

**TOWNSHIP OF DENNIS
COUNTY OF CAPE MAY
REPORT OF AUDIT
FOR THE YEAR ENDED DECEMBER 31, 2015**

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TOWNSHIP OF DENNIS
PART I
REPORT OF AUDIT OF FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Township Committee
Township of Dennis
Dennisville, New Jersey 08214

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 Dennis, in the County of Cape May, State of New Jersey, as of December 31, 2015 and 2014, 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 assets group of accounts - regulatory basis for the year ended December 31, 2015, 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.

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 Dennis, in the County of Cape May, State of New Jersey, as of December 31, 2015 and 2014, 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 Dennis, in the County of Cape May, State of New Jersey, as of December 31, 2015 and 2014, 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 assets group of accounts - regulatory basis, for the year ended December 31, 2015 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.

Emphasis of Matter

Adoption of New Accounting Principles

As discussed in note 1 to the financial statements, during the year ended December 31, 2015, the Township adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*. As a result of the regulatory basis of accounting, described in the previous paragraph, the implementation of these Statements only required financial statement disclosures. Our opinions are not modified with respect to this matter.

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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 19, 2016 on our consideration of the Township of Dennis', in the County of Cape May, 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 Dennis' internal control over financial reporting and compliance.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Michael J. Welding
Certified Public Accountant
Registered Municipal Accountant

Woodbury, New Jersey
September 19, 2016

**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 Dennis
Dennisville, NJ 08214

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 Dennis, in the County of Cape May, State of New Jersey, as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements, and have issued our report thereon dated September 19, 2016. That report indicated that the Township of Dennis' 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. In addition, our report on the financial statements also included an emphasis of matter paragraph describing the adoption of new accounting principles.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Township of Dennis' 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 Dennis' internal control. Accordingly, we do not express an opinion on the effectiveness of Township of Dennis' 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 Dennis' 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
Certified Public Accountants
& Consultants



Michael J. Welding
Certified Public Accountant
Registered Municipal Accountant

Woodbury, New Jersey
September 19, 2016

TOWNSHIP OF DENNIS
CURRENT FUND
 Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis
 As of December 31, 2015 and 2014

ASSETS:	Ref.	2015	2014
Regular Fund:			
Cash - Treasurer	SA-1	\$ 4,858,257.62	\$ 3,645,569.46
Change Fund	A	800.00	800.00
Due from State of New Jersey	SA-4	2,172.60	3,000.00
		<u>4,861,230.22</u>	<u>3,649,369.46</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	SA-2	292,714.36	332,342.81
Tax Title Liens	SA-3	203,826.43	181,465.44
Foreclosed Property	A	641,155.00	641,155.00
Due from Trust -- Animal Control Fund	SB-3	14,283.10	14,071.38
		<u>1,151,978.89</u>	<u>1,169,034.63</u>
Deferred Charges			
Revaluation	SA-17	189,000.00	252,000.00
Tax Map Revisions	SA-17	41,000.00	53,000.00
		<u>230,000.00</u>	<u>305,000.00</u>
Total Regular Fund		<u>6,243,209.11</u>	<u>5,123,404.09</u>
Federal and State Grant Fund:			
Due from Current Fund	SA-13	111,652.27	180,898.84
Federal and State Grants Receivable	SA-14	8,405.92	8,235.85
Total Federal and State Grant Fund		<u>120,058.19</u>	<u>189,134.69</u>
		<u>\$ 6,363,267.30</u>	<u>\$ 5,312,538.78</u>

(Continued)

TOWNSHIP OF DENNIS
CURRENT FUND
 Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis
 As of December 31, 2015 and 2014

	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
LIABILITIES, RESERVES AND FUND BALANCE:			
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3, SA-6	\$ 125,638.50	\$ 140,493.35
Reserve for Encumbrances	A-3, SA-6	204,313.82	173,820.88
Tax Overpayments	SA-7	54,093.99	18,006.78
Prepaid Taxes	SA-8	338,285.66	511,209.23
County Taxes Payable	SA-9	4,771.36	5,569.84
School Tax Payable	SA-10	1,192,143.17	1,206,949.50
Due to Federal and State Grant Fund	SA-13	111,652.27	180,898.84
Due to Trust -- Others Funds	SB-5	13,008.21	46,617.87
Due to General Capital Fund	SC-1	1,976,145.98	634,275.15
Reserve for Revaluation	SA-11		116,550.00
Reserve for Tax Map Revisions	SA-12	8,272.60	8,365.60
Revaluation/Tax Map Revisions Note Payable	SA-1	210,000.00	280,000.00
Due to State - Marriage & Civil Union Licenses	SA-1	125.00	125.00
		<u>4,238,450.56</u>	<u>3,322,882.04</u>
Reserves for Receivables and Other Assets	A	1,151,978.89	1,169,034.63
Fund Balance	A-1	<u>852,779.66</u>	<u>631,487.42</u>
Total Regular Fund		<u>6,243,209.11</u>	<u>5,123,404.09</u>
Federal and State Grant Fund:			
Appropriated Reserves	SA-15	120,058.19	179,294.61
Unappropriated Reserves	SA-16		<u>9,840.08</u>
Total Federal and State Grant Fund		<u>120,058.19</u>	<u>189,134.69</u>
		<u>\$ 6,363,267.30</u>	<u>\$ 5,312,538.78</u>

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

TOWNSHIP OF DENNIS
CURRENT FUND

Statements of Operations and Changes in Fund Balance -- Regulatory Basis
For the Years Ended December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Revenue and Other Income Realized:		
Fund Balance Anticipated	\$ 350,000.00	\$ 370,000.00
Miscellaneous Revenues Anticipated	1,891,924.83	1,994,469.74
Receipts from Delinquent Taxes and Tax Title Liens	340,929.97	352,031.20
Receipts from Current Taxes	13,810,870.27	13,542,458.33
Non-Budget Revenue	130,758.55	67,791.99
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	201,847.03	226,617.48
Overpayment Adjustment	892.05	
Canceled Grants		14,953.75
Canceled Reserve for Unemployment		54,888.26
	<u>16,727,222.70</u>	<u>16,623,210.75</u>
Total Income		
Expenditures:		
Budget Appropriations:		
Within "CAPS":		
Operations:		
Salaries and Wages	1,213,150.00	1,258,700.00
Other Expenses	2,103,431.00	2,015,781.00
Deferred Charges and Statutory Expenditures	241,107.00	240,763.00
Excluded from "CAPS":		
Operations:		
Salaries and Wages		2,942.08
Other Expenses	59,214.95	59,617.62
Capital Improvements	175,000.00	100,000.00
Municipal Debt Service	50,475.00	227,699.99
Deferred Charges	75,000.00	70,000.00
Special District Taxes	780,125.00	777,009.00
County Taxes	2,217,310.57	2,099,273.74
School Tax	9,239,286.00	9,258,899.00
Prior Year Senior Citizens Disallowed	777.40	
Refund of Prior Year Revenue	1,053.54	
Canceled Due from State of New Jersey		32,261.01
	<u>16,155,930.46</u>	<u>16,142,946.44</u>
Total Expenditures		
Excess (Deficit) in Revenue	571,292.24	480,264.31
Adjustment before Fund Balance:		
Expenditures included above which are by Statute deferred to budgets of succeeding years		<u>25,000.00</u>
Statutory Excess to Fund Balance	571,292.24	505,264.31
Fund Balance January 1	<u>631,487.42</u>	<u>496,223.11</u>
	1,202,779.66	1,001,487.42
Decreased by:		
Utilization as Anticipated Revenue	<u>350,000.00</u>	<u>370,000.00</u>
Fund Balance December 31	<u>\$ 852,779.66</u>	<u>\$ 631,487.42</u>

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

TOWNSHIP OF DENNIS
CURRENT FUND
Statement of Revenues -- Regulatory Basis
For the Year Ended December 31, 2015

	Anticipated <u>Budget</u>	Special N.J.S.A. <u>40A: 4-87</u>	<u>Realized</u>	Excess or <u>(Deficit)</u>
Surplus Anticipated	\$ 350,000.00		\$ 350,000.00	
Miscellaneous Revenues:				
Interest and Costs on Taxes	58,000.00		63,275.27	\$ 5,275.27
Recreation Summer Program	35,000.00		43,640.00	8,640.00
Lease of Township Property	57,000.00		58,640.00	1,640.00
Cable Franchise Fee	25,000.00		27,967.61	2,967.61
Energy Receipts Tax (P.L. 1997, Chapters 162 & 167)	1,514,157.00		1,514,157.00	
Garden State Trust	129,366.00		129,366.00	
Public and Private Revenues Offset with Appropriations:				
Recycling Tonnage Grant	9,840.08		9,840.08	
Municipal Alliance	7,344.00		7,344.00	
Clean Communities		\$ 22,820.77	22,820.77	
Alcohol Education and Rehabilitation		589.33	589.33	
County of Cape May MUA 2014		14,284.77	14,284.77	
Total Miscellaneous Revenues	<u>1,835,707.08</u>	<u>37,694.87</u>	<u>1,891,924.83</u>	<u>18,522.88</u>
Receipts from Delinquent Taxes	<u>335,000.00</u>		<u>340,929.97</u>	<u>5,929.97</u>
Amount to be Raised by Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purposes including Reserve for Uncollected Taxes	<u>1,870,921.70</u>		<u>2,086,094.40</u>	<u>215,172.70</u>
Budget Totals	4,391,628.78	37,694.87	4,668,949.20	239,625.55
Non-Budget Revenue			<u>130,758.55</u>	<u>130,758.55</u>
	<u>\$ 4,391,628.78</u>	<u>\$ 37,694.87</u>	<u>\$ 4,799,707.75</u>	<u>\$ 370,384.10</u>

