TOWNSHIP OF WATERFORD

COUNTY OF CAMDEN

REPORT OF AUDIT

FOR THE YEAR 2016

BOWMAN & COMPANY LLP
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

14500

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TOWNSHIP OF WATERFORD

PART 1

REPORT OF AUDIT OF FINANCIAL STATEMENTS

FOR THE YEAR 2016

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Township Committee
Township of Waterford
Atco, New Jersey 08004

Report on the Financial Statements

We have audited the accompanying statements of assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Township of Waterford, in the 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, and the related statement of revenues - regulatory basis, statement of expenditures - regulatory basis, and statement of general fixed asset 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 the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey; this includes 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; 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 as 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 Township's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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Opinions

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

As described in note 1 to the financial statements, the financial statements are prepared by the Township on the basis of the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the State of New Jersey.

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

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

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

Opinion on Regulatory Basis of Accounting

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

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township's basic financial statements. The supplemental statements and schedules presented for the various funds, as listed in the table of contents, 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 are not a required part of the basic financial statements.

The supplemental statements and schedules presented for the various funds are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental statements and schedules described in the previous paragraph are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 9, 2017 on our consideration of the Township of Waterford, in the County of Camden, State of New Jersey, internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township of Waterford's internal control over financial reporting and compliance.

Respectfully submitted,

Bowman & Company LLP

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Daniel M DiGangi

Daniel M. DiGangi
Certified Public Accountant
Registered Municipal Accountant

Voorhees, New Jersey
June 9, 2017

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*

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Township Committee
Township of Waterford
Atco, New Jersey 08004

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 the audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, of the Township of Waterford, in the County of Camden, State of New Jersey, 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 June 9, 2017. That report indicated that the Township of Waterford's financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America, but were prepared on a 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 of Waterford'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 of Waterford's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township of Waterford'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 entity'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.

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Compliance and Other Matters

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

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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

Bowman & Company LLP

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Daniel M DiGangi

Daniel M. DiGangi
Certified Public Accountant
Registered Municipal Accountant

Voorhees, New Jersey
June 9, 2017

TOWNSHIP OF WATERFORD
CURRENT FUND
Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis
As of December 31, 2016 and 2015

ASSETS	Ref.	2016	2015
Regular Fund:			
Cash--Chief Financial Officer	SA-1	$ 4,322,920.94	$ 3,926,439.75
Cash--Collector	SA-2	113,639.36	64,099.38
Cash--Change Fund	SA-3	395.00	370.00
Due from State of New Jersey, Ch. 20, P.L. 1971	SA-4	5,666.00	6,004.85
		4,442,621.30	3,996,913.98
Receivables with Full Reserves:			
Delinquent Property Taxes Receivable	SA-5	727,277.72	664,441.69
Tax Title Liens Receivable	SA-6	567,798.35	649,716.88
Property Maintenance Liens Receivable	A	81,198.91	81,198.91
Property Acquired for Taxes--Assessed Valuation	SA-7	505,600.00	142,300.00
Revenue Accounts Receivable	SA-8	26,351.82	30,438.92
Due from Trust Other Fund	SB-5		8,000.00
		1,908,226.80	1,576,096.40
Deferred Charges:			
Special Emergency Appropriation (40A:4-55)	SA-16	244,280.00	365,420.00
		6,595,128.10	5,938,430.38
Federal and State Grant Fund:			
Cash	SA-1	100,569.01	113,442.91
Federal and State Grants Receivable	SA-19	48,104.40	30,000.00
		148,673.41	143,442.91
		$ 6,743,801.51	$ 6,081,873.29

(Continued)

TOWNSHIP OF WATERFORD
CURRENT FUND
Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis
As of December 31, 2016 and 2015

LIABILITIES, RESERVES AND FUND BALANCE	Ref.	2016	2015
Regular Fund:			
Appropriation Reserves	A-3;SA-9	$ 421,123.66	$ 189,803.57
Reserve for Encumbrances	A-3;SA-9	98,671.17	81,807.10
Accounts Payable	SA-18	32,298.69	10,720.34
Prepaid Taxes	SA-10	214,731.40	195,717.45
Reserve for Sale of Municipal Assets	A-2	1,037.00	11,037.00
Reserve for Revaluation of Real Property	A	60,673.48	60,673.48
Reserve for Revision of Ordinances	SA-1	2,145.00	6,420.00
Due County for Added and Omitted Taxes	SA-14	19,204.26	3,094.15
Local District School Taxes Payable	SA-15	2,661,522.71	2,618,383.19
Due to State of New Jersey:			
State Training Fees	SA-12	1,172.00	2,895.00
Division of Youth and Family Services	SA-13	350.00	
Health and Senior Services	SA-1	5.00	
Special Emergency Note Payable	SA-17	240,000.00	320,000.00
Due to Animal Control Fund	SB-6		2,196.20
Due to General Capital Fund	SC-6	8,896.14	
		3,761,830.51	3,502,747.48
Reserves for Receivables and Other Assets	A	1,908,226.80	1,576,096.40
Fund Balance	A-1	925,070.79	859,586.50
		6,595,128.10	5,938,430.38
Federal and State Grant Fund:			
Reserve for State and Federal Grants:			
Unappropriated	SA-20	1,873.37	4,743.27
Appropriated	SA-21	143,073.13	109,342.29
Contracts Payable	SA-1		25,000.00
Reserve for Encumbrances	SA-1;SA-21	3,726.91	4,357.35
		148,673.41	143,442.91
		$ 6,743,801.51	$ 6,081,873.29

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

TOWNSHIP OF WATERFORD
CURRENT FUND
Statements of Operations and Changes in Fund Balance--Regulatory Basis
For the Years Ended December 31, 2016 and 2015

Revenue and Other Income Realized	2016	2015
Fund Balance Utilized	$ 690,000.00	$ 815,000.00
Miscellaneous Revenues Anticipated	2,374,105.74	2,548,735.27
Receipts from Current Taxes	26,680,791.20	26,112,543.63
Receipts from Delinquent Taxes	591,115.38	638,616.59
Non-Budget Revenue	199,085.49	86,106.64
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	122,843.34	100,767.19
Cancellation of Accounts Payable		2,581.19
Cancellation of Due Bank		6.00
Cancellation of Grants Appropriated	4,000.00	
Liquidation of Reserve:		
Due from Trust Other Fund	8,000.00	
Due from General Capital Fund		0.75
Total Income	30,669,941.15	30,304,357.26
Expenditures		
Budget and Emergency Appropriations:		
Operations--Within "CAPS":		
Salaries and Wages	3,246,155.00	3,220,370.00
Other Expenses	4,096,141.00	4,358,211.00
Deferred Charges and Statutory Expenditures--Municipal--Within "CAPS"	884,990.00	797,036.00
Operations--Excluded from "CAPS":		
Salaries and Wages	160,000.00	162,000.00
Other Expenses	397,077.99	459,260.28
Capital Improvements--Excluded from "CAPS"	35,000.00	50,000.00
Municipal Debt Service--Excluded from "CAPS"	979,261.97	715,368.93
Deferred Charges--Municipal--Excluded from "CAPS"	121,140.00	160,140.00
County Taxes	6,217,791.46	6,108,520.67
Due County for Added and Omitted Taxes	19,204.26	3,094.15
Local District School Tax	13,723,140.00	13,956,861.00
Other Debits to Expenditures:		
Prior Year Tax Deductions Disallowed	2,000.00	2,000.00
Refund of Prior Year Revenue	23,659.04	4,947.89
Creation of Reserve:		
Due from General Capital Fund	8,896.14	
Total Expenditures	29,914,456.86	29,997,809.92
Excess (Deficit) in Revenues	755,484.29	306,547.34
Adjustment in Income before Fund Balance:		
Expenditures included above which are by Statute Deferred Charges to Budget of Succeeding Years	-	-
Statutory Excess to Fund Balance	755,484.29	306,547.34
Fund Balance		
Balance Jan. 1	859,586.50	1,368,039.16
	1,615,070.79	1,674,586.50
Decreased by:		
Utilized as Revenue	690,000.00	815,000.00
Balance Dec. 31	$ 925,070.79	$ 859,586.50

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

TOWNSHIP OF WATERFORD
CURRENT FUND
Statement of Revenues--Regulatory Basis
For the Year Ended December 31, 2016

	Anticipated Budget	Special N.J.S. 40A:4-87	Realized	Excess or (Deficit)
Fund Balance Anticipated	$ 690,000.00	-	$ 690,000.00	-
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	9,000.00		8,550.00	$ (450.00)
Other	7,000.00		7,610.00	610.00
Fees and Permits -- Other	49,000.00		83,764.86	34,764.86
Fines and Costs -- Municipal Court	370,000.00		389,820.11	19,820.11
Interest and Costs on Taxes	110,000.00		97,207.90	(12,792.10)
Interest on Investments and Deposits	5,000.00		26,634.64	21,634.64
Consolidated Municipal Property Tax Relief Aid	24,019.00		24,019.00	
Energy Receipts Taxes	1,092,922.00		1,092,922.00	
Garden State Preservation Trust Fund	187,735.00		187,735.00	
Dedicated Uniform Construction Code Fees Offset with Appropriations (N.J.S. 40A:4-36 and N.J.A.C. 5:23-4.17)				
Uniform Construction Code Fees	110,000.00		135,683.00	25,683.00
Special Items of General Revenue Anticipated with Prior Written Consent of the Director of the Division of Local Government Services:				
Public and Private Revenue Off-Set with Appropriations:				
Clean Communities Grant		$ 31,324.08	31,324.08	
Safe and Secure Communities Program-P.L.1993, Chapter 20	60,000.00		60,000.00	
NJ Body Worn Camera Assistance Grant	6,000.00		6,000.00	
Alcohol Education and Rehabilitation Fund	2,475.19		2,475.19	
Recycling Tonnage Grant	17,078.19		17,078.19	
Body Armor Replacement Grant	2,268.08	2,264.37	4,532.45	
Recreation Facility Enhancement Grant		25,000.00	25,000.00	
Seatbelt Click-it-or-Ticket Grant		5,000.00	5,000.00	
Federal Bullet Proof Vest Partnership		3,104.40	3,104.40	
Other Special Items:				
Reserve for Sale of Assets	10,000.00		10,000.00	
Cable TV Franchise Fees	140,000.00		155,644.92	15,644.92
	2,202,497.46	66,692.85	2,374,105.74	104,915.43
Receipts from Delinquent Taxes	575,000.00	-	591,115.38	16,115.38
Amount to be Raised by Taxes for Support of Municipal Budget:				
Minimum Library Tax	252,177.03		252,177.03	
Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes	7,163,429.25		7,336,480.05	173,050.80
	7,415,606.28	-	7,588,657.08	173,050.80
Budget Totals	10,883,103.74	66,692.85	11,243,878.20	294,081.61
Non-Budget Revenue	-	-	199,085.49	199,085.49
	$ 10,883,103.74	$ 66,692.85	$ 11,442,963.69	$ 493,167.10

(Continued)

TOWNSHIP OF WATERFORD
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		$ 26,680,791.20
Allocated to:		
County Taxes		6,236,995.72
School Taxes		13,723,140.00
Balance for Support of Municipal Budget Appropriations		6,720,655.48
Add: Appropriation "Reserve for Uncollected Taxes"		868,001.60
Amount for Support of Municipal Budget Appropriations		$ 7,588,657.08
Revenue from Delinquent Taxes:		
Delinquent Tax Receipts		$ 569,113.91
Tax Title Lien Receipts		22,001.47
		$ 591,115.38
Fees and Permits--Other:		
Revenue Accounts Receivable:		
Clerk		$ 27,279.18
Planning Board		2,725.00
Zoning Board		39,941.68
Police Department		6,644.00
Property Maintenance		7,175.00
		$ 83,764.86
Miscellaneous Revenue not Anticipated:		
Receipts - Chief Financial Officer:		
Senior Citizens and Veterans Administrative Fee	$ 2,020.24	
Homestead Rebate Administrative Fee	735.00	
Miscellaneous Sales and Refunds	7,028.75	
Equipment Usage	6,335.00	
Refund of Prior Year Expenditures	827.47	
DMV Inspection Fees	3,516.00	
Tax Title lien Premium Forfeited	4,900.00	
FEMA Reimbursement	126,297.01	
Rental of Cell Phone Tower	1,500.00	
Police Outside Service Administration Fees	9,206.25	
Sale of Recyclable Materials	4,727.75	
		$ 167,093.47
Receipts - Tax Collector:		
Cost of Sale Fees	13,651.45	
Miscellaneous Fees	18,340.57	
		31,992.02
		$ 199,085.49

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

TOWNSHIP OF WATERFORD
CURRENT FUND
Statement of Expenditures--Regulatory Basis
For the Year Ended December 31, 2016

	Appropriations					
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	Unexpended Balance Canceled
OPERATIONS--WITHIN "CAPS"						
GENERAL GOVERNMENT FUNCTIONS						
Administration						
Salaries and Wages	$ 93,000.00	$ 97,200.00	$ 97,122.95		$ 77.05	
Other Expenses	23,300.00	23,300.00	20,135.21	$ 71.84	3,092.95	
Postage	15,000.00	15,000.00	13,046.00	1,215.00	739.00	
Office Supplies and Equipment Maintenance	25,000.00	25,000.00	24,097.11	43.28	859.61	
Township Committee						
Salaries and Wages	21,750.00	21,750.00	21,688.58		61.42	
Other Expenses	4,000.00	4,000.00	2,130.00	416.66	1,453.34	
Municipal Clerk						
Salaries and Wages	81,500.00	82,400.00	81,939.74		460.26	
Other Expenses	15,850.00	20,850.00	11,081.55	393.04	9,375.41	
Elections						
Salaries and Wages	500.00	500.00	142.32		357.68	
Other Expenses	6,500.00	6,500.00	6,500.00			
Financial Administration						
Salaries and Wages	87,500.00	78,500.00	76,775.86		1,724.14	
Other Expenses	42,370.00	40,870.00	33,319.27	1,658.09	5,892.64	
Audit Services						
Other Expenses	42,500.00	42,500.00	42,500.00			
Collection of Taxes						
Salaries and Wages	84,500.00	84,500.00	83,235.32		1,264.68	
Other Expenses	12,605.00	12,605.00	8,834.57	500.00	3,270.43	
Assessment of Taxes						
Salaries and Wages	27,000.00	27,000.00	26,920.07		79.93	
Other Expenses	6,900.00	7,900.00	4,390.80	1,401.60	2,107.60	
Legal Services and Costs						
Other Expenses	175,000.00	175,000.00	114,967.80	13,090.00	46,942.20	
Engineering Services and Costs						
Other Expenses	22,500.00	22,500.00	13,297.98	1,203.24	7,998.78	
Municipal Court						
Salaries and Wages	151,500.00	148,500.00	146,520.21		1,979.79	
Other Expenses	14,900.00	18,500.00	15,860.02		2,639.98	

(Continued)

TOWNSHIP OF WATERFORD
CURRENT FUND
Statement of Expenditures--Regulatory Basis
For the Year Ended December 31, 2016

	Appropriations					
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	Unexpended Balance Canceled
OPERATIONS--WITHIN "CAPS" (CONT'D)						
GENERAL GOVERNMENT FUNCTIONS (CONT'D)						
Land Use Administration						
Municipal Land Use Law (N.J.S.A. 40:55D-1):						
Planning and Zoning Boards						
Salaries and Wages	$ 76,250.00	$ 74,750.00	$ 71,708.28		$ 3,041.72	
Other Expenses	17,825.00	20,825.00	12,846.65	$ 3,695.77	4,282.58	
Public Defender						
Other Expenses	8,000.00	8,000.00			8,000.00	
Economic Development Committee						
Other Expenses	20,000.00	20,000.00		20,000.00		
Insurance:						
Unemployment Compensation Insurance	14,000.00	14,000.00	13,667.48		332.52	
Other Insurance	155,376.00	155,376.00	142,719.85		2,656.15	$ 10,000.00
Workers Compensation Insurance	328,172.00	328,172.00	300,574.29		2,597.71	25,000.00
Group Insurance for Employees	1,268,000.00	1,262,745.00	1,237,704.92		5,040.08	20,000.00
Health Benefit Waiver	6,000.00	7,655.00	7,653.70		1.30	
PUBLIC SAFETY FUNCTIONS						
Police						
Salaries and Wages	1,980,000.00	1,940,000.00	1,807,739.72		72,260.28	60,000.00
Other Expenses	85,035.00	125,035.00	72,970.85	22,759.34	29,304.81	
Leases -- Police Vehicles	61,728.00	57,728.00	54,003.51		3,724.49	
Fire Hydrant Services	17,700.00	17,700.00	17,700.00			
Demolition of Buildings						
Other Expenses	15,000.00	19,000.00			19,000.00	
Aid to Volunteer Ambulance Association						
Salaries and Wages	2,500.00	2,500.00	2,500.00			
Other Expenses	43,625.00	43,625.00	41,955.87		1,669.13	
Fire						
Salaries and Wages	2,500.00	2,500.00	2,500.00			
Other Expenses	96,220.00	91,220.00	71,412.52	15,863.97	3,943.51	
Emergency Responders Stipend Program						
Municipal Prosecutor						
Other Expenses	24,850.00	24,850.00	22,000.00		2,850.00	
Office of Emergency Management						
Other Expenses	500.00	500.00	318.99		181.01	

(Continued)

TOWNSHIP OF WATERFORD
CURRENT FUND
Statement of Expenditures--Regulatory Basis
For the Year Ended December 31, 2016

	Appropriations					
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	Unexpended Balance Canceled
OPERATIONS--WITHIN "CAPS" (CONT'D)						
PUBLIC WORKS FUNCTIONS						
Road Repairs and Maintenance						
Salaries and Wages	$ 441,500.00	$ 441,500.00	$ 418,137.15		$ 3,362.85	$ 20,000.00
Other Expenses	40,025.00	40,025.00	34,153.03	$ 1,267.54	4,604.43	
Snow Removal						
Salaries and Wages	17,500.00	17,500.00	11,623.55		5,876.45	
Other Expenses	52,000.00	52,000.00	36,506.46		15,493.54	
Garbage and Trash Removal						
Contractual	363,500.00	363,500.00	342,870.31	165.00	10,464.69	10,000.00
Recycling						
Collection-Contractual	252,500.00	252,500.00	237,904.79		9,595.21	5,000.00
Public Buildings and Grounds						
Other Expenses	111,360.00	115,360.00	106,274.90	4,025.41	5,059.69	
Municipal Garage						
Salaries and Wages	153,000.00	153,000.00	150,030.58		2,969.42	
Other Expenses	98,000.00	105,500.00	92,395.47	5,241.85	7,862.68	
HEALTH AND HUMAN SERVICES						
Environmental Commission						
Other Expenses	815.00	815.00	435.38		379.62	
Dog Regulation						
Other Expenses	1,000.00	1,000.00			1,000.00	
PARK AND RECREATION FUNCTIONS						
Parks and Playgrounds						
Salaries and Wages	61,500.00	61,500.00	61,245.01		254.99	
Other Expenses	36,125.00	36,625.00	32,687.07	876.12	3,061.81	
Senior Citizens Activity						
Other Expenses	4,000.00	4,000.00	1,440.00		2,560.00	
Celebration of Public Event, Anniversary or Holiday						
Other Expenses	1,850.00	1,850.00	1,818.65		31.35	
Safety Projects	2,150.00	2,150.00	857.57		1,292.43	

(Continued)

TOWNSHIP OF WATERFORD
CURRENT FUND
Statement of Expenditures--Regulatory Basis
For the Year Ended December 31, 2016

