insured event.

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

Camden County Municipal Joint Insurance Fund
Park 80 West, Plaza One
Saddle Brook, New Jersey 07663

TOWNSHIP OF HADDON

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

Note 12. New Jersey Unemployment Compensation Insurance

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

<u>Fiscal Year</u>	<u>Township Contributions</u>	<u>Employee Contributions</u>	<u>Interest Earnings</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2016	\$ 10,000	\$ 5,792	\$ 365	\$ 23,404	\$ 121,215
2015	-	7,792	401	11,851	128,462
2014	35,000	1,562	383	30,726	132,120

Note 13. Deferred Compensation

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

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

Note 14. Contingent Liabilities

State and Federal Financial Assistance

The Township receives financial assistance from the State of New Jersey and the U. S. Government in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the financial assistance agreements and applicable regulations, including the expenditure of the funds for eligible purposes. Substantially all grants, entitlements and cost reimbursements are subject to financial and compliance audits by grantors.

As a result of these audits, costs previously reimbursed could be disallowed and require repayment to the grantor agency. As of December 31, 2016, the Township estimates that no material liabilities will result from such audits.

TOWNSHIP OF HADDON

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

Note 15. Interfunds Receivables and Payables

The following interfunds remained as of December 31, 2016:

Fund	Interfund Receivable	Interfund Payable
Current Fund	\$ 337,761	\$ 743,899
Federal and State Grant Fund	222,712	-
General Capital Fund	438,124	450
Water-Sewer Operating Fund	231,377	217,906
Water-Sewer Capital Fund	-	231,377
Trust - Animal Control Fund	-	1,767
Trust - Other Fund	127,103	162,128
Trust Assessment Fund	450	-
	<u>\$ 1,357,527</u>	<u>\$ 1,357,527</u>

The interfund receivables and payables above predominately resulted from payment made by certain funds on behalf of other funds. All interfund balances are expected to be repaid within one year.

The summary of interfund transfers follows:

Fund	Transfers Out	Transfers In
Current Fund	\$ 5,830	\$ 362,223
Federal and State Grant Fund	92,717	-
Trust - Other Fund	1,174	2,458
Animal Control Fund	1,508	-
General Capital Fund	254,484	-
Water-Sewer Utility Fund	12,340	3,372
	<u>\$ 368,053</u>	<u>\$ 368,053</u>

Note 16. Accounts Receivable

Accounts receivable at December 31, 2016 consisted of intergovernmental grants, taxes, rents and other accounts receivable. All receivables are considered collectible in full due to the stable condition of state programs and the current fiscal year guarantee of federal funds. Accounts receivable as of fiscal year end for the Township's individual major and fiduciary funds, in the aggregate, are as follows:

	Current Fund	State & Federal Grant Fund	Trust Other Fund	Utility Operating Fund	Utility Capital Fund	Total
State Aid	\$ 36,854	\$ 1,308,346	\$ 47,053	\$ -	\$ 278,697	\$ 1,670,950
Taxes	2,013,325	-	-	-	-	2,013,325
Rents	-	-	-	31,057	-	31,057
Other	41,464	-	3,710	3,843	-	49,017
Total	<u>\$ 2,091,643</u>	<u>\$ 1,308,346</u>	<u>\$ 50,763</u>	<u>\$ 34,900</u>	<u>\$ 278,697</u>	<u>\$ 3,764,349</u>

TOWNSHIP OF HADDON

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

Note 17. Post-Retirement Health Benefits

Haddon Township Police Officers and employees of the Haddon Township Department of Public Works are eligible for benefits upon retirement provided they have completed 25 years of public employment, presuming they have met all retirement criteria of the Public Employees Retirement System (PERS). Effective April 22, 2008, employees of Haddon Township other than those noted above are ineligible for the above mentioned benefits.

Years of service are calculated based upon elapsed time.

The Township of Haddon's annual Other Post-Employment Benefit cost is calculated based on the Annual Required Contribution. The actuarial cost method used to determine the Plan's funding requirements is the "Unit Credit" method. Under this method, an actuarial accrued liability is determined as the present value of the earned benefits, which is allocated to service before the current plan year. The Plan is currently unfunded. The unfunded actuarial liability is amortized over thirty years. The following table shows the changes in Township of Haddon's annual Other Post-Employment Benefit cost for the year, the amount actually contributed to the Plan and changes in their net Other Post-Employment Benefit obligation to the plan:

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Annual Required Contribution (ARC)	\$ 2,039,257	\$ 1,342,774	\$ 1,342,774
Interest on the Net OPEB Obligation	-	-	-
Adjustment to the ARC	-	-	-
	<hr/>		
Annual OPEB Cost	2,039,257	1,342,774	1,342,774
Contributions Made	(1,688,567)	-	-
	<hr/>		
Increase in Net OPEB Obligation	350,690	1,342,774	1,342,774
Net OPEB, Beginning of Year	10,742,192	9,399,418	8,056,644
	<hr/>		
Net OPEB, End of Year	<u>\$ 11,092,882</u>	<u>\$ 10,742,192</u>	<u>\$ 9,399,418</u>
	<hr/>		
Percentage of Annual OPEB Cost Contributed	82.8%	N/A	N/A

The funded status of the plan as of June 30, 2016 was as follows:

Actuarial Accrued Liability (AAL)	\$ 19,325,105
Actuarial Value of Plan Assets	<hr/> -
Unfunded Actuarial Accrued Liability	<u><u>\$ 19,325,105</u></u>
Funded Ration	0.0%
Covered Payroll	N/A
UAAL as a Percentage of Covered Payroll	N/A

TOWNSHIP OF HADDON

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

Note 17. Post-Retirement Health Benefits (continued):

Actuarial assumptions were used to value the post-retirement medical liabilities. Actuarial assumptions were based on the actual experience of the covered group, to the extent that creditable experience data was available, with an emphasis on expected long-term future trends rather than giving undue weight to recent past experience. The reasonableness of each actuarial assumption was considered independently based on its own merits, its consistency with each other assumption, and the combined impact of all assumptions.

Two economic assumptions used in the valuation are the discount rate and the health care cost trend rates. The economic assumptions are used to account for changes in the cost of benefits over time and to discount future benefit payments for the time value of money.

The investment return assumption (discount rate) should be the estimated long-term investment yield on the investments that are expected to be used to finance the payments of benefits. The investments expected to be used to finance the payments of benefits would be plan assets for funded plans, assets of the employer for pay-as-you-go plans, or a proportionate combination of the two for plans that being partially funded. We assumed a discount rate of 5.0 percent for purposes of developing the liabilities and Annual Required Contribution on the basis that the Plan would not be funded. We based medical claims on an annual average claims cost of approximately \$18,743 per covered retiree for family coverage and \$7,497 for single coverage prior to age 65. For retirees age 65 and over we have an annual average claims cost of approximately \$11,095 per covered retiree for family coverage and \$4,438 for single coverage. We assumed health care costs would increase annually at a rate of 7% for Pre-Medicare medical benefits and 5% for Post-Medicare medical benefits.

The Township of Haddon currently has thirty-eight eligible retired employees receiving retirement benefits. The net Other Post-Employment Benefit obligation to Township of Haddon to provide benefits to the retirees for the year ended December 31, 2016 was \$11,092,882.

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SUPPLEMENTARY EXHIBITS

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CURRENT FUND

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

	<u>CURRENT</u>	<u>STATE & FEDERAL</u>
Balance December 31, 2015	\$ 4,152,184	\$ -
Increased by Receipts:		
Tax Collector	47,083,777	-
2016 Appropriation Refunds	868,110	-
Revenue Accounts Receivable	1,890,461	-
Miscellaneous Revenue Not Anticipated	492,107	-
New Jersey State Training Fees	38,216	-
Due to C.C.M.U.A.	147,426	-
Due to Trust Other	2,458	-
Due to Utility Operating Fund	3,372	-
Due to Current Fund	-	92,717
Federal & State Grants Unappropriated	-	134,023
Federal & State Grants Receivable	-	130,871
	<u>50,525,927</u>	<u>357,611</u>
Subtotal	<u>50,525,927</u>	<u>357,611</u>
Total	<u>54,678,111</u>	<u>357,611</u>
Decreased by Disbursements:		
2016 Appropriations	12,057,462	-
2015 Appropriation Reserves	233,834	-
County Taxes	11,647,765	-
Due County for Added & Omitted Taxes	10,872	-
Fire District Taxes Payable	1,524,514	-
Local District School Tax	24,477,219	-
Business Improvement District Taxes	168,335	-
New Jersey State Training Fees	34,452	-
Tax Overpayments	15,651	-
Due to C.C.M.U.A.	183,456	-
Due to Utility Operating Fund	12,340	-
Due to General Capital Fund	254,484	-
Due to Trust - Other	1,174	-
Due to Animal Control	1,508	-
Due from Federal & State Grant Fund	92,717	-
Reserve for Federal & State Grant		
Funds Appropriated	-	357,611
	<u>50,715,783</u>	<u>357,611</u>
Total Disbursements	<u>50,715,783</u>	<u>357,611</u>
Balance December 31, 2015	<u>\$ 3,962,328</u>	<u>\$ -</u>

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

Balance December 31, 2015		\$	-
Increased by:			
Taxes Receivable	\$	45,288,293	
Tax Title Liens		418	
Interest & Costs on Taxes		101,668	
2016 Prepaid Taxes		281,491	
Due from State of New Jersey Senior Citizen & Veteran Deductions		149,692	
Consolidated Municipal Property Relief Aid		92,547	
Energy Receipts Tax		1,169,668	47,083,777
Subtotal			47,083,777
Decreased by:			
Payments to Treasurer			47,083,777
Balance December 31, 2016		\$	-

The Collector maintains no bank account. All funds are deposited directly to the Treasurer's bank account.