(Continued)

TOWNSHIP OF DENNIS
CURRENT FUND
Statement of Revenues -- Regulatory Basis
For the Year Ended December 31, 2015

Analysis of Realized Revenue

Allocation of Current Tax Collections:

Revenue from Collections	\$ 13,810,870.27
Allocated to:	
County, School and Special District Taxes	12,236,721.57
Amount for Support of Municipal Budget Appropriations	1,574,148.70
Add: Appropriation "Reserve for Uncollected Taxes"	511,945.70
Amount for Support of Municipal Budget Appropriations	\$ 2,086,094.40

Receipts from Delinquent Taxes:

Delinquent Tax Collections	\$ 327,704.33
Tax Title Lien Collections	13,225.64
	\$ 340,929.97

Analysis of Non-Budget Revenues

Miscellaneous Revenue not Anticipated:

Township Clerk Miscellaneous Receipts	\$ 4,212.00
Campground Licenses	10,278.00
Mercantile Licenses	5,750.00
Vital Statistics	1,970.00
Municipal Court Receipts	32,554.73
Recreation Receipts	2,719.55
Senior Center Receipts	910.00
Comcast	15,000.00
Miscellaneous Items Received	57,330.52
Total Non-Budget Revenues - Collected in Current Fund	130,724.80

Journal Entries

Interest on Investments and Deposits -- Trust Other Funds	33.75
Total Non-Budget Revenues	\$ 130,758.55

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

TOWNSHIP OF DENNIS
CURRENT FUND
Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2015

	<u>Appropriations</u>		<u>Expended</u>			<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	
<u>OPERATIONS -- WITHIN "CAPS"</u>						
<u>General Government Functions</u>						
Mayor and Committee:						
Salaries and Wages	\$ 60,000.00	\$ 60,000.00	\$ 58,500.00		\$ 1,500.00	
Other Expenses	6,500.00	6,500.00	3,889.51	\$ 587.98		2,022.51
Township Clerk:						
Salaries and Wages	105,000.00	98,000.00	97,190.13	738.50		71.37
Other Expenses	25,000.00	23,150.00	20,912.86	2,092.76		144.38
Financial Administration:						
Salaries and Wages	74,000.00	75,000.00	74,322.96	168.30		508.74
Other Expenses	16,500.00	15,500.00	10,049.92	4,997.42		452.66
Audit Services:						
Other Expenses	32,000.00	33,850.00	33,850.00			
Collection of Taxes:						
Salaries and Wages	60,000.00	60,100.00	60,055.38			44.62
Other Expenses	12,500.00	12,500.00	10,787.83	1,683.00		29.17
Assessment of Taxes:						
Salaries and Wages	102,000.00	107,300.00	107,253.92			46.08
Other Expenses	12,500.00	15,100.00	9,955.43	5,071.88		72.69
Liquidation of Tax Title Liens:						
Other Expenses	2,000.00	2,000.00				2,000.00
Legal Services and Costs:						
Salaries and Wages	49,000.00	49,000.00	48,000.00			1,000.00
Other Expenses	19,000.00	13,000.00	2,830.28			10,169.72
Engineering Services and Costs:						
Other Expenses	38,000.00	35,400.00	28,418.75			6,981.25
State and Federal Aid Coordinator:						
Other Expenses	15,000.00	15,000.00	745.00			14,255.00
<u>Land Use Administration</u>						
Planning and Zoning:						
Salaries and Wages	15,000.00	19,000.00	18,407.69			592.31
Other Expenses	10,000.00	10,000.00	3,073.54	2,425.00		4,501.46
Code Enforcement Officer:						
Salaries and Wages	12,200.00	12,200.00	10,439.70	469.20		1,291.10
Other Expenses	1,000.00	1,000.00	737.33	65.00		197.67
<u>Insurance</u>						
General Liability	85,000.00	79,250.00	74,290.90	1,250.00		3,709.10
Workers Compensation Insurance	185,000.00	139,200.00	136,916.46			2,283.54
Employee Group Health	591,000.00	596,750.00	585,487.83	10,905.80		356.37
<u>Municipal Court</u>						
Other Expenses	115,000.00	115,000.00	115,000.00			

Continued

TOWNSHIP OF DENNIS
CURRENT FUND
Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2015

	<u>Appropriations</u>		<u>Expended</u>			<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	
<u>Public Safety</u>						
Emergency Management:						
Salaries and Wages	\$ 10,000.00	\$ 9,500.00	\$ 7,692.31		\$ 1,807.69	
Other Expenses	1,200.00	1,700.00	1,545.02	\$ 65.00	89.98	
Central Dispatch:						
Other Expenses	126,900.00	126,900.00	126,809.44		90.56	
First Aid Organization - Contributions	57,400.00	57,400.00	50,000.00		7,400.00	
Supplemental Fire Services - Fire District Payment	2,481.00	2,481.00	2,481.00			
<u>Public Works Functions</u>						
Department of Public Works:						
Salaries and Wages	410,000.00	439,000.00	431,062.31	7,672.73	264.96	
Other Expenses	115,000.00	115,000.00	65,508.68	48,966.36	524.96	
Solid Waste Collection						
Other Expenses	100,000.00	100,000.00	99,131.00		869.00	
Public Building and Grounds						
Other Expenses	45,000.00	45,000.00	25,876.74	14,177.70	4,945.56	
Gypsy Moth:						
Other Expenses	100.00	100.00			100.00	
<u>Health and Welfare</u>						
Board of Health:						
Other Expenses	2,000.00	2,000.00	600.84	775.00	624.16	
Environmental Commission						
Other Expenses	1,000.00	1,100.00	1,073.04		26.96	
Dog Regulation:						
Other Expenses	42,000.00	42,000.00	39,699.00		2,301.00	
<u>Parks and Recreation Functions</u>						
Recreation:						
Salaries and Wages	164,000.00	171,000.00	170,852.93	105.00	42.07	
Other Expenses	45,000.00	45,000.00	35,529.56	8,901.99	568.45	
Municipal Alliance Committee:						
Salaries and Wages	4,600.00	4,600.00	3,090.00		1,510.00	
Senior Center:						
Salaries and Wages	36,100.00	36,100.00	36,081.07		18.93	
Other Expenses	7,500.00	7,500.00	5,582.15	1,127.26	790.59	
History Center & Cultural Heritage						
Salaries and Wages	100.00	100.00			100.00	
Other Expenses	3,000.00	3,000.00	2,218.05	227.96	553.99	
Parks and Playgrounds:						
Salaries and Wages	76,000.00	72,250.00	63,572.97	1,551.12	7,125.91	
Other Expenses	27,000.00	30,750.00	26,738.38	3,999.45	12.17	

Continued

TOWNSHIP OF DENNIS
CURRENT FUND
Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2015

	<u>Appropriations</u>		<u>Expended</u>			<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	
<u>Unclassified</u>						
Sick and Terminal Leave	\$ 12,000.00	\$ 19,500.00	\$ 19,467.74		\$ 32.26	
Special Events	17,500.00	17,300.00	14,985.14		2,314.86	
<u>Utility Expenses and Bulk Purchases</u>						
Electricity	75,000.00	75,000.00	52,724.23	\$ 7,500.00	14,775.77	
Telephone	22,500.00	22,500.00	16,854.79	3,150.00	2,495.21	
Gas (Propane)	45,000.00	45,000.00	8,538.25	32,518.41	3,943.34	
Telecommunication Costs	1,000.00	1,000.00	671.11	121.00	207.89	
Gasoline and Diesel Fuel	50,000.00	50,000.00	24,000.00	26,000.00		
Landfill Disposal Costs	180,000.00	180,000.00	159,292.11	17,000.00	3,707.89	
Total Operations -- Within "CAPS"	<u>3,322,581.00</u>	<u>3,316,581.00</u>	<u>3,002,793.28</u>	<u>204,313.82</u>	<u>109,473.90</u>	<u>-</u>
Detail:						
Salaries and Wages	1,178,000.00	1,213,150.00	1,186,521.37	10,704.85	15,923.78	-
Other Expenses (Including Contingent)	2,144,581.00	2,103,431.00	1,816,271.91	193,608.97	93,550.12	-
<u>DEFERRED CHARGES AND STATUTORY EXPENDITURES -- WITHIN "CAPS"</u>						
<u>Statutory Expenditures</u>						
Contribution to:						
Public Employees' Retirement System	129,007.00	129,007.00	129,007.00			
Social Security System (O.A.S.I.)	102,500.00	102,500.00	89,778.32		12,721.68	
Unemployment Compensation Insurance	9,500.00	9,500.00	8,657.08		842.92	
Defined Contribution Retirement Program	100.00	100.00			100.00	
Total Deferred Charges and Statutory Expenditures -- Municipal -- Within "CAPS"	<u>241,107.00</u>	<u>241,107.00</u>	<u>227,442.40</u>	<u>-</u>	<u>13,664.60</u>	<u>-</u>
Total General Appropriations for Municipal Purposes Within -- "CAPS"	<u>3,563,688.00</u>	<u>3,557,688.00</u>	<u>3,230,235.68</u>	<u>204,313.82</u>	<u>123,138.50</u>	<u>-</u>
<u>OPERATIONS -- EXCLUDED FROM "CAPS"</u>						
Public and Private Programs Offset by Revenues						
Municipal Alliance	9,180.00	9,180.00	9,180.00			
Recycling Tonnage	9,840.08	9,840.08	9,840.08			
Clean Communities (N.J.S.A. 40A:4-87 \$22,820.77)		22,820.77	22,820.77			
Alcohol Education and Rehabilitation (N.J.S.A. 40A:4-87 \$589.33)		589.33	589.33			
County of Cape May MUA 2014 (N.J.S.A. 40A:4-87 \$14,284.77)		14,284.77	14,284.77			
Matching Funds for Grants	2,500.00	2,500.00			2,500.00	
Total Public and Private Programs Offset by Revenues	<u>21,520.08</u>	<u>59,214.95</u>	<u>56,714.95</u>	<u>-</u>	<u>2,500.00</u>	<u>-</u>
Total Operations -- Excluded from "CAPS"	<u>21,520.08</u>	<u>59,214.95</u>	<u>56,714.95</u>	<u>-</u>	<u>2,500.00</u>	<u>-</u>
Detail:						
Other Expenses	21,520.08	59,214.95	56,714.95	-	2,500.00	-