	Appropriations					
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	Unexpended Balance Canceled
OPERATIONS--WITHIN "CAPS" (CONT'D)						
State Uniform Construction Code Appropriations Offset by Dedicated Revenues (N.J.A.C. 5:23-4.17)						
Construction Official						
Salaries and Wages	$ 84,500.00	$ 84,900.00	$ 84,835.30		$ 64.70	
Other Expenses	6,500.00	5,000.00	778.65	$ 163.12	4,058.23	
Unclassified						
Utilities:						
Electricity	86,000.00	86,000.00	75,708.41	545.83	9,745.76	
Street Lighting	126,000.00	126,000.00	116,121.07	712.91	9,166.02	
Telephone and Telegraph	17,500.00	17,500.00	16,611.41		888.59	
Water	4,750.00	4,750.00	2,140.16		2,609.84	
Natural Gas	13,725.00	13,725.00	8,082.82	945.95	4,696.23	
Sewerage Processing and Disposal	3,540.00	3,540.00	3,368.05		171.95	
Gasoline	100,500.00	95,500.00	78,825.11	2,266.69	4,408.20	$ 10,000.00
Solid Waste Disposal Fees	238,000.00	238,000.00	217,936.69	148.92	19,914.39	
Accumulated Leave Compensation	7,500.00	7,500.00			7,500.00	
Total Operations -- Within "CAPS"	7,502,296.00	7,502,296.00	6,857,269.58	98,671.17	386,355.25	160,000.00
Salaries and Wages	3,380,000.00	3,326,155.00	3,152,318.34		93,836.66	80,000.00
Other Expenses	4,122,296.00	4,176,141.00	3,704,951.24	98,671.17	292,518.59	80,000.00
DEFERRED CHARGES AND STATUTORY EXPENDITURES MUNICIPAL--WITHIN "CAPS"						
Statutory Expenditures:						
Social Security System (O.A.S.I.)	275,600.00	275,600.00	245,075.02		30,524.98	
Public Employees Retirement System	159,362.00	159,362.00	159,361.55		0.45	
Police and Firemen's Retirement System	449,428.00	449,428.00	449,428.00			
Defined Contribution Retirement Program	600.00	600.00	308.11		291.89	
Total Statutory Expenditures	884,990.00	884,990.00	854,172.68	-	30,817.32	-
Total Deferred Charges and Statutory Expenditures -- Within "CAPS"	884,990.00	884,990.00	854,172.68	-	30,817.32	-
Total General Appropriations for Municipal Purposes -- Within "CAPS"	8,387,286.00	8,387,286.00	7,711,442.26	98,671.17	417,172.57	160,000.00

(Continued)

TOWNSHIP OF WATERFORD
CURRENT FUND
Statement of Expenditures--Regulatory Basis
For the Year Ended December 31, 2016

	Appropriations					
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	Unexpended Balance Canceled
OPERATIONS EXCLUDED FROM "CAPS"						
Maintenance of Free Public Library						
Contribution	$ 252,177.03	$ 252,177.03	$ 252,177.03			
Solid Waste Disposal Fees						
Recycling Tax	18,000.00	18,000.00	17,048.91		$ 951.09	
Shared Municipal Service Agreements						
Berlin Borough Contractual CFO Services						
Other Expenses	28,886.65	28,886.65	25,886.65		3,000.00	
Public and Private Programs Off-Set by Revenues						
Alcohol Education & Rehabilitation Fund						
Other Expenses	2,475.19	2,475.19	2,475.19			
Recreation Facility Enhancement Grant						
Other Expenses (N.J.S.A. 40A:4-87 $25,000.00)		25,000.00	25,000.00			
Seatbelt Click-it-or-Ticket Grant						
Other Expenses (N.J.S.A. 40A:4-87 $5,000.00)		5,000.00	5,000.00			
NJ Body Worn Camera Assistance Grant						
Other Expenses	6,000.00	6,000.00	6,000.00			
Clean Communities Grant						
Other Expenses (N.J.S.A. 40A:4-87 $31,324.08)		31,324.08	31,324.08			
Safe and Secure Communities Program						
Salaries and Wages	160,000.00	160,000.00	160,000.00			
Recycling Tonnage Grant						
Other Expenses	17,078.19	17,078.19	17,078.19			
Body Armor Replacement Grant						
Other Expenses (N.J.S.A. 40A:4-87 $2,264.37)	2,268.08	4,532.45	4,532.45			
Federal Bullet Proof Vest Partnership						
Other Expenses (N.J.S.A. 40A:4-87 $3,104.40)		3,104.40	3,104.40			
Matching Funds for Grants	3,500.00	3,500.00	3,500.00			
Total Operations--Excluded from "CAPS"	490,385.14	557,077.99	553,126.90	-	3,951.09	-
Detail:						
Salaries and Wages	160,000.00	160,000.00	160,000.00			
Other Expenses	330,385.14	397,077.99	393,126.90		3,951.09	
CAPITAL IMPROVEMENT--EXCLUDED FROM "CAPS"						
Down Payments on Improvements	7,250.00	7,250.00	7,250.00			
Capital Improvement Fund	27,750.00	27,750.00	27,750.00			
Total Capital Improvement--Excluded from "CAPS"	35,000.00	35,000.00	35,000.00	-	-	-

(Continued)

TOWNSHIP OF WATERFORD
CURRENT FUND
Statement of Expenditures--Regulatory Basis
For the Year Ended December 31, 2016

	Appropriations					
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	Unexpended Balance Canceled
MUNICIPAL DEBT SERVICE--EXCLUDED FROM "CAPS"						
Payment of Bond Principal	$ 719,000.00	$ 719,000.00	$ 719,000.00			
Interest on Bonds	212,085.00	212,085.00	212,057.04			$ 27.96
Interest on Notes	5,000.00	5,000.00	2,999.64			2,000.36
Principal and Interest on Loans	45,206.00	45,206.00	45,205.29			0.71
Total Municipal Debt Service--Excluded from "CAPS"	981,291.00	981,291.00	979,261.97	-	-	2,029.03
DEFERRED CHARGES--MUNICIPAL EXCLUDED FROM "CAPS":						
Special Emergency Authorizations - 5 Years	121,140.00	121,140.00	121,140.00	-	-	-
Total General Appropriations for Municipal Purposes--Excluded from "CAPS"	1,627,816.14	1,694,508.99	1,688,528.87	-	$ 3,951.09	2,029.03
Subtotal General Appropriations	10,015,102.14	10,081,794.99	9,399,971.13	$ 98,671.17	421,123.66	162,029.03
Reserve for Uncollected Taxes	868,001.60	868,001.60	868,001.60	-	-	-
Total General Appropriations	$ 10,883,103.74	$ 10,949,796.59	$ 10,267,972.73	$ 98,671.17	$ 421,123.66	$ 162,029.03

Appropriation by N.J.S.A 40A:4-87	$ 66,692.85
Adopted Budget	10,883,103.74
	$ 10,949,796.59

Reserve for Uncollected Taxes	$ 868,001.60
Reserve for Federal and State Grants Appropriated	254,514.31
Deferred Charges -- Special Emergency Authorizations - 5 Years	121,140.00
Reimbursements	(231,251.73)
Disbursed	9,255,568.55
	$ 10,267,972.73

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

TOWNSHIP OF WATERFORD
TRUST FUND
Statements of Assets, Liabilities and Reserves--Regulatory Basis
As of December 31, 2016 and 2015

ASSETS	Ref.	2016	2015
Animal Control Fund:			
Cash--Chief Financial Officer	SB-1	$ 31,979.96	$ 27,880.96
Due from Current Fund	SB-6		2,196.20
		31,979.96	30,077.16
Other Funds:			
Cash--Chief Financial Officer	SB-1	225,340.52	297,231.52
Cash--Collector	SB-2	202,200.00	318,803.91
Due from Camden County:			
Municipal Alliance	SB-1;SB-7	20,609.60	20,609.60
Community Development Block Grant Program	SB-4	200,209.98	84,600.00
		648,360.10	721,245.03
		$ 680,340.06	$ 751,322.19

LIABILITIES AND RESERVES			
Animal Control Fund:			
Due State of New Jersey	SB-1	$ 16.80	$ 9.00
Reserve for Encumbrances	SB-1;SB-3	90.00	1,015.00
Reserve for Dog Fund Expenditures	SB-3	31,873.16	29,053.16
		31,979.96	30,077.16
Other Funds:			
Due to Current Fund	SB-5		8,000.00
Due to State of NJ - VCCB	SB-7	19,730.99	15,247.85
Reserve for Recreation Contributions	SB-7	10,536.73	9,383.00
Reserve for Parking Offenses Adjudication Act	SB-7	474.00	430.00
Reserve for Celebration of Public Events	SB-7	7,284.28	3,990.55
Reserve for Payroll Deductions Payable	SB-7	39,082.66	30,250.11
Reserve for Developers' Escrow Deposits	SB-7	64,630.59	48,363.30
Reserve for Tax Title Lien Redemptions	SB-7		11,603.91
Reserve for Premiums Received at Tax Sale	SB-7	202,200.00	307,200.00
Reserve for Community Development Block Grant	SB-7	146,928.54	77,697.97
Reserve for Retention Basin Maintenance	SB-7	20,000.00	20,000.00
Reserve for Police Outside Services	SB-7	1,673.41	6,315.16
Reserve for Public Defender	SB-7	10,416.58	10,652.19
Reserve for Maintenance Guarantees	SB-7	6,399.05	6,399.05
Reserve for Police Donations	SB-7	724.81	
Reserve for Municipal Alliance	SB-7	32,093.75	30,750.07
Reserve for Forfeited Property	SB-7	41,483.32	41,543.14
Reserve for Uniform Fire Safety Act	SB-7	50.00	50.00
Reserve for Storm Recovery	SB-7	41,205.27	24,898.14
Reserve for Accumulated Absence	SB-7	2,999.52	45,717.27
Reserve for Encumbrances	SB-7	446.60	22,753.32
		648,360.10	721,245.03
		$ 680,340.06	$ 751,322.19

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

TOWNSHIP OF WATERFORD
GENERAL CAPITAL FUND
Statements of Assets, Liabilities, Reserves and Fund Balance--Regulatory Basis
As of December 31, 2016 and 2015

ASSETS	Ref.	2016	2015
Cash--Chief Financial Officer	SC-1	$ 364,707.33	$ 949,379.43
Deferred Charges to Future Taxation:			
Funded	SC-3	10,459,394.48	7,492,918.04
Unfunded	SC-4	491,650.00	
Due from NJ DOT	SC-1; SC-8	268,075.00	156,816.82
Due from Economic Development Authority	SC-3		25,000.00
Due from Current Fund	SC-6	8,896.14	
		$ 11,592,722.95	$ 8,624,114.29
LIABILITIES, RESERVES AND FUND BALANCE			
General Serial Bonds	SC-12	$ 6,430,000.00	$ 7,149,000.00
Green Acres Loan	SC-13	254,394.48	293,918.04
Economic Development Authority Loan	SC-7	25,000.00	50,000.00
Camden County Improvement Authority Loan	SC-3	3,750,000.00	
Improvement Authorizations:			
Funded	SC-8	778,849.50	791,908.30
Unfunded	SC-8	151,506.08	
Contracts Payable	SC-5	73,806.10	217,488.20
Reserve for Encumbrances	SC-10	54,596.42	100,999.86
Reserve for Payment of Debt	SC-9	12,697.50	12,662.50
Capital Improvement Fund	SC-11	56,185.48	2,450.00
Fund Balance	C	5,687.39	5,687.39
		$ 11,592,722.95	$ 8,624,114.29

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

TOWNSHIP OF WATERFORD
WATER & SEWER UTILITY FUND
Statements of Assets, Liabilities, Reserves and Fund Balance--Regulatory Basis
As of December 31, 2016 and 2015

ASSETS	Ref.	2016	2015
Operating Fund:			
Cash--Chief Financial Officer	SD-1	$ 546,344.34	$ 535,327.55
Cash--Collector	SD-2	2,679.73	1,883.43
Cash--Change Fund	D	100.00	100.00
		549,124.07	537,310.98
Receivables with Full Reserves:			
Consumer Liens Receivable	SD-6	9,623.91	9,203.91
Consumer Accounts Receivable	SD-4	50,334.51	50,147.59
		59,958.42	59,351.50
Total Operating Fund		609,082.49	596,662.48
Capital Fund:			
Cash--Chief Financial Officer	SD-1	156,684.58	690,721.67
Fixed Capital	SD-8	12,888,079.85	12,286,775.62
Fixed Capital Authorized and Uncompleted	SD-7	3,517,522.04	3,979,000.00
Total Capital Fund		16,562,286.47	16,956,497.29
		$ 17,171,368.96	$ 17,553,159.77

(Continued)

TOWNSHIP OF WATERFORD
WATER & SEWER UTILITY FUND
Statements of Assets, Liabilities, Reserves and Fund Balance--Regulatory Basis
As of December 31, 2016 and 2015

LIABILITIES, RESERVES AND FUND BALANCE	Ref.	2016	2015
Operating Fund:			
Liabilities:			
Appropriation Reserves	D-3;SD-10	$ 91,475.33	$ 63,120.25
Reserve for Encumbrances	SD-14	26,414.98	20,247.40
Water and Sewer Rent Overpayments	SD-5	899.43	960.97
Accrued Interest on Bonds, Loans and Notes	SD-9	32,017.84	40,898.89
Reserve for Escrow Deposits	SD-1	19,186.41	10,224.66
		169,993.99	135,452.17
Reserve for Receivables	D	59,958.42	59,351.50
Fund Balance	D-1	379,130.08	401,858.81
Total Operating Fund		609,082.49	596,662.48
Capital Fund:			
Serial Bonds	SD-16	2,221,000.00	2,437,000.00
NJ Environmental Infrastructure Loan	SD-17	970,326.51	1,159,646.43
Improvement Authorizations Funded	SD-11	708,176.30	791,202.40
Improvement Authorizations Unfunded	SD-11	1,871,058.10	2,129,615.80
Reserve for Amortization	SD-13	10,569,275.38	10,164,129.19
Deferred Reserve for Amortization	SD-12	32,700.00	26,000.00
Contracts Payable	SD-15	79,437.15	66,250.00
Reserve for Encumbrances	SD-1;SD-11	109,631.74	182,445.91
Capital Improvement Fund	SD-1;SD-11	300.00	
Reserve for Payment of Debt	SD-11	286.43	112.70
Fund Balance	D	94.86	94.86
Total Capital Fund		16,562,286.47	16,956,497.29
		$ 17,171,368.96	$ 17,553,159.77

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

TOWNSHIP OF WATERFORD
WATER & SEWER UTILITY FUND
Statements of Operations and Changes in Fund Balance--Regulatory Basis
For the Years Ended December 31, 2016 and 2015

Revenue and Other Income Realized	2016	2015
Fund Balance Realized	$ 224,500.00	$ 136,275.00
Water and Sewer Rents	1,092,737.47	1,114,002.74
Miscellaneous	70,120.93	68,330.96
Non Budget Revenue	5,149.38	995.00
Cancellation of Water and Sewer Overpayments		29.46
Unexpended Balance of Appropriation Reserves	63,051.78	66,251.13
Total Income	1,455,559.56	1,385,884.29
Expenditures		
Operating	710,531.00	628,705.00
Capital Improvements	7,000.00	7,000.00
Debt Service	507,868.29	485,990.70
Deferred Charges and Statutory Expenditures	28,389.00	39,675.00
Other Debits to Expenditures:		
Refund of Prior Year Revenue		129.63
Total Expenditures	1,253,788.29	1,161,500.33
Excess in Revenue	201,771.27	224,383.96
Adjustment in Income before Fund Balance:		
Expenditures included above which are by Statute Deferred Charges to Budget of Succeeding Years	-	-
Statutory Excess to Fund Balance	201,771.27	224,383.96
Fund Balance		
Balance Jan. 1	401,858.81	313,749.85
	603,630.08	538,133.81
Utilized as Revenue:		
Water & Sewer Operating Budget	224,500.00	136,275.00
Balance Dec. 31	$ 379,130.08	$ 401,858.81

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

TOWNSHIP OF WATERFORD
WATER & SEWER UTILITY OPERATING FUND
Statement of Revenues--Regulatory Basis
For the Year Ended December 31, 2016

	Anticipated Budget	Realized	Excess (Deficit)
Operating Surplus Anticipated	$ 224,500.00	$ 224,500.00	
Water Rents	470,000.00	471,596.52	$ 1,596.52
Sewer Rents	580,000.00	621,140.95	41,140.95
Water Connection Fees	13,000.00	21,560.00	8,560.00
Sewer Connection Fees	2,000.00		(2,000.00)
Water Miscellaneous	5,000.00	34,391.06	29,391.06
Sewer Miscellaneous	10,000.00	14,169.87	4,169.87
Budget Totals	1,304,500.00	1,387,358.40	82,858.40
Non-Budget Revenue	-	5,149.38	5,149.38
	$ 1,304,500.00	$ 1,392,507.78	$ 88,007.78

Analysis of Realized Revenues

Water Miscellaneous:		
Receipts Collector:		
Interest on Delinquent Rents		$ 4,961.94
Other Miscellaneous Fees		29,429.12
		$ 34,391.06
Sewer Miscellaneous:		
Receipts Collector:		
Interest on Delinquent Rents		$ 12,556.52
Other Miscellaneous Fees		1,613.35
		$ 14,169.87
Miscellaneous Revenue Not Anticipated:		
Collector:		
Miscellaneous	$ 201.29	
Chief Financial Officer:		
Interest on Deposits	2,151.16	
Miscellaneous	382.87	
		$ 2,735.32
Due from Utility Capital Fund:		
Interest on Deposits		2,414.06
		$ 5,149.38

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

TOWNSHIP OF WATERFORD
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	Encumbered	Reserved	Unexpended Balance Canceled
Operating:						
Salaries and Wages	$ 240,000.00	$ 240,000.00	$ 215,101.22		$ 9,898.78	$ 15,000.00
Other Expenses	485,531.00	485,531.00	381,339.63	$ 26,414.98	77,776.39	
Total Operating	725,531.00	725,531.00	596,440.85	26,414.98	87,675.17	15,000.00
Capital Improvements:						
Capital Improvement Fund	7,000.00	7,000.00	7,000.00	-	-	-
Debt Service:						
Payment of Bond Principal	216,000.00	216,000.00	216,000.00			
Interest on Bonds	78,950.00	78,950.00	71,525.29			7,424.71
Interest on Notes	18,000.00	18,000.00				18,000.00
Loan Principal and Interest	230,630.00	230,630.00	220,343.00			10,287.00
Total Debt Service	543,580.00	543,580.00	507,868.29	-	-	35,711.71
Deferred Charges and Statutory Expenditures:						
Statutory Expenditures:						
Contribution to:						
Public Employees' Retirement System	8,389.00	8,389.00	8,387.45		1.55	
Unemployment Compensation Insurance	1,500.00	1,500.00	818.65		681.35	
Social Security System (O.A.S.I.)	18,500.00	18,500.00	15,382.74		3,117.26	
Total Deferred Charges and Statutory Expenditures	28,389.00	28,389.00	24,588.84	-	3,800.16	-
Total Water & Sewer Utility Appropriations	$ 1,304,500.00	$ 1,304,500.00	$ 1,135,897.98	$ 26,414.98	$ 91,475.33	$ 50,711.71

Disbursed	$ 1,042,300.04
Refunds	(8,950.43)
Accrued Interest on Bonds and Notes	102,548.37
	$ 1,135,897.98

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

TOWNSHIP OF WATERFORD
GENERAL FIXED ASSET ACCOUNT GROUP
Statement of General Fixed Asset Account Group -- Regulatory Basis
For the Year Ended December 31, 2016

	Balance Dec. 31, 2015	Additions	Deletions	Balance Dec. 31, 2016
General Fixed Assets:				
Land	$ 1,921,600.00	$ 109,800.00	$ 48,700.00	$ 1,982,700.00
Buildings	2,496,063.03	241,905.00		2,737,968.03
Machinery and Equipment	3,910,948.28	804,343.05	237,534.20	4,477,757.13
	$ 8,328,611.31	$ 1,156,048.05	$ 286,234.20	$ 9,198,425.16
Investment in General Fixed Assets:				
General Capital Fund	$ 8,328,611.31	$ 1,156,048.05	$ 286,234.20	$ 9,198,425.16

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Financial Reporting Entity - The Township of Waterford (hereafter referred to as the "Township") was incorporated as a Township in 1798 and is located in southwest New Jersey approximately twenty miles southeast of the City of Philadelphia. The population according to the 2010 census is 10,649.

The form of Government is known as a Township pursuant to N.J.S.A. 40A:63-1 et seq. The government consists of five Committee Members who are elected at large to three year staggered terms. At an annual reorganization meeting, the Committee selects one of its members to serve as Mayor and another as Deputy Mayor. Under statute, the Mayor is the head of the government and acts as the executive branch. The Committee acts as the legislative branch of government and has executive powers not assigned to the Mayor. The implementation of the policies of the governing body and the day-to-day operations are handled by the Administration.