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

Office:			
Municipal Court	\$	75	
Crystal Lake Pool Operations		125	
Township Clerk (Central Cashiering)		150	
Tax Collector (Central Cashiering)		300	
Total	\$	650	

**TOWNSHIP OF HADDON
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		DUE FROM STATE OF NEW JERSEY	CANCELLED	OVERPAYMENTS APPLIED/CREATED	TRANSFER TO TAX TITLE LIENS	BALANCE DECEMBER 31, 2016
				2015	2016					
Arrears	\$ 3,256	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,256
2013	251	-	-	-	251	-	-	-	-	-
2014	9,123	-	-	-	6,881	-	42,700	(42,700)	-	2,242
2015	18,792	-	-	-	13,394	(2,500)	64,247	(64,747)	8,321	77
Total	31,422	-	-	-	20,526	(2,500)	106,947	(107,447)	8,321	5,575
2016	-	45,842,268	153,987	249,287	45,267,767	155,559	137,611	146,707	21,136	18,188
Total	\$ 31,422	\$ 45,842,268	\$ 153,987	\$ 249,287	\$ 45,288,293	\$ 153,059	\$ 244,558	\$ 39,260	\$ 29,457	\$ 23,763

ANALYSIS OF 2016 PROPERTY TAX LEVY

General Purpose Tax	\$ 44,149,418
Fire District Taxes	1,524,515
Special District Taxes	168,335
Added & Omitted Taxes	153,987
Total	<u>\$ 45,996,255</u>

TAX LEVY:

Local District School Tax	\$ 24,477,219
County Taxes:	
General County Tax	\$ 10,704,540
County Library Tax	678,143
County Open Space	265,082
Due County for Added & Omitted Taxes	40,713
Fire District Taxes:	
Fire District No. 1	1,326,819
Fire District No. 2	-
Fire District No. 3	43,669
Fire District No. 4	154,027
Special District Taxes:	
Haddon Township Business Improvement	168,335
Local Tax for Municipal Purposes	8,015,354
Add: Addition Tax Levied	122,354
Total	<u>\$ 45,996,255</u>

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

Balance December 31, 2015	\$	66,417
Increased by:		
Transfers from Taxes Receivable	\$	29,457
Interest & Cost on Taxes		6
		<u>29,463</u>
Subtotal		95,880
Decreased by:		
Lien Payments Received		<u>418</u>
Balance December 31, 2016	\$	<u><u>95,462</u></u>

**SCHEDULE OF DUE FROM STATE OF NJ VETERAN AND SENIOR CITIZEN DEDUCTIONS
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance December 31, 2015	\$	33,487
Increased by:		
Senior Citizen & Veterans Deductions Per Tax Billings	\$	156,750
Deductions Allowed by Tax Collector		3,500
		<u>160,250</u>
Subtotal		193,737
Decreased by:		
Deductions Disallowed by Tax Collector - 2016 Taxes	4,191	
Deductions Disallowed by Tax Collector - 2015 Taxes	3,000	
Receipts - Collector	<u>149,692</u>	<u>156,883</u>
Balance December 31, 2016	\$	<u><u>36,854</u></u>

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

	BALANCE DECEMBER 31, 2015	ACCRUED IN 2016	REALIZED	BALANCE DECEMBER 31, 2016
Clerk:				
Licenses:				
Alcoholic Beverages	\$ -	\$ 25,425	\$ 25,425	\$ -
Other	-	6,950	6,950	-
Fees & Permits	-	69,854	69,854	-
Municipal Court:		-		
Fines & Costs	21,204	326,601	326,679	21,126
Parking Meters	-	35,742	35,742	-
Operation of Crystal Lake	-	220,450	220,450	-
Uniform Construction Code Fees	-			
& Permits	-	765,270	765,270	-
Uniform Fire Safety Act	-	20,191	20,191	-
Borough of Audubon Park - Police	-			
Protection Services	-	419,900	419,900	-
	<hr/>			
Total	\$ 21,204	\$ 1,890,383	\$ 1,890,461	\$ 21,126
	<hr/>			

**TOWNSHIP OF HADDON
CURRENT FUND
SCHEDULE OF FORECLOSED PROPERTY
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance December 31, 2016 & 2015	\$ 1,894,100
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**SCHEDULE OF DEFERRED CHARGES
FOR THE YEAR ENDED DECEMBER 31, 2016**

	BALANCE DECEMBER 31, 2015	ADDED IN 2016	RAISED IN 2016 BUDGET	BALANCE DECEMBER 31, 2016
Expenditure without an				
Appropriation	\$ 8,298	\$ -	\$ 8,298	\$ -
Emergency Authorization	12,500	-	12,500	-
Overexpenditure of Appropriations	-	35,810	-	35,810
Total	\$ 20,798	\$ 35,810	\$ 20,798	\$ 35,810

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

OPERATIONS	BALANCE		BUDGET AFTER MODIFICATION	PAID OR CHARGED	BALANCE LAPSED	OVEREXPENDITURE
	DECEMBER 31, 2015					
ENCUMBERED	RESERVED					
General Government Functions:						
General Administration:						
Salaries and Wages	\$ -	\$ 2,000	\$ 2,000	\$ -	\$ 2,000	\$ -
Other Expenses	-	155	155	-	155	-
Human Resources:						
Salaries and Wages	-	165	165	-	165	-
Other Expenses	1,072	493	1,565	1,055	510	-
Mayor & Commissioners:						
Other Expenses	-	755	755	-	755	-
Municipal Clerk:						
Salaries and Wages	-	156	156	-	156	-
Other Expenses	415	1,371	1,786	253	1,533	-
Registrar of Vital Statistics:						
Salaries and Wages	-	40	40	-	40	-
Other Expenses	-	484	484	-	484	-
Financial Administration:						
Salaries and Wages	-	41	41	-	41	-
Other Expenses	190	3,337	3,527	116	3,411	-
Audit Services:						
Annual Audit	-	45	45	-	45	-
Revenue Administration (Tax Collector):						
Salaries and Wages	-	45	45	-	45	-
Other Expenses	253	3,851	4,104	2,075	2,029	-
Tax Assessor:						
Salaries and Wages	-	89	89	-	89	-
Other Expenses	921	4,890	5,811	1,085	4,726	-
Legal Services:						
Other Expenses	-	36,642	36,642	18,697	17,945	-
Municipal Court:						
Salaries and Wages	-	1,901	1,901	-	1,901	-
Other Expenses	1,491	1,343	2,834	1,826	1,008	-
Engineering Services & Cost:						
Other Expenses	-	6	6	-	6	-
Economic Development:						
Other Expenses	-	107	107	-	107	-
Land Use Administration:						
Planning Board:						
Salaries and Wages	-	1,092	1,092	-	1,092	-
Other Expenses	360	2,215	2,575	157	2,418	-
Code Enforcement & Administration:						
Rent Control Commission:						
Salaries and Wages	-	5,513	5,513	-	5,513	-
Other Expenses	127	809	936	9	927	-
Insurance:						
Disability Insurance	-	667	667	181	486	-
Employee Group Health	-	160,975	129,475	683	128,792	-
Public Safety Functions:						
Police:						
Salaries and Wages	-	206	23,206	23,026	180	-
Other Expenses	27,628	338	28,466	25,171	3,295	-
Office of Emergency Management:						
Salaries and Wages	-	167	167	-	167	-
Other Expenses	-	250	250	-	250	-
Uniform Fire Safety Act:						
Salaries and Wages	-	14	14	-	14	-
Other Expenses	127	193	320	89	231	-
Fire Hydrant Services	-	57	57	-	57	-
Municipal Prosecutor:						
Salaries and Wages	-	326	326	-	326	-
Public Works Functions:						
Streets & Roads Maintenance:						
Salaries and Wages	-	242	242	-	242	-

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

OPERATIONS	BALANCE DECEMBER 31, 2015		BUDGET AFTER MODIFICATION	PAID OR CHARGED	BALANCE LAPSED	OVEREXPENDITURE
	ENCUMBERED	RESERVED				
Other Expenses	8,079	2,275	10,354	3,797	6,557	-
Maintenance of Traffic Lights:						
Other Expenses	-	26	26	-	26	-
Shade Tree:						
Salaries and Wages	-	8	8	-	8	-
Other Expenses	9,465	75	9,540	8,983	557	-
Solid Waste Collection:						
Other Expenses	9,575	9,943	19,518	9,225	10,293	-
Building & Grounds:						
Other Expenses	3,649	3,801	7,450	1,566	5,884	-
Vehicle Maintenance:						
Other Expenses	14,352	-	17,352	15,485	1,867	-
Community Services Act:						
Other Expenses	-	7,942	7,942	20,717	-	12,775
Health & Human Services:						
Environmental Commission:						
Other Expenses	-	51	51	-	51	-
Animal Control Program:						
Other Expenses	821	56	877	-	877	-
Park & Recreation Functions:						
Crystal Lake Pool:						
Salaries and Wages	-	54	54	-	54	-
Other Expenses	1,363	1,147	2,510	-	2,510	-
Parks & Playgrounds:						
Other Expenses	1,251	8,834	10,085	346	9,739	-
Utility Expense & Bulk Purchases:						
Electricity	-	410	50,410	24,727	25,683	-
Telephone	-	3,602	3,602	-	3,602	-
Natural Gas	3,774	6,426	10,200	2,340	7,860	-
Gasoline	-	14,925	14,925	8,740	6,185	-
Postage	-	973	973	-	973	-
Copier	1,178	-	1,178	389	789	-
Landfill/Solid Waste Disposal Costs:						
Disposal Costs	22,204	57,488	44,692	33,753	10,939	-
Appropriation Offset By						
Dedicated Revenues:						
Code Enforcement & Administration:						
Salaries and Wages	-	4,516	4,516	-	4,516	-
Other Expenses	289	18,893	19,182	3,895	15,287	-
Other Common Operating Functions:						
Celebration of Public Events, Anniversary or Holiday						
Other Expenses	1,120	781	1,901	1,264	637	-
Senior Citizen Coordinator:						
Salaries and Wages	-	5,135	5,135	-	5,135	-
Other Expenses	-	1,436	1,436	1,174	262	-
Community Communications:						
Salaries and Wages	-	10,795	10,795	-	10,795	-
Other Expenses	-	7,972	7,972	2,777	5,195	-
Disolution of Fire District #2	-	3,850	3,850	26,885	-	23,035
Total General Appropriations for Municipal Purposes Within "CAPS"	109,704	402,394	522,098	240,486	317,422	35,810
Deferred Charges & Statutory Expenditures						
Municipal Within "CAPS":						
Statutory Expenditures:						
Contributions to:						
Social Security System (O.A.S.I.)	-	10,724	724	-	724	-
Employees Retirement System	-	803	803	-	803	-
Police & Fireman's Retirement Pension Fund	-	50	50	-	50	-

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

OPERATIONS	BALANCE DECEMBER 31, 2015		BUDGET AFTER MODIFICATION	PAID OR CHARGED	BALANCE LAPSED	OVEREXPENDITURE
	ENCUMBERED	RESERVED				
Total Deferred Charges & Statutory Expenditures Within "CAPS"	-	11,577	1,577	-	1,577	-
Operations Excluded From "CAPS":						
Stormwater Regulations:						
Salary & Wages	-	39,318	39,318	-	39,318	-
SFSP Fire District Payment	-	196	196		196	
Total Operations Excluded from "CAPS"	-	39,514	39,514	-	39,514	-
Grand Total All Appropriations	\$ 109,704	\$ 453,485	\$ 563,189	\$ 240,486	\$ 358,513	\$ 35,810