Continued

TOWNSHIP OF DENNIS
CURRENT FUND
Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2015

	<u>Appropriations</u>		<u>Expended</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	
<u>CAPITAL IMPROVEMENTS -- EXCLUDED FROM "CAPS"</u>					
Capital Improvement Fund	\$ 175,000.00	\$ 175,000.00	\$ 175,000.00		
Total Capital Improvements -- Excluded from "CAPS"	175,000.00	175,000.00	175,000.00	-	-
<u>MUNICIPAL DEBT SERVICE -- EXCLUDED FROM "CAPS"</u>					
Payment of Bond Anticipation Notes and Capital Notes	30,025.00	30,025.00	30,025.00		
Interest on Notes	14,450.00	20,450.00	20,450.00		
Total Municipal Debt Service -- Excluded from "CAPS"	44,475.00	50,475.00	50,475.00	-	-
<u>DEFERRED CHARGES -- EXCLUDED FROM "CAPS"</u>					
Special Emergency Authorizations - 5 Years (N.J.S 40A:4-55)	75,000.00	75,000.00	75,000.00		
Total Deferred Charges -- Excluded from "CAPS"	75,000.00	75,000.00	75,000.00	-	-
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	315,995.08	359,689.95	357,189.95	-	\$ 2,500.00
Subtotal General Appropriations	3,879,683.08	3,917,377.95	3,587,425.63	\$ 204,313.82	125,638.50
Reserve for Uncollected Taxes	511,945.70	511,945.70	511,945.70		
Total	\$ 4,391,628.78	\$ 4,429,323.65	\$ 4,099,371.33	\$ 204,313.82	\$ 125,638.50
Budget		\$ 4,391,628.78			
Appropriated by 40A:4-87		37,694.87			
Reserve for Federal and State Grant Fund--Appropriated			\$ 56,714.95		
Deferred Charges - Special Emergency Authorizations			75,000.00		
Due General Capital Fund			175,000.00		
Reserve for Uncollected Taxes			511,945.70		
Cash Disbursed			3,280,710.68		
		<u>\$ 4,429,323.65</u>	<u>\$ 4,099,371.33</u>		

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

TOWNSHIP OF DENNIS
TRUST FUNDS
 Statements of Assets, Liabilities and Reserves -- Regulatory Basis
 As of December 31, 2015 and 2014

	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
ASSETS:			
Animal Control Fund:			
Cash	SB-1	\$ 29,837.27	\$ 24,470.85
Other Funds:			
Cash	SB-1	406,457.41	392,211.00
Due from Current Fund	SB-5	13,008.21	46,617.87
		<u>419,465.62</u>	<u>438,828.87</u>
		<u>\$ 449,302.89</u>	<u>\$ 463,299.72</u>
LIABILITIES AND RESERVES: AND FUND BALANCE:			
Animal Control Fund:			
Due to Current Fund	SB-3	\$ 14,283.10	\$ 14,071.38
Reserve for Animal Control Fund Expenditures	SB-2	15,554.17	10,399.47
Total Animal Control Fund		<u>29,837.27</u>	<u>24,470.85</u>
Other Funds:			
Reserve for:			
Municipal Alliance	SB-6	2,319.44	1,653.25
Planning Board Escrows	SB-6	263,312.58	289,761.52
Recreation	SB-6		18,575.91
Small Cities Escrow	SB-6	26,399.35	41,399.35
Flexible Spending Account	SB-6	674.02	673.78
Tax Title Lien Redemptions	SB-6	62,100.00	57,060.00
Construction Code	SB-6	25,025.31	9,894.16
Payroll	SB-6	39,634.92	19,810.90
Total Other Funds		<u>419,465.62</u>	<u>438,828.87</u>
		<u>\$ 449,302.89</u>	<u>\$ 463,299.72</u>

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

TOWNSHIP OF DENNIS
GENERAL CAPITAL FUND
 Statements of Assets, Liabilities and Reserves -- Regulatory Basis
 As of December 31, 2015 and 2014

	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
ASSETS:			
Due from Current Fund	SC-1	\$ 1,976,145.98	\$ 634,275.15
Grants Receivable	SC-3	556,501.00	
Deferred Charges to Future Taxation:			
Funded	SC-4	2,400,000.00	
Unfunded	SC-5	1,775.00	1,165,000.00
		<u>\$ 4,934,421.98</u>	<u>\$ 1,799,275.15</u>
LIABILITIES AND RESERVES AND FUND BALANCE:			
Bonds Payable	SC-6	\$ 2,400,000.00	
Bond Anticipation Notes	SC-7		\$ 1,160,025.00
Improvement Authorizations:			
Funded	SC-8	2,029,387.31	44,824.65
Unfunded	SC-8	1,775.00	199,466.83
Capital Improvement Fund	SC-9	290,301.00	182,000.00
Reserve for Debt Service	C	190,000.00	190,000.00
Fund Balance	C	22,958.67	22,958.67
		<u>\$ 4,934,421.98</u>	<u>\$ 1,799,275.15</u>

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

TOWNSHIP OF DENNIS
GENERAL FIXED ASSETS ACCOUNT GROUP
Statement of General Fixed Assets Group of Accounts -- Regulatory Basis
For the Year Ended December 31, 2015

ASSETS:	Balance <u>Dec. 31, 2014</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>Dec. 31, 2015</u>
Land	\$ 270,563.00			\$ 270,563.00
Buildings	2,098,998.71			2,098,998.71
Equipment	<u>2,331,886.82</u>	\$ 8,307.50	\$ (411,641.28)	<u>1,928,553.04</u>
	<u>\$ 4,701,448.53</u>	<u>\$ 8,307.50</u>	<u>\$ (411,641.28)</u>	<u>\$ 4,298,114.75</u>
 FUND BALANCE:				
Investment in General Fixed Assets	<u>\$ 4,701,448.53</u>	<u>\$ 8,307.50</u>	<u>\$ (411,641.28)</u>	<u>\$ 4,298,114.75</u>

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

TOWNSHIP OF DENNIS
Notes to Financial Statements
For the Year Ended December 31, 2015

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Financial Reporting Entity - The Township of Dennis (hereafter referred to as the "Township") in the County of Cape May was incorporated by an act of the New Jersey Legislature on March 1, 1827. It has an approximate total area of 64.3 square miles. It borders Maurice River Township, Upper Township, Woodbine Borough, Sea Isle City, Middle Township, and the Delaware Bay. It is located in southeast New Jersey approximately thirty five miles from the Atlantic City. The population according to the 2010 census is 6,467.

There are five Committee Members each elected to three-year terms. Annually the Committee elects one of themselves to serve as Mayor. Executive and administrative responsibilities rest with the Mayor, who is assisted by the Township Clerk.

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

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

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

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

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

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

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.

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

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

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

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

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

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

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

The cash management plan adopted by the Township 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.

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

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 their estimated fair market value on the acquisition date. Interest costs relative to the acquisition of general fixed assets are recorded as expenditures when paid. Public domain ("infrastructure") general fixed assets consisting of certain improvements such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. Expenditures for construction in progress are recorded in the capital funds until such time as the construction is completed and put into operation. The Township is required to maintain a subsidiary ledger detailing fixed assets records to control additions, retirements, and transfers of fixed assets. In addition, a statement of general fixed assets, reflecting the activity for the year, must be included in the Township's basic financial statements.

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

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

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 represent amounts available for anticipation as revenue in future years' budgets, with certain restrictions.

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

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

Property Tax Revenues - Property tax revenues are collected in quarterly installments due February 1, May 1, August 1, and November 1. The amount of tax levied includes not only the amount required in support of the Township's annual budget, but also the amounts required in support of the budgets of the County of Cape May, Township of Dennis School District and Fire Districts No. 1, 2 and 3. 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 Dennis School District. Operations is charged for the Township's share of the amount required to be raised by taxation for the period from July 1 to June 30, increased by the amount deferred at December 31, 2014 and decreased by the amount deferred at December 31, 2015.

County Taxes - The municipality is responsible for levying, collecting, and remitting county taxes for the County of Cape May. 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.