Component Units - The financial statements of the component unit of the Township is not presented in accordance with Governmental Accounting Standards Board GASB Statements No. 14, *The Financial Reporting Entity,* as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34*. If the provisions of GASBS No. 14, as amended by GASBS No. 39 and GASBS No. 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:

Waterford Township Free Public Library
2204 Atco Avenue
Waterford, New Jersey 08004

Annual financial reports may be inspected directly at the office of this component unit during regular business hours.

Measurement Focus, Basis of Accounting and Financial Statement Presentation - The financial statements of the Township contain all funds and account groups in accordance with the *Requirements of Audit ("Requirements")* 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* 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 accounts for its financial transactions through the use of separate funds which are described as follows:

Current Fund - The current fund accounts for resources and expenditures for governmental operations of a general nature, including federal and state grant funds.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Measurement Focus, Basis of Accounting and Financial Statement Presentation (Cont'd)

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

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

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

General Fixed Asset Group of Accounts - The general fixed asset group of accounts is utilized to account for property, land, buildings, and equipment that have been acquired by other governmental funds.

Budgets and Budgetary Accounting - The Township must adopt an annual budget for its current and water/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 February 10 of each year. At introduction, the governing body shall fix the time and place for a public hearing on the budget and must advertise the time and place at least ten days prior to the hearing in a newspaper published and circulating in the municipality. The public hearing must not be held less than twenty-eight days after the date the budget was introduced. After the hearing has been held, the governing body may, by majority vote, adopt the budget or may amend the budget in accordance with N.J.S.A. 40A:4-9. Amendments to adopted budgets, if any, are detailed in the statements of revenues and expenditures.

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

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

Cash, Cash Equivalents and Investments - Cash and cash equivalents include petty cash, change funds and cash on deposit with public depositories. All certificates of deposit are recorded as cash regardless of the date of maturity. Investments are stated at cost; therefore, unrealized gains or losses on investments have not been recorded.

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.

Note 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

Cash, Cash Equivalents and Investments (Cont'd)

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

The cash management plan adopted by the Township 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's Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Part 200, §200.12), 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. No depreciation of general fixed assets is recorded. Donated general fixed assets are recorded at acquisition value as of the date of the transaction. 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 asset group of accounts, 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 include 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.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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, improvements, and contributed capital.

Foreclosed Property - Foreclosed property is recorded in the current fund at the assessed valuation when such property was acquired and is fully reserved. Ordinarily it is the intention of the municipality to resell foreclosed property in order to recover all or a portion of the delinquent taxes or assessments and to return the property to a taxpaying basis. For this reason the value of foreclosed property has not been included in the general fixed asset group of accounts. If such property is converted to a municipal use, it will be recorded in the general fixed asset group of accounts.

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

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

Fund Balance - Fund balances included in the current fund and water/sewer utility operating fund 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 Waterford 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 Waterford School District. Operations is charged for the full amount required to be raised from taxation to operate the local school district for the period from July 1 to June 30, increased by the amount deferred at December 31, 2015 and decreased by the amount deferred at December 31, 2016.

County Taxes - The municipality is responsible for levying, collecting, and remitting county taxes for the County of Camden. County taxes are determined on a calendar year by the County Board of Taxation based upon the ratables required to be certified to them on January 10 of each year. Operations is charged for the amount due to 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.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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 31, this reserve represents the portion of appropriation reserves that has been encumbered and is subject to the same statutory provisions as appropriation reserves.

Appropriations for principal payments on outstanding general capital and utility bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis; whereas interest on utility indebtedness is on the accrual basis.

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

Note 2: CASH AND CASH EQUIVALENTS

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

Note 2: CASH AND CASH EQUIVALENTS (CONT'D)

Custodial Credit Risk Related to Deposits (Cont'd)

As of December 31, 2016, the Township's bank balances of $6,141,007.77 were exposed to custodial credit risk as follows:

Insured by FDIC and GUDPA	$ 6,055,915.79
Uninsured and Uncollateralized	85,091.98
Total	$ 6,141,007.77

Note 3: PROPERTY TAXES

The following is a five-year comparison of certain statistical information relative to property taxes and property tax collections for the current and previous four calendar years:

	Year Ended				
	2016	2015(A)	2014	2013	2012
Tax Rate	$ 3.881	$ 3.779	$ 5.523	$ 5.453	$ 5.406
Apportionment of Tax Rate:					
Municipal	$ 1.016	$ .961	$ 1.379	$ 1.356	$ 1.332
Municipal Library	.035	.036	.053	.057	.061
County	.861	.840	1.269	1.318	1.303
County Open Space Preservation Trust Fund	.022	.021	.033	.035	.038
Local School	1.947	1.921	2.789	2.687	2.672

Assessed Valuation

Year	Amount
2016	$ 704,927,000.00
2015 (A)	709,957,795.00
2014	474,407,515.00
2013	472,722,775.00
2012	470,608,051.00

(A) = A Revaluation was performed in 2015.

Note 3: PROPERTY TAXES (CONT'D)

Five-year comparison of certain statistical information relative to property taxes and property tax collections for the current and previous four calendar years (cont'd):

Comparison of Tax Levies and Collections

Year	Tax Levy	Collections	Percentage of Collections
2016	$ 27,442,331.87	$ 26,680,791.20	97.22%
2015	26,842,887.67	26,112,543.63	97.28%
2014	26,272,016.09	25,523,027.48	97.15%
2013	25,958,506.17	25,185,872.89	97.02%
2012	25,572,869.95	24,848,669.73	97.17%

Delinquent Taxes and Tax Title Liens

Year	Tax Title Liens	Delinquent Taxes	Total Delinquent	Percentage of Tax Levy
2016	$ 567,798.35	$ 727,277.72	$ 1,295,076.07	4.72%
2015	649,716.88	664,441.69	1,314,158.57	4.90%
2014	580,033.73	682,709.36	1,262,743.09	4.81%
2013	537,268.01	643,527.70	1,180,795.71	4.55%
2012	517,647.35	652,123.47	1,169,770.82	4.57%

The following comparison is made of the number of tax title liens receivable on December 31 for the current and previous four calendar years:

Year	Number
2016	110
2015	116
2014	109
2013	104
2012	102

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 four years was as follows:

Year	Amount
2016	$ 505,600.00
2015	142,300.00
2014	142,300.00
2013	142,300.00
2012	142,300.00

Note 5: WATER/SEWER UTILITY SERVICE CHARGES

The following is a five-year comparison of water/sewer utility service charges (rents) for the current and previous four years:

Year	Balance Beginning of Year Receivable	Balance Beginning of Year Liens	Levy	Total	Cash Collections
2016	$ 50,147.59	$ 9,203.91	$ 1,094,542.43	$ 1,153,893.93	$ 1,092,737.47
2015	47,290.84	8,404.74	1,120,759.86	1,176,455.44	1,114,002.74
2014	49,159.67	8,404.74	1,115,588.07	1,173,152.48	1,113,841.47
2013	42,272.28	8,404.74	1,098,815.51	1,149,492.53	1,090,467.09
2012	34,827.07	8,404.74	1,046,691.73	1,089,923.54	1,038,632.26

Note 6: FUND BALANCES APPROPRIATED

The following schedules detail the amount of fund balances available at the end of the current year and four previous years and the amounts utilized in the subsequent year's budgets:

Current Fund

Year	Balance December 31,	Utilized in Budget of Succeeding Year	Percentage of Fund Balance Used
2016	$ 925,070.79	$ 710,000.00	76.75%
2015	859,586.50	690,000.00	80.27%
2014	1,368,039.16	815,000.00	59.57%
2013	1,038,283.08	773,850.00	74.53%
2012	1,096,568.66	778,000.00	70.95%

Water/Sewer Utility Fund

Year	Balance December 31,	Utilized in Budget of Succeeding Year	Percentage of Fund Balance Used
2016	$ 379,130.08	$ 236,100.00	62.27%
2015	401,858.81	224,500.00	55.87%
2014	313,749.85	136,275.00	43.43%
2013	334,056.75	108,909.00	32.60%
2012	140,165.26	10,000.00	7.13%

Note 7: INTERFUND RECEIVABLES AND PAYABLES

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

Fund	Interfunds Receivable	Interfunds Payable
Current		$ 8,896.14
General Capital	$ 8,896.14	
	$ 8,896.14	$ 8,896.14

The interfund receivables and payables above predominately resulted from collections and payments made by certain funds on behalf of other funds. During the year 2017, the Township expects to liquidate such interfunds, depending upon the availability of cash flow.

Note 8: PENSION PLANS

A substantial number of the Township's employees participate in one of the following defined benefit pension plans: the Public Employees' Retirement System (“PERS”) and the Police and Firemen’s Retirement System (“PFRS”), which are administered by the New Jersey Division of Pensions and Benefits. In addition, certain Township employees may become eligible to participate in the Defined Contribution Retirement Program (“DCRP”), which is a defined contribution pension plan. This plan is administered by Prudential Financial for the New Jersey Division of Pensions and Benefits. Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to:

State of New Jersey
Division of Pensions and Benefits
P.O. Box 295
Trenton, New Jersey 08625-0295
http://www.nj.gov/treasury/pensions

General Information about the Pension Plans

Plan Descriptions

Public Employees' Retirement System - The Public Employees' Retirement System is a cost-sharing multiple-employer defined benefit pension plan which was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A. The PERS’s designated purpose is to provide retirement, death, disability and medical benefits to certain qualified members. Membership in the PERS is mandatory for substantially all full-time employees of the Township, provided the employee is not required to be a member of another state-administered retirement system or other state pensions fund or local jurisdiction’s pension fund. The PERS’s Board of Trustees is primarily responsible for the administration of the PERS.

Police and Firemen’s Retirement System - The Police and Firemen’s Retirement System is a cost-sharing multiple-employer defined benefit pension plan which was established as of July 1, 1944, under the provisions of N.J.S.A. 43:16A. The PFRS’s designated purpose is to provide retirement, death, disability and medical benefits to certain qualified members. Membership in the PFRS is mandatory for substantially all full-time police and firemen of the Township. The PFRS’s Board of Trustees is primarily responsible for the administration of the PFRS.

Note 8: PENSION PLANS (CONT'D)

General Information about the Pension Plans (Cont'd)

Plan Descriptions (Cont'd)

Defined Contribution Retirement Program - The Defined Contribution Retirement Program is a multiple-employer defined contribution pension fund established on July 1, 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.). The DCRP is a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) § 401(a) et seq., and is a "governmental plan" within the meaning of IRC § 414(d). The DCRP provides retirement benefits for eligible employees and their beneficiaries. Individuals covered under DCRP are employees enrolled in PERS on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits; employees enrolled in PFRS after May 21, 2010, who earn salary in excess of established "maximum compensation" limits; employees otherwise eligible to enroll in PERS on or after November 2, 2008, who do not earn the minimum annual salary for tier 3 enrollment but who earn salary of at least $5,000.00 annually; and employees otherwise eligible to enroll in PERS after May 21, 2010 who do not work the minimum number of hours per week required for tiers 4 or 5 enrollment, but who earn salary of at least $5,000.00 annually.

Vesting and Benefit Provisions

Public Employees' Retirement System - The vesting and benefit provisions are set by N.J.S.A. 43:15A and 43:3B. The PERS provides retirement, death and disability benefits. All benefits vest after 10 years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of the PERS.

The following represents the membership tiers for PERS:

Tier	Definition
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 21, 2010
4	Members who were eligible to enroll after May 21, 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.

Police and Firemen's Retirement System - The vesting and benefit provisions are set by N.J.S.A. 43:16A. The PFRS provides retirement, death and disability benefits. All benefits vest after 10 years of service, except disability benefits, which vest after four years of service.

Note 8: PENSION PLANS (CONT'D)

General Information about the Pension Plans (Cont'd)

Vesting and Benefit Provisions (Cont'd)

Police and Firemen's Retirement System (Cont'd) - The following represents the membership tiers for PFRS:

Tier	Definition
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 of creditable service over 25 years but not to exceed 30 years. Members may elect deferred retirement benefits after achieving ten years of service, in which case benefits would begin at age 55 equal to 2% of final compensation for each year of service.

Defined Contribution Retirement Program - Eligible members are provided with a defined contribution retirement plan intended to qualify for favorable Federal income tax treatment under IRC Section 401(a), a noncontributory group life insurance plan and a noncontributory group disability benefit plan. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employee contributions shall immediately become and shall at all times remain fully vested and non-forfeitable. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employer contributions shall be vested and non-forfeitable on the date the participant commences the second year of employment or upon his or her attainment of age 65, while employed by an employer, whichever occurs first.

Contributions

Public Employees' Retirement System - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Members contribute at a uniform rate. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in July 2012. The member contribution rate was 7.06% in State fiscal year 2016. The phase-in of the additional incremental member contribution rate takes place in July of each subsequent State fiscal year. The rate for members who are eligible for the Prosecutors Part of PERS (Chapter 366, P.L. 2001) increased from 8.5% of base salary to 10%. Employers' contribution amounts are based on an actuarially determined rate. The Township's contribution amounts are based on an actuarially determined rate which included the normal cost and unfunded accrued liability.

Note 8: PENSION PLANS (CONT'D)

General Information about the Pension Plans (Cont'd)

Contributions (Cont'd)

Public Employees' Retirement System (Cont'd) – The Township's contractually required contribution rate for the year ended December 31, 2016 was 12.11% of the Township's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PERS measurement date of June 30, 2016, the Township's contractually required contribution to the pension plan for the year ended December 31, 2016 is $174,837.00, and is payable by April 1, 2017. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. Based on the PERS measurement date of June 30, 2015, the Township's contractually required contribution to the pension plan for the year ended December 31, 2015 was $167,749.00 which was paid on April 1, 2016. Employee contributions to the plan during the year ended December 31, 2016 were $105,705.78.

Police and Firemen's Retirement System - The contribution policy is set by N.J.S.A. 43:16A and requires contributions by active members and contributing employers. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 8.5% to 10.0% in October 2011. Employers' contributions are based on an actuarially determined amount which includes the normal cost and unfunded accrued liability.

Special Funding Situation Component - 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 nonemployer 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 or deferred outflows or inflows to disclose in the notes to the financial statements of the local participating employers related to this legislation.

The Township's contractually required contribution rate for the year ended December 31, 2016 was 25.39% of the Township's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Based on the most recent PFRS measurement date of June 30, 2016, the Township's contractually required contribution to the pension plan for the year ended December 31, 2016 is $411,823.00, and is payable by April 1, 2017. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. Based on the PFRS measurement date of June 30, 2015, the Township's contractually required contribution to the pension plan for the year ended December 31, 2015 was $449,428.00, which was paid on April 1, 2016. Employee contributions to the plan during the year ended December 31, 2016 were $170,191.52.

Note 8: PENSION PLANS (CONT'D)

General Information about the Pension Plans (Cont'd)

Contributions (Cont'd)

Police and Firemen's Retirement System (Cont'd) - The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the Township, for the year ended December 31, 2016 was 1.91% of the Township's covered payroll.

Based on the most recent PFRS measurement date of June 30, 2016, the State's contractually required contribution, on-behalf of the Township, to the pension plan for the year ended December 31, 2016 is $31,046.00, and is payable by April 1, 2017. Based on the PFRS measurement date of June 30, 2015, the State's contractually required contribution, on-behalf of the Township, to the pension plan for the year ended December 31, 2015 was $42,042.00, which was paid on April 1, 2016.

Defined Contribution Retirement Program - The contribution policy is set by N.J.S.A. 43:15C-3 and requires contributions by active members and contributing employers. 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 contributes 3% of the employees' base salary, for each pay period, to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period.

For the year ended December 31, 2016, employee contributions totaled $355.99, and the Township's contributions were $308.11. There were no forfeitures during the year.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Public Employees' Retirement System - At December 31, 2016, the Township's proportionate share of the PERS net pension liability was $5,828,741.00. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2016. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2016 measurement date, the Township's proportion was .0196803029%, which was an increase of .0001685204% from its proportion measured as of June 30, 2015.

At December 31, 2016, the Township's proportionate share of the PERS pension expense, calculated by the plan as of the June 30, 2016 measurement date is $468,740.00. This expense is not recognized by the Township because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2016, the Township's contribution to PERS was $167,749.00, and was paid on April 1, 2016.

Note 8: PENSION PLANS (CONT'D)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

Police and Firemen's Retirement System - At December 31, 2016, the Township's and State of New Jersey's proportionate share of the PFRS net pension liability were as follows:

Township 's Proportionate Share of Net Pension Liability	$ 9,648,572.00
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Township	810,241.00
	$ 10,458,813.00

Police and Firemen's Retirement System - The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2016. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State of New Jersey, actuarially determined. For the June 30, 2016 measurement date, the Township's proportion was .0505093213%, which was a decrease of .0047810193% from its proportion measured as of June 30, 2015. Likewise, at June 30, 2016, the State of New Jersey's proportion, on-behalf of the Township, was .0505093213%, which was a decrease of .0047810193% from its proportion, on-behalf of the Township, measured as of June 30, 2015.

At December 31, 2016, the Township's proportionate share of the PFRS pension expense, calculated by the plan as of the June 30, 2016 measurement date is $943,976.00. This expense is not recognized by the Township because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2016, the Township's contribution to PFRS was $449,428.00, and was paid on April 1, 2016.

At December 31, 2016, the State's proportionate share of the PFRS pension expense, associated with the Township, calculated by the plan as of the June 30, 2016 measurement date is $103,487.00. This on-behalf expense is not recognized by the Township because of the regulatory basis of accounting as described in note 1.

Note 8: PENSION PLANS (CONT'D)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

Deferred Outflows of Resources and Deferred Inflows of Resources - At December 31, 2016, the Township had deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources			Deferred Inflows of Resources		
	PERS	PFRS	Total	PERS	PFRS	Total
Differences between Expected and Actual Experience	$ 108,397.00	$ -	$ 108,397.00	$ -	$ 63,248.00	$ 63,248.00
Changes of Assumptions	1,207,404.00	1,336,407.00	2,543,811.00	-	-	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	222,255.00	676,056.00	898,311.00	-	-	-
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions	27,464.00	493,626.00	521,090.00	338,313.00	892,765.00	1,231,078.00
Township Contributions Subsequent to the Measurement Date	87,419.00	205,912.00	293,331.00	-	-	-
	$ 1,652,939.00	$ 2,712,001.00	$ 4,364,940.00	$ 338,313.00	$ 956,013.00	$ 1,294,326.00

$87,419.00 and $205,951.00 for PERS and PFRS, respectively, included in deferred outflows of resources, will be included as a reduction of the net pension liability in the year ending December 31, 2017. These amounts were based on an estimated April 1, 2018 contractually required contribution, prorated from the pension plans measurement date of June 30, 2016 to the Township's year end of December 31, 2016.

Note 8: PENSION PLANS (CONT'D)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd) - The Township will amortize the above other deferred outflow of resources and deferred inflows of resources related to pensions over the following number of years:

	PERS		PFRS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience				
Year of Pension Plan Deferral:				
June 30, 2014	-	-	-	-
June 30, 2015	5.72	-	-	5.53
June 30, 2016	5.57	-	-	5.58
Changes of Assumptions				
Year of Pension Plan Deferral:				
June 30, 2014	6.44	-	6.17	-
June 30, 2015	5.72	-	5.53	-
June 30, 2016	5.57	-	5.58	
Net Difference between Projected and Actual Earnings on Pension Plan Investments				
Year of Pension Plan Deferral:				
June 30, 2014	-	5.00	-	5.00
June 30, 2015	-	5.00	-	5.00
June 30, 2016	5.00	-	5.00	-
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions				
Year of Pension Plan Deferral:				
June 30, 2014	6.44	6.44	6.17	6.17
June 30, 2015	5.72	5.72	5.53	5.53
June 30, 2016	5.57	5.57	5.58	5.58

Note 8: PENSION PLANS (CONT'D)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd) - Other amounts included as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in future periods as follows:

Year Ending Dec 31,	PERS	PFRS	Total
2017	$ 258,537.00	$ 378,211.00	$ 636,748.00
2018	258,537.00	378,211.00	636,748.00
2019	313,434.00	540,302.00	853,736.00
2020	286,000.00	307,418.00	593,418.00
2021	110,699.00	(54,066.00)	56,633.00
	$ 1,227,207.00	$ 1,550,076.00	$ 2,777,283.00

Actuarial Assumptions

The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2016. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	PERS	PFRS
Inflation	3.08%	3.08%
Salary Increases:		
Through 2026	1.65% - 4.15% Based on Age	2.10% - 8.98% Based on Age
Thereafter	2.65% - 5.15% Based on Age	3.10% - 9.98% Based on Age
Investment Rate of Return	7.65%	7.65%
Mortality Rate Table	RP-2000	RP-2000
Period of Actuarial Experience Study upon which Actuarial Assumptions were Based	July 1, 2011 - June 30, 2014	July 1, 2010 - June 30, 2013

Note 8: PENSION PLANS (CONT'D)

Actuarial Assumptions (Cont'd)

For PERS, pre-retirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. 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 (set back 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on 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 scale. 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).