Accounts Payable	\$ 6,652
Cash Disbursements	<u>233,834</u>
Total	<u><u>\$ 240,486</u></u>

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

Balance, December 31, 2015	\$ 112,686
Increased by:	
2016 Appropriations	<u>75,188</u>
Subtotal	187,874
Decreased by:	
Transferred to 2015 Appropriations Reserves	<u>112,686</u>
Balance, December 31, 2016	<u><u>\$ 75,188</u></u>

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

Balance, December 31, 2015	\$ 249,287
Increased by:	
Collections - 2016 Taxes	<u>281,491</u>
Subtotal	530,778
Decreased by:	
Application to 2015 Taxes Receivable	<u>249,287</u>
Balance, December 31, 2016	<u><u>\$ 281,491</u></u>

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

Balance, December 31, 2015		\$	41,049
Increased by:			
Overpayments in 2016			<u>166,388</u>
Subtotal			207,437
Decreased by:			
Refunded	\$	15,651	
Applied to Current Year Taxes		<u>176,551</u>	<u>192,202</u>
Balance, December 31, 2016		\$	<u><u>15,235</u></u>

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

Balance, December 31, 2015	\$ -
Increased by:	
Receipts - Collector	<u>38,216</u>
Subtotal	38,216
Decreased by:	
Disbursements	<u>34,452</u>
Balance, December 31, 2016	<u><u>\$ 3,764</u></u>

**SCHEDULE OF LOCAL SCHOOL DISTRICT TAX PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2015	\$ 52
Increased by:	
Levy - Calendar Year 2016	<u>24,477,219</u>
Subtotal	24,477,271
Decreased by:	
Disbursements	<u>24,477,219</u>
Balance, December 31, 2016	<u><u>\$ 52</u></u>

**TOWNSHIP OF HADDON
CURRENT FUND
SCHEDULE OF FIRE DISTRICT TAXES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2016**

	BALANCE DECEMBER 31, 2015	2016 LEVY	DISBURSEMENTS	CANCEL PRIOR YEAR RECEIVABLE	BALANCE DECEMBER 31, 2016
Fire District No.1	\$ 11,497	\$ 1,326,819	\$ 1,326,818	\$ -	\$ 11,498
Fire District No.3	-	43,669	43,669	-	-
Fire District No.4	-	154,027	154,027	-	-
Total	<u>\$ 11,497</u>	<u>\$ 1,524,515</u>	<u>\$ 1,524,514</u>	<u>\$ -</u>	<u>\$ 11,498</u>

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

Balance December 31, 2015		\$ -
Increased by:		
County Tax	\$ 10,704,540	
County Library Tax	678,143	
County Open Space Tax	265,082	11,647,765
Subtotal		11,647,765
Decreased by:		
Disbursements		11,647,765
Balance December 31, 2016		<u>\$ -</u>

**TOWNSHIP OF HADDON
CURRENT FUND
SCHEDULE OF DUE COUNTY FOR ADDED AND OMITTED TAXES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance December 31, 2015	\$ 10,872
Increased by:	
County Share of 2016 Added Taxes	<u>40,713</u>
Subtotal	51,585
Decreased by:	
Disbursements	<u>10,872</u>
Balance December 31, 2016	<u><u>\$ 40,713</u></u>

**SCHEDULE OF BUSINESS IMPROVEMENT DISTRICT TAXES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance December 31, 2015	\$ -
Increased by:	
Receipts - Collector	<u>168,335</u>
Subtotal	168,335
Decreased by:	
Transfer to Business Improvement District	<u>168,335</u>
Balance December 31, 2016	<u><u>\$ -</u></u>

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

	BALANCE DECEMBER 31, 2015	ACCRUED	RECEIVED	TRANSFERS FROM UNAPPROPRIATED	BALANCE DECEMBER 31, 2016
State Grants:					
Seatbelt Enforcement Grant	\$ 400	\$ -	\$ -	\$ -	\$ 400
Drug Awareness & Resistance Education:					
Municipal Alliance Program	-	7,382	-	7,382	-
Safe & Secure Communities Grant	-	60,000	-	60,000	-
Delaware Valley Estuary Grant	25,000	-	-	-	25,000
Alcohol Education & Rehabilitation Fund	9,637	906	906	-	9,637
Environmental Commissioner -					
DEP Grant	210	-	-	-	210
Economic Development Authority					
Grant	858,186	-	109,028	-	749,158
Pedestrian Safety Grant	16,180	-	-	-	16,180
CSIP Shade Tree Program	280	-	-	-	280
NJ Historic Trust	18,725	-	-	-	18,725
Recycling Tonnage Grant	-	20,187	20,187	-	-
Gardiner Small Communities Grant	35,000	-	-	-	35,000
Drive Sover or Get Pulled Over	5,850	-	-	-	5,850
NJDEP - Clean Communities Grant	13,656	-	-	-	13,656
NJDOT Municipal Grant - 2015	201,000	-	-	-	201,000
NJDOT Municipal Grant - 2016	-	200,000	-	-	200,000
Sustainable Grant	-	17,500	-	17,500	-
Holiday Crackdown	7,500	-	-	-	7,500
Click It or Ticket	1,500	-	750	-	750
Drunk Driving Enforcement	-	1,950	-	1,950	-
Total State Grants	1,193,124	307,925	130,871	86,832	1,283,346
Other Grants:					
Camden County Open Space Grant:					
MacArthur Tract	25,000	-	-	-	25,000
Total Other Grants	25,000	-	-	-	25,000
Total All Grant	\$ 1,218,124	\$ 307,925	\$ 130,871	\$ 86,832	\$ 1,308,346

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

<u>STATE GRANTS</u>	BALANCE DECEMBER 31, 2015	CASH RECEIPTS	REALIZED AS REVENUE IN 2016 BUDGET	BALANCE DECEMBER 31, 2016
Drunk Driving Enforcement Grant	\$ 1,950	\$ -	\$ 1,950	\$ -
Body Armor Fund	-	2,585	-	2,585
Safe & Secure Communities Grant	60,000	60,000	60,000	60,000
Drug Awareness - Municipal Alliance	7,382	18,905	7,382	18,905
Clean Communities Program	-	35,033	-	35,033
Sustainable Grant	17,500	17,500	17,500	17,500
	<hr/>			
Total All Grant	\$ 86,832	\$ 134,023	\$ 86,832	\$ 134,023
	<hr/>			

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

	BALANCE DECEMBER 31, 2015	TRANSFER FROM 2016 BUDGET APPROPRIATION	EXPENDED	ENCUMBERED	BALANCE DECEMBER 31, 2016
State Grants:					
Recycling Tonnage Grant	\$ 45,005	\$ 20,187	\$ 30,818	\$ 927	\$ 33,447
Alcohol Education & Rehabilitation Fund	1,007	906	1,175	-	738
Environmental Commissioner - DEP Grant	620	-	-	-	620
Drunk Driving Enforcement Grant	10,047	1,950	750	-	11,247
Clean Communities Grant	137,036	-	5,910	-	131,126
Pedestrian Safety Grant	15,980	-	-	-	15,980
Delaware Valley Estuary Grant	25,000	-	-	-	25,000
Body Armor Fund	5,472	-	4,049	865	558
Economic Development Authority Grant -2008	11,601	-	-	-	11,601
Economic Development Authority Grant -2009	356,943	-	-	-	356,943
Economic Development Authority Grant -2011	36,232	-	-	-	36,232
Economic Development Authority Grant -2013	559,605	-	130,204	-	429,401
CSIP Tree Commission	99	-	-	-	99
NJ Historic Trust	25,300	-	-	-	25,300
NJDEP Clean Communities	13,656	-	-	-	13,656
NJ DOT Municipal Aid	14,847	-	-	-	14,847
NJ DOT Municipal Aid Mansion Ave 2016	-	200,000	-	-	200,000
Click It or Ticket - 2014	4,000	-	-	-	4,000
Drive Sober or Get Pulled Over - 2013	2,700	-	-	-	2,700
Drive Sober or Get Pulled Over - 2014	5,000	-	-	-	5,000
Safe & Secure Communities Grant	-	60,000	60,000	-	-
NJLM Grant	1,115	-	-	-	1,115
Holiday Crackdown - 2014	6,350	-	-	-	6,350
Municipal Alliance	-	7,382	7,382	-	-
Green Communities	500	-	-	-	500
Sustainable Grant	-	17,500	-	-	17,500
Total State Grants	1,278,115	307,925	240,288	1,792	1,343,960
Other Grants:					
Camden County Open Space Grant: Saddler Woods Project	19,088	-	-	-	19,088
Fire Safety Program - Township Match	355	-	-	-	355
Municipal Alliance - Township Match	-	20,516	16,123	-	4,393
Safe & Secure Grant - Township Match	27,447	101,200	101,200	-	27,447
Total Other Grants	46,890	121,716	117,323	-	51,283
Total All Grant	\$ 1,325,005	\$ 429,641	\$ 357,611	\$ 1,792	\$ 1,395,243

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TRUST FUND

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

	<u>OTHER</u>	<u>ANIMAL CONTROL FUND</u>
Balance December 31, 2015	\$ 1,908,659	\$ 884
Increased by Receipts:		
Animal Control	\$ -	\$ 6,723
Dog Registration Fees - Due State of New Jersey	-	694
Due Current Fund	1,174	1,508
Reserve for Payroll	7,593,497	-
Marriage License Fees - Due State of New Jersey	1,978	-
Community Development Block Grant Receivable	49,366	-
Various Reserves	1,039,337	-
	<u>8,685,352</u>	<u>8,925</u>
Total Increases	<u>8,685,352</u>	<u>8,925</u>
Total Increases & Balances	<u>10,594,011</u>	<u>9,809</u>
Decreased by Disbursements:		
Expenditures Under R.S.4:19-15.11	-	7,154
Dog Registration Fees - Due State of New Jersey	-	694
Transfer to Payroll	7,232	-
Due Current Fund	2,458	-
Reserve for Payroll	7,507,302	-
Marriage License Fees - Due State of New Jersey	2,178	-
Various Reserves	1,414,221	-
	<u>8,933,391</u>	<u>7,848</u>
Total Disbursements	<u>8,933,391</u>	<u>7,848</u>
Balance December 31, 2016	<u><u>\$ 1,660,620</u></u>	<u><u>\$ 1,961</u></u>