Fire District Taxes - The municipality is responsible for levying, collecting, and remitting fire district taxes for Ocean View Fire District No. 1, Dennisville Fire District No. 2, and Belleplaine Fire District No. 3. Operations is charged for the full amount required to be raised by taxation to operate the Fire District for the period for January 1 to December 31.

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 and interest payments on outstanding general capital bonds and notes are provided on the cash basis.

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

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 fund. Where an improvement is a "local improvement", i.e. assessable upon completion, long-term debt associated with that portion of the cost of the improvement to be funded by assessments is transferred to the trust fund upon the confirmation of the assessments or when the improvement is fully and permanently funded.

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

Impact of Recently Issued Accounting Principles**Recently Issued and Adopted Accounting Pronouncements**

For the year ended December 31, 2015, the Township adopted GASB 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*, and GASB 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*. As a result of adopting such Statements, the Township was required to measure and disclose liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures related to their defined benefit pensions. As a result of the regulatory basis of accounting previously described in note 1, the implementation of these Statements only required financial statement disclosures. There exists no impact on the financial statements of the Township.

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.

As of December 31, 2015, the Township's bank balances of \$5,470,409.43 were exposed to custodial credit risk as follows:

Insured by FDIC and GUDPA	\$ 5,386,247.83
Uninsured and Uncollateralized	<u>84,161.60</u>
Total	<u><u>\$ 5,470,409.43</u></u>

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:

Comparative Schedule of Tax Rates

	<u>Year Ended</u>				
	<u>2015*</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Tax Rate	<u>\$ 1.519</u>	<u>\$ 1.262</u>	<u>\$ 1.244</u>	<u>\$ 1.217</u>	<u>\$ 1.172</u>
Apportionment of Tax Rate:					
Municipal	\$.214	\$.171	\$.171	\$.166	\$.141
County	.253	.203	.205	.204	.205
Local School	1.052	.888	.868	.847	.826

Assessed Valuation

<u>Year</u>	<u>Amount</u>
2015*	\$ 878,264,521.00
2014	1,043,765,777.00
2013	1,050,683,086.00
2012	1,056,333,433.00
2011	1,053,083,094.00

*Revaluation year

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2015	\$ 14,151,763.87	\$ 13,810,870.27	97.59%
2014	13,989,101.97	13,542,458.33	96.81%
2013	13,852,648.00	13,379,322.88	96.58%
2012	13,626,048.12	13,077,682.28	95.98%
2011	13,112,823.74	12,711,669.32	96.94%

Delinquent Taxes and Tax Title Liens

<u>Year</u>	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2015	\$ 203,826.43	\$ 292,714.36	\$ 496,540.79	3.51%
2014	181,465.44	332,342.81	513,808.25	3.67%
2013	160,898.90	332,798.71	493,697.61	3.56%
2012	136,870.26	438,051.89	574,922.15	4.22%
2011	134,810.27	359,356.52	494,166.79	3.77%

Note 3: PROPERTY TAXES (CONT'D)

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

<u>Year</u>	<u>Number</u>
2015	76
2014	66
2013	62
2012	56
2011	54

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:

<u>Year</u>	<u>Amount</u>
2015	\$ 641,155.00
2014	641,155.00
2013	641,155.00
2012	1,125,115.00
2011	1,125,115.00

Note 5: FUND BALANCES APPROPRIATED

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

Current Fund

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
2015	\$ 852,779.66	\$ 425,000.00	49.84%
2014	631,487.42	350,000.00	55.42%
2013	496,223.11	370,000.00	74.56%
2012	301,525.18	235,000.00	77.94%
2011	756,740.54	698,000.00	92.24%

Note 6: 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, 2015:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
Current	\$ 14,283.10	\$ 2,100,806.46
Federal and State Grant	111,652.27	
Trust - Animal Control		14,283.10
Trust - Other	13,008.21	
General Capital	1,976,145.98	
	<u>\$ 2,115,089.56</u>	<u>\$ 2,115,089.56</u>

The interfund receivables and payables above predominately resulted from collections and payments made by certain funds on behalf of other funds. During the year 2016, the Township expects to liquidate such interfunds, depending upon the availability of cash flow.

Note 7: PENSION PLANS

A substantial number of the Township's employees participate in the following defined benefit pension plan, the Public Employees' Retirement System ("PERS"), which is administered by the New Jersey Division of Pensions and Benefits. The 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.state.nj.us/treasury/pensions>

General Information about the Pension Plan**Plan Description**

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.

Note 7: PENSION PLANS (CONT'D)**General Information about the Pension Plan (Cont'd)****Vesting and Benefit Provisions**

Public Employees' Retirement System - The vesting and benefit provisions are set by N.J.S.A. 43:15A. The PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of 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 ten years of service credit and have not reached the service retirement age for the respective tier.

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 seven years beginning in July 2012. The member contribution rate was 6.92% in State fiscal year 2015. 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' contributions are based on an actuarially determined amount which includes the normal cost and unfunded accrued liability.

The Township's contractually required contribution rate for the year ended December 31, 2015 was 13.41% of the Township's covered-employee 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.

Note 7: PENSION PLANS (CONT'D)**General Information about the Pension Plan (Cont'd)****Contributions (Cont'd)**

Public Employees' Retirement System (Cont'd) - Based on the most recent 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 \$136,144.00, is payable by April 1, 2016. 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, 2014, the Township's contractually required contribution to the pension plan for the year ended December 31, 2014 was \$129,007.00, which was paid on April 1, 2015. Employee contributions to the plan during the year ended December 31, 2015 were \$70,956.24.

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

Public Employees' Retirement System - At December 31, 2015, the Township's proportionate share of the PERS net pension liability was \$3,554,783.00. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014. 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, 2015. 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, 2015 measurement date, the Township's proportion was .0158356361%, which was an increase of .0001867694% from its proportion measured as of June 30, 2014.

At December 31, 2015, the Township's proportionate share of the PERS pension expense, calculated by the plan as of the June 30, 2015 measurement date is \$189,748.00. 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, 2015, the Township's contributions to PERS were \$129,007.00, and were paid on April 1, 2015.

Deferred Outflows of Resources and Deferred Inflows of Resources - At December 31, 2015, the Township had deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>		<u>Deferred Inflows of Resources</u>	
	<u>PERS</u>	<u>Total</u>	<u>PERS</u>	<u>Total</u>
Differences between Expected and Actual Experience	\$ 84,805.00	\$ 84,805.00	-	-
Changes of Assumptions	381,755.00	381,755.00	-	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	-	\$ 57,154.00	\$ 57,154.00
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions	29,668.00	29,668.00	220,801.00	220,801.00
Township Contributions Subsequent to the Measurement Date	68,072.00	68,072.00	-	-
	<u>\$ 564,300.00</u>	<u>\$ 564,300.00</u>	<u>\$ 277,955.00</u>	<u>\$ 277,955.00</u>

Note 7: 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) - \$68,072.00 for PERS, included in deferred outflows of resources related to pensions will be included as a reduction of the net pension liability in the year ending December 31, 2016. These amounts were based on an estimated April 1, 2017 contractually required contribution, prorated from the pension plans measurement date of June 30, 2015 to the Township's year end of December 31, 2015.

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:

	<u>PERS</u>	
	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
June 30, 2015	5.72	-
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	-
June 30, 2015	5.72	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2014	-	5.00
June 30, 2015	-	5.00
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
June 30, 2015	5.72	5.72

Note 7: 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
2016	\$ 31,018.00
2017	31,018.00
2018	31,016.00
2019	74,670.00
2020	<u>50,551.00</u>
	<u>\$ 218,273.00</u>

Actuarial Assumptions

The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014. 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, 2015. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	<u>PERS</u>
Inflation	3.04%
Salary Increases:	
2012-2021	2.15% - 4.40% Based on Age
Thereafter	3.15% - 5.40% Based on Age
Investment Rate of Return	7.90%
Mortality Rate Table	RP-2000
Period of Actuarial Experience	
Study upon which Actuarial Assumptions were Based	July 1, 2008 - June 30, 2011

For PERS, mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and females) for service retirement and beneficiaries of former members with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA. The RP-2000 Disabled Mortality Tables (setback 3 years for males and setback 1 year for females) are used to value disabled retirees.

Note 7: PENSION PLANS (CONT'D)**Actuarial Assumptions (Cont'd)**

For PERS, in accordance with State statute, the long-term expected rate of return on plan investments (7.90% at June 30, 2015) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	1.04%
U.S. Treasuries	1.75%	1.64%
Investment Grade Credit	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation-Indexed Bonds	1.50%	3.25%
Broad U.S. Equities	27.25%	8.52%
Developed Foreign Equities	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds / Absolute Return	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt ex U.S.	3.50%	-0.40%
REIT	4.25%	5.12%
	<u>100.00%</u>	

Discount Rate - The discount rate used to measure the total pension liability at June 30, 2015 was 4.90% for PERS. For PERS, the respective single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.90%, and a municipal bond rate of 3.80% as of June 30, 2015, 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 rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of 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 2033 for PERS. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033 for PERS and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liabilities.