For PFRS, pre-retirement mortality rates were based on the RP-2000 Pre-Retirement mortality tables projected thirteen years using Projection Scale BB and then projected on a generational basis using the plan actuary's modified 2014 projection scales. Post-retirement mortality rates for male service retirements and beneficiaries are based the RP-2000 Combined Healthy Mortality Tables projected one year using Projection Scale AA and two years using the plan actuary's modified 2014 projection scales, which was further projected on a generational basis using the plan actuary's modified 2014 projection scales. Postretirement mortality rates for female service retirements and beneficiaries were based the RP-2000 Combined Healthy Mortality Tables projected thirteen years using Projection Scale BB and then two years using the plan actuary's modified 2014 projection scales, which was further projected on a generational basis using the plan actuary's modified 2014 projection scales. Disability mortality rates were based on special mortality tables used for the period after disability retirement.

For PERS and PFRS, 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 and PFRS's target asset allocation as of June 30, 2016 are summarized in the following table:

Note 8: PENSION PLANS (CONT'D)

Actuarial Assumptions (Cont'd)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
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%
	100.00%	

Discount Rate - The discount rate used to measure the total pension liability at June 30, 2016 was 3.98% for PERS and 5.55% for PFRS. For both PERS and PFRS, the respective single blended discount rates were based on the 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 municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rates assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity 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 2034 for PERS and through 2050 for PFRS. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2034 for PERS and through 2050 for PFRS, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liabilities.

Note 8: PENSION PLANS (CONT'D)

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

Public Employees' Retirement System (PERS) - The following presents the Township's proportionate share of the net pension liability at June 30, 2016, the plans measurement date, calculated using a discount rate of 3.98%, as well as what the Township's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

	PERS		
	1% Decrease (2.98%)	Current Discount Rate (3.98%)	1% Increase (4.98%)
Township 's Proportionate Share of the Net Pension Liability	$ 7,142,442.00	$ 5,828,741.00	$ 4,744,167.00

Police and Firemen's Retirement System (PFRS) - As previously mentioned, PFRS has a special funding situation, where the State of New Jersey pays a portion of the Township's annual required contribution. As such, the net pension liability as of June 30, 2016, the plans measurement date, for the Township and the State of New Jersey, calculated using a discount rate of 5.55%, as well as using a discount rate that is 1% lower or 1% higher than the current rates used is as follows:

	PFRS		
	1% Decrease (4.55%)	Current Discount Rate (5.55%)	1% Increase (6.55%)
Township 's Proportionate Share of the Net Pension Liability	$ 12,441,126.00	$ 9,648,572.00	$ 7,371,412.00
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Township	1,044,746.36	810,241.00	619,015.99
	$ 13,485,872.36	$ 10,458,813.00	$ 7,990,427.99

Pension Plan Fiduciary Net Position

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the respective fiduciary net position of the PERS and PFRS and additions to/deductions from PERS and PFRS' respective fiduciary net position have been determined on the same basis as they are reported by PERS and PFRS. Accordingly, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. For additional information about PERS and PFRS, please refer to the plan's Comprehensive Annual Financial Report (CAFR) which can be found at www.nj.gov/treasury/pensions.

Note 8: PENSION PLANS (CONT'D)

Supplementary Pension Information

In accordance with GASB 68, the following information is also presented for the PERS and PFRS Pension Plans. These schedules are presented to illustrate the requirements to show information for 10 years; however, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

Schedule of the Township's Proportionate Share of the Net Pension Liability - Public Employees' Retirement System (PERS) (Last Four Years)

	Measurement Date Ended June 30,			
	2016	2015	2014	2013
Township 's Proportion of the Net Pension Liability	0.0196803029%	0.0195117825%	0.0211891140%	0.0224461293%
Township 's Proportionate Share of the Net Pension Liability	$ 5,828,741.00	$ 4,380,004.00	$ 3,967,182.00	$ 4,289,901.00
Township 's Covered Payroll (Plan Measurement Period)	$ 1,327,336.00	$ 1,323,212.00	$ 1,368,748.00	$ 1,548,380.00
Township 's Proportionate Share of the Net Pension Liability as a Percentage of it's Covered Payroll	439.13%	331.01%	289.84%	277.06%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	40.14%	47.93%	52.08%	48.72%

Schedule of the Township's Contributions - Public Employees' Retirement System (PERS) (Last Four Years)

	Year Ended December 31,			
	2016	2015	2014	2013
Township's Contractually Required Contribution	$ 174,837.00	$ 167,749.00	$ 174,680.00	$ 169,127.00
Township's Contribution in Relation to the Contractually Required Contribution	(174,837.00)	(167,749.00)	(174,680.00)	(169,127.00)
Township's Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -
Township's Covered Payroll (Calendar Year)	$ 1,443,710.00	$ 1,330,866.00	$ 1,467,675.00	$ 1,443,356.00
Township's Contributions as a Percentage of its Covered Payroll	12.11%	12.60%	11.90%	11.72%

Note 8: PENSION PLANS (CONT'D)

Supplementary Pension Information (Cont'd)

Schedule of the Township's Proportionate Share of the Net Pension Liability - Police and Firemen's Retirement System (PFRS) (Last Four Years)

	Measurement Date Ended June 30,			
	2016	2015	2014	2013
Township 's Proportion of the Net Pension Liability	0.0505093213%	0.0552903406%	0.0495153387%	0.0545345581%
Township 's Proportionate Share of the Net Pension Liability	$ 9,648,572.00	$ 9,209,443.00	$ 6,228,570.00	$ 7,249,877.00
State's Proportionate Share of the Net Pension Liability associated with the Township	810,241.00	807,637.00	670,712.00	675,777.00
Total	$ 10,458,813.00	$ 10,017,080.00	$ 6,899,282.00	$ 7,925,654.00
Township 's Covered Payroll (Plan Measurement Period)	$ 1,651,524.00	$ 1,715,940.00	$ 1,563,936.00	$ 1,682,896.00
Township 's Proportionate Share of the Net Pension Liability as a Percentage of it's Covered Payroll	584.22%	536.70%	398.26%	430.80%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	52.01%	56.31%	62.41%	58.70%

Schedule of the Township's Contributions - Police and Firemen's Retirement System (PFRS) (Last Four Years)

	Year Ended December 31,			
	2016	2015	2014	2013
Township's Contractually Required Contribution	$ 411,823.00	$ 449,428.00	$ 380,312.00	$ 397,872.00
Township's Contribution in Relation to the Contractually Required Contribution	(411,823.00)	(449,428.00)	(380,312.00)	(397,872.00)
Township's Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -
Township's Covered Payroll (Calendar Year)	$ 1,622,019.00	$ 1,593,421.00	$ 1,674,608.00	$ 1,618,999.00
Township's Contributions as a Percentage of its Covered Payroll	25.39%	28.21%	22.71%	24.58%

Note 8: PENSION PLANS (CONT'D)

Other Notes to Supplementary Pension Information

Public Employees' Retirement System (PERS)

Changes in Benefit Terms - None

Changes in Assumptions - For 2016, the discount rate changed to 3.98%, the long-term expected rate of return changed to 7.65%, demographic assumptions were revised in accordance with the results of the July 1, 2011 - June 30, 2014 experience study and the mortality improvement scale incorporated the plan actuary's modified MP-2014 projection scale. Further, salary increases were assumed to increase between 1.65% and 4.15% (based on age) through fiscal year 2026 and 2.65% and 5.15% (based on age) for each fiscal year thereafter. For 2015, the discount rate changed to 4.90%. In addition, the social security wage base was set at $118,500 for 2015, increasing 4.00% per annum, compounded annually and the 401(a)(17) pay limit was set at $265,000 for 2015, increasing 3.00% per annum, compounded annually. For 2014, the discount rate was 5.39%.

Police and Firemen's Retirement System (PFRS)

Changes in Benefit Terms - None

Changes in Assumptions - For 2016, the discount rate changed to 5.55%, the long-term expected rate of return changed to 7.65%, and the mortality improvement scale incorporated the plan actuary's modified 2014 projection scale. Further, salary increases were assumed to increase between 2.10% and 8.98% (based on age) through fiscal year 2026 and 3.10% and 9.98% (based on age) for each fiscal year thereafter. For 2015, the discount rate changed to 5.79% and demographic assumptions were revised in accordance with the results of the July 1, 2010 - June 30, 2013 experience study. For 2014, the discount rate was 6.32%.

Note 9: ON-BEHALF PAYMENTS FOR PENSION COSTS

Certain Library employees are members of the Public Employees' Retirement System (PERS), which is administered by the New Jersey Division of Pensions and Benefits. The Library participates in PERS as part of the Township of Waterford. The Township does not require the Library to pay any portion of required employer contributions.

Payments made by the Township of Waterford, on-behalf of the Library, for the Library's share of employer contributions during the year ended December 31, 2016 totaled $14,658.08. Due to the basis of accounting described in note 1, revenues and expenses for this on-behalf payment have not been recorded in the financial statements of the Library.

Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

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

Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)

Plan Description (Cont'd) - The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the SHBP. In 2001, the Township authorized participation in the SHBP's post-retirement benefit program through resolution number 2001-140. The Township provides postemployment health care benefits, at its cost, to all Township retirees who at the date of retirement have not less than twenty-five years of service with the Township. Benefits provided include health insurance and prescription coverage for retirees and their dependents only during the retired employees' life.

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

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

Contributions to pay for the health premiums of participating retirees in the SHBP are billed to the Township on a monthly basis. The Township funds these benefits on a pay-as-you-go basis and, therefore, does not record accrued expenses related to these benefits. The Township's contributions to SHBP for the years ended December 31, 2016, 2015, and 2014, were $537,443.88, $522,211.42, and $489,231.98, respectively, which equaled the required contributions each year. There were approximately 28 retired participants eligible at December 31, 2016.

In addition to the benefits described above, the Township provides post-employment dental and vision benefits to a previously retired police chief as required by his individual contract.

The Township funds these benefits on a pay-as-you-go basis and therefore does not record accrued expenses related to these benefits. During the year 2016, the cost of this benefit resulted in the payment of $1,560.67 in related health care premiums.

Note 11: COMPENSATED ABSENCES

Police Officers

Vacation Time - All full-time police officers are entitled to vacation time varying from 120 working hours per year in the first year of employment to 360 working hours per year after completing 20 years of service plus 12 hours for each year over 20 years. Vacation time can be carried forward for a period of one year only.

Sick time - All police officers are entitled to 120 paid sick hours per year. Sick hours not taken may accrue and be carried forward. For officers hired prior to January 1, 2013 this amount may not exceed 720 hours. Officers hired after January 1, 2013 may carry forward up to 420 sick hours. Hours earned and not taken which exceed the maximum are paid currently.

Compensatory time - All police officers are entitled to accumulate compensatory time in lieu of overtime in an amount not to exceed 200 hours.

Note 11: COMPENSATED ABSENCES (CONT'D)

Other Personnel

Vacation time - Full-time Township employees with at least one year of service are entitled to 11 to 31 vacation days per year depending on length of service. Unused vacation days not used during the year may be accumulated and carried forward for one year. Vacation days not used in the following year are not accumulated. Employees whose employment has terminated with the Township are entitled to be paid for unused vacation time from the current year and one-year prior.

Sick time - Full-time employees are entitled to fifteen paid sick leave days each year.

Compensatory time - Employees have the option of taking compensatory time in lieu of cash payments for overtime. The employee may carry up to 40 hours of compensatory time to the following year. Compensatory time over 40 hours at December 31 are paid to the employee the following January.

Non-permanent or seasonal employees are not entitled to compensatory absences.

The Township does not record accrued expenses related to compensated absences. However, it is estimated that, at December 31, 2016, accrued benefits for compensated absences are valued at $837,672.74.

Note 12: DEFERRED COMPENSATION SALARY ACCOUNT

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 benefit 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 13: LEASE OBLIGATIONS

At December 31, 2016, the Township had lease agreements in effect for the following:

Capital:
- Three (3) 2014 Dodge Chargers
- One (1) 2015 Ford F250 Truck
- Three (3) 2017 Ford Interceptor SUV's

Operating:
- Seven (7) Ricoh Copiers

Capital leases - The following is an analysis of the Township's capital leases:

	Balance at December 31,	
Description	2016	2015
Vehicles	$ 129,738.49	$ 106,099.19

Note 13: LEASE OBLIGATIONS (CONT'D)

Capital leases (Cont'd) - The following schedule represents the remaining principal and interest payments, through maturity, for capital leases:

Year	Amount
2017	$ 74,747.77
2018	32,051.63
2019	30,976.20

Operating Leases - Future minimum lease payments under operating lease agreements are as follows:

Year	Amount
2017	$ 15,600.00
2018	15,600.00
2019	15,600.00
2020	15,600.00
2021	10,400.00

Rental payments under operating leases for the year 2016 were $12,882.94.

Note 14: CAPITAL DEBT

General Improvement Bonds

Water/Sewer Improvement Refunding Bonds, Series 2004 - On May 18, 2004, the Township issued $1,765,000.00 in water/sewer improvement refunding bonds, with interest rates ranging from 2.000% to 4.750%, to advance refund $1,790,000.00 outstanding 1993 Municipal Utility Authority Revenue Bonds with varying interest rates ranging from 4.600% to 5.125%. The final maturity of the bonds is May 1, 2019.

General Improvement Bonds, Series 2005 - On September 18, 2005, the Township issued $2,480,000.00 of general improvement bonds, with interest rates ranging from 3.625% to 3.750%. The purpose of the bonds is to permanently fund various capital ordinances, specifically 1994-13, 1995-08, 2000-06, 2001-08, 2004-19, 2004-20, 2004-22 and 2005-12. The final maturity of the bonds is September 15, 2019.

General & Water/Sewer Improvement Bonds, Series 2010 - On June 10, 2010, the Township issued $2,430,000.00 of general improvement bonds and $636,000.00 of water/sewer improvement bonds, with interest rates ranging from 3.000% to 3.750%. The purpose of the bonds is to permanently fund various capital ordinances, specifically 2005-12, 2005-16, 2005-17, 2007-13, 2007-17, 2008-02, 2008-03, 2008-09 and 2009-14. The final maturity of the bonds is July 15, 2024.

General & Water/Sewer Improvement Bonds, Series 2015 - On September 16 2015, the Township issued $3,724,000.00 in general improvement bonds and $1,286,000.00 of water/sewer improvement bonds, with interest rates ranging from 2.000% to 3.000%. The purpose of the bonds is to permanently fund various capital ordinances, specifically 2005-112, 2005-16, 2005-17, 2007-13, 2007-17, 2008-02, 2008-03, 2008-09 and 2009-14. The final maturity of the bonds is September 15, 2030.

Note 14: CAPITAL DEBT (CONT'D)

General Improvement Bonds (Cont'd)

The following schedule represents the remaining debt service, through maturity, for the general improvement bonds:

	General		Water/Sewer Utility		
Year	Principal	Interest	Principal	Interest	Total
2017	$ 730,000.00	$ 181,881.26	$ 220,000.00	$ 66,943.76	$ 1,198,825.02
2018	735,000.00	159,981.26	225,000.00	58,465.63	1,178,446.89
2019	755,000.00	137,381.26	235,000.00	49,381.25	1,176,762.51
2020	780,000.00	112,706.26	160,000.00	43,300.00	1,096,006.26
2021	790,000.00	90,256.26	175,000.00	38,825.00	1,094,081.26
2022-2026	2,275,000.00	190,971.89	806,000.00	115,562.50	3,387,534.39
2027-2030	365,000.00	5,475.00	400,000.00	24,000.00	794,475.00
	$ 6,430,000.00	$ 878,653.19	$ 2,221,000.00	$ 396,478.14	$ 9,926,131.33

General Debt - New Jersey Environmental Infrastructure Loans

On October 22, 2001, the Waterford Township Municipal Utility Authority, which was subsequently dissolved by the Township as of January 1, 2004, entered into a loan agreement with the New Jersey Environmental Infrastructure Trust to provide $1,342,970.00, at no interest, from the fund loan, and $1,440,000.00 at interest rates ranging from 4.0% to 5.0% from the trust loan. As a result of this dissolution, the Township assumed all liabilities of the Authority. The proceeds were used to fund the various capital projects in the Authority. Semi-annual debt payments are due February 1st and August 1st through 2021. In addition, on November 7, 2002, the Authority entered into a second loan agreement with the New Jersey Environmental Infrastructure Trust to provide $1,370,000.00 at interest rates ranging from 3.0% to 5.0% from the trust loan. The proceeds were used to fund the various capital projects in the Township. Annual debt payments are due August 1st through 2022.

The following schedule represents the remaining debt service, through maturity, for the New Jersey Environmental Infrastructure loans:

	Water/Sewer Utility		
Year	Principal	Interest	Total
2017	$ 194,627.36	$ 37,772.31	$ 232,399.67
2018	201,790.31	31,937.05	233,727.36
2019	208,867.76	25,117.93	233,985.69
2020	191,436.43	17,913.49	209,349.92
2021	140,435.06	10,505.46	150,940.52
2022	33,169.59	2,948.63	36,118.22
	$ 970,326.51	$ 126,194.87	$ 1,096,521.38

Note 14: CAPITAL DEBT (CONT'D)

General Debt - New Jersey Green Acres Loans

On December 24, 2008, the Township entered into a loan agreement with the New Jersey Department of Environmental Protection to provide $532,509.38, at an interest rate of 2.0%. The proceeds were used to fund the development of the Burnt Mill Road Recreational Complex. Semiannual debt payments are due March 24th and September 24th through 2022.

The following schedule represents the remaining debt service, through maturity, for the New Jersey Green Acres loans:

	General		
Year	Principal	Interest	Total
2017	$ 40,317.98	$ 4,887.30	$ 45,205.28
2018	41,128.38	4,076.92	45,205.30
2019	41,955.05	3,250.23	45,205.28
2020	42,798.35	2,406.93	45,205.28
2021	43,658.59	1,546.69	45,205.28
2022	44,536.13	669.15	45,205.28
	$ 254,394.48	$ 16,837.22	$ 271,231.70

General Debt – Camden County Improvement Authority Loans

On April 27, 2016, the Township authorized a $3,750,000.00 loan with the Camden County Improvement Authority to construct a public safety facility. As of December 31, 2016, a detailed loan schedule has not been finalized.

Note 14: CAPITAL DEBT (CONT'D)

The following schedule represents the Township's summary of debt for the current and two previous years:

	2016	2015	2014
Issued			
General:			
Bonds, Loans and Notes	$ 10,459,394.48	$ 7,492,918.04	$ 6,887,412.82
Water/Sewer Utility:			
Bonds and Notes	3,191,326.51	3,596,646.43	2,752,825.44
Total Issued	13,650,720.99	11,089,564.47	9,640,238.26
Authorized but not Issued			
General:			
Bonds and Notes	491,650.00		
Water/Sewer Utility:			
Bonds and Notes	2,612,300.00	2,479,000.00	3,229,000.00
Total Authorized but not Issued	3,103,950.00	2,479,000.00	3,229,000.00
Total Issued and Authorized but not Issued	16,754,670.99	13,568,564.47	12,869,238.26
Deductions			
Funds Temporarily Held to Pay Debt	12,697.50	12,662.50	
Self-Liquidating	5,803,626.51	6,075,646.43	5,981,825.44
Total Deductions	5,816,324.01	6,088,308.93	5,981,825.44
Net Debt	$ 10,938,346.98	$ 7,480,255.54	$ 6,887,412.82

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 indicated a statutory net debt of 1.448%.