**TOWNSHIP OF HADDON
TRUST ASSESSMENT FUND
SCHEDULE OF DEPOSITS ON FUTURE ASSESSMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

NAME	BLOCK	LOT	AMOUNT
Alan J. Curtin	248	20	\$ 300
Hamilton Builders, Inc. (D&G Albanese Paving)	20	8	<u>150</u>
Total			<u><u>\$ 450</u></u>

**TOWNSHIP OF HADDON
TRUST FUND - ANIMAL CONTROL FUND
SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance December 31, 2015	\$	655
Increased by:		
Receipts:		
Dog License Fees	\$	5,708
Cat License Fees		341
Late Fees & Duplicate Tag Fees		674
		<u>6,723</u>
Subtotal		7,378
Decreased by:		
Disbursements - Expenditures Under R.S. 4:19-15.11 Cash		<u>7,154</u>
Balance/(Deficit) December 31, 2016	\$	<u><u>224</u></u>

LICENSE FEES COLLECTED

YEAR	AMOUNT
2015	\$ 7,903
2014	<u>8,644</u>
Total	<u><u>\$ 16,547</u></u>

**TOWNSHIP OF HADDON
TRUST FUND - ANIMAL CONTROL FUND
SCHEDULE OF DUE TO/FROM CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance December 31, 2015	\$	259
Increased by:		
Transfer from Current Fund	\$	1,500
Interest Earned on Investments & Deposits		8
		<u>1,508</u>
Balance December 31, 2016	\$	<u><u>1,767</u></u>

**SCHEDULE OF DUE TO STATE OF NEW JERSEY
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance December 31, 2015	\$	-
Increased by:		
Registration Fees Collected		<u>694</u>
Subtotal		694
Decreased by:		
Disbursements		<u>694</u>
Balance December 31, 2016	\$	<u><u>-</u></u>

**TOWNSHIP OF HADDON
TRUST OTHER FUND
SCHEDULE OF COMMUNITY DEVELOPMENT BLOCK GRANT RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2015	\$ 63,519
Increased by:	
Additional Funding Awarded	<u>32,900</u>
Subtotal	96,419
Decreased by:	
Cash Receipts	<u>49,366</u>
Balance, December 31, 2016	<u><u>\$ 47,053</u></u>

**TOWNSHIP OF HADDON
TRUST OTHER FUND
SCHEDULE OF PAYROLL DEDUCTIONS PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance December 31, 2015		\$	110,220
Increased by:			
Receipts			<u>7,593,497</u>
Subtotal			7,703,717
Decreased by:			
Disbursements	\$	7,517,094	
Due to Current Fund		<u>141,740</u>	<u>7,658,834</u>
Balance December 31, 2016		\$	<u><u>44,883</u></u>

EXHIBIT B-8

**TOWNSHIP OF HADDON
TRUST FUND OTHER FUND
SCHEDULE OF DUE TO/FROM CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2012 (Due from)	\$ 81,779
Increased by:	
Transfer to Current Fund	<u>2,458</u>
Subtotal	84,237
Decreased by:	
Transfer From Current Fund	<u>1,174</u>
Balance, December 31, 2014 (Due from)	<u><u>\$ 83,063</u></u>

EXHIBIT B-9

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

Balance, December 31, 2015	\$ 2,987
Increased by:	
Receipts	<u>1,978</u>
Subtotal	4,965
Decreased by:	
Disbursements	<u>2,178</u>
Balance, December 31, 2016	<u><u>\$ 2,787</u></u>
Marriage License	\$ 2,642
Burial License	<u>145</u>
Total	<u><u>\$ 2,787</u></u>

**TOWNSHIP OF HADDON
TRUST OTHER FUND
SCHEDULE OF VARIOUS OTHER RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2016**

	BALANCE DECEMBER 31, 2015	INCREASES	DECREASES	BALANCE DECEMBER 31, 2016
Reserve for:				
POAA	\$ 4,665	\$ 926	\$ -	\$ 5,591
Unemployment Compensation Insurance	128,462	16,157	23,404	121,215
Reserve for Recreation	-	17,193	14,566	2,627
Tax Title Liens & Premiums	1,141,226	274,800	754,299	661,727
Municipal Drug Alliance	16,684	38	-	16,722
Funds Held in Escrow	50,491	21,162	16,050	55,603
Employment of Off-Duty Police Officers	331,785	207,111	402,591	136,305
Employment of Off-Duty Police Officers - PSEG	-	304,407	-	304,407
Accumulated Leave Compensation	174,531	-	-	174,531
Donations - Civic Celebrations	14,320	42,386	44,649	12,057
Election Expense	6,403	-	900	5,503
Maintenance - West Bid Signs	4,000	-	-	4,000
Cell Tower Lease Deposits	4,400	-	-	4,400
Snow Removal Escrow	5,113	-	3,415	1,698
Library	2,403	-	-	2,403
Public Defender	38,866	4,282	1	43,147
M.L.E.T.A.	800	-	-	800
Shade Tree Program	5	-	-	5
Developer Escrow - Lazcor	6,106	27,030	13,792	19,344
Fieldstone Haddontowne Escrow	-	74,360	66,960	7,400
Community Garden Donations	1,365	680	1,477	568
Environment Community Donations	8,203	2,508	66	10,645
Westmont Theatre Deposit	10,000	40,000	50,000	-
Reserve for Community Development Block Grant	14,719	32,900	17,551	30,068
Reserve for Police Video Surcharge	125	297	-	422
Reserve for T-Mobile Inspection Escrow	6,000	-	3,000	3,000
Reserve for AT&T Escrow	-	6,000	1,500	4,500
Total	<u>\$ 1,970,672</u>	<u>\$ 1,072,237</u>	<u>\$ 1,414,221</u>	<u>\$ 1,628,688</u>
Cash Receipts		1,039,337		
Grant Awards		<u>32,900</u>		
Total Increase		<u><u>1,072,237</u></u>		

GENERAL CAPITAL FUND

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

Balance, December 31, 2015		\$	2,729,260
Increased by Receipts:			
Bond Anticipation Notes	\$	18,970,817	
Serial Bonds Issued		5,340,000	
Interest Due to Current Fund		4,484	
Interfund Loan Returned		250,000	
Reserve for DY DEE Development - Interest Earnings		94	
Capital Improvement Fund		85,000	24,650,395
			<hr/>
Subtotal			27,379,655
Decreased by Disbursements:			
Bond Anticipation Note Payable		22,958,817	
Improvement Authorizations		2,834,806	25,793,623
			<hr/>
Balance, December 31, 2016		\$	<u><u>1,586,032</u></u>

**TOWNSHIP OF HADDON
GENERAL CAPITAL FUND
ANALYSIS OF GENERAL CAPITAL CASH
FOR THE YEAR ENDED DECEMBER 31, 2016**

Fund Balance	\$ 23,583
Capital Improvement Fund	5,300
Due Trust Assessment Fund	450
Reserve for Encumbrances	608,369
Reserve for Flood Proceeds	25,866
Reserve for DY DEE Development	5,401
Due Current Fund	(438,124)
Reserve for Repayment of Debt	50,000

Improvement Authorizations:

ORDINANCE

NUMBER

DESCRIPTION

911	Various Improvements	412
933-1065	Acquisition of MacArthur Tract	66,756
1103	Acquisition, Construction, Repair & Installation of Various Capital Improvements	24,846
1161	Acquisition, Construction, Repair & Installation of Various Capital Improvements	(898)
1185	Acquisition, Construction, Repair & Installation of Various Capital Improvements	22,355
1220	Completion of Various Capital Improvements & Acquisition of Capital Equipment	140,744
1240	Acquisition, Construction, Repair & Installation of Various Capital Improvements	489,833
1265	Acquisition, Construction, Repair & Installation of Various Capital Improvements	118,379
1279	Acquisition, Construction, Repair & Installation of Various Capital Improvements	56,767
1298	Acquisition, Construction, Repair & Installation of Various Capital Improvements	11,004
1308	Acquisition of Various Capital Equipment Department of Public Safety	(9,913)
1309	Acquisition of Capital Equipment & Various Capital Improvements	(64,158)
1321	Acquisition of Capital Equipment & Various Capital Improvements	(33,350)
1322	Acquisition of Capital Equipment & Various Capital Improvements	51,819
1328	Acquisition of Real Property in the Township	7,492
1334	Acquisition of Capital Equipment & Various Capital Improvements	208,682
1336	Acquisition of Various Equipment for Police Department	70,325
1355	Acquisition of Capital Equipment & Various Capital Improvements	958
1356	Acquisition of Various Equipment for Police Department	143,134
Total		<u>\$ 1,586,032</u>

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

Balance, December 31, 2015			\$	12,808,928
Increased by:				
Seial Bonds Issued				<u>5,340,000</u>
Subtotal				18,148,928
Decreased by:				
2016 Budget Appropriations:				
Serial Bonds Payable	\$	902,500		
Green Acres Loans		<u>37,203</u>		<u>939,703</u>
Balance, December 31, 2016			\$	<u><u>17,209,225</u></u>