Note 7: 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, 2015, the plans measurement date, calculated using a discount rate of 4.90%, 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 (3.90%)	Current Discount Rate (4.90%)	1% Increase (5.90%)
Township's Proportionate Share of the Net Pension Liability	\$ 4,418,160.00	\$ 3,554,783.00	\$ 2,830,934.00

Pension Plan Fiduciary Net Position

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

Supplementary Pension Information

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

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

	<u>Measurement Date Ended June 30,</u>		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
Township's Proportion of the Net Pension Liability	0.0158356361%	0.0156488667%	0.0173245572%
Township's Proportionate Share of the Net Pension Liability	\$ 3,554,783.00	\$ 2,929,896.00	\$ 3,311,067.00
Township's Covered-Employee Payroll	\$ 1,082,428.00	\$ 1,106,868.00	\$ 1,100,000.00
Township's Proportionate Share of the Net Pension Liability as a Percentage of it's Covered-Employee Payroll	328.41%	264.70%	301.01%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	47.93%	52.08%	48.72%

Note 7: PENSION PLANS (CONT'D)**Supplementary Pension Information (Cont'd)*****Schedule of the Township's Contributions - Public Employees' Retirement System (PERS) (Last Three Years)***

	<u>Year Ended December 31,</u>		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
Township's Contractually Required Contribution	\$ 136,144.00	\$ 129,007.00	\$ 130,537.00
Township's Contribution in Relation to the Contractually Required Contribution	<u>(136,144.00)</u>	<u>(129,007.00)</u>	<u>(130,537.00)</u>
Township's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Township's Covered-Employee Payroll	\$ 1,014,919.00	\$ 1,061,522.00	1,093,224.00
Township's Contributions as a Percentage of it's Covered-Employee Payroll	13.41%	12.15%	11.94%

Other Notes to Supplementary Pension Information***Public Employees' Retirement System (PERS)***

Changes in Benefit Terms – None

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

Other Changes in Assumptions – New assumptions related to future increases on Social Security Wage Base and the 401(a) (17) compensation limit have been added as follows:

- 401(a) (17) Pay Limit – 3.00 per annum
- Social Security Wage Base – 4.00 per annum

Note 8: POSTEMPLOYMENT HEALTHCARE BENEFITS PLAN

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 8: POSTEMPLOYMENT HEALTHCARE BENEFITS PLAN (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. All employees who retire with twenty-five (25) years of continuous service shall, for themselves and their spouses, continue to receive those health insurance benefits afforded to full time employees until they qualify for Medicare at which time the Township will continue to supply the necessary supplemental insurance pursuant to the provisions then existing with the New Jersey State Health Benefits Plan.

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, 2015, 2014, and 2013, were \$82,327.66, \$79,875.06, and \$89,613.21, respectively, which equaled the required contributions each year. There were approximately 10 retired participants eligible at December 31, 2015.

Note 9: COMPENSATED ABSENCES

The Township has permitted employees to accrue unused vacation and sick time, which may be taken as time off or paid at a later date, subject to certain limitations. The Township does not record accrued expenses related to compensated absences. However, it is estimated that, at December 31, 2015, accrued benefits for compensated absences are valued at \$111,337.07.

Note 10: 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 11: CAPITAL DEBT**General Obligation Bonds**

On October 6, 2015, the Township issued \$2,400,000.00 of general obligation bonds, series 2015 with a net interest cost of 2.138%. The bonds were issued for the purpose of funding various capital projects in the Township. The final maturity of the bonds is October 1, 2024.

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 210,000.00	\$ 49,354.86	\$ 259,354.86
2017	215,000.00	45,850.00	260,850.00
2018	215,000.00	41,550.00	256,550.00
2019	225,000.00	37,250.00	262,250.00
2020	235,000.00	32,750.00	267,750.00
2021-2025	<u>1,300,000.00</u>	<u>88,925.00</u>	<u>1,388,925.00</u>
	<u>\$ 2,400,000.00</u>	<u>\$ 295,679.86</u>	<u>\$ 2,695,679.86</u>

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

	<u>2015</u>	<u>2014</u>	<u>2013</u>
<u>Issued</u>			
General:			
Bonds, Loans and Notes	<u>\$ 2,400,000.00</u>	<u>\$ 1,160,025.00</u>	<u>\$ 1,180,000.00</u>
<u>Authorized but not Issued</u>			
General:			
Bonds, Loans and Notes	<u>1,775.00</u>	<u>4,975.00</u>	<u>195,000.00</u>
Total Issued and Authorized but not Issued	<u>2,401,775.00</u>	<u>1,165,000.00</u>	<u>1,375,000.00</u>
<u>Deductions</u>			
General:			
Reserve for Payment of Bonds	<u>190,000.00</u>	<u>190,000.00</u>	<u>290,000.00</u>
Net Debt	<u>\$ 2,211,775.00</u>	<u>\$ 975,000.00</u>	<u>\$ 1,085,000.00</u>

Note 11: CAPITAL DEBT (CONT'D)

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 .256%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
School Purposes	\$ 2,795,000.00	\$ 2,795,000.00	
General	2,401,775.00	190,000.00	\$ 2,211,775.00
	<u>\$ 5,196,775.00</u>	<u>\$ 2,985,000.00</u>	<u>\$ 2,211,775.00</u>

Net debt \$2,211,775.00 divided by the equalized valuation basis per N.J.S.A.40A:2-2, as amended, \$864,810,672.33, equals .256%.

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 30,268,373.53
Less: Net Debt	<u>2,211,775.00</u>
Remaining Borrowing Power	<u>\$ 28,056,598.53</u>

Note 12: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2015, the following deferred charges are shown on the statement of assets, liabilities, reserves and fund balance of the following fund(s):

<u>Description</u>	<u>Balance</u> <u>December 31, 2015</u>	<u>2016</u> <u>Budget</u> <u>Appropriation</u>
Current Fund:		
Special Emergency:		
Revaluation	\$ 189,000.00	\$ 63,000.00
Tax Map Revision	41,000.00	12,000.00

The appropriations in the 2016 Budget as adopted are not less than that required by the statutes.

Note 13: RISK MANAGEMENT

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

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

Workers' Compensation
 General Liability, Law Enforcement Liability
 Employee Benefits Liability
 Public Official Liability
 Property, Real and Personal
 Automobile Liability
 Boiler and Machinery
 Crime, Fidelity

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.

Property
 Boiler & Machinery
 Liability
 Workers Compensation
 Crime
 Volunteer Directors Officials Liability
 Public Officials/Employment Liability

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 to \$1,000,000 based on the line of coverage for each insured event.

The Fund publishes its own financial report for the year ended December 31, 2015, which can be obtained from:

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

Note 14: SCHOOL TAXES

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:

	<u>Balance December 31,</u>	
	<u>2015</u>	<u>2014</u>
Balance of Tax	\$ 4,842,143.17	\$ 4,856,949.50
Deferred	<u>3,650,000.00</u>	<u>3,650,000.00</u>
	<u>\$ 1,192,143.17</u>	<u>\$ 1,206,949.50</u>

Note 15: 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.

Tax Appeals - As of December 31, 2015, several tax appeals were on file against the Township. Based upon information provided by the tax assessor, if such appeals are not settled in favor of the Township, the estimated impact of the tax refunds could be material.

Note 16: 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 DENNIS
CURRENT FUND
Statement of Current Cash
For the Year Ended December 31, 2015

Balance December 31, 2014		\$ 3,645,569.46
Increased by Receipts:		
Taxes Receivable	\$ 13,544,692.77	
Tax Title Liens	13,225.64	
Prepaid Taxes	338,285.66	
Tax Overpayments	71,139.76	
Senior Citizens' and Veterans' Deductions	82,722.60	
Miscellaneous Revenue Anticipated	1,837,045.88	
Miscellaneous Revenue Not Anticipated	130,724.80	
Due Federal & State Grant Fund - Received for	44,868.80	
Due to General Capital Fund - Received for	2,400,000.00	
Due to State - Marriage & Civil Union Licenses	875.00	
		18,463,580.91
		22,109,150.37
Decreased by Disbursements:		
Appropriations	3,280,710.68	
Appropriation Reserves	112,467.20	
County Taxes Payable	2,218,109.05	
School Tax Payable	9,254,092.33	
Special District Taxes Payable	780,125.00	
Tax Overpayments	34,160.50	
Due Federal & State Grant Fund - Disbursed for	115,951.37	
Due General Capital Fund - Disbursed for	1,233,129.17	
Due Trust -- Other Funds - Disbursed for	33,575.91	
Due to State - Marriage & Civil Union Licenses	875.00	
Refund of Prior Year Revenue	1,053.54	
Reserve for Revaluation	116,550.00	
Reserve for Tax Map Revisions	93.00	
Revaluation/Tax Map Revisions Note Payable	70,000.00	
		17,250,892.75
Balance December 31, 2015		\$ 4,858,257.62

TOWNSHIP OF DENNIS
CURRENT FUND
 Statement of Taxes Receivable and Analysis of Property Tax Levy
 For the Year Ended December 31, 2015

	Balance Dec. 31, 2014	2015 Levy	Added / Omitted Taxes	<u>Collected</u>		Due from State of New Jersey	Adjustments and Canceled	Transferred to Liens	Balance Dec. 31, 2015
				2014	2015				
Prior	\$ 332,342.81				\$ 327,704.33	\$ (777.40)	\$ (2,782.28)	\$ 7,787.15	\$ 411.01
	332,342.81	-	-	-	327,704.33	(777.40)	(2,782.28)	7,787.15	411.01
2015		\$ 14,123,099.53	\$ 28,664.34	\$ 511,209.23	13,216,988.44	82,672.60	21,932.89	26,657.36	292,303.35
	<u>\$ 332,342.81</u>	<u>\$ 14,123,099.53</u>	<u>\$ 28,664.34</u>	<u>\$ 511,209.23</u>	<u>\$ 13,544,692.77</u>	<u>\$ 81,895.20</u>	<u>\$ 19,150.61</u>	<u>\$ 34,444.51</u>	<u>\$ 292,714.36</u>