	Gross Debt	Deductions	Net Debt
Local School District	$ 1,355,000.00	$ 1,355,000.00	
Water/Sewer Utility	5,803,626.51	5,803,626.51	
General	10,951,044.48	12,697.50	$ 10,938,346.98
	$ 18,109,670.99	$ 7,171,324.01	$ 10,938,346.98

Net debt $10,938,346.98 divided by the equalized valuation basis per N.J.S.A.40A:2-2, as amended, $755,280,886.00, equals 1.448%.

Note 14: CAPITAL DEBT (CONT'D)

Summary of Statutory Debt Condition - Annual Debt Statement (Cont'd)

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

3 1/2% of Equalized Valuation Basis (Municipal)	$ 26,434,831.01
Less: Net Debt	10,938,346.98
Remaining Borrowing Power	$ 15,496,484.03

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

Cash Receipts from Fees, Rents, Fund Balance Anticipated, Interest and Other Investment Income, and Other Charges for the Year		$ 1,392,507.78
Deductions:		
Operating and Maintenance Costs	$ 738,920.00	
Debt Service	507,868.29	
Total Deductions		1,246,788.29
Excess in Revenue		$ 145,719.49

The foregoing debt information is in agreement with the revised annual debt statement filed by the chief financial officer.

Note 15: 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):

Description	Balance December 31, 2016	2017 Budget Appropriation
Current Fund:		
Special Emergency Authorizations	$ 244,280.00	$ 82,140.00

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

Note 16: SCHOOL TAXES

Waterford Township Local School tax has been raised and the liability deferred by statutes, resulting in the school tax payable set forth in the current fund liabilities as follows:

	Balance December 31,	
	2016	2015
Balance of Tax	$ 6,861,522.71	$ 6,818,383.19
Deferred	4,200,000.00	4,200,000.00
	$ 2,661,522.71	$ 2,618,383.19

Note 17: RISK MANAGEMENT

Joint Insurance Pool - The Township is a member of the Atlantic County Insurance Pool Joint Insurance Fund. The Fund provides its members with the following coverage:

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

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

The Fund provides the Township with the following coverage:

Public Employee Dishonesty
Workers' Compensation
Employer's Liability
Public Officials Liability
Employment Practices Liability
Property - Blanket Building and Grounds
Boiler and Machinery
General and Automobile Liability
Crime and Excess Crime

Contributions to the Fund, are payable in an annual premium and is based on actuarial assumptions determined by the Fund's actuary. The Township's agreement with the Pool provides that the Pool will be self-sustaining through member premiums and will reinsure through the Municipal Excess Liability Joint Insurance Fund for claims in excess of $50,000.00 to $200,000.00 based on the line of coverage for each insured event.

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

Atlantic County Municipal Joint Insurance Fund
P.O. Box 488
Marlton, New Jersey 08053

Note 18: CONTINGENCIES

Grantor Agencies - Amounts received or receivable from grantor agencies could be subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the Township expects such amount, if any, to be immaterial.

Litigation - The Township is a defendant in several legal proceedings that are in various stages of litigation. It is believed that the outcome, or exposure to the Township, from such litigation is either unknown or potential losses, if any, would not be material to the financial statements.

Note 19: CONCENTRATIONS

The Township depends on financial resources flowing from, or associated with, both the federal government and the State of New Jersey. As a result of this dependency, the Township is subject to changes in specific flows of intergovernmental revenues based on modifications to federal and State laws and federal and State appropriations.

SUPPLEMENTAL EXHIBITS

SUPPLEMENTAL EXHIBITS

CURRENT FUND

TOWNSHIP OF WATERFORD
CURRENT FUND
Statement of Current Cash
Per N.J.S.40A:5-5--Chief Financial Officer
For the Year Ended December 31, 2016

	Current Fund		Federal and State Grant Fund	
Balance Dec. 31, 2015		$ 3,926,439.75		$ 113,442.91
Increased by Receipts:				
Received from Collector	$ 27,327,832.54			
Revenue Accounts Receivable	645,529.23			
Due from State of New Jersey, Ch. 20, P.L. 1971	100,012.10			
Miscellaneous Revenue not Anticipated	167,093.47			
Energy Receipts Tax	1,092,922.00			
Consolidated Municipal Property Tax Relief Aid	24,019.00			
Garden State Preservation Trust Fund	187,735.00			
Cable TV Franchise Fees	155,644.92			
2016 Appropriation Refunds	231,251.73			
Due State of New Jersey:				
State Training Fees	7,504.00			
Division of Youth and Family Services	1,675.00			
Health and Senior Services	100.00			
Special Emergency Note Payable	240,000.00			
Due Current Fund			$ 96,000.00	
Due Trust Other Fund -- Collector	1,129.36			
Due Trust Other Fund -- Chief Financial Officer	8,960.49			
Due Animal Control Fund	166.05			
Due General Capital Fund	2,771.22			
Federal and State Grants Receivable			133,540.01	
Contra	121,585.26			
		30,315,931.37		229,540.01
		34,242,371.12		342,982.92
Decreased by Disbursements:				
2016 Appropriations	9,255,568.55			
2015 Appropriation Reserves	120,607.98			
County Taxes Payable	6,217,791.46			
Due County for Added and Omitted Taxes	3,094.15			
Local School Taxes Payable	13,680,000.48			
Tax Overpayments	57,419.06			
Change Fund	25.00			
Due State of New Jersey:				
State Training Fees	9,227.00			
Division of Youth and Family Services	1,325.00			
Health and Senior Services	95.00			
Special Emergency Note Payable	320,000.00			
Due Federal and State Grant Fund	96,000.00			
Reserve for Revision of Ordinances	4,275.00			
Operations - Refund of Prior Year Revenue	23,659.04			
Federal and State Grants--Appropriated			216,436.51	
Grant Fund Encumbrances			977.40	
Grant Fund Contracts Payable			25,000.00	
Accounts Payable	6,581.00			
Due Animal Control Fund	2,196.20			
Contra	121,585.26			
		29,919,450.18		242,413.91
Balance Dec. 31, 2016		$ 4,322,920.94		$ 100,569.01

TOWNSHIP OF WATERFORD
CURRENT FUND
Statement of Current Cash
Per N.J.S.40A:5-5--Collector
For the Year Ended December 31, 2016

Balance Dec. 31, 2015		$ 64,099.38
Increased by Receipts:		
Taxes Receivable	$ 26,935,426.69	
Tax Title Liens	22,001.47	
Interest and Cost on Taxes	97,207.90	
2017 Prepaid Taxes	214,731.40	
Tax Overpayments	74,506.78	
Revenue Accounts Receivable	1,506.26	
Due CCMUA	79,062.04	
Due Winslow Township	970.77	
Miscellaneous Revenue not Anticipated	31,992.02	
Contra	8,375.84	
		27,465,781.17
		27,529,880.55
Decreased by Disbursements:		
Payments to Chief Financial Officer	27,327,832.54	
Due CCMUA	79,062.04	
Due Winslow Township	970.77	
Contra	8,375.84	
		27,416,241.19
Balance Dec. 31, 2016		$ 113,639.36

Exhibit SA-3

TOWNSHIP OF WATERFORD
CURRENT FUND
Schedule of Change Funds
As of December 31, 2016

Office	Amount
Tax Collector	$ 100.00
Municipal Clerk	75.00
Police Department	20.00
Municipal Court	200.00
	$ 395.00

Exhibit SA-4

CURRENT FUND
Statement of Due From State of New Jersey
CH. 20, P.L. 1971
For the Year Ended December 31, 2016

Balance Dec. 31, 2015			$ 6,004.85
Increased by:			
2016 Senior Citizens' and Veterans' Deductions per Tax Billing	$ 102,000.00		
2016 Senior Citizens' and Veterans' Deductions Allowed by Collector	2,500.00		
		$ 104,500.00	
Less:			
2016 Senior Citizens' and Veterans' Deductions Disallowed by Collector		2,826.75	
Operations -- Prior Years Senior Citizens' and Veterans' Deductions Disallowed by Collector		2,000.00	
			99,673.25
			105,678.10
Decreased by:			
Collections			100,012.10
Balance Dec. 31, 2016			$ 5,666.00

TOWNSHIP OF WATERFORD
CURRENT FUND
Statement of Taxes Receivable and Analysis of Property Tax Levy
For the Year Ended December 31, 2016

Year	Balance Dec. 31, 2015	2016 Levy	Added Taxes	Collections 2016	Collections 2015	Due from State of New Jersey	Appeals	Canceled	Overpayments Applied	Transferred to Tax Title Liens	Balance Dec. 31, 2016
2012	$ 2,103.19			$ 2,103.19							
2013	8,922.21										$ 8,922.21
2014	26,407.21			5.59							26,401.62
2015	627,009.08		$ 2,000.00	567,005.13			$ 2,603.73	$ 3,792.17		$ 23,034.05	32,574.00
	664,441.69	-	2,000.00	569,113.91	-	-	2,603.73	3,792.17	-	23,034.05	67,897.83
2016	-	$ 27,442,331.87	20,391.45	26,366,312.78	$ 195,717.45	$ 101,673.25	21,751.38	23,813.16	$ 17,087.72	76,987.69	659,379.89
	$ 664,441.69	$ 27,442,331.87	$ 22,391.45	$ 26,935,426.69	$ 195,717.45	$ 101,673.25	$ 24,355.11	$ 27,605.33	$ 17,087.72	$ 100,021.74	$ 727,277.72

Analysis of 2016 Property Tax Levy

Tax Yield		
General Purpose Tax		$ 27,358,219.04
Added / Omitted Taxes		84,112.83
		$ 27,442,331.87
Tax Levy		
Local District School Tax		$ 13,723,140.00
County Taxes:		
County Tax	$ 6,067,377.16	
Open Space Tax	150,414.30	
County for Added and Omitted Taxes	19,204.26	
Total County Taxes		6,236,995.72
Local Tax for Municipal Purposes	7,163,429.25	
Minimum Tax for Library Purposes	252,177.03	
Add: Additional Tax Levied	1,681.30	
Add: Added and Omitted Tax	64,908.57	
Local Tax for Municipal Purposes Levied		7,482,196.15
		$ 27,442,331.87

Exhibit SA-6

TOWNSHIP OF WATERFORD
CURRENT FUND
Statement of Tax Title Liens Receivable
For the Year Ended December 31, 2016

Balance Dec. 31, 2015		$ 649,716.88
Increased by:		
Transfers from Taxes Receivable	$ 100,021.74	
Year end Penalty Added	817.97	
Interest and Costs on Taxes	4,302.68	
		105,142.39
		754,859.27
Decreased by:		
Receipts -- Collector	22,001.47	
Transferred to Property Acquired for Taxes--Assessed Valuation	165,059.45	
		187,060.92
Balance Dec. 31, 2016		$ 567,798.35

Exhibit SA-7

CURRENT FUND
Statement of Property Acquired for Taxes--Assessed Valuation
For the Year Ended December 31, 2016

Balance Dec. 31, 2015		$ 142,300.00
Increased by:		
Transferred from Tax Title Liens	$ 165,059.45	
Adjustment to Assessed Valuation	198,240.55	
		363,300.00
Balance Dec. 31, 2016		$ 505,600.00

TOWNSHIP OF WATERFORD
CURRENT FUND
Statement of Revenue Account Receivable
For the Year Ended December 31, 2016

	Balance Dec. 31, 2015	Accrued in 2016	Collected by Chief Financial Officer	Collected by Tax Collector	Due from General Capital Fund	Due from Animal Control Fund	Due from Trust Other Fund	Balance Dec. 31, 2016
Clerk:								
Licenses:								
Alcoholic Beverages		$ 8,550.00	$ 8,550.00					
Other		7,610.00	7,610.00					
Fees and Permits -- Other:								
Clerk - Other		27,279.18	27,279.18					
Planning Board		2,725.00	2,725.00					
Zoning Board		39,941.68	39,941.68					
Police Department		6,644.00	6,644.00					
Property Maintenance		7,175.00	7,175.00					
Uniform Construction Code Fees		135,683.00	135,683.00					
Municipal Court Fines and Costs	$ 30,438.92	385,733.01	389,820.11					$ 26,351.82
Interest on Investments:								
Current Fund		21,273.86	19,767.60	$ 1,506.26				
General Capital Fund		2,771.22			$ 2,771.22			
Animal Control Fund		166.05				$ 166.05		
Trust Other Fund		2,089.85					$ 2,089.85	
Municipal Court		333.66	333.66					
	$ 30,438.92	$ 647,975.51	$ 645,529.23	$ 1,506.26	$ 2,771.22	$ 166.05	$ 2,089.85	$ 26,351.82

TOWNSHIP OF WATERFORD
CURRENT FUND
Statement of 2015 Appropriation Reserves
For the Year Ended December 31, 2016

	Balance Dec. 31, 2015 Encumbered	Balance Dec. 31, 2015 Reserved	Balance After Modification	Decreased	Balance Lapsed
OPERATIONS--WITHIN "CAPS"					
GENERAL GOVERNMENT FUNCTIONS					
General Administration					
Salaries and Wages		$ 48.30	$ 48.30		$ 48.30
Other Expenses	$ 411.70	955.24	1,366.94	$ 472.86	894.08
Postage		1,094.50	1,094.50		1,094.50
Office Supplies and Equipment Maintenance	543.50	695.64	1,239.14	543.50	695.64
Township Committee					
Salaries and Wages		14.92	14.92		14.92
Other Expenses		708.50	708.50		708.50
Municipal Clerk					
Salaries and Wages		18.35	18.35		18.35
Other Expenses	161.50	559.65	721.15	161.50	559.65
Elections					
Other Expenses		0.69	0.69		0.69
Financial Administration					
Salaries and Wages		5.77	5.77		5.77
Other Expenses	3,062.14	871.72	3,933.86	3,062.14	871.72
Collection of Taxes					
Salaries and Wages		3.63	3.63		3.63
Other Expenses	46.50	1,055.21	1,101.71	387.66	714.05
Assessment of Taxes					
Salaries and Wages		24.74	24.74		24.74
Other Expenses	38.55	594.22	632.77	38.55	594.22
Legal Services and Costs					
Other Expenses		31,803.00	31,803.00	28,582.28	3,220.72
Engineering Services and Costs					
Other Expenses	6,326.15	4,450.65	15,776.80	11,001.15	4,775.65
Municipal Court					
Salaries and Wages		316.61	16.61		16.61
Other Expenses	2,809.99	2,122.93	4,932.92	3,602.03	1,330.89
Land Use Administration					
Municipal Land Use Law (N.J.S.40:55D-1):					
Planning & Zoning Boards					
Salaries and Wages		3.51	3.51		3.51
Other Expenses	486.70	7,735.76	722.46	434.70	287.76
Public Defender					
Other Expenses		8,000.00	8,000.00	400.00	7,600.00
Economic Development Committee					
Other Expenses	10,000.00	10,000.00	47,500.00	37,000.00	10,500.00
INSURANCE					
Unemployment Compensation Insurance	111.42	0.05	111.47	111.42	0.05
Other Insurance		3.74	3.74		3.74
Workers Compensation Insurance		6.97	6.97		6.97
Group Insurance for Employees		51,300.99	26,300.99		26,300.99
Health Benefit Waiver		0.50	0.50		0.50
PUBLIC SAFETY FUNCTIONS					
Police					
Salaries and Wages		19,150.02	14,550.02		14,550.02
Other Expenses	23,457.57	7,439.89	30,897.46	23,946.87	6,950.59
Leases -- Police Vehicles		0.32	0.32		0.32
Demolition of Buildings					
Other Expenses		50.00	50.00		50.00
Aid to Volunteer Ambulance Association					
Other Expenses		2,227.61	2227.61	1,515.32	712.29
Fire					
Other Expenses	14,231.00	3,199.18	17,430.18	14,599.23	2,830.95
PUBLIC WORKS FUNCTIONS					
Office of Emergency Management					
Other Expenses		31.75	31.75		31.75
Road Repairs and Maintenance					
Salaries and Wages		2.71	2.71		2.71
Other Expenses	1,023.79	4,830.73	5,854.52	1,056.48	4,798.04
Snow Removal					
Salaries and Wages			5,000.00		5,000.00
Other Expenses	2,257.92		2,257.92	2,257.92	
Garbage and Trash Removal					
Contractual	165.00	7,847.12	4,812.12	165.00	4,647.12
Recycling					
Collection - Contractual	840.67	4,033.12	2,873.79	840.67	2,033.12

(Continued)

TOWNSHIP OF WATERFORD
CURRENT FUND
Statement of 2015 Appropriation Reserves
For the Year Ended December 31, 2016

	Balance Dec. 31, 2015 Encumbered	Balance Dec. 31, 2015 Reserved	Balance After Modification	Decreased	Balance Lapsed
PUBLIC WORKS FUNCTIONS (CONT'D)					
Public Buildings and Grounds					
Other Expenses	$ 3,944.58	$ 1,249.22	$ 5,193.80	$ 4,033.59	$ 1,160.21
Municipal Garage					
Salaries and Wages		0.28	0.28		0.28
Other Expenses	2,724.96	3,823.78	6,548.74	4,328.00	2,220.74
HEALTH AND HUMAN SERVICES					
Environmental Commission					
Other Expenses		98.96	98.96		98.96
Dog Regulation					
Other Expenses		1,000.00	1,000.00		1,000.00
PARK AND RECREATION FUNCTIONS					
Parks and Playgrounds					
Salaries and Wages		121.67	121.67		121.67
Other Expenses	1,985.00	995.20	2,980.20	2,100.00	880.20
Senior Citizens Activity					
Other Expenses	2,560.00		2,560.00	2,560.00	
Accumulated Leave					
Salaries and Wages			7,100.00		7,100.00
Celebration of Public Event, Anniversary or Holiday					
Other Expenses		56.91	56.91		56.91
Safety Projects		5.40	5.40		5.40
State Uniform Construction Code Appropriations					
Offset by Dedicated Revenues (N.J.A.C. 5:23-4.17)					
Construction Official					
Salaries and Wages		49.66	49.66		49.66
Other Expenses	449.50	1,019.57	1,469.07	397.50	1,071.57
Unclassified					
Utilities:					
Electricity	956.70	0.15	956.85	956.70	0.15
Street Lighting	185.34	2.42	187.76	185.34	2.42
Telephone and Telegraph	361.49	2.69	364.18	361.49	2.69
Water		1.24	1.24		1.24
Natural Gas	636.21	5.87	642.08	636.21	5.87
Sewerage Processing and Disposal		132.50	132.50		132.50
Gasoline	1,728.84	0.71	1,729.55	1,728.84	0.71
Solid Waste Disposal Fees					
Other Expenses	260.15	6,123.09	4,383.24	260.15	4,123.09
Total Operations --within "CAPS"	81,766.87	185,897.56	267,664.43	147,727.10	119,937.33
DEFERRED CHARGES AND STATUTORY EXPENDITURES --MUNICIPAL--WITHIN "CAPS"					
Statutory Expenditures:					
Social Security System (O.A.S.I.)		2,114.75	2,114.75		2,114.75
Public Employees Retirement System		0.60	0.60		0.60
Police and Firemen's Retirement System		0.62	0.62		0.62
Defined Contribution Retirement Program		200.00	200.00		200.00
Total Deferred Charges and Statutory Expenditures --Within "CAPS"	-	2,315.97	2,315.97	-	2,315.97
OPERATIONS EXCLUDED FROM "CAPS"					
Solid Waste Disposal Fees					
Recycling Tax	40.23	590.04	630.27	40.23	590.04
Matching Funds for Grants		1,000.00	1,000.00	1,000.00	
Total Operations Excluded from "CAPS"	40.23	1,590.04	1,630.27	1,040.23	590.04
	$ 81,807.10	$ 189,803.57	$ 271,610.67	$ 148,767.33	$ 122,843.34
Disbursed				$ 120,607.98	
Transferred to Accounts Payable				28,159.35	
				$ 148,767.33	

Exhibit SA-10

TOWNSHIP OF WATERFORD
CURRENT FUND
Statement of Prepaid Taxes
For the Year Ended December 31, 2016