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

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2015	2016 AUTHORIZATIONS	FUNDED	BALANCE DECEMBER 31, 2016	BAN'S OUTSTANDING	ANALYSIS OF BALANCE DECEMBER 31, 2016		
							EXCESS FINANCING	UNEXPENDED BALANCE	EXPENDED BALANCE
1104/1247	Acquisition, Construction, Repair & Installation of Various Capital Improvements to the DyDee Wash Redevelopment Project	\$ 7,164,832	\$ -	\$ 7,136,247	\$ 28,585	\$ 70,485	\$ (41,900)	\$ -	\$ -
1161	Acquisition, Construction, Repair & Installation of Various Capital Improvements	898	-	-	898	-	-	-	898
1185	Acquisition, Construction, Repair & Installation of Various Capital Improvements	38,765	-	-	38,765	-	-	38,765	-
1220	Completion of Various Capital Improvements and Acquisition of Capital Equipment	41,900	-	-	41,900	-	-	41,900	-
1240	Acquisition, Construction, Repair & Installation of Various Capital Improvements	391,600	-	391,600	-	-	-	-	-
1298	Acquisition of Capital Equipment & Various Capital Improvements	1,054,500	-	-	1,054,500	1,004,500	-	50,000	-
1308	Acquisition of Various Capital Equipment for the Department of Public Safety	205,500	-	-	205,500	195,500	-	87	9,913
1309	Acquisition of Capital Equipment & Various Capital Improvements	1,235,000	-	-	1,235,000	1,135,000	-	35,842	64,158
1321	Acquisition of Capital Equipment & Various Capital Improvements	183,350	-	-	183,350	150,000	-	-	33,350
1322	Acquisition of Capital Equipment & Various Capital Improvements	1,213,750	-	-	1,213,750	1,083,750	-	130,000	-
1328	Acquisition of Real Property in the Township	313,500	-	-	313,500	313,500	-	-	-
1334	Acquisition of Capital Equipment & Various Capital Improvements	1,353,750	-	-	1,353,750	741,500	-	612,250	-
1336	Acquisition of Various Capital Equipment for the Police Department	190,000	-	-	190,000	190,000	-	-	-
1345	Improvements to Real Property in the Township	237,500	-	-	237,500	237,500	-	-	-
1355	Acquisition of Capital Equipment & Various Capital Improvements	-	1,353,750	-	1,353,750	840,750	-	513,000	-
1356	Acquisition of Various Capital Equipment for the Police Department	-	190,000	-	190,000	190,000	-	-	-
Total		\$ 13,624,845	\$ 1,543,750	\$ 7,527,847	\$ 7,640,748	\$ 6,152,485	\$ (41,900)	\$ 1,421,844	\$ 108,319
Issuance of Bonds		\$		\$ 5,340,000					
Payment from DyDee Project				1,967,515					
Payment by Budget Appropriation				220,332					
Total				\$ 7,527,847					
Improvement Authorizations Unfunded								\$ 1,915,258	
Less - Unexpended Proceeds of Bond Anticipation									
Notes Issued:									
Ordinance 1298								11,004	
Ordinance 1322								51,819	
Ordinance 1328								7,492	
Ordinance 1334								208,682	
Ordinance 1336								70,325	
Ordinance 1355								958	
Ordinance 1356								143,134	
								<u>\$ 1,421,844</u>	

**TOWNSHIP OF HADDON
GENERAL CAPITAL FUND
SCHEDULE OF RESERVE FOR DY-DEE DEVELOPMENT
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2015	\$ 5,307
Increased by:	
Interest Earnings	<u>94</u>
Balance, December 31, 2016	<u><u>\$ 5,401</u></u>

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

Balance, December 31, 2015	\$ 688,901
Increased by:	
Overexpenditure Raised by Budget	<u>3,707</u>
Subtotal	692,608
Decreased by:	
Interfund Loan Returned	\$ 250,000
Interest Due to Current	<u>4,484</u>
	<u>254,484</u>
Balance, December 31, 2016	<u><u>\$ 438,124</u></u>

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

Balance, December 31, 2015	\$ 1,550
Increased by:	
Receipts - 2016 Budget Appropriation	<u>85,000</u>
Subtotal	86,550
Decreased by:	
Appropriation to Finance Improvement Authorizations	<u>81,250</u>
Balance, December 31, 2016	<u><u>\$ 5,300</u></u>

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

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	ORDINANCE DATE	AMOUNT	BALANCE DECEMBER 31, 2015		2016 AUTHORIZATIONS	PRIOR YEAR ENCUMBRANCES RECLASSIFIED	EXPENDED	RESERVE FOR ENCUMBRANCES	ADJUSTMENT	BALANCE DECEMBER 31, 2016	
				FUNDED	UNFUNDED						FUNDED	UNFUNDED
911	Various Improvements	5/7/91	\$ 2,895,000	\$ 412	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 412	\$ -
933-1065	Acquisition of MacArthur Tract	4/21/92&00	1,650,000	73,635	-	-	-	6,879	-	-	66,756	-
1103	Acquisition, Construction, Repair & Installation of Various Capital Improvements	5/18/04	3,675,000	26,194	-	-	1,998	1,348	1,998	-	24,846	-
1104/1247	Acquisition, Construction, Repair & Installation of Various Capital Improvements to the DyDee Wash Redevelopment Project	9/28/04	8,000,000	-	74,099	-	-	70,324	3,775	-	-	-
1134	Acquisition, Construction, Repair & Installation of Various Capital Improvements	5/31/05	1,400,000	1,115	-	-	4,448	4,712	851	-	-	-
1161	Acquisition, Construction, Repair & Installation of Various Capital Improvements	5/23/06	1,500,000	-	-	-	-	-	-	-	-	-
1185	Acquisition, Construction, Repair & Installation of Various Capital Improvements	6/25/07	1,550,000	41,515	38,765	-	3,928	12,969	10,119	-	22,355	38,765
1220	Completion of Various Capital Improvements and Acquisition of Capital Equipment	6/23/09	2,400,000	360,312	41,900	-	19,224	280,692	-	-	98,844	41,900
1240	Acquisition, Construction, Repair & Installation of Various Capital Improvements	6/23/10	2,211,000	284,052	391,600	-	136,606	212,415	110,010	-	489,833	-
1265	Acquisition, Construction, Repair & Installation of Various Capital Improvements	6/23/10	1,625,000	127,853	-	-	105,387	44,000	70,861	-	118,379	-
1279	Acquisition, Construction, Repair & Installation of Various Capital Improvements	4/26/11	1,365,000	58,506	-	-	1,135	1,569	1,305	-	56,767	-
1298	Acquisition of Capital Equipment & Various Capital Improvements	7/24/12	1,054,500	-	55,724	-	10,942	-	5,662	-	-	61,004
1308	Acquisition of Various Capital Equipment for the Department of Public Safety	7/23/13	215,800	-	4,649	-	5,181	9,743	-	-	-	87
1309	Acquisition of Capital Equipment & Various Capital Improvements	7/23/13	1,300,000	-	35,786	-	115,823	115,371	396	-	-	35,842
1321	Acquisition of Capital Equipment & Various Capital Improvements	8/26/14	193,000	-	66,806	-	-	44,039	22,767	-	-	-
1322	Acquisition of Capital Equipment & Various Capital Improvements	8/26/14	1,425,000	-	263,617	-	381,779	463,252	323	(2)	-	181,819
1328	Acquisition of Real Property in the Township	4/28/15	330,000	120	313,500	-	-	306,128	-	-	-	7,492
1334	Acquisition of Capital Equipment & Various Capital Improvements	7/28/15	1,425,000	-	1,125,513	-	249,731	552,430	1,881	(1)	-	820,932
1336	Acquisition of Various Capital Equipment for the Police Department	7/28/15	200,000	-	167,271	-	22,502	101,472	17,976	-	-	70,325
1345	Improvements to Real Property in the Township	10/27/15	250,000	-	-	-	-	-	-	-	-	-
1355	Acquisition of Capital Equipment & Various Capital Improvements	4/26/16	1,425,000	-	-	1,425,000	-	550,597	360,445	-	-	513,958
1356	Acquisition of Various Capital Equipment for the Police Department	4/26/16	200,000	-	-	200,000	-	56,866	-	-	-	143,134
Total				\$ 973,714	\$ 2,579,230	\$ 1,625,000	\$ 1,058,684	\$ 2,834,806	\$ 608,369	\$ (3)	\$ 878,192	\$ 1,915,258

**TOWNSHIP OF HADDON
GENERAL CAPITAL FUND
SCHEDULE OF GREEN TRUST LOAN PROGRAM - CRYSTAL LAKE DEVELOPMENT
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2015	\$ 36,476
Decreased by:	
Budget Appropriation	<u>4,905</u>
Balance, December 31, 2016	<u><u>\$ 31,571</u></u>

SCHEDULE OF GREEN ACRES LOAN PAYABLE DECEMBER 31, 2016

April 2017	2,489
October 2017	2,514
April 2018	2,539
October 2018	2,565
April 2019	2,590
October 2019	2,616
April 2020	2,643
October 2020	2,669
April 2021	2,696
October 2021	2,723
April 2022	2,750
October 2022	<u>2,777</u>
Total	<u><u>\$ 31,571</u></u>

**TOWNSHIP OF HADDON
GENERAL CAPITAL FUND
SCHEDULE OF GREEN TRUST LOAN PROGRAM - MAC ARTHUR TRACT ACQUISITION
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2015	\$ 258,652
Decreased by:	
Budget Appropriation	<u>32,298</u>
Balance, December 31, 2016	<u><u>\$ 226,354</u></u>

SCHEDULE OF GREEN ACRES LOAN PAYABLE DECEMBER 31, 2016

January 2017	16,391
July 2017	16,555
January 2018	16,721
July 2018	16,888
January 2019	17,057
July 2019	17,228
January 2020	17,400
July 2020	17,574
January 2021	17,750
July 2021	17,927
January 2022	18,106
July 2022	18,287
January 2023	<u>18,470</u>
Total	<u><u>\$ 226,354</u></u>

**TOWNSHIP OF HADDON
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, 2015 DATE	AMOUNT					
2006 General Bonds	4/20/2006	6,175,000	5/1/17-18	125,000	3.625%	\$ 300,000	-	\$ 300,000	-
			5/1/19	135,000	3.625%	1,930,000	-	125,000	1,805,000
			5/1/20	140,000	3.750%				
			5/1/21	150,000	3.750%				
			5/1/22-23	160,000	3.750%				
2008 General Bonds	5/7/2008	2,595,000	5/1/24-27	160,000	4.000%				
			5/1/28	170,000	4.000%				
			9/15/17	139,650	3.375%	421,800	-	142,500	279,300
			9/15/18	139,650	3.450%				
			8/15/17	210,000	2.000%	5,432,000	-	210,000	5,222,000
2013 General Bonds	8/15/2013	6,057,000	8/15/18	210,000	2.000%				
			8/15/19	210,000	2.000%				
			8/15/20	305,000	2.000%				
			8/15/21	310,000	2.000%				
			8/15/22	320,000	2.000%				
			8/15/23	325,000	2.000%				
			8/15/24	335,000	2.000%				
			8/15/25	340,000	2.125%				
			8/15/26	350,000	2.250%				
			8/15/27	360,000	2.350%				
			8/15/28	370,000	2.450%				
			8/15/29	380,000	2.500%				
			8/15/30	390,000	2.600%				
			8/15/31	400,000	2.650%				
			8/15/32	407,000	2.750%				
2013 Refunding Bonds	8/15/2013	1,035,000	8/15/17	120,000	1.000%	685,000	-	110,000	575,000
			8/15/18	120,000	2.000%				
			8/15/19	115,000	2.000%				
			8/15/20	110,000	2.000%				