Analysis of Property Tax Levy

Tax Yield:

General Purpose	\$ 14,123,099.53	
Added / Omitted Taxes	28,664.34	
	<u>\$ 14,151,763.87</u>	

Tax Levy:

Local School Tax	\$ 9,239,286.00	
Special District Taxes	780,125.00	
County Taxes:		
County Tax	\$ 1,871,241.26	
County Library Tax	253,889.38	
County Open Space Tax	87,408.57	
Due County for Added and Omitted Taxes	<u>4,771.36</u>	
	2,217,310.57	
Local Tax for Municipal Purposes	1,870,921.70	
Rounding	20,227.62	
Add: Added / Omitted Taxes	<u>23,892.98</u>	
	<u>1,915,042.30</u>	
	<u>\$ 14,151,763.87</u>	

TOWNSHIP OF DENNIS
CURRENT FUND
Statement of Tax Title Liens
For the Year Ended December 31, 2015

Balance December 31, 2014		\$ 181,465.44
Increased by:		
Interest and Costs	\$ 1,142.12	
Transfers from Taxes Receivable	<u>34,444.51</u>	
		<u>35,586.63</u>
		217,052.07
Decreased by:		
Collections		<u>13,225.64</u>
Balance December 31, 2015		<u><u>\$ 203,826.43</u></u>

TOWNSHIP OF DENNIS
CURRENT FUND
Statement of Due from State of New Jersey
Senior Citizens' and Veterans' Deductions
For the Year Ended December 31, 2015

Balance December 31, 2014		\$ 3,000.00
Increased by:		
2015 Levy -- Deductions per Tax Billing	\$ 82,500.00	
2015 Senior Citizens' and Veterans' Deductions Granted by Tax Collector	500.00	
		\$ 83,000.00
2015 Senior Citizens' and Veteran's Deductions Disallowed by Tax Collector		(327.40)
		82,672.60
		85,672.60
Decreased by:		
Cash Received		82,722.60
Prior Year Senior Citizens' and Veterans' Deductions Disallowed by Tax Collector		777.40
		83,500.00
Balance December 31, 2015		\$ 2,172.60

TOWNSHIP OF DENNIS
CURRENT FUND
Statement of Revenue Accounts Receivable
For the Year Ended December 31, 2015

	Accrued	Collected/Applied
Interest and Costs on Taxes	\$ 63,275.27	\$ 63,275.27
Recreation Summer Program	43,640.00	43,640.00
Lease of Township Property	58,640.00	58,640.00
Cable Franchise Fee	27,967.61	27,967.61
Energy Receipts Tax (P.L. 1997, Chapters 162 & 167)	1,514,157.00	1,514,157.00
Garden State Preservation Trust	129,366.00	129,366.00
Public and Private Revenues Offset with Appropriations:		
Recycling Tonnage Grant	9,840.08	9,840.08
Municipal Alliance	7,344.00	7,344.00
Clean Communities	22,820.77	22,820.77
Alcohol Education and Rehabilitation	589.33	589.33
County of Cape May MUA 2014	14,284.77	14,284.77
	\$ 1,891,924.83	\$ 1,891,924.83
Cash Receipts		\$ 1,837,045.88
Applied:		
Federal, State and Local Grants		54,878.95
		\$ 1,891,924.83

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

	<u>Balance December 31, 2014</u>		<u>Balance After Modification</u>	<u>Paid or Charged</u>	<u>Lapsed to Fund Balance</u>
	<u>Encumbered</u>	<u>Reserved</u>			
<u>OPERATIONS -- WITHIN "CAPS"</u>					
<u>General Government Functions</u>					
Mayor and Committee:					
Salaries and Wages		\$ 500.00	\$ 500.00		\$ 500.00
Other Expenses		2,372.73	2,372.73		2,372.73
Township Clerk:					
Salaries and Wages	\$ 375.00	225.68	600.68	\$ 600.00	0.68
Other Expenses	1,673.52		1,673.52	1,655.57	17.95
Financial Administration:					
Salaries and Wages	45.00	4,320.02	4,365.02	150.00	4,215.02
Other Expenses	8,526.98	1,470.88	9,997.86	3,741.29	6,256.57
Assessment of Taxes:					
Salaries and Wages		919.86	919.86		919.86
Other Expenses	2,319.95	36.57	2,356.52	1,867.82	488.70
Collection of Taxes:					
Salaries and Wages		962.67	962.67		962.67
Other Expenses		1,353.17	1,353.17		1,353.17
Liquidation of Tax Title Liens:					
Other Expenses		2,000.00	2,000.00		2,000.00
Legal Services and Costs:					
Salaries and Wages		1,000.00	1,000.00		1,000.00
Other Expenses	5,000.00	5,200.79	10,200.79	297.00	9,903.79
Engineering Services and Costs:					
Other Expenses	15,000.00	4,962.50	19,962.50	1,562.50	18,400.00
State and Federal Aid Coordinator					
Salaries and Wages	1,497.00	518.12	2,015.12		2,015.12
<u>Insurance</u>					
General Liability	1,250.00	6,931.78	8,181.78	1,250.00	6,931.78
Workers Compensation Insurance		822.26	822.26		822.26
Employee Group Health	2,258.00	12,152.47	14,410.47	1,253.35	13,157.12
<u>Land Use Administration</u>					
Planning and Zoning:					
Salaries and Wages		13,798.14	13,798.14		13,798.14
Other Expenses	1,200.00	2,294.73	3,494.73	1,175.00	2,319.73
<u>Public Safety Functions</u>					
Emergency Management Services:					
Salaries and Wages		4,100.00	4,100.00		4,100.00
Other Expenses	65.00	558.70	623.70	64.70	559.00
Central Dispatch:					
Other Expenses		90.56	90.56		90.56
<u>Public Works Functions</u>					
Department of Public Works:					
Salaries and Wages	4,693.80	11,757.09	16,450.89	4,205.92	12,244.97
Other Expenses	37,050.33	663.01	37,713.34	33,171.78	4,541.56
Public Buildings and Grounds:					
Other Expenses	6,025.23	9,253.16	15,278.39	5,906.62	9,371.77
Gypsy Moth:					
Other Expenses		100.00	100.00		100.00

(Continued)

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

	<u>Balance December 31, 2014</u>		<u>Balance After Modification</u>	<u>Paid or Charged</u>	<u>Lapsed to Fund Balance</u>
	<u>Encumbered</u>	<u>Reserved</u>			
OPERATIONS -- WITHIN "CAPS" (CONT'D)					
<u>Health and Human Services</u>					
Board of Health					
Other Expenses	\$ 750.00	\$ 574.20	\$ 1,324.20	\$ 750.00	\$ 574.20
Dog Regulation:					
Other Expenses	883.89	2,326.50	3,210.39	650.00	2,560.39
Natural Resources Committee:					
Other Expenses		208.73	208.73		208.73
Code Enforcement Officer					
Salaries and Wages	230.00	3,145.00	3,375.00	230.00	3,145.00
Other Expenses	150.00	209.30	359.30	237.94	121.36
<u>Parks and Recreation Functions</u>					
Recreation:					
Salaries and Wages	150.00	1,298.74	1,448.74		1,448.74
Other Expenses	6,739.77	261.49	7,001.26	403.90	6,597.36
Parks and Playgrounds:					
Salaries and Wages	858.96	3,155.61	4,014.57	538.33	3,476.24
Other Expenses	5,315.03	640.66	5,955.69	2,242.92	3,712.77
Municipal Alliance Committee:					
Salaries and Wages		1,600.18	1,600.18		1,600.18
Senior Center					
Salaries and Wages		626.40	626.40		626.40
Other Expenses	1,925.65	98.24	2,023.89	1,789.24	234.65
History Center & Cultural Heritage					
Salaries and Wages		100.00	100.00		100.00
Other Expenses		1,615.44	1,615.44		1,615.44
<u>Unclassified</u>					
Special Events	50.00	301.90	351.90	32.19	319.71
Sick and Terminal Leave		2,000.00	2,000.00		2,000.00
<u>Utility Expenses and Bulk Purchases</u>					
Electricity	18,000.00	7,944.97	25,944.97	8,344.22	17,600.75
Telephone	1,650.00	2,895.02	4,545.02	1,685.09	2,859.93
Gas (Propane)	11,902.77	96.22	11,998.99	11,842.10	156.89
Telecommunication Costs	235.00	295.23	530.23	227.24	302.99
Gasoline and Diesel Fuel		6,925.77	6,925.77		6,925.77
Landfill Disposal Costs	38,000.00	5,099.02	43,099.02	26,592.48	16,506.54
<u>Statutory Expenditures</u>					
Public Employees' Retirement System		3.84	3.84		3.84
Social Security System (O.A.S.I.)		8,479.56	8,479.56		8,479.56
Unemployment Compensation Insurance		1,126.44	1,126.44		1,126.44
Defined Contribution Retirement Program		100.00	100.00		100.00
<u>OPERATIONS -- EXCLUDED FROM "CAPS"</u>					
Matching Funds for Grants		1,000.00	1,000.00		1,000.00
	<u>\$ 173,820.88</u>	<u>\$ 140,493.35</u>	<u>\$ 314,314.23</u>	<u>\$ 112,467.20</u>	<u>\$ 201,847.03</u>