Balance Dec. 31, 2015 (2016 Taxes)		$ 195,717.45
Increased by:		
Receipts -- Collector -- 2017 Taxes		214,731.40
		410,448.85
Decreased by:		
Application to 2016 Taxes Receivable		195,717.45
Balance Dec. 31, 2016 (2017 Taxes)		$ 214,731.40

Exhibit SA-11

CURRENT FUND
Statement of Tax Overpayments
For the Year Ended December 31, 2016

Increased by:		
Receipts -- Collector		$ 74,506.78
Decreased by:		
Refunds - Chief Financial Officer	$ 57,419.06	
Application to Taxes Receivable	17,087.72	
		$ 74,506.78

Exhibit SA-12

TOWNSHIP OF WATERFORD
CURRENT FUND
Statement of Due to State of New Jersey
Uniform Construction Code--State Training Fees
For the Year Ended December 31, 2016

Balance Dec. 31, 2015	$	2,895.00
Increased by:		
Collections		7,504.00
		10,399.00
Decreased by:		
Payments		9,227.00
Balance Dec. 31, 2016	$	1,172.00

Exhibit SA-13

CURRENT FUND
Statement of Due To State of New Jersey Division of Youth and Family Services
For the Year Ended December 31, 2016

Increased by:		
Collections	$	1,675.00
		1,675.00
Decreased by:		
Payments		1,325.00
Balance Dec. 31, 2016	$	350.00

Exhibit SA-14

TOWNSHIP OF WATERFORD
CURRENT FUND
Statement of Due County for Added and Omitted Taxes
For the Year Ended December 31, 2016

Balance Dec. 31, 2015	$ 3,094.15
Increased by:	
County Share of Added / Omitted Taxes	19,204.26
	22,298.41
Decreased by:	
Payments	3,094.15
Balance Dec. 31, 2016	$ 19,204.26

Exhibit SA-15

CURRENT FUND
Statement of Local District School Tax
For the Year Ended December 31, 2016

Balance Dec. 31, 2015:		
School Tax Payable	$ 2,618,383.19	
School Tax Deferred	4,200,000.00	
		$ 6,818,383.19
Increased by:		
Levy--School Year July 1, 2016 to June 30, 2017		13,723,140.00
		20,541,523.19
Decreased by:		
Payments		13,680,000.48
Balance Dec. 31, 2016:		
School Tax Payable	2,661,522.71	
School Tax Deferred	4,200,000.00	
		$ 6,861,522.71

2016 Liability for Local District School Tax:	
Tax Paid	$ 13,680,000.48
Tax Payable Dec. 31, 2016	2,661,522.71
	16,341,523.19
Less: Tax Payable Dec. 31, 2015	2,618,383.19
Amount Charged to 2016 Operations	$ 13,723,140.00

Exhibit SA-16

TOWNSHIP OF WATERFORD
CURRENT FUND
Statement of Deferred Charges
N.J.S.40A:4-55 -- Special Emergencies
For the Year Ended December 31, 2016

Date Authorized	Purpose	Net Amount Authorized	1/5 of Net Amount Authorized	Balance Dec. 31, 2015	Added in 2016	Reduced in 2016	Balance Dec. 31, 2016
12-14-2011	Preparation of Tax Map	$ 195,000.00	$ 39,000.00	$ 39,000.00		$ 39,000.00	
11-13-2013	Codification of Ordinances	10,700.00	2,140.00	6,420.00		2,140.00	$ 4,280.00
02-12-2014	Revaluation of Real Property	400,000.00	80,000.00	320,000.00		80,000.00	240,000.00
				$ 365,420.00	-	$ 121,140.00	$ 244,280.00

Exhibit SA-17

CURRENT FUND
Statement of Special Emergency Note Payable
For the Year Ended December 31, 2016

	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2015	Issued for Cash	Reduced in 2016	Balance Dec. 31, 2016
2015 Special Emergency Note	12-10-2015	12-09-2016	0.940%	$ 320,000.00		$ 320,000.00	
2016 Special Emergency Note	12-08-2016	12-07-2017	1.235%		$ 240,000.00		$ 240,000.00
				$ 320,000.00	$ 240,000.00	$ 320,000.00	$ 240,000.00

TOWNSHIP OF WATERFORD
CURRENT FUND
Statement of Accounts Payable
For the Year Ended December 31, 2016

Balance Dec. 31, 2015	$	10,720.34
Increased by:		
Transferred from Appropriation Reserves		28,159.35
		38,879.69
Decreased by:		
Disbursed		6,581.00
Balance Dec. 31, 2016	$	32,298.69

TOWNSHIP OF WATERFORD
FEDERAL AND STATE GRANT FUND
Statement of Reserve For Federal and State Grants--Receivable
For the Year Ended December 31, 2016

Program	Balance Dec. 31, 2015	Accrued	Received	Balance Dec. 31, 2016
Federal:				
Seatbelt Click-it-or-Ticket Grant		$ 5,000.00	$ 5,000.00	
Federal Bullet Proof Vest Partnership		3,104.40		$ 3,104.40
Total Federal Grants	-	8,104.40	5,000.00	3,104.40
State:				
Clean Communities Grant		31,324.08	31,324.08	
Alcohol Education and Rehabilitation		1,873.37	1,873.37	
Safe and Secure Communities Program	$ 5,000.00	60,000.00	45,000.00	20,000.00
NJ Body Worn Camera Assistance Grant		6,000.00	6,000.00	
Recycling Tonnage Grant		17,078.19	17,078.19	
Body Armor Replacement Grant		2,264.37	2,264.37	
Total State Grants	5,000.00	118,540.01	103,540.01	20,000.00
Private:				
Recreational Facility Enhancement	25,000.00	25,000.00	25,000.00	25,000.00
Total All Grants	$ 30,000.00	$ 151,644.41	$ 133,540.01	$ 48,104.40

TOWNSHIP OF WATERFORD
FEDERAL AND STATE GRANT FUND
Statement of Reserve For State Grants--Unappropriated
For the Year Ended December 31, 2016

Program	Balance Dec. 31, 2015	Grants Receivable	Realized as Miscellaneous Revenue in 2016 Budget	Balance Dec. 31, 2016
Federal:				
Seatbelt Click-it-or-Ticket Grant		$ 5,000.00	$ 5,000.00	
Federal Bullet Proof Vest Partnership		3,104.40	3,104.40	
Total Federal Grants	-	8,104.40	8,104.40	-
State:				
Clean Communities Grant		31,324.08	31,324.08	
Alcohol Education and Rehabilitation Fund	$ 2,475.19	1,873.37	2,475.19	$ 1,873.37
Safe and Secure Communities Program		60,000.00	60,000.00	
NJ Body Worn Camera Assistance Grant		6,000.00	6,000.00	
Recycling Tonnage Grant		17,078.19	17,078.19	
Body Armor Replacement Fund	2,268.08	2,264.37	4,532.45	
Total State Grants	4,743.27	118,540.01	121,409.91	1,873.37
Private:				
Recreational Facility Enhancement	-	25,000.00	25,000.00	-
Total All Grants	$ 4,743.27	$ 151,644.41	$ 154,514.31	$ 1,873.37

TOWNSHIP OF WATERFORD
FEDERAL AND STATE GRANT FUND
Statement of Federal and State Grants--Appropriated
For the Year Ended December 31, 2016

Program	Balance Dec. 31, 2015	Transferred from 2016 Budget Appropriation	Decreased	Encumbrances Canceled	Balance Dec. 31, 2016
Federal Grants:					
Seatbelt Click-it-or-Ticket Grant	$ 4,000.00	$ 5,000.00	$ 9,000.00		
Federal Bullet Proof Vest Partnership		3,104.40			$ 3,104.40
Storm Water Regulation	2,940.57				2,940.57
Total Federal Grants	6,940.57	8,104.40	9,000.00	-	6,044.97
State Grants:					
Clean Communities Grant	10,747.56	31,324.08	31,251.10	$ 220.00	11,040.54
Drunk Driving Enforcement Grant	11,748.69		1,237.69		10,511.00
Alcohol Education and Rehabilitation	11,394.24	2,475.19	2,900.00		10,969.43
Safe and Secure Communities Program		160,000.00	160,000.00		
NJ Body Worn Camera Assistance Grant		6,000.00	6,000.00		
Recycling Tonnage Grant	57,702.88	17,078.19	6,235.00		68,546.07
Association of NJ Environmental Commissions	85.00				85.00
Sustainable New Jersey Grant	2,000.00		1,996.96		3.04
Tree Planting Grant	4,875.91				4,875.91
Body Armor Replacement	114.64	4,532.45	2,382.72		2,264.37
Total State Grants	98,668.92	221,409.91	212,003.47	220.00	108,295.36
Private:					
Recreational Facility Enhancement		25,000.00			25,000.00
Comcast Technology Grant	3,732.80				3,732.80
Total Local Grants	3,732.80	25,000.00	-	-	28,732.80
Total All Grants	$ 109,342.29	$ 254,514.31	$ 221,003.47	$ 220.00	$ 143,073.13

Disbursed	$ 216,436.51
Canceled -- Current Fund Operations	4,000.00
Reserve for Encumbrances	566.96
	$ 221,003.47

SUPPLEMENTAL EXHIBITS

TRUST FUND

TOWNSHIP OF WATERFORD
TRUST FUNDS
Statement of Trust Cash
Per N.J.S.40A:5-5--Chief Financial Officer
For the Year Ended December 31, 2016

	Animal Control Trust Fund		Other Funds	
Balance Dec. 31, 2015		$ 27,880.96		$ 297,231.52
Increased by Receipts:				
Due Current Fund	$ 2,362.25		$ 960.49	
Due State of New Jersey	1,791.60			
Due County of Camden -- Municipal Alliance			12,676.00	
Due County of Camden -- CDBG			16,890.02	
Reserve for Animal Control Expenditures	20,704.40			
Reserve for Parking Offenses Adjudication Act			44.00	
Reserve for Celebration of Public Events			12,876.66	
Reserve for Payroll Deductions Payable			1,732,640.43	
Reserve for Net Payroll			2,188,081.62	
Reserve for Recreation Contributions			1,316.59	
Reserve for Developers' Escrow Deposits			42,675.11	
Reserve for Police Outside Services			42,912.50	
Reserve for Police Donations			10,950.60	
Reserve for Public Defender			12,180.50	
Reserve for Municipal Alliance			4,879.17	
Reserve for Forfeited Property			3,587.20	
Reserve for Storm Recovery			15,578.63	
Contra			126,864.50	
		24,858.25		4,225,114.02
		52,739.21		4,522,345.54
Decreased by Disbursements:				
Due Current Fund	166.05		8,960.49	
Due State of New Jersey	1,783.80			
Reserve for Encumbrances	490.00			
Expenditures Under R.S.4:19-15.11	18,319.40			
Reserve for Celebration of Public Events			11,292.93	
Reserve for Payroll Deductions Payable			1,723,807.88	
Reserve for Net Payroll			2,188,081.62	
Reserve for Recreation Contributions			162.86	
Reserve for Community Development Block Grant			76,104.43	
Reserve for Developers' Escrow Deposits			30,607.82	
Reserve for Police Outside Services			47,554.25	
Reserve for Police Donations			10,079.19	
Reserve for Public Defender			7,932.97	
Reserve for Municipal Alliance			15,911.49	
Reserve for Forfeited Property			3,647.02	
Reserve for Storm Recovery			3,279.82	
Reserve for Accumulated Absence			42,717.75	
Contra			126,864.50	
		20,759.25		4,297,005.02
Balance Dec. 31, 2016		$ 31,979.96		$ 225,340.52

Exhibit SB-2

TOWNSHIP OF WATERFORD
TRUST FUNDS
Statement of Trust Cash
Per N.J.S.40A:5-5--Collector
For the Year Ended December 31, 2016

		Other Funds
Balance Dec. 31, 2015		$ 318,803.91
Increased by Receipts:		
Due Current Fund	$ 1,129.36	
Contra	62,374.96	
Reserve for Tax Title Lien Redemptions	180,716.11	
Reserve for Premiums Received at Tax Sale	63,700.00	
		307,920.43
		626,724.34
Decreased by Disbursements:		
Due Current Fund	1,129.36	
Contra	62,374.96	
Reserve for Tax Title Lien Redemptions	192,320.02	
Reserve for Premiums Received at Tax Sale	168,700.00	
		424,524.34
Balance Dec. 31, 2016		$ 202,200.00

Exhibit SB-3

ANIMAL CONTROL TRUST FUND
Statement of Reserve For Animal Control Fund Expenditures
For the Year Ended December 31, 2016

Balance Dec. 31, 2015		$ 29,053.16
Increased by:		
Receipts:		
Animal Control Fees	$ 20,704.40	
Prior Year Encumbrances Cancelled	525.00	
		21,229.40
		50,282.56
Decreased by:		
Expenditures Under R.S.4:19-15.11:		
Disbursements	18,319.40	
Reserve for Encumbrances	90.00	
		18,409.40
Balance Dec. 31, 2016		$ 31,873.16

License Fees Collected

Year	Amount
2014	$ 35,661.80
2015	26,120.00
	$ 61,781.80

Exhibit SB-4

TOWNSHIP OF WATERFORD
TRUST OTHER FUNDS
Statement of Due From Camden County
Community Development Block Grant Program
For the Year Ended December 31, 2016

Balance Dec. 31, 2015		$ 84,600.00
Increased by:		
Entitlement -- Year 37 -- Supplemental	$ 105,000.00	
Entitlement -- Year 38	27,500.00	
		132,500.00
		217,100.00
Decreased by:		
Receipts		16,890.02
Balance Dec. 31, 2016		$ 200,209.98

Analysis of Balance Dec. 31, 2016	Amount
Year 35	$ 14,109.98
Year 36	26,100.00
Year 37	27,500.00
Year 37 -- Supplemental	105,000.00
Year 38	27,500.00
	$ 200,209.98

Exhibit SB-5

TRUST OTHER FUNDS
Statement of Due To Current Fund
For the Year Ended December 31, 2016

Balance Dec. 31, 2015		$ 8,000.00
Increased by:		
Chief Financial Officer Receipts:		
Interest Earned -- Current Budget Revenue	$ 960.49	
Collector Receipts:		
Interest Earned -- Current Budget Revenue	1,129.39	
		2,089.88
Decreased by:		10,089.88
Disbursements:		
Interfund Loans Returned -- Chief Financial Officer	8,960.49	
Interfund Loans Returned -- Collector	1,129.39	
		$ 10,089.88

TOWNSHIP OF WATERFORD
ANIMAL CONTROL TRUST FUND
Statement of Due From Current Fund
For the Year Ended December 31, 2016

Balance Dec. 31, 2015		$ 2,196.20
Increased by:		
Disbursements:		
Interfund Loans Advanced		166.05
		2,362.25
Decreased by:		
Receipts:		
Interest Earned -- Current Budget Revenue	$ 166.05	
Interfund Loans Returned	2,196.20	
		$ 2,362.25

TOWNSHIP OF WATERFORD
TRUST -- OTHER FUND
Statement of Trust Other Reserves
For the Year Ended December 31, 2016

Reserve	Balance Dec. 31, 2015	Increased: Receipts	Increased: Entitlements	Increased: Contracts Payable and Encumbrance Adjustments	Decreased: Disbursements	Decreased: Due to State of NJ - VCCB	Decreased: Contracts Payable and Encumbrance Adjustments	Balance Dec. 31, 2016
Reserve for Recreation Contributions	$ 9,383.00	$ 1,316.59			$ 162.86			$ 10,536.73
Reserve for Parking Offenses Adjudication Act	430.00	44.00						474.00
Reserve for Celebration of Public Events	3,990.55	12,876.66		$ 1,710.00	11,292.93			7,284.28
Reserve for Payroll Deductions Payable	30,250.11	1,732,640.43			1,723,807.88			39,082.66
Reserve for Net Payroll		2,188,081.62			2,188,081.62			
Reserve for Developers' Escrow Deposits	48,363.30	42,675.11		4,200.00	30,607.82			64,630.59
Reserve for Tax Title Lien Redemptions	11,603.91	180,716.11			192,320.02			
Reserve for Premiums Received at Tax Sale	307,200.00	63,700.00			168,700.00			202,200.00
Reserve for Community Development Block Grant	77,697.97		$ 132,500.00	12,835.00	76,104.43			146,928.54
Reserve for Retention Basin Maintenance	20,000.00							20,000.00
Reserve for Police Outside Services	6,315.16	42,912.50			47,554.25			1,673.41
Reserve for Public Defender	10,652.19	12,180.50			7,932.97	$ 4,483.14		10,416.58
Reserve for Maintenance Guarantees	6,399.05							6,399.05
Reserve for Police Donations		10,950.60			10,079.19		$ 146.60	724.81
Reserve for Municipal Alliance	30,750.07	4,879.17	12,676.00		15,911.49		300.00	32,093.75
Reserve for Forfeited Property	41,543.14	3,587.20			3,647.02			41,483.32
Reserve for Uniform Fire Safety Act	50.00							50.00
Reserve for Storm Recovery	24,898.14	15,578.63		4,008.32	3,279.82			41,205.27
Reserve for Accumulated Absences	45,717.27				42,717.75			2,999.52
Reserve for Encumbrances	22,753.32			(22,753.32)			(446.60)	446.60
	$ 697,997.18	$ 4,312,139.12	$ 145,176.00	-	$ 4,522,200.05	$ 4,483.14	-	$ 628,629.11

Chief Financial Officer	$ 4,067,723.01
Collector	244,416.11
	$ 4,312,139.12

	$ 4,161,180.03
	361,020.02
	$ 4,522,200.05

SUPPLEMENTAL EXHIBITS

GENERAL CAPITAL FUND

TOWNSHIP OF WATERFORD
GENERAL CAPITAL FUND
Statement of General Capital Cash
Per N.J.S.40A:5-5--Chief Financial Officer
For the Year Ended December 31, 2016

Balance Dec. 31, 2015		$ 949,379.43
Increased by Receipts:		
Due Current Fund	$ 2,771.22	
Capital Improvement Fund	27,750.00	
Down Payment on Improvements	7,250.00	
Due from NJDOT	50,000.00	
		87,771.22
		1,037,150.65
Decreased by Disbursements:		
Improvement Authorizations	400,197.23	
Reserve for Encumbrances	85,094.36	
Contracts Payable	184,380.51	
Due Current Fund	2,771.22	
		672,443.32
Balance Dec. 31, 2016		$ 364,707.33

TOWNSHIP OF WATERFORD
GENERAL CAPITAL FUND
Analysis of General Capital Cash
For the Year Ended December 31, 2016