TOWNSHIP OF HADDON
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, 2015	DATE					
2014 Refunding Bonds	9/10/2014	3,705,000	340,000	11/15/17	2.000%	3,745,000	-	15,000	3,730,000
			335,000	11/15/18	2.000%				
			380,000	11/15/19	3.000%				
			375,000	11/15/20	3.000%				
			375,000	11/15/21	3.000%				
			370,000	11/15/22	4.000%				
			390,000	11/15/23	4.000%				
			390,000	11/15/24	4.000%				
			390,000	11/15/25	4.000%				
			385,000	11/15/26	4.000%				
2016 Taxable Bonds	4/20/2016	\$5,340,000	130,000	4/15/17	2.500%	-	5,340,000	-	5,340,000
			130,000	4/15/18	3.000%				
			130,000	4/15/19	3.000%				
			130,000	4/15/20	3.000%				
			130,000	4/15/21	3.000%				
			130,000	4/15/22	3.000%				
			130,000	4/15/23	3.000%				
			130,000	4/15/24	3.000%				
			130,000	4/15/25	3.000%				
			130,000	4/15/26	3.000%				
			135,000	4/15/27	3.000%				
			140,000	4/15/28	3.000%				
			145,000	4/15/29	3.250%				
			150,000	4/15/30	4.000%				
			160,000	4/15/31	4.000%				
			165,000	4/15/32	4.000%				
			170,000	4/15/33	4.000%				
			180,000	4/15/34	4.000%				
			185,000	4/15/35	4.000%				
			195,000	4/15/36	4.000%				
			205,000	4/15/37	4.000%				
			215,000	4/15/38	4.000%				
			225,000	4/15/39	4.000%				
			230,000	4/15/40	4.000%				
			245,000	4/15/41	4.000%				
			255,000	4/15/42	4.000%				
			260,000	4/15/43	4.000%				
			260,000	4/15/44	4.000%				
260,000	4/15/45	4.000%							
260,000	4/15/46	4.000%							
Total						\$ 12,513,800	\$ 5,340,000	\$ 902,500	\$ 16,951,300

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

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	DATE OF ORIGINAL NOTE	DATE OF ISSUE	DATE OF MATURITY	INTEREST RATE	BALANCE DECEMBER 31, 2015	INCREASE	DECREASE	BALANCE DECEMBER 31, 2016
1104/1247	Acquisition, Construction, Repair & Installation of Various Capital Improvements to the DyDee Redevelopment Project	11/1/705	1/29/15 1/28/16 1/28/16 4/29/16	1/28/16 4/28/16 4/28/16 4/28/17	0.779% 0.779% 0.779% 0.750%	\$ 4,448,832 - - -	- 4,448,832 5,340,000 70,485	\$ 4,448,832 4,448,832 5,340,000 -	- - - 70,485
1104/1247	Acquisition, Construction, Repair & Installation of Various Capital Improvements to the DyDee Redevelopment Project	11/24/09	1/29/15 1/28/16	1/28/16 4/28/16	0.779% 0.779%	2,798,000 -	- 2,716,000	- 2,798,000 2,716,000	- - -
1240	Acquisition, Construction, Repair & Installation of Various Capital Improvements	11/24/09	1/29/15 1/28/16	1/28/16 4/28/16	0.779% 0.779%	351,500 -	- 313,500	351,500 313,500	- -
1298	Acquisition of Capital Equipment & Various Capital Improvements	11/13/2014	11/8/16	11/7/17	0.72%	1,004,500	1,004,500	1,004,500	1,004,500
1308	Acquisition of Capital Equipment & Various Capital Improvements	11/13/2014	11/8/16	11/7/17	0.72%	195,500	195,500	195,500	195,500
1309	Acquisition of Capital Equipment & Various Capital Improvements	11/13/2014	11/8/16	11/7/17	0.72%	1,135,000	1,135,000	1,135,000	1,135,000
1321	Acquisition of Capital Equipment & Various Capital Improvements	11/10/2015	11/8/16	11/7/17	0.72%	150,000	150,000	150,000	150,000
1322	Acquisition of Capital Equipment & Various Capital Improvements	11/10/2015	11/8/16	11/7/17	0.72%	1,000,000	1,083,750	1,000,000	1,083,750
1328	Acquisition of Real Property in the Township	11/10/2015	11/8/16	11/7/17	0.72%	313,500	313,500	313,500	313,500
1334	Acquisition of Capital Equipment & Various Capital Improvements	11/10/2015	11/8/16	11/7/17	0.72%	741,500	741,500	741,500	741,500
1336	Acquisition of Various Equipment for Police department	11/10/2015	11/8/16	11/7/17	0.72%	190,000	190,000	190,000	190,000
1345	Improvements to Real Property in the Township	11/08/2016	11/8/16	11/7/17	0.72%	-	237,500	-	237,500
1355	Acquisition of Capital Equipment & Various Capital Improvements	11/08/2016	11/8/16	11/7/17	0.72%	-	840,750	-	840,750
1356	Acquisition of Various Equipment for Police department	11/08/2016	11/8/16	11/7/17	0.72%	-	190,000	-	190,000
Total						\$ 12,328,332	\$ 18,970,817	\$ 25,146,664	\$ 6,152,485
Paid by Budget Appropriations							\$	220,332	
Paid by Serial Bonds								5,340,000	
Paid by Reserve							\$	17,618,817	
Renewal								1,967,515	
BAN's Issued								1,352,000	
							\$	18,970,817	\$ 25,146,664

**TOWNSHIP OF HADDON
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	2016 AUTHORIZATIONS	BOND ANTICIPATION NOTES ISSUED	BALANCE DECEMBER 31, 2016
1161	Acquisition, Construction, Repair & Installation of Various Capital Improvements	\$ 898	\$ -	\$ -	\$ 898
1185	Acquisition, Construction, Repair & Installation of Various Capital Improvements	38,765	-	-	38,765
1298	Acquisition of Capital Equipment & Various Capital Improvements	50,000	-	-	50,000
1308	Acquisition of Capital Equipment & Various Capital Improvements	10,000	-	-	10,000
1309	Acquisition of Capital Equipment & Various Capital Improvements	100,000	-	-	100,000
1321	Acquisition of Capital Equipment & Various Capital Improvements	33,350	-	-	33,350
1322	Acquisition of Capital Equipment & Various Capital Improvements	213,750	-	83,750	130,000
1334	Acquisition of Capital Equipment & Various Capital Improvements	612,250	-	-	612,250
1345	Improvements to Real Property in the Township	237,500	-	237,500	-
1355	Acquisition of Capital Equipment & Various Capital Improvements	-	1,353,750	840,750	513,000
1356	Acquisition of Equipment for Police Department	-	190,000	190,000	-
Total		<u>\$ 1,296,513</u>	<u>\$ 1,543,750</u>	<u>\$ 1,352,000</u>	<u>\$ 1,488,263</u>

**TOWNSHIP OF HADDON
GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL SURPLUS
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance December 31, 2015	\$ 23,583
Decreased by:	
Appropriated to Finance Improvements	<u>-</u>
Balance, December 31, 2016	<u><u>\$ 23,583</u></u>

WATER-SEWER UTILITY FUND

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

	<u>OPERATING FUND</u>	<u>CAPITAL FUND</u>
Balance, December 31, 2015	\$ 1,274,798	\$ 818,810
Increased by Receipts:		
Collector	\$ 3,718,509	\$ -
Interest on Investments	4,059	1,769
Interfund Receipts - Current Fund	12,340	-
Bond Anticipation Notes Issued	-	1,887,500
	<u>3,734,908</u>	<u>1,889,269</u>
Subtotal	<u>3,734,908</u>	<u>1,889,269</u>
Total	<u>5,009,706</u>	<u>2,708,079</u>
Decreased by Disbursements:		
2016 Appropriations	3,074,034	-
2015 Appropriation Reserves	23,813	-
Accrued Interest	307,126	-
Refund of Prior Year Revenue	1,921	-
Interfund Disbursement - Current Fund	3,372	-
Bond Anticipation Notes Paid	-	1,520,000
Improvement Authorizations	-	724,461
	<u>3,410,266</u>	<u>2,244,461</u>
Total Disbursements	<u>3,410,266</u>	<u>2,244,461</u>
Balance, December 31, 2016	<u><u>\$ 1,599,440</u></u>	<u><u>\$ 463,618</u></u>

**TOWNSHIP OF HADDON
WATER-SEWER UTILITY OPERATING FUND
SCHEDULE OF CASH - COLLECTOR
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2015		\$	-
Increased by Receipts:			
Consumer Accounts Receivable:			
Water	\$	1,942,776	
Sewer		1,195,561	
Privilege Fees		506,175	
Other Receipts		73,997	3,718,509
			<hr/>
Subtotal			3,718,509
Decreased by Disbursements:			
Payment to Treasurer			<hr/>
			3,718,509
Balance, December 31, 2016		\$	-
			<hr/> <hr/>

**TOWNSHIP OF HADDON
WATER-SEWER UTILITY CAPITAL FUND
ANALYSIS OF CASH - WATER-SEWER UTILITY CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2016**

Fund Balance	\$ 16,787
Capital Improvement Fund	12,427
Due Water/Sewer Operating Fund	231,377
Reserve for Encumbrances	682,604
NJEIT Loan Receivable	(278,697)

IMPROVEMENT AUTHORIZATIONS:

ORDINANCE

NUMBER	DESCRIPTION	
1085	Various Improvements to the Water-Sewer Utility	600
1185	Various Improvements to the Water-Sewer Utility	7,551
1216	Rehabilitation & Reconstruction of Sewer Utility	(152,500)
1221	Various Improvements to the Water-Sewer Utility	10,846
1241	Various Improvements to the Water-Sewer Utility	18,989
1280	Various Improvements to the Water-Sewer Utility	62,209
1299	Various Improvements to the Water-Sewer Utility	11,248
1310	Various Improvements to the Water-Sewer Utility	(56,951)
1323	Various Improvements to the Water-Sewer Utility	(17,917)
1335	Various Improvements to the Water-Sewer Utility	(84,955)
1357	Various Improvements to the Water-Sewer Utility	-
		<hr/>
	Total	<u><u>\$ 463,618</u></u>

**TOWNSHIP OF HADDON
WATER-SEWER UTILITY OPERATING FUND
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE - WATER
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2015		\$ (4,851)
Increased by:		
Water Rents Levied	\$ 1,952,229	
Transfer from Liens	-	1,952,229
		<hr/>
Subtotal		1,947,378
Decreased by:		
Receipts - Collector		1,942,776
		<hr/>
Balance, December 31, 2016		<u><u>\$ 4,602</u></u>

**SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE - SEWER
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2015		\$ 13,837
Increased by:		
Sewer Rents Levied	\$ 1,208,179	
Transfer from Liens	-	1,208,179
		<hr/>
Subtotal		1,222,016
Decreased by:		
Receipts - Collector		1,195,561
		<hr/>
Balance, December 31, 2016		<u><u>\$ 26,455</u></u>

EXHIBIT D-9

**TOWNSHIP OF HADDON
WATER-SEWER UTILITY OPERATING FUND
SCHEDULE OF DUE TO CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2015	\$ 164,898
Increased by:	
Receipts From Current	<u>12,340</u>
Subtotal	177,238
Decreased by:	
Disbursements to Current	<u>3,372</u>
Balance, December 31, 2016	<u><u>\$ 173,866</u></u>

EXHIBIT D-10

**SCHEDULE OF UTILITY LIENS
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2016 and 2015	<u><u>\$ 1,235</u></u>
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**TOWNSHIP OF HADDON
WATER-SEWER UTILITY CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2016 & 2015

\$ 12,427

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

	BALANCE DECEMBER 31, 2016
Filter	\$ 49,959
Springs & Wells	563,598
Ozone Sterilization & Aeration Plant	15,463
Pumping Station Structure	75,334
Electric Power Pumping Equipment	12,444
Storage Reservoir, Tanks & Standpipes	103,723
Distribution Main & Accessories	480,969
Meters, Meter Boxes & Vaults	544,172
Fire Hydrants	12,265
General Equipment	153,552
Legal Expenditures During Construction	2,146
Pumping Station & Equipment	382,710
Water Plant Filter	23,494
Construction of Water Main in Main Street	6,460
Service Pipes & Stops	50,357
General & Mechanical Generator, General Building & Wash Water Tank	48,551
Electrical Generator Installation at Water Plant	32,273
Booster Pumping Station at Crystal Lake Avenue & Valley Drive	576,667
Elevated Water Storage Tank at Beechwood Avenue & First Street	851,042
Improvement to Water Supply & Distribution System	3,061,321
Refunding Issue	191,000
Improvement to Water Supply & Sewerage System	933,355
Reconstruction & Repair of Well No. 2	182,062
Replacement, Repairs & Improvements to Mains	209,476
Line Stop Machine	40,000
Vehicles	70,000
Land for Well No. 4	75,000
Dome Cover for Water Plant	12,700
Water Plant Improvements	152,200
Water Distribution System Improvements	242,605
Water Storage Improvements	191,675
Well Improvements	103,815
Water Supply Rehabilitation Improvements	258,867
	<hr/>
Total	<u><u>\$ 9,709,255</u></u>

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

	BALANCE DECEMBER 31, 2016
Sewer Mains & Services	\$ 416,012
Transportation Equipment	608
Bettlewood Disposal Plant	20,483
Westmont Sewerage Disposal Plant	160,302
General Improvements	42,038
Right-of-Way for Haddonleigh Truck Sewer	750
Cuthbert Boulevard Sewerage Disposal Plant	118,698
Improvements to Sewerage Disposal Plant & Sewerage Pumping Stations	116,704
Sanitary Sewerage Disposal & Collections System	1,566,581
Wells	3,380
Equipment	35,137
Tax Map	600
Calvert Avenue Pumping Station Improvement	855
Calvert Avenue Reconstruction of Sewerage Treatment Plant	875,113
Installation of Communitor	9,440
South Park Drive Pumping Station	33,379
West Albertson Avenue Pumping Station	163,010
Construction of Sanitary Sewers	110,734
Improvements to Pumping Stations & Sewer Plant	162,601
West Collingswood Heights Disposal Plant	90,140
Renovations to Coles Mill Road Sewerage Treatment Plant	25,000
Replacement to Sewer Lines	495,256
Improvement of the Sanitary Sewerage System	311,524
	<hr/>
Total	\$ 4,758,345
	<hr/> <hr/>

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

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	ORDINANCE		BALANCE DECEMBER 31, 2015	2016 DEFERRED CHARGES TO FUTURE REVENUES	BALANCE DECEMBER 31, 2016
		DATE	AMOUNT			
1105	Various Improvements to the Water-Sewer Utility	5/18/2004	\$ 855,000	\$ 855,000	\$ -	\$ 855,000
1122	Various Improvements to the Water-Sewer Utility	3/22/2005	332,413	332,413	-	332,413
1135	Various Improvements to the Water-Sewer Utility	5/31/2005	1,045,000	1,100,000	-	1,100,000
1162	Various Improvements to the Water-Sewer Utility	5/23/2006	850,000	850,000	-	850,000
1185	Various Improvements to the Water-Sewer Utility	6/25/2007	770,000	770,000	-	770,000
1216	Rehabilitation & Reconstruction of Sewer	5/27/2008	6,540,000	6,540,000	-	6,540,000
1221	Various Improvements to the Water-Sewer Utility	5/27/2008	705,250	705,250	-	705,250
1241	Various Improvements to the Water-Sewer Utility	5/26/2009	845,000	845,000	-	845,000
1266	Various Improvements to the Water-Sewer Utility	6/23/2010	340,000	340,000	-	340,000
1280	Various Improvements to the Water-Sewer Utility	5/24/2011	590,000	590,000	-	590,000
1299	Various Improvements to the Water-Sewer Utility	7/24/2012	750,000	750,000	-	750,000
1310	Various Improvements to the Water-Sewer Utility	7/24/2013	750,000	750,000	-	750,000
1323	Various Improvements to the Water-Sewer Utility	8/26/2014	750,000	750,000	-	750,000
1335	Various Improvements to the Water-Sewer Utility	8/25/2015	750,000	750,000	-	750,000
1357	Various Improvements to the Water-Sewer Utility	4/26/2016	750,000	-	750,000	750,000
Total				\$ 15,927,663	\$ 750,000	\$ 16,677,663

**TOWNSHIP OF HADDON
WATER-SEWER UTILITY OPERATING FUND
SCHEDULE OF 2015 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2016**

	BALANCE DECEMBER 31, 2015				BALANCE
	ENCUMBERED	RESERVED	DISBURSED		LAPSED
Operating:					
Salaries and Wages	\$ -	\$ 10,817	\$ -	\$	10,817
Other Expenses	17,735	3,700	20,466		969
Statutory Expenditures:					
Contribution to:					
Social Security System (O.A.S.I.)	-	12,261	3,539		8,722
State Disability Insurance	-	1,131	46		1,085
Total	\$ 17,735	\$ 27,909	\$ 24,051	\$	21,593
			Cash Disbursements	\$ 23,813	
			Accounts Payable	238	
			Total	\$ 24,051	

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

Balance, December 31, 2015	\$ 17,735
Increased by:	
2016 Appropriations	20,484
Subtotal	38,219
Decreased by:	
Transferred to 2015 Appropriation Reserves	17,735
Balance, December 31, 2016	\$ 20,484

**SCHEDULE OF PROTESTED CHECKS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2016 & 2015	\$ 2,608
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**TOWNSHIP OF HADDON
WATER-SEWER UTILITY OPERATING FUND
SCHEDULE OF ACCRUED INTEREST PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2015	\$ 90,920
Increased by:	
Budget Appropriation for Interest on Bonds	<u>317,359</u>
Subtotal	408,279
Decreased by:	
Cash Disbursements	<u>307,126</u>
Balance, December 31, 2016	<u><u>\$ 101,153</u></u>

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

Balance, December 31, 2015	\$ 246,080
Increased by:	
Operating Surplus	\$ -
Interest Earned on Investments & Deposits	<u>1,769</u>
	1,769
Decreased by:	
Emergency Authorization raised in Operating Fund	<u>16,472</u>
Balance, December 31, 2016	<u><u>\$ 231,377</u></u>

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

Balance, December 31, 2016 & 2015	<u><u>\$ 16,787</u></u>
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**TOWNSHIP OF HADDON
WATER-SEWER UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR AMORTIZATION
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2015			\$ 16,958,660
Increased by:			
Paid by Operating Fund:			
Serial Bonds Payable	\$	437,500	
Environmental Infrastructure Loan		437,211	874,711
			<hr/>
Balance, December 31, 2016			<u><u>\$17,833,371</u></u>

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

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	DATE OF ORDINANCE	BALANCE DECEMBER 31, 2016
General Improvements:			
1135	Various Improvements to the Water-Sewer Utility	05/31/2005	\$ 55,000
1221	Various Improvements to the Water-Sewer Utility	5/27/2008	35,263
1335	Various Improvements to the Water-Sewer Utility	8/25/2015	<u>37,500</u>
		Total	<u><u>\$ 127,763</u></u>

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

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	AUTHORIZED		BALANCE DECEMBER 31, 2015		2016 AUTHORIZATIONS	PRIOR YEAR ENCUMBRANCES RECLASSIFIED	EXPENDED	RESERVE FOR ENCUMBRANCES		BALANCE DECEMBER 31, 2016	
		DATE	AMOUNT	FUNDED	UNFUNDED						FUNDED	UNFUNDED
1085 1114	Various Improvements to the Water-Serer Utility	6/18/2002 12/28/2004	\$ 850,000	\$ 600	\$ -	\$ -	-	\$ -	-	\$ -	600	\$ -
1185	Various Improvements to the Water-Serer Utility	6/25/2007	770,000	7,551	-	-	-	-	-	-	7,551	-
1216	Rehabilitation & Reconstruction of Sewer Utility	5/27/2008	6,540,000	-	-	-	454,510	-	454,510	-	-	-
1221	Various Improvements to the Water-Serer Utility	5/27/2008	705,250	18,273	-	-	27,242	7,269	27,400	10,846	-	-
1241	Various Improvements to the Water-Serer Utility	5/26/09	845,000	15,020	487	-	42,344	75	38,300	18,989	487	-
1280	Various Improvements to the Water-Serer Utility	5/24/11	590,000	49,218	-	-	15,766	2,585	190	62,209	-	-
1299	Various Improvements to the Water-Serer Utility	7/24/12	750,000	-	2,619	-	103,065	76,348	18,089	-	11,247	-
1310	Various Improvements to the Water-Serer Utility	7/24/13	750,000	-	255,526	-	35,488	280,232	2,733	-	8,049	-
1323	Various Improvements to the Water-Serer Utility	8/26/14	750,000	-	612,804	-	43,658	171,031	53,348	-	432,083	-
1335	Various Improvements to the Water-Serer Utility	8/25/15	750,000	37,500	712,500	-	-	186,921	88,034	-	475,045	-
1357	Various Improvements to the Water-Serer Utility	8/25/15	750,000	-	-	750,000	-	-	-	-	-	750,000
Total			\$ 128,162	\$ 1,583,936	\$ 750,000	\$ 722,073	\$ 724,461	\$ 682,604	\$ 100,195	\$ 1,676,911		