TOWNSHIP OF DENNIS
CURRENT FUND
Statement of Tax Overpayments
For the Year Ended December 31, 2015

Balance December 31, 2014		\$ 18,006.78
Increased by:		
Cash Receipts		<u>71,139.76</u>
		89,146.54
Decreased by:		
Adjustment	\$ 892.05	
Cash Disbursements	<u>34,160.50</u>	<u>35,052.55</u>
Balance December 31, 2015		<u><u>\$ 54,093.99</u></u>

Exhibit SA-8

CURRENT FUND
Statement of Prepaid Taxes
For the Year Ended December 31, 2015

Balance December 31, 2014		\$ 511,209.23
Increased by:		
Collections - 2016 Taxes		<u>338,285.66</u>
		849,494.89
Decreased by:		
Applied to 2015 Taxes Receivable		<u>511,209.23</u>
Balance December 31, 2015		<u><u>\$ 338,285.66</u></u>

TOWNSHIP OF DENNIS
CURRENT FUND
Statement of County Taxes Payable
For the Year Ended December 31, 2015

Balance December 31, 2014		\$ 5,569.84
Increased by:		
County General Share of 2015 Levy	\$ 1,871,241.26	
County Library Share of 2015 Levy	253,889.38	
County Open Space Preservation Share of 2015 Levy	87,408.57	
County General Share of 2015 Added / Omitted Taxes	4,771.36	
		2,217,310.57
		2,222,880.41
Decreased by:		
Disbursements		2,218,109.05
Balance December 31, 2015		\$ 4,771.36

Exhibit SA-10

CURRENT FUND
Statement of School Tax Payable
For the Year Ended December 31, 2015

Balance December 31, 2014		
School Tax Payable	\$ 1,206,949.50	
School Tax Deferred	3,650,000.00	
		\$ 4,856,949.50
Increased by:		
Levy -- School Year July 1, 2015 to June 30, 2016		9,239,286.00
		14,096,235.50
Decreased by:		
Disbursements		9,254,092.33
Balance December 31, 2015		
School Tax Payable	1,192,143.17	
School Tax Deferred	3,650,000.00	
		\$ 4,842,143.17

TOWNSHIP OF DENNIS
CURRENT FUND
Statement of Reserve for Revaluation
For the Year Ended December 31, 2015

Balance December 31, 2014		\$ 116,550.00
Decreased by:		
Disbursed by Current Fund		<u>\$ 116,550.00</u>

Exhibit SA-12

CURRENT FUND
Statement of Reserve for Tax Map Revisions
For the Year Ended December 31, 2015

Balance December 31, 2014		\$ 8,365.60
Decreased by:		
Disbursed by Current Fund		<u>93.00</u>
Balance December 31, 2015		<u>\$ 8,272.60</u>

Exhibit SA-13

FEDERAL AND STATE GRANT FUND
Statement of Due from Current Fund
For the Year Ended December 31, 2015

Balance December 31, 2014		\$ 180,898.84
Increased by:		
Collected by Current Fund:		
Federal & State Grants Receivable	\$ 44,868.80	
Matching Funds	<u>1,836.00</u>	
		<u>46,704.80</u>
		227,603.64
Decreased by:		
Disbursed by Current Fund		<u>115,951.37</u>
Balance December 31, 2015		<u>\$ 111,652.27</u>

TOWNSHIP OF DENNIS
FEDERAL AND STATE GRANT FUND
Statement of Federal and State Grants Receivable
For the Year Ended December 31, 2015

	Balance Dec. 31, 2014	Revenue Anticipated	Decreased by:		Balance Dec. 31, 2015
			Transferred from Unappropriated	Received by Current Fund	
<u>State Grants:</u>					
Municipal Alliance	\$ 8,235.85	\$ 7,344.00		\$ 7,173.93	\$ 8,405.92
Alcohol Education and Rehabilitation		589.33		589.33	
Clean Communities		22,820.77		22,820.77	
Recycling Tonnage		9,840.08	\$ 9,840.08		
Total State Grants	8,235.85	40,594.18	9,840.08	30,584.03	8,405.92
<u>Other Grants:</u>					
County of Cape May MUA 2014		14,284.77		14,284.77	
Total Other Grants	-	14,284.77	-	14,284.77	-
	<u>\$ 8,235.85</u>	<u>\$ 54,878.95</u>	<u>\$ 9,840.08</u>	<u>\$ 44,868.80</u>	<u>\$ 8,405.92</u>

TOWNSHIP OF DENNIS
FEDERAL AND STATE GRANT FUND
Statement of Reserve for Federal and State Grants -- Appropriated
For the Year Ended December 31, 2015

	Appropriated Balance <u>Dec. 31, 2014</u>	Transferred from Budget Appropriation	Disbursed by Current Fund	Appropriated Balance <u>Dec. 31, 2015</u>
Federal Grants:				
Emergency Management	\$ 22,644.32	_____	\$ 6,461.28	\$ 16,183.04
Total Federal Grants	<u>22,644.32</u>	<u>-</u>	<u>6,461.28</u>	<u>16,183.04</u>
State Grants:				
Municipal Alliance	15,318.02	\$ 9,180.00	8,183.55	16,314.47
Alcohol Education and Rehabilitation	6,378.55	589.33	800.00	6,167.88
Clean Communities	29,128.43	22,820.77	22,841.54	29,107.66
Recycling Tonnage	19,486.33	9,840.08		29,326.41
Municipal Stormwater	8,579.00			8,579.00
Total State Grants	<u>78,890.33</u>	<u>42,430.18</u>	<u>31,825.09</u>	<u>89,495.42</u>
Other Grants:				
County of Cape May MUA 2010	10,561.37		10,561.37	
County of Cape May MUA 2011	54,143.99		54,143.99	
County of Cape May MUA 2012	13,054.60		12,959.64	94.96
County of Cape May MUA 2014		14,284.77		14,284.77
Total Other Grants	<u>77,759.96</u>	<u>14,284.77</u>	<u>77,665.00</u>	<u>14,379.73</u>
	<u>\$ 179,294.61</u>	<u>\$ 56,714.95</u>	<u>\$ 115,951.37</u>	<u>\$ 120,058.19</u>
Realized as Revenue in Budget Matching Funds		\$ 54,878.95		
		<u>1,836.00</u>		
		<u>\$ 56,714.95</u>		

TOWNSHIP OF DENNIS
FEDERAL AND STATE GRANT FUND
Statement of Reserve for Federal and State Grants -- Unappropriated
For the Year Ended December 31, 2015

	<u>Balance</u> <u>Dec. 31, 2014</u>	Realized as Miscellaneous Revenue in 2015 <u>Budget</u>	<u>Balance</u> <u>Dec. 31, 2015</u>
<u>State Grants:</u>			
Recycling Tonnage	\$ 9,840.08	\$ 9,840.08	\$ -

Exhibit SA-17

CURRENT FUND
Statement of Deferred Charge
For the Year Ended December 31, 2015

	<u>Revaluation</u>	<u>Tax Map Revisions</u>	<u>Total</u>
Balance December 31, 2014	\$ 252,000.00	\$ 53,000.00	\$ 305,000.00
Decreased by:			
Budget Appropriation	<u>63,000.00</u>	<u>12,000.00</u>	<u>75,000.00</u>
Balance December 31, 2015	<u>\$ 189,000.00</u>	<u>\$ 41,000.00</u>	<u>\$ 230,000.00</u>

SUPPLEMENTAL EXHIBITS

TRUST FUND

TOWNSHIP OF DENNIS
TRUST FUNDS
Statement of Trust Cash
For the Year Ended December 31, 2015

	<u>Animal Control</u>	<u>Other</u>
Balance December 31, 2014	\$ 24,470.85	\$ 392,211.00
Increased by Receipts:		
Dog License Fees Collected	\$ 6,397.50	
Due Current Fund - Interest Earnings	11.72	\$ 33.75
Reserve for:		
Municipal Alliance		1,325.50
Planning Board Escrows		15,552.51
Flexible Spending Account		0.24
Tax Title Lien Redemptions		213,191.20
Construction Code		128,582.90
Payroll		1,544,691.67
	<u>6,409.22</u>	<u>1,903,377.77</u>
	30,880.07	2,295,588.77
Decreased by Disbursements:		
Due State Department of Health	1,042.80	
Reserve for:		
Municipal Alliance		659.31
Planning Board Escrows		42,001.45
Tax Title Lien Redemptions		208,151.20
Construction Code		113,451.75
Payroll		1,524,867.65
	<u>1,042.80</u>	<u>1,889,131.36</u>
Balance December 31, 2015	<u>\$ 29,837.27</u>	<u>\$ 406,457.41</u>

TOWNSHIP OF DENNIS
TRUST -- ANIMAL CONTROL FUND
Statement of Reserve for Animal Control Fund Expenditures
For the Year Ended December 31, 2015

Balance December 31, 2014		\$ 10,399.47
Increased by:		
Dog License Fees Collected		6,397.50
		16,796.97
Decreased by:		
Due to State of New Jersey Board of Health	\$ 1,042.80	
Due to Current Fund	200.00	
		1,242.80
Balance December 31, 2015		\$ 15,554.17
 <u>License Fees Collected</u>		
<u>Year</u>		<u>Amount</u>
2014		\$ 8,537.00
2013		7,032.00
		\$ 15,569.00

Exhibit SB-3

TRUST -- ANIMAL CONTROL FUND
Statement of Due to Current Fund
For the Year Ended December 31, 2015