		Balance (Deficit) Dec. 31, 2015	Receipts: Budget Appropriation	Receipts: Miscellaneous	Disbursements: Improvement Authorizations	Disbursements: Miscellaneous	Transfers: From	Transfers: To	Balance (Deficit) Dec. 31, 2016
Reserve for Payment of Debt		$ 12,662.50						$ 35.00	$ 12,697.50
Down Payment on Improvements			$ 7,250.00				$ 7,250.00		
Capital Improvement Fund		2,450.00	27,750.00				17,600.00	43,585.48	56,185.48
Fund Balance		5,687.39							5,687.39
Improvement Authorizations:									
05-12.3; 07-1.3	Construction of Public Works Building	1,217.92							1,217.92
09-14.3	Drainage and Stormwater Management	182.00						575.50	757.50
11-4.5	Purchase of Office Equipment	6,136.61			$ 2,050.19		4,086.42		
11-11	WHP Corridor Redevelopment Project	16,103.86					16,103.86		
11-20	Construction of Emergency Services Facility	0.01							0.01
12-12	Drainage and Resurfacing Improvements	60,187.12			21,714.50		38,741.82	269.20	
13-11.3; 13-14.3	Purchase of Office Equipment	134.54			134.54				
13-11.7; 13-14.7	Reconstruction and Resurfacing of Various Roads						35.00	35.00	
13-11.8; 13-14.8	Reconstruction of Various Drainage Systems	70,000.00					70,000.00		
13-11.9; 13-14.9	Preliminary Costs for the Emergency Services Building	50,000.00					50,000.00		
14-11.2	Construction of Public Works Salt Storage and Lifts	20,147.30			7,351.00				12,796.30
14-11.4	Hayes Mill Repaving	43,585.48					43,585.48		
15-8.1	Acquisition of Equipment for Public Works	2,915.00			452.62				2,462.38
15-8.2	Acquisition of Equipment for Police Department	54,895.85			1,410.00				53,485.85
15-8.3	Acquisition of Various Office Equipment	10,000.00			9,519.19				480.81
15-8.5	Various Improvements to Municipal Facilities	8,593.91			4,653.58				3,940.33
15-8.6	Various Improvements to Municipal Facilities	176,101.25			99.33				176,001.92
15-8.7	Resurfacing of Various Roads	252,597.45			15,968.50		26,500.00	3,610.39	213,739.34
15-8.8	Reconstruction of Drainage Systems	8,405.00							8,405.00
15-8.9	Various Improvements to Recreational Facilities	10,705.00			20,737.86			15,295.00	5,262.14
16-02.1; 16-18.1	Acquisition of Real Property				150,000.00			7,250.00	(142,750.00)
16-14.1	Acquisition of Public Works Equipment				81,994.67		53,052.50	6,500.00	(128,547.17)
16-14.2	Acquisition of Police Department Equipment				26,656.25		8,037.50	3,850.00	(30,843.75)
16-14.3	Acquisition of Various Office Equipment							500.00	500.00
16-14.4	Acquisition of Fire Department Equipment				32,455.00		7,498.00	1,950.00	(38,003.00)
16-14.5	Renovations to Various Municipal Facilities							1,200.00	1,200.00
16-14.6	Various Improvements to Municipal Facilities							2,400.00	2,400.00
16-14.7	Reconstruction and Resurfacing of Various Roads							200,000.00	200,000.00
16-14.8	Improvements to Recreational Field Facilities							1,200.00	1,200.00
16-15.1	Reconstruction and Resurfacing of Various Roads							70,000.00	70,000.00
16-15.2	Acquisition of Real Property				25,000.00			25,000.00	
16-15.3	Construction of Public Safety Building							25,000.00	25,000.00
Due Current Fund				$ 2,771.22		$ 2,771.22	8,896.14		(8,896.14)
Reserve for Encumbrances		100,999.86				85,094.36	15,905.50	54,596.42	54,596.42
Due from Economic Development Authority		(25,000.00)						25,000.00	
Due NJDOT		(156,816.82)		50,000.00			200,000.00	38,741.82	(268,075.00)
Contracts Payable		217,488.20				184,380.51	3,879.59	44,578.00	73,806.10
		$ 949,379.43	$ 35,000.00	$ 52,771.22	$ 400,197.23	$ 272,246.09	$ 571,171.81	$ 571,171.81	$ 364,707.33

TOWNSHIP OF WATERFORD
GENERAL CAPITAL FUND
Statement of Deferred Charges to Future Taxation--Funded
For the Year Ended December 31, 2016

Balance Dec. 31, 2015		$ 7,492,918.04
Increased by:		
Camden County Improvement Authority Loan Issued		3,750,000.00
		11,242,918.04
Decreased by:		
2016 Budget Appropriation:		
Serial Bonds	$ 719,000.00	
Green Acres Loan	39,523.56	
Economic Development Authority Loan Canceled	25,000.00	
		783,523.56
Balance Dec. 31, 2016		$ 10,459,394.48

TOWNSHIP OF WATERFORD
GENERAL CAPITAL FUND
Statement of Deferred Charges to Future Taxation--Unfunded
For the Year Ended December 31, 2016

Ordinance Number	Improvement Description	Date of Ordinance	Balance Dec. 31, 2015	2016 Authorizations	Bonds Issued	Balance Dec. 31, 2016	Analysis of Balance Dec. 31, 2016: Bond Anticipation Notes	Analysis of Balance Dec. 31, 2016: Expenditures	Analysis of Balance Dec. 31, 2016: Unexpended Improvement Authorizations
16-02.1; 16-18.1	Acquisition of Real Property	2-24-16		$ 142,750.00		$ 142,750.00		$ 142,750.00	
16-14.1	Acquisition of Public Works Equipment	6-22-16		130,000.00		130,000.00		128,547.17	$ 1,452.83
16-14.2	Acquisition of Police Department Equipment	6-22-16		76,150.00		76,150.00		30,843.75	45,306.25
16-14.3	Acquisition of Various Office Equipment	6-22-16		9,500.00		9,500.00			9,500.00
16-14.4	Acquisition of Fire Department Equipment	6-22-16		38,050.00		38,050.00		38,003.00	47.00
16-14.5	Renovations to Various Municipal Facilities	6-22-16		23,800.00		23,800.00			23,800.00
16-14.6	Various Improvements to Municipal Facilities	6-22-16		47,600.00		47,600.00			47,600.00
16-14.8	Improvements to Recreational Field Facilities	6-22-16		23,800.00		23,800.00			23,800.00
			-	$ 491,650.00	-	$ 491,650.00	-	$ 340,143.92	$ 151,506.08

Improvement Authorizations Unfunded $ 151,506.08

Exhibit SC-5

TOWNSHIP OF WATERFORD
GENERAL CAPITAL FUND
Statement of Contracts Payable
For the Year Ended December 31, 2016

Balance Dec. 31, 2015		$ 217,488.20
Increased by:		
Contracts Awarded and Charged to Improvement Authorizations		44,578.00
		262,066.20
Decreased by:		
Disbursements	$ 184,380.51	
Canceled	3,879.59	
		188,260.10
Balance Dec. 31, 2016		$ 73,806.10

Schedule of Contracts Payable Dec. 31, 2016

Vendor:	Ordinance Number	Amount
Arawak Paving Co.	15-8.7	$ 29,228.10
Winner Ford	16-14.1	28,803.00
Norris Sales Co.	16-14.1	7,887.50
Norris Sales Co.	16-14.2	7,887.50
		$ 73,806.10

Exhibit SC-6

GENERAL CAPITAL FUND
Statement of Due from Current Fund
For the Year Ended December 31, 2016

Increased by:		
Disbursed:		
Interest Earned on Deposits	$ 2,771.22	
Cancellation of Due from Economic Development Authority	8,896.14	
		$ 11,667.36
Decreased by:		
Receipts:		
Interest Earnings		2,771.22
Balance Dec. 31, 2016		$ 8,896.14

Exhibit SC-7

GENERAL CAPITAL FUND
Statement of Economic Development Authority Loan
For the Year Ended December 31, 2016

Balance Dec. 31, 2015		$ 50,000.00
Decreased by:		
Improvement Authorizations Canceled	$ 16,103.86	
Due from Current Fund	8,896.14	
		25,000.00
Balance Dec. 31, 2016		$ 25,000.00

TOWNSHIP OF WATERFORD
GENERAL CAPITAL FUND
Statement of Improvement Authorizations
For the Year Ended December 31, 2016

Ordinance Number	Improvement Description	Date	Amount	Balance Dec. 31, 2015 Funded	Balance Dec. 31, 2015 Unfunded	2016 Authorizations: Capital Improvement Fund	2016 Authorizations: Down Payment on Improvements	2016 Authorizations: New Jersey Department of Transportation	2016 Authorizations: Deferred Charges Unfunded	Adjustments	Paid or Charged	Balance Dec. 31, 2016 Funded	Balance Dec. 31, 2016 Unfunded
05-12.3; 07-1.3	Construction of Public Works Building	7-13-05	$ 200,000.00	$ 1,217.92								$ 1,217.92	
09-14.3	Drainage and Storm Water Management	12-16-09	100,000.00	182.00						$ 575.50		757.50	
11-4.5	Purchase of Office Equipment	6-22-11	105,000.00	6,136.61							$ 6,136.61		
11-11	WHP Corridor Redevelopment Project	8-24-11	50,000.00	16,103.86						(16,103.86)			
11-20	Construction of Emergency Services Facility	11-21-11	100,000.00	0.01								0.01	
12-12	Drainage and Resurfacing Improvements	9-12-12	300,000.00	60,187.12						(38,472.62)	21,714.50		
13-11.3; 13-14.3	Purchase of Office Equipment	6-12-13	25,000.00	134.54							134.54		
13-11.8; 13-14.8	Reconstruction of Various Drainage Systems	6-12-13	70,000.00	70,000.00						(70,000.00)			
13-11.9; 13-14.9	Preliminary Costs for the Emergency Services Building	6-12-13	50,000.00	50,000.00						(50,000.00)			
14-11.2	Construction of Public Works Salt Storage and Lifts	8-13-14	81,000.00	20,147.30							7,351.00	12,796.30	
14-11.4	Hayes Mill Repaving	8-13-14	200,000.00	43,585.48						(43,585.48)			
15-8.1	Acquisition of Equipment for Public Works	5-27-15	113,000.00	2,915.00							452.62	2,462.38	
15-8.2	Acquisition of Equipment for Police Department	5-27-15	139,000.00	54,895.85							1,410.00	53,485.85	
15-8.3	Acquisition of Various Office Equipment	5-27-15	10,000.00	10,000.00							9,519.19	480.81	
15-8.5	Various Improvements to Municipal Facilities	5-27-15	60,000.00	8,593.91							4,653.58	3,940.33	
15-8.6	Various Improvements to Municipal Facilities	5-27-15	217,000.00	176,101.25							99.33	176,001.92	
15-8.7	Resurfacing of Various Roads	5-27-15	585,000.00	252,597.45						3,610.39	42,468.50	213,739.34	
15-8.8	Reconstruction of Drainage Systems	5-27-15	26,000.00	8,405.00								8,405.00	
15-8.9	Various Improvements to Recreational Facilities	5-27-15	215,000.00	10,705.00						15,295.00	20,737.86	5,262.14	
16-02.1; 16-18.1	Acquisition of Real Property	2-24-16	150,000.00				$ 7,250.00		$ 142,750.00		150,000.00		
16-14.1	Acquisition of Public Works Equipment	6-22-16	136,500.00			$ 6,500.00			130,000.00		135,047.17		$ 1,452.83
16-14.2	Acquisition of Police Department Equipment	6-22-16	80,000.00			3,850.00			76,150.00		34,693.75		45,306.25
16-14.3	Acquisition of Various Office Equipment	6-22-16	10,000.00			500.00			9,500.00			500.00	9,500.00
16-14.4	Acquisition of Fire Department Equipment	6-22-16	40,000.00			1,950.00			38,050.00		39,953.00		47.00
16-14.5	Renovations to Various Municipal Facilities	6-22-16	25,000.00			1,200.00			23,800.00			1,200.00	23,800.00
16-14.6	Various Improvements to Municipal Facilities	6-22-16	50,000.00			2,400.00			47,600.00			2,400.00	47,600.00
16-14.7	Reconstruction and Resurfacing of Various Roads	6-22-16	200,000.00					$ 200,000.00				200,000.00	
16-14.8	Improvements to Recreational Field Facilities	6-22-16	25,000.00			1,200.00			23,800.00			1,200.00	23,800.00
16-15.1	Reconstruction and Resurfacing of Various Roads	6-22-16	70,000.00							70,000.00		70,000.00	
16-15.2	Acquisition of Real Property	6-22-16	25,000.00							25,000.00	25,000.00		
16-15.3	Construction of Public Safety Building	6-22-16	25,000.00							25,000.00		25,000.00	
				$ 791,908.30	-	$ 17,600.00	$ 7,250.00	$ 200,000.00	$ 491,650.00	$ (78,681.07)	$ 499,371.65	$ 778,849.50	$ 151,506.08

Reserve for Encumbrances	$ 54,596.42
Contracts Payable	44,578.00
Disbursed	400,197.23
	$ 499,371.65

Contracts Payable Canceled	$ 3,879.59
Reserve for Encumbrances Canceled	15,905.50
Canceled to Due from EDA	(16,103.86)
Canceled to Capital Improvement Fund	(43,585.48)
Canceled to Reserve for the Payment of Debt	(35.00)
Canceled to Due from NJDOT	(38,741.82)
	$ (78,681.07)

Exhibit SC-9

TOWNSHIP OF WATERFORD
GENERAL CAPITAL FUND
Statement of Reserve for Payment of Debt
For the Year Ended December 31, 2016

Balance Dec. 31, 2015	$ 12,662.50
Increased by:	
Improvement Authorizations Canceled	35.00
Balance Dec. 31, 2016	$ 12,697.50

Exhibit SC-10

GENERAL CAPITAL FUND
Statement of Reserve For Encumbrances
For the Year Ended December 31, 2016

Balance Dec. 31, 2015		$ 100,999.86
Increased by:		
Charges to Improvement Authorizations		54,596.42
		155,596.28
Decreased by:		
Disbursements	$ 85,094.36	
Canceled	15,905.50	
		100,999.86
Balance Dec. 31, 2016		$ 54,596.42

Exhibit SC-11

GENERAL CAPITAL FUND
Statement of Capital Improvement Fund
For the Year Ended December 31, 2016

Balance Dec. 31, 2015		$ 2,450.00
Increased by:		
Receipt from Current Fund - Budget Appropriations	$ 27,750.00	
Improvement Authorizations Canceled	43,585.48	
		71,335.48
		73,785.48
Decreased by:		
Appropriation to Finance Improvement Authorizations		17,600.00
Balance Dec. 31, 2016		$ 56,185.48

TOWNSHIP OF WATERFORD
GENERAL CAPITAL FUND
Statement of General Serial Bonds
For the Year Ended December 31, 2016

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding Dec. 31, 2016 Date	Amount	Interest Rate	Balance Dec. 31, 2015	Bonds Issued	Paid by Budget Appropriation	Balance Dec. 31, 2016
General Bonds of 2001	4-1-01	$ 3,200,000.00				$ 300,000.00		$ 300,000.00	
General Bonds of 2005	9-15-05	2,480,000.00	9-15-17/18	$ 200,000.00	3.750%				
			9-15-19	230,000.00	3.750%	830,000.00		200,000.00	$ 630,000.00
General Bonds of 2010	6-10-10	2,430,000.00	7-15-17	300,000.00	3.250%				
			7-15-18/19	300,000.00	3.500%				
			7-15-20/21	450,000.00	3.500%				
			7-15-22	460,000.00	3.500%	2,295,000.00		35,000.00	2,260,000.00
General Bonds of 2010	9-16-15	3,724,000.00	5-15-17	230,000.00	2.000%				
			5-15-18	235,000.00	2.000%				
			5-15-19	225,000.00	2.000%				
			5-15-20	330,000.00	2.000%				
			5-15-21	340,000.00	2.000%				
			5-15-22	355,000.00	2.000%				
			5-15-23	365,000.00	2.125%				
			5-15-24	365,000.00	2.250%				
			5-15-25	365,000.00	2.750%				
			5-15-26/27	365,000.00	3.000%	3,724,000.00		184,000.00	3,540,000.00
						$ 7,149,000.00	-	$ 719,000.00	$ 6,430,000.00

TOWNSHIP OF WATERFORD
GENERAL CAPITAL FUND
Statement of Green Acres Loan
For the Year Ended December 31, 2016

Purpose	Date of Issue	Loan Amount	Payment Schedule Date	Payment Schedule Amount	Interest Rate	Balance Dec. 31, 2015	Increased	Paid by Budget Appropriation	Balance Dec. 31, 2016
Burnt Mill Road	12-24-08	$ 532,509.38	3-24-2017	$ 20,058.70	2.000%				
			9-24-2017	20,259.28	2.000%				
			3-24-2018	20,461.88	2.000%				
			9-24-2018	20,666.50	2.000%				
			3-24-2019	20,873.16	2.000%				
			9-24-2019	21,081.89	2.000%				
			3-24-2020	21,292.71	2.000%				
			9-24-2020	21,505.64	2.000%				
			3-24-2021	21,720.69	2.000%				
			9-24-2021	21,937.90	2.000%				
			3-24-2022	22,157.28	2.000%				
			9-24-2022	22,378.85	2.000%	$ 293,918.04	-	$ 39,523.56	$ 254,394.48

TOWNSHIP OF WATERFORD
GENERAL CAPITAL FUND
Statement of Bonds and Notes Authorized But Not Issued
For the Year Ended December 31, 2016

Ordinance Number	Improvement Description	Date of Ordinance	Balance Dec. 31, 2015	2016 Authorizations	Balance Dec. 31, 2016
General Improvements:					
16-02.1; 16-18.1	Acquisition of Real Property	2-24-16		$ 142,750.00	$ 142,750.00
16-14.1	Acquisition of Public Works Equipment	6-22-16		130,000.00	130,000.00
16-14.2	Acquisition of Police Department Equipment	6-22-16		76,150.00	76,150.00
16-14.3	Acquisition of Various Office Equipment	6-22-16		9,500.00	9,500.00
16-14.4	Acquisition of Fire Department Equipment	6-22-16		38,050.00	38,050.00
16-14.5	Renovations to Various Municipal Facilities	6-22-16		23,800.00	23,800.00
16-14.6	Various Improvements to Municipal Facilities	6-22-16		47,600.00	47,600.00
16-14.8	Improvements to Recreational Field Facilities	6-22-16		23,800.00	23,800.00
			-	$ 491,650.00	$ 491,650.00

SUPPLEMENTAL EXHIBITS

WATER & SEWER UTILITY FUND

TOWNSHIP OF WATERFORD
WATER & SEWER UTILITY FUNDS
Statement of Water & Sewer Utility Cash
Per N.J.S.40A:5-5--Chief Financial Officer
For the Year Ended December 31, 2016

	Operating		Capital	
Balance Dec. 31, 2015		$ 535,327.55		$ 690,721.67
Increased by Receipts:				
Miscellaneous Revenue Not Anticipated	$ 2,534.03			
Received from Utility Collector	1,162,201.85			
Refund of 2016 Budget Appropriations	8,950.43			
Capital Improvement Fund			$ 7,000.00	
Reserve for Escrow Deposits	10,673.00			
Due Water / Sewer Utility Capital Fund	2,414.06			
Due Water / Sewer Utility Operating Fund			2,414.06	
Contra	69.22			
		1,186,842.59		9,414.06
		1,722,170.14		700,135.73
Decreased by Disbursements:				
2016 Budget Appropriations	1,042,300.04			
2015 Appropriation Reserves	19,855.87			
Accrued Interest on Bonds and Loans	111,429.42			
Reserve for Escrow Deposits	1,711.25			
Due Water & Sewer Utility Operating Fund			2,414.06	
Improvement Authorizations			392,387.92	
Reserve for Encumbrances	460.00		82,399.17	
Contracts Payable			66,250.00	
Contra	69.22			
		1,175,825.80		543,451.15
Balance Dec. 31, 2016		$ 546,344.34		$ 156,684.58

TOWNSHIP OF WATERFORD
WATER & SEWER UTILITY FUND
Statement of Water & Sewer Utility Cash
Per N.J.S.40A:5-5--Collector
For the Year Ended December 31, 2016

Balance Dec. 31, 2015		$ 1,883.43
Receipts:		
Water Rents Receivable	$ 471,582.96	
Sewer Rents Receivable	620,849.55	
Water Overpayments	194.42	
Sewer Overpayments	49.00	
Water Connection Fees	21,560.00	
Water Miscellaneous Revenue	34,391.06	
Sewer Miscellaneous Revenue	14,169.87	
Miscellaneous Revenue Not Anticipated	201.29	
		1,162,998.15
		1,164,881.58
Decreased by Disbursements:		
Payments to Chief Financial Officer		1,162,201.85
Balance Dec. 31, 2016		$ 2,679.73

TOWNSHIP OF WATERFORD
WATER & SEWER UTILITY CAPITAL FUND
Statement of Water & Sewer Utility Capital Cash
For the Year Ended December 31, 2016