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

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING		INTEREST RATE	BALANCE DECEMBER 31, 2015	ISSUED IN 2016	PAID BY BUDGET APPROPRIATION	BALANCE DECEMBER 31, 2016
			DATE	AMOUNT					
Water-Sewer Utility Bonds	04/20/2006	3,250,000				\$ 150,000	\$ -	\$ 150,000	\$ -
Water-Sewer Utility Bonds	05/07/2008	1,620,000	05/1/17	75,000	3.625%	1,200,000	-	75,000	1,125,000
			05/1/18	85,000	3.625%				
			05/1/19	85,000	3.625%				
			05/1/20	85,000	3.750%				
			05/1/21	95,000	3.750%				
			05/1/22	100,000	3.750%				
			05/1/23	100,000	3.750%				
			05/1/24	100,000	4.000%				
			05/1/25	100,000	4.000%				
			05/1/26	100,000	4.000%				
			05/1/27	100,000	4.000%				
			05/1/28	100,000	4.000%				
Refunding Bonds	05/07/2008		09/15/17	105,350	3.375%	318,200	-	107,500	210,700
			09/15/18	105,350	3.450%				
2013 General Bonds	8/15/2013	2,075,000	8/15/17	70,000	2.000%	1,865,000	-	70,000	1,795,000
			8/15/18	75,000	2.000%				
			8/15/19	75,000	2.000%				
			8/15/20	105,000	2.000%				
			8/15/21	105,000	2.000%				
			8/15/22	110,000	2.000%				
			8/15/23	110,000	2.000%				
			8/15/24	115,000	2.000%				
			8/15/25	120,000	2.125%				
			8/15/26	120,000	2.250%				
			8/15/27	125,000	2.350%				
			8/15/28	125,000	2.450%				
			8/15/29	130,000	2.500%				
			8/15/30	135,000	2.600%				
			8/15/31	135,000	2.650%				
			8/15/32	140,000	2.750%				
2013 Refunding Bonds	8/15/2013	260,000	8/15/17	30,000	1.000%	170,000	-	25,000	145,000
			8/15/18	30,000	2.000%				
			8/15/19	30,000	2.000%				
			8/15/20	30,000	2.000%				
			8/15/21	25,000	2.000%				
2014 Refunding Bonds	9/10/2014	3,705,000	11/15/17	185,000	2.000%	1,870,000	-	10,000	1,860,000
			11/15/18	180,000	2.000%				
			11/15/19	175,000	3.000%				
			11/15/20	175,000	3.000%				
			11/15/21	170,000	3.000%				
			11/15/22	195,000	4.000%				
			11/15/23	195,000	4.000%				
			11/15/24	195,000	4.000%				
			11/15/25	195,000	4.000%				
			11/15/26	195,000	4.000%				
Total						\$ 5,573,200	\$ -	\$ 437,500	\$ 5,135,700

**TOWNSHIP OF HADDON
SEWER UTILITY CAPITAL FUND
SCHEDULE OF NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST LOAN
FOR THE YEAR ENDED DECEMBER 31, 2016**

IMPROVEMENT DESCRIPTION	DATE OF ISSUE	ORIGINAL ISSUE	MATURITIES		INTEREST RATE	BALANCE DECEMBER 31, 2015	PAID BY BUDGET APPROPRIATION	ADJUSTMENT	BALANCE DECEMBER 31, 2016
			DATE	OF BONDS OUTSTANDING AMOUNT					
Reconstruction & Rehabilitation of Various Sewers	11/9/2008	\$ 3,200,000	8/1/17	145,000	3.96%	\$ 2,495,000	\$ 140,000	\$ -	\$ 2,355,000
			8/1/18	155,000	4.12%				
			8/1/19	160,000	4.31%				
			8/1/20	170,000	4.42%				
			8/1/21	180,000	4.51%				
			8/1/22	190,000	4.60%				
			8/1/23	200,000	4.66%				
			8/1/24	210,000	4.80%				
			8/1/25	220,000	4.85%				
			8/1/26	230,000	4.89%				
			8/1/27	240,000	4.92%				
			8/1/28	255,000	4.95%				

**SCHEDULE OF NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST
FOR THE YEAR ENDED DECEMBER 31, 2016**

IMPROVEMENT DESCRIPTION	DATE OF ISSUE	ORIGINAL ISSUE	MATURITIES		INTEREST RATE	BALANCE DECEMBER 31, 2015	PAID BY BUDGET APPROPRIATION	ADJUSTMENT	BALANCE DECEMBER 31, 2016
			DATE	OF BONDS OUTSTANDING AMOUNT					
Reconstruction & Rehabilitation of Various Sewers	11/9/2008	\$ 3,187,500	9/1/16-28 & 3/1/16-28	Various Various	NONE	\$ 2,125,154	\$ 164,114	\$ (133,097)	\$ 1,827,943

Principal payment are due on September 1st and March 1st through 2016. An amortization schedule is on file with the CFO.

**TOWNSHIP OF HADDON
WATER-SEWER UTILITY CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES
FOR THE YEAR ENDED DECEMBER 31, 2016**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	DATE OF ORIGINAL NOTE	DATE OF ISSUE	DATE OF MATURITY	INTEREST RATE	BALANCE		BALANCE DECEMBER 31, 2016
						2015	INCREASE DECREASE	
1299	Various Improvements to the Water-Serer Utility	11/13/2014	11/8/16	11/7/17	0.72%	\$ 750,000	\$ 750,000	\$ 750,000
1310	Various Improvements to the Water-Serer Utility	11/13/2014	11/8/16	11/7/17	0.72%	520,000	685,000	685,000
1323	Various Improvements to the Water-Serer Utility	11/10/2015	11/8/16	11/7/17	0.72%	250,000	300,000	300,000
1335	Various Improvements to the Water-Serer Utility	11/08/2016	11/8/16	11/7/17	0.72%	-	152,500	152,500
						<u>\$ 1,520,000</u>	<u>\$ 1,887,500</u>	<u>\$ 1,887,500</u>

**TOWNSHIP OF HADDON
WATER-SEWER UTILITY CAPITAL FUND
STATEMENT OF BONDS & NOTES AUTHORIZED BUT NOT ISSUED
FOR THE YEAR ENDED DECEMBER 31, 2016**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2015	AUTHORIZED	BOND ANTICIPATION NOTES ISSUED	BALANCE DECEMBER 31, 2016
1216	Rehabilitation & Reconstruction of Sewer	\$ 152,500	\$ -	\$ -	\$ 152,500
1241	Various Improvements to the Water-Sewer Utility	487	-	-	487
1310	Various Improvements to the Water-Sewer Utility	230,000	-	165,000	65,000
1323	Various Improvements to the Water-Sewer Utility	500,000	-	50,000	450,000
1335	Various Improvements to the Water-Sewer Utility	712,500	-	152,500	560,000
1357	Various Improvements to the Water-Sewer Utility	-	750,000	-	750,000
		<u>\$ 1,595,487</u>	<u>\$ 750,000</u>	<u>\$ 367,500</u>	<u>\$ 1,977,987</u>

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**TOWNSHIP OF HADDON
COUNTY OF CAMDEN**

PART II

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

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The Honorable Mayor and Members of the
Township Board of Commissioners
Township of Haddon
Westmont, New Jersey 08108

We have audited the financial statements of the Township of Haddon in the County of Camden 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 Commissioners and the records of the various outside departments.

The audit did not and could not determine the character of services rendered for which payment had been made or for which reserves had not been set up, nor could it determine the character, proper price or quantity of materials supplied for which claims had been passed. These details were necessarily covered by the internal review and control before approval of such claims by the governing body.

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 for the period of January 1, 2016 to December 31, 2016, 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.

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

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*.

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.

The compliance review of expenditures did not reveal any individual payments of contracts in excess of the statutory limit other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of *N.J.S.A.40A:11-4*.

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 period of January 1, 2016 to December 31, 2016, thereafter "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 26, 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."

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 last tax sale was held on December 18, 2016 and was complete.

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

Delinquent Taxes and Tax Title Liens (continued):

YEAR	NUMBER OF LIENS
2016	12
2015	30
2014	29

Deductions From Taxes

The audit of senior citizen and veteran deductions on a test basis revealed that deductions appear reasonable.

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

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.

The statutory report on the operations of the Municipal Court has been prepared and copies filed with the New Jersey Administrative Office of the Courts, the Division of Local Government Services, the Municipal Court and the Township Clerk.

General Fixed Assets***Finding 2016-001:**

During our audit it was noted that fixed asset accounting system was not updated to reflect the retirement or additions of fixed assets.

Recommendation:

That the fixed assets accounting system be updated to reflect all fixed asset additions and deletions on a timely basis.

Managements Response:

The Township will hire an outside appraisal company to complete an inventory of all fixed assets held by the Township.

Other Items

***Finding 2016-002:**

In accordance with N.J.S.A. 40A:4-57, no officer, board, body or commission shall, during any fiscal year, expend any money (except to pay notes, bonds or interest thereon), incur any liability, or enter into any contract which by its terms involves the expenditure of money for any purpose for which no appropriation is provided, or in excess of the amount appropriated for such purpose.

Recommendation:

That the Township, prior to the encumbering of purchase orders, verify that sufficient funds are available in the applicable appropriation line item in order to prevent the over-expenditure of funds.

Managements Response:

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

Follow-up on Prior Year Findings

In accordance with government auditing standards, my procedures included a review of all prior year findings. Corrective action has been taken on all of the prior year findings except those marked above with an asterisk (*).

OFFICIALS IN OFFICE AND SURETY BONDS

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

NAME	TITLE
Randall W. Teague	Mayor
John C. Foley	Commissioner
Paul Dougherty	Commissioner
Jack Bruno	Chief Financial Officer
Dawn M. Pennock	Municipal Clerk
Ryan Giles	Tax Collector
Laura Donohue	Court Administrator
Robert Gleaner	Magistrate
Stuart A. Platt, ESQ	Solicitor
Gregory Fusco	Engineer

There were Employee's Blanket Performance Bonds in the amount of \$1,000,000 for the Township employees and court personnel carried by the Camden County Joint Insurance Fund.

Acknowledgment

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

Should you have any questions concerning our comments or recommendations, or should you desire any assistance in implementing our recommendations, please call me.

Respectfully submitted,

HOLMAN FRENIA ALLISON, P.C.

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

Medford, New Jersey
May 10, 2017