			Receipts		Disbursements		Transfers		
		Balance (Overdraft) Dec. 31, 2015	Budget Appropriation	Miscellaneous	Improvement Authorizations	Miscellaneous	From	To	Balance (Overdraft) Dec. 31, 2016
Improvement Authorizations:									
06-7; 06-11.3	Sewer System Upgrades	$ 83,049.16							$ 83,049.16
07-13.2	Sewer System Improvements	39,239.73							39,239.73
08-9	Sewer System Improvements	26,907.67							26,907.67
13-11.11; 13-14	Utility Department Equipment	674.73							674.73
14-08	Water Tower Improvements	168,530.48			$ 19,834.71		$ 148,695.77		
14-16	Sewer System Improvements	(349,384.20)			262,793.70		180.00		(612,357.90)
15-9.1	Sewer System Improvements	338,750.63			49.66				338,700.97
15-9.2	Utility Department Equipment	74,050.00			22,972.00				51,078.00
15-9.3	Infiltration and Inflow Study	60,000.00			5,595.00		34,401.00		20,004.00
16-12	Utility Department Equipment				81,142.85		54,441.15	$ 6,700.00	(128,884.00)
16-13	Utility System Improvements							148,522.04	148,522.04
Fund Balance		94.86							94.86
Capital Improvement Fund			$ 7,000.00				6,700.00		300.00
Due Water / Sewer Utility Operating Fund				$ 2,414.06		$ 2,414.06			
Reserve for Payment of Debt		112.70						173.73	286.43
Reserve for Encumbrances		182,445.91				82,399.17		9,585.00	109,631.74
Contracts Payable		66,250.00				66,250.00		79,437.15	79,437.15
		$ 690,721.67	$ 7,000.00	$ 2,414.06	$ 392,387.92	$ 151,063.23	$ 244,417.92	$ 244,417.92	$ 156,684.58

Exhibit SD-4

TOWNSHIP OF WATERFORD
WATER & SEWER UTILITY OPERATING FUND
Statement of Consumer Accounts Receivable
For the Year Ended December 31, 2016

	Water	Sewer	Total
Balance Dec. 31, 2015	$ 6,783.39	$ 43,364.20	50,147.59
Increased by:			
Rents Levied	473,385.11	621,157.32	1,094,542.43
	480,168.50	664,521.52	1,144,690.02
Decreased by:			
Collections	471,582.96	620,849.55	1,092,432.51
Canceled		1,198.04	1,198.04
Overpayments Applied	13.56	291.40	304.96
Transferred to Township Liens	224.00	196.00	420.00
	471,820.52	622,534.99	1,094,355.51
Balance Dec. 31, 2016	$ 8,347.98	$ 41,986.53	$ 50,334.51

Exhibit SD-5

WATER & SEWER UTILITY OPERATING FUND
Statement of Water & Sewer Overpayments
For the Year Ended December 31, 2016

	Water	Sewer	Total
Balance Dec. 31, 2015	$ 96.53	$ 864.44	$ 960.97
Increased by:			
Receipts	194.42	49.00	243.42
	290.95	913.44	1,204.39
Decreased by:			
Overpayments Applied	13.56	291.40	304.96
Balance Dec. 31, 2016	$ 277.39	$ 622.04	$ 899.43

TOWNSHIP OF WATERFORD
WATER & SEWER UTILITY OPERATING FUND
Statement of Consumer Liens Receivable
For the Year Ended December 31, 2016

	Water	Sewer	Total
Balance Dec. 31, 2015	$ 421.66	$ 8,782.25	$ 9,203.91
Increased by:			
Transfer from Rents	224.00	196.00	420.00
Balance Dec. 31, 2016	$ 645.66	$ 8,978.25	$ 9,623.91

TOWNSHIP OF WATERFORD
WATER & SEWER UTILITY CAPITAL FUND
Statement of Fixed Capital Authorized and Uncompleted
For the Year Ended December 31, 2016

Ordinance Number	Improvement Description	Ordinance Date	Ordinance Amount	Balance Dec. 31, 2015	2016 Authorizations: Deferred Reserve for Amortization	2016 Authorizations: Deferred Charges to Future Revenue	2016 Authorizations: Adjustments	Costs to Fixed Capital	Improvement Authorization Canceled	Balance Dec. 31, 2016
06-7; 06-11.3	Sewer System Upgrades	8-23-06	$ 100,000.00	$ 100,000.00						$ 100,000.00
07-13.2	Sewer System Improvements	7-11-07	40,000.00	40,000.00						40,000.00
08-9	Sewer System Improvements	8-27-08	50,000.00	50,000.00						50,000.00
13-11.11; 13-14	Utility Department Equipment	6-12-13	60,000.00	60,000.00						60,000.00
14-08	Water Tower Improvements	7-9-14	750,000.00	750,000.00			$ (148,522.04)	$ 601,304.23	$ 173.73	
14-16	Sewer System Improvements	10-8-14	2,479,000.00	2,479,000.00						2,479,000.00
15-9.1	Sewer System Improvements	5-27-15	360,000.00	360,000.00						360,000.00
15-9.2	Utility Department Equipment	5-27-15	80,000.00	80,000.00						80,000.00
15-9.3	Infiltration and Inflow Study	5-27-15	60,000.00	60,000.00						60,000.00
16-12	Utility Department Equipment	6-22-16	140,000.00		$ 6,700.00	$ 133,300.00				140,000.00
16-13	Utility System Improvements	6-22-16	148,522.04				148,522.04			148,522.04
				$ 3,979,000.00	$ 6,700.00	$ 133,300.00	-	$ 601,304.23	$ 173.73	$ 3,517,522.04

TOWNSHIP OF WATERFORD
WATER & SEWER UTILITY CAPITAL FUND
Statement of Fixed Capital
For the Year Ended December 31, 2016

Description	Balance Dec. 31, 2015	Additions By Ordinance	Balance Dec. 31, 2016
Sewer Utility:			
Land	$ 37,859.79		$ 37,859.79
Buildings	69,764.42		69,764.42
Equipment	135,430.53		135,430.53
Collection System	1,534,588.17		1,534,588.17
Pump Stations	2,235,117.84		2,235,117.84
Sewer Mains	213,575.42		213,575.42
Tractor	6,629.18		6,629.18
Trash Pump	5,280.00		5,280.00
Submersible Pumps	28,095.00		28,095.00
Storage Tank	14,402.00		14,402.00
Vehicles	61,838.35		61,838.35
Jet Truck	8,000.00		8,000.00
Office Equipment	19,523.62		19,523.62
	4,370,104.32	-	4,370,104.32
Water Utility:			
Land	6,681.14		6,681.14
Buildings	8,956.11		8,956.11
Equipment	141,437.81		141,437.81
Water Mains	4,440,803.75		4,440,803.75
Treatment Plants	1,584,266.79		1,584,266.79
Water Tank	1,674,884.41	$ 601,304.23	2,276,188.64
Tractor	1,169.86		1,169.86
Vehicles	10,912.65		10,912.65
Office Equipment	47,558.78		47,558.78
	7,916,671.30	601,304.23	8,517,975.53
Total Fixed Capital	$ 12,286,775.62	$ 601,304.23	$ 12,888,079.85

TOWNSHIP OF WATERFORD
WATER & SEWER UTILITY OPERATING FUND
Statement of Accrued Interest on Bonds, Loans and Notes and Analysis of Balance
For the Year Ended December 31, 2016

Balance Dec. 31, 2015	$ 40,898.89
Increased by:	
Charges to Budget Appropriations	102,548.37
	143,447.26
Decreased by:	
Interest Paid:	
Utility Operating Fund	111,429.42
Balance Dec. 31, 2016	$ 32,017.84

Analysis of Accrued Interest Dec. 31, 2016

Principal Outstanding Dec. 31, 2016	Interest Rate	From	To	Period	Amount
Serial Bonds:					
$ 440,000.00	Various	11-1-16	12-31-16	60 Days	$ 3,394.79
546,000.00	Various	7-15-16	12-31-16	166 Days	8,945.56
1,235,000.00	Various	11-15-16	12-31-16	45 Days	3,938.75
					16,279.10
Environmental Infrastructure Loans:					
499,561.07	Various	8-1-16	12-31-16	150 Days	10,370.97
183,376.08	Various	8-1-16	12-31-16	150 Days	5,367.77
					15,738.74
					$ 32,017.84

Exhibit SD-10

WATER & SEWER UTILITY OPERATING FUND
Statement of 2015 Appropriation Reserves
For the Year Ended December 31, 2016

	Balance Dec. 31, 2015				Balance
	Encumbered	Reserved	Total	Disbursed	Lapsed
Operating:					
Salaries and Wages		$ 3,695.51	$ 3,695.51		$ 3,695.51
Other Expenses	$ 19,787.40	53,592.93	73,380.33	$ 19,855.87	53,524.46
Statutory Expenditures:					
Contribution to:					
Public Employees' Retirement System		13.40	13.40		13.40
Unemployment Compensation		1,417.10	1,417.10		1,417.10
Social Security System (O.A.S.I.)		4,401.31	4,401.31		4,401.31
	$ 19,787.40	$ 63,120.25	$ 82,907.65	$ 19,855.87	$ 63,051.78

Exhibit SD-11

TOWNSHIP OF WATERFORD
WATER & SEWER UTILITY CAPITAL FUND
Statement of Improvement Authorizations
For the Year Ended December 31, 2016

Ordinance Number	Improvement Description	Ordinance Date	Ordinance Amount	Balance Dec. 31, 2015 Funded	Balance Dec. 31, 2015 Unfunded	2016 Authorizations: Capital Improvement Fund	2016 Authorizations: Deferred Charges to Future Revenue	Paid or Charged	Adjustments	Balance Dec. 31, 2016 Funded	Balance Dec. 31, 2016 Unfunded
06-7; 06-11.3	Sewer System Upgrades	8-23-06	$ 100,000.00	$ 83,049.16						$ 83,049.16	
07-13.2	Sewer System Improvements	7-11-07	40,000.00	39,239.73						39,239.73	
08-09	Sewer System Improvements	8-27-08	50,000.00	26,907.67						26,907.67	
13-11.11; 13-14	Utility Department Equipment	6-12-13	60,000.00	674.73						674.73	
14-08	Water Tower Improvements	7-9-14	750,000.00	168,530.48				$ 19,834.71	$ (148,695.77)		
14-16	Sewer System Improvements	10-8-14	2,479,000.00		$ 2,129,615.80			262,973.70			$ 1,866,642.10
15-9.1	Sewer System Improvements	5-27-15	360,000.00	338,750.63				49.66		338,700.97	
15-9.2	Utility Department Equipment	5-27-15	80,000.00	74,050.00				22,972.00		51,078.00	
15-9.3	Infiltration and Inflow Study	5-27-15	60,000.00	60,000.00				39,996.00		20,004.00	
16-12	Utility Department Equipment	6-22-16	140,000.00			$ 6,700.00	$ 133,300.00	135,584.00			4,416.00
16-13	Utility System Improvements	6-22-16	148,522.04						148,522.04	148,522.04	
				$ 791,202.40	$ 2,129,615.80	$ 6,700.00	$ 133,300.00	$ 481,410.07	$ (173.73)	$ 708,176.30	$ 1,871,058.10

Disbursed	$ 392,387.92
Contacts Payable	79,437.15
Reserve for Encumbrances	9,585.00
	$ 481,410.07
Canceled to Reserve for Payment of Debt	$ (173.73)

Exhibit SD-12

WATER & SEWER UTILITY CAPITAL FUND
Statement of Deferred Reserve for Amortization
For the Year Ended December 31, 2016

Ordinance Number	Improvement Description	Date of Ordinance	Balance Dec. 31, 2015	Fixed Capital Authorized	Transferred to Reserve for Amortization	Balance Dec. 31, 2016
07-13.2	Sewer System Improvements	7-11-07	$ 2,000.00			$ 2,000.00
15-9.1	Sewer System Improvements	5-27-15	17,200.00			17,200.00
15-9.2	Utility Department Equipment	5-27-15	3,900.00			3,900.00
15-9.3	Infiltration and Inflow Study	5-27-15	2,900.00			2,900.00
16-12	Utility Department Equipment	6-22-16		$ 6,700.00		6,700.00
			$ 26,000.00	$ 6,700.00	-	$ 32,700.00

Exhibit SD-13

TOWNSHIP OF WATERFORD
WATER & SEWER UTILITY CAPITAL FUND
Statement of Reserve for Amortization
For the Year Ended December 31, 2016

Balance Dec. 31, 2015		$ 10,164,129.19
Increased by:		
Serial Bonds Paid by Operating Budget	$ 216,000.00	
Loans Paid by Operating Budget	189,319.92	
		405,319.92
		10,569,449.11
Decreased by:		
Improvement Authorizations Canceled		173.73
Balance Dec. 31, 2016		$ 10,569,275.38

Exhibit SD-14

WATER & SEWER UTILITY OPERATING FUND
Statement of Reserve for Encumbrances
For the Year Ended December 31, 2016

Balance Dec. 31, 2015		$ 20,247.40
Increased by:		
Transferred from 2016 Budget Appropriations		26,414.98
		46,662.38
Decreased by:		
Transferred to Appropriation Reserves	$ 19,787.40	
Disbursed	460.00	
		20,247.40
Balance Dec. 31, 2016		$ 26,414.98

TOWNSHIP OF WATERFORD
WATER & SEWER UTILITY CAPITAL FUND
Statement of Contracts Payable
For the Year Ended December 31, 2016

Balance Dec. 31, 2015	$	66,250.00
Increased by:		
Contracts Awarded and Charged to Improvement Authorizations		79,437.15
		145,687.15
Decreased by:		
Disbursements		66,250.00
Balance Dec. 31, 2016	$	79,437.15

Schedule of Contracts Payable Dec. 31, 2016

Vendor	Ordinance Number		Amount
Lenegan Plumbing & Heating, LLC	16-12.1	$	54,441.15
Russel Reid Waste Hauling	15-19.3		24,996.00
		$	79,437.15

TOWNSHIP OF WATERFORD
WATER & SEWER UTILITY CAPITAL FUND
Statement of Sewer Serial Bonds
For the Year Ended December 31, 2016

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding Dec. 31, 2016 Date	Amount	Interest Rate	Balance Dec. 31, 2015	Issued	Paid by Budget Appropriation	Balance Dec. 31, 2016
2004 Refunding Bonds	5-15-04	$ 1,765,000.00	5-1-2017	$ 140,000.00	4.500%				
			5-1-2018	145,000.00	4.625%				
			5-1-2019	155,000.00	4.750%	$ 575,000.00		$ 135,000.00	$ 440,000.00
2010 Serial Bonds	6-10-10	636,000.00	7-15-2017	30,000.00	3.250%				
			7-15-2018	30,000.00	3.500%				
			7-15-2019	30,000.00	3.500%				
			7-15-2020	75,000.00	3.500%				
			7-15-2021	75,000.00	3.500%				
			7-15-2022	100,000.00	3.500%				
			7-15-2023	100,000.00	3.600%				
			7-15-2024	106,000.00	3.750%	576,000.00		30,000.00	546,000.00
2015 Serial Bonds	9-16-15	1,286,000.00	5-15-17 to 19	50,000.00	2.000%				
			5-15-20	85,000.00	2.000%				
			5-15-21/22	100,000.00	2.000%				
			5-15-23	100,000.00	2.125%				
			5-15-24	100,000.00	2.250%				
			5-15-25	100,000.00	2.750%				
			5-15-26 to 30	100,000.00	3.000%	1,286,000.00		51,000.00	1,235,000.00
						$ 2,437,000.00	-	$ 216,000.00	$ 2,221,000.00

TOWNSHIP OF WATERFORD
WATER & SEWER UTILITY CAPITAL FUND
Statement of Environmental Infrastructure Loans
For the Year Ended December 31, 2016

Purpose	Date of Issue	Amount of Original Issue	Maturities of Loans Outstanding Dec. 31, 2016 Date	Amount	Interest Rate	Balance Dec. 31, 2015	Issued	Paid by Budget Appropriation	Balance Dec. 31, 2016
2001A Fund Loan	11-8-01	$ 1,342,670.00	2-1-2017	$ 8,291.12	N/A				
			8-1-2017	69,617.21	N/A				
			2-1-2018	6,757.97	N/A				
			8-1-2018	71,311.75	N/A				
			2-1-2019	5,144.12	N/A				
			8-1-2019	72,925.59	N/A				
			2-1-2020	3,449.59	N/A				
			8-1-2020	49,892.01	N/A	$ 364,974.92		$ 77,585.56	$ 287,389.36
2001A Trust Loan	11-8-01	1,440,000.00	8-1-2017	90,328.51	5.00%				
			8-1-2018	95,072.65	5.00%				
			8-1-2019	99,905.32	5.00%				
			8-1-2020	104,703.57	4.75%				
			8-1-2021	109,551.02	4.75%	585,141.10		85,580.03	499,561.07
2002A Trust Loan	11-7-02	1,370,000.00	8-1-2017	26,390.52	5.00%				
			8-1-2018	28,647.94	5.00%				
			8-1-2019	30,892.73	5.00%				
			8-1-2020	33,391.26	5.00%				
			8-1-2021	30,884.04	5.00%				
			8-1-2022	33,169.59	4.75%	209,530.41		26,154.33	183,376.08
						$ 1,159,646.43	-	$ 189,319.92	$ 970,326.51

TOWNSHIP OF WATERFORD
WATER & SEWER UTILITY CAPITAL FUND
Statement of Bonds and Notes Authorized But Not Issued
For the Year Ended December 31, 2016

Ordinance Number	Improvement Description	Date of Ordinance	Balance Dec. 31, 2015	2016 Authorizations	Bonds Issued	Balance Dec. 31, 2016
14-16	Sewer System Improvements	10-8-14	$ 2,479,000.00			$ 2,479,000.00
16-12	Utility Department Equipment	6-22-16		$ 133,300.00		133,300.00
			$ 2,479,000.00	$ 133,300.00	-	$ 2,612,300.00

TOWNSHIP OF WATERFORD

PART 2

SCHEDULE OF FINDINGS AND RECOMMENDATIONS

FOR THE YEAR ENDED DECEMBER 31, 2016

TOWNSHIP OF WATERFORD
Schedule of Findings and Recommendations
For the Year Ended December 31, 2016

Schedule of Financial Statement Findings

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

None.

TOWNSHIP OF WATERFORD
Summary Schedule of Prior Year Audit Findings
And Recommendations as Prepared by Management

This section identifies the status of prior year findings related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*.

None.

TOWNSHIP OF WATERFORD
Officials in Office and Surety Bonds

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

Name	Title	Amount of Surety Bond
William Richardson	Mayor	$1,000,000.00(A)
Alphons Campbell	Deputy Mayor	1,000,000.00(A)
Ralph Ferguson	Committeeman	1,000,000.00(A)
Thomas Giangiulio	Committeeman	1,000,000.00(A)
Richard Yeatman	Committeeman	1,000,000.00(A)
Susan Danson	Township Administrator, Treasurer and Qualified Purchasing Agent	1,000,000.00(B)
Debra Shaw-Blemings (To 8/12/16)	Township Clerk, Improvement Search Clerk, and Registrar of Vital Statistics	1,000,000.00(A)
Lori Friddell (From 9/6/16)	Township Clerk, Improvement Search Clerk, and Registrar of Vital Statistics	1,000,000.00(A)
Adrianne McKendry	Certified Municipal Finance Officer	1,000,000.00(A)
Anita Wilson	Tax Collector and Search Clerk	1,000,000.00(A)
John Holroyd, Jr.	Electrical, Fire, and Plumbing Sub Code Official	1,000,000.00(A)
Edward Toussaint	Construction and Building Sub Code Official	1,000,000.00(A)
Krisden McCrink	Judge of Municipal Court	1,000,000.00(A)
Heather Campbell	Court Administrator	1,000,000.00(A)
Karen Paullin	Deputy Court Administrator	1,000,000.00(A)
Daniel Cormaney	Police Chief and Gun Permit Clerk	1,000,000.00(A)
Theresa Stagliano	Assessor	1,000,000.00(A)
Adams, Rehmann & Heggan Associates	Engineer	
David Patterson	Attorney	

(A) Public Employees' Dishonesty Blanket Position Bond, Aggregate Coverage, with a $1,000.00 per loss deductible through the Atlantic County Municipal Joint Insurance Fund and the Municipal Excess Liability Joint Insurance Fund.

(B) Employee was bonded through Selective Insurance Company of America for the first $50,000.00 of any loss. Any loss in excess of $50,000.00 is covered by the Public Employees' Dishonesty Blanket Position Bond, Aggregate Coverage, through the Atlantic County Municipal Excess Liability Joint Insurance Fund.

All of the bonds were examined and were properly executed.

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APPRECIATION

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

Respectfully submitted,

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Daniel M DiGangi

Daniel M. DiGangi
Certified Public Accountant
Registered Municipal Accountant