Balance December 31, 2014		\$ 14,071.38
Increased by:		
Excess Reserve - Animal Control Fund	\$ 200.00	
Receipts - Interest on Deposits	11.72	
		211.72
Balance December 31, 2015		\$ 14,283.10

TOWNSHIP OF DENNIS
TRUST -- ANIMAL CONTROL FUND
Statement of Due to State of New Jersey
For the Year Ended December 31, 2015

Increased by:		
Transferred from Reserve for Dog Fund Expenditures		\$ 1,042.80
Decreased by:		
Disbursements		<u>\$ 1,042.80</u>

Exhibit SB-5

TRUST -- OTHER FUNDS
Statement of Due from Current Fund
For the Year Ended December 31, 2015

Balance December 31, 2014		\$ 46,617.87
Disbursed by Current Fund	\$ 33,575.91	
Interest Earnings	<u>33.75</u>	
		<u>33,609.66</u>
Balance December 31, 2015		<u>\$ 13,008.21</u>
<u>Analysis of Balance Dec. 31, 2015</u>		
Municipal Alliance		\$ (2,500.00)
Construction Code		(4,598.81)
Small Cities Escrow		26,399.35
Tax Title Lien Redemption		(29.19)
Payroll		<u>(6,263.14)</u>
		<u>\$ 13,008.21</u>

TOWNSHIP OF DENNIS
TRUST -- OTHER FUNDS
Statement of Changes in Reserves
For the Year Ended December 31, 2015

	Balance		Decreased by:		Balance
	<u>Dec. 31, 2014</u>	<u>Receipts</u>	<u>Due</u> <u>Current Fund</u>	<u>Disbursements</u>	<u>Dec. 31, 2015</u>
Reserve for:					
Municipal Alliance	\$ 1,653.25	\$ 1,325.50		\$ 659.31	\$ 2,319.44
Planning Board Escrows	289,761.52	15,552.51		42,001.45	263,312.58
Recreation	18,575.91		\$ 18,575.91		
Small Cities Escrow	41,399.35		15,000.00		26,399.35
Flexible Spending Account	673.78	0.24			674.02
Tax Title Lien Redemptions	57,060.00	213,191.20		208,151.20	62,100.00
Construction Code	9,894.16	128,582.90		113,451.75	25,025.31
Payroll	19,810.90	1,544,691.67		1,524,867.65	39,634.92
	<u>\$ 438,828.87</u>	<u>\$ 1,903,344.02</u>	<u>\$ 33,575.91</u>	<u>\$ 1,889,131.36</u>	<u>\$ 419,465.62</u>

SUPPLEMENTAL EXHIBITS

GENERAL CAPITAL FUND

TOWNSHIP OF DENNIS
GENERAL CAPITAL FUND
Statement of Due Current Fund
For the Year Ended December 31, 2015

Balance December 31, 2014		\$ 634,275.15
Increased by:		
Current Fund Budget Appropriation - Capital Improvement Fund	\$ 175,000.00	
Bonds Issued - Collected by Current Fund	<u>2,400,000.00</u>	
		<u>2,575,000.00</u>
		3,209,275.15
Decreased by:		
Disbursements made by Current Fund	103,129.17	
Bond Anticipation Notes - Disbursed by Current Fund	<u>1,130,000.00</u>	
		<u>1,233,129.17</u>
Balance December 31, 2015		<u><u>\$ 1,976,145.98</u></u>

TOWNSHIP OF DENNIS
GENERAL CAPITAL FUND
 Analysis of General Capital Cash
 For the Year Ended December 31, 2015

	Balance (Deficit) <u>Dec. 31, 2014</u>	Transfers		Balance (Deficit) <u>Dec. 31, 2015</u>
		<u>To</u>	<u>From</u>	
Fund Balance	\$ 22,958.67			\$ 22,958.67
Capital Improvement Fund	182,000.00	\$ 175,000.00	\$ 66,699.00	290,301.00
Reserve for Debt Service	190,000.00			190,000.00
Due Current Fund	(634,275.15)	103,129.17	1,445,000.00	(1,976,145.98)
Improvement Authorizations:				
Ordinance <u>Number</u>				
00-08	37,839.90		5,698.18	32,141.72
06-10	70,543.30		10,250.00	60,293.30
07-10	4,984.75		4,984.75	
07-11	48,858.07		17,500.00	31,358.07
08-08	804.90		804.90	
08-14	3,090.76		3,090.76	
09-06	10,221.58		10,221.58	
11-01	2,000.00		2,000.00	
12-11	39,833.93	4,975.00		44,808.93
13-05	21,139.29		3,829.00	17,310.29
15-03		100,000.00	20,999.00	79,001.00
15-05A		55,000.00		55,000.00
15-05B		50,000.00		50,000.00
15-05C		250,000.00		250,000.00
15-05D		34,499.00	6,825.00	27,674.00
15-05E		560,000.00	14,595.00	545,405.00
15-05F		184,000.00	2,331.00	181,669.00
15-05G		98,225.00		98,225.00
	<u>\$ -</u>	<u>\$ 1,614,828.17</u>	<u>\$ 1,614,828.17</u>	<u>\$ -</u>

TOWNSHIP OF DENNIS
GENERAL CAPITAL FUND
Statement of Grants Receivable
For the Year Ended December 31, 2015

Increased by:

 Awards:

 Ordinance 15-03

\$ 400,000.00

 Ordinance 15-05

156,501.00

Balance December 31, 2015

\$ 556,501.00

GENERAL CAPITAL FUND
Statement of Deferred to Future Taxation - Funded
For the Year Ended December 31, 2015

Increased by:

 Bonds Issued

\$ 2,400,000.00

Balance December 31, 2015

\$ 2,400,000.00

TOWNSHIP OF DENNIS
GENERAL CAPITAL FUND
Statement of Deferred Charges to Future Taxation -- Unfunded
For the Year Ended December 31, 2015

Ordinance Number	Improvement Description	Balance Dec. 31, 2014	Authorizations	Decreases	Balance Dec. 31, 2015	Analysis of Balance Dec. 31, 2015
						Unexpended Improvement Authorization
04-14	Landfill Closure/Land Purchase	\$ 17,500.00		\$ 17,500.00		
05-10	Roads and Buildings	135,000.00		135,000.00		
06-10	Various Improvements	300,000.00		300,000.00		
04-14, 07-11, 11-01, 12-11	Various Improvements	189,975.00		189,975.00		
08-08, 14-03	Road Improvements	140,000.00		140,000.00		
08-11	Hockey Rink Resurfacing	40,000.00		40,000.00		
08-14	Chassis for Belleplain Emergency	12,500.00		12,500.00		
09-06, 14-03	Various Improvements	70,000.00		70,000.00		
09-08	Playground Equipment at Recreation Complex	70,000.00		70,000.00		
04-14, 07-11, 11-01, 13-05	Various Improvements	190,025.00		190,025.00		
15-03	Americans with Disabilities Act Compliance Improvements to Various Township Buildings including, but not limited to, the Senior Center, Recreation Center, Public Works Building and Municipal Building		\$ 95,000.00	95,000.00		
15-05A	Acquisition of Rescue Squad Vehicle		52,250.00	52,250.00		
15-05B	Acquisition of Various Capital Equipment for the Public Works Department including, but not limited to, a Turf Mower and Plow		47,500.00	47,500.00		
15-05C	Acquisition of Various Capital Equipment for the Public Works Department including, but not limited to, a Dump Truck, Heavy Duty Fork Lift and Heavy Duty Equipment Lift		237,500.00	237,500.00		
15-05D	Reconstruction of Academy and Fidler Roads in the		32,750.00	32,750.00		
15-05E	Reconstruction and/or Repaving of Various Township Roads		532,000.00	532,000.00		
15-05F	Structural Improvements to the Township Municipal Building and Senior Center including, but not limited to, New Roof		174,800.00	174,800.00		
15-05G	Improvements to Various Recreation Complexes in the Township including, but not limited to, Parking Lot Improvements		95,000.00	93,225.00	\$ 1,775.00	\$ 1,775.00
		<u>\$ 1,165,000.00</u>	<u>\$ 1,266,800.00</u>	<u>\$ 2,430,025.00</u>	<u>\$ 1,775.00</u>	<u>\$ 1,775.00</u>
	Bonds Issued			\$ 2,400,000.00		
	Budget Appropriation			30,025.00		
				<u>\$ 2,430,025.00</u>		

TOWNSHIP OF DENNIS
GENERAL CAPITAL FUND
Statement of Bonds Payable
For the Year Ended December 31, 2015

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Maturities of Bonds Outstanding</u>		<u>Interest Rate</u>	<u>Balance</u>	<u>Issued</u>	<u>Balance</u>
			<u>Date</u>	<u>Amount</u>		<u>Dec. 31, 2014</u>		<u>Dec. 31, 2015</u>
Various Capital Improvements	10/6/2015	\$ 2,400,000.00	10/01/16	\$ 210,000.00	2.000%			
			10/01/17	215,000.00	2.000%			
			10/01/18	215,000.00	2.000%			
			10/01/19	225,000.00	2.000%			
			10/01/20	235,000.00	2.000%			
			10/01/21	240,000.00	2.000%			
			10/01/22	250,000.00	2.000%			
			10/01/23	260,000.00	2.125%			
			10/01/24	270,000.00	2.250%			
			10/01/24	280,000.00	2.375%			
						\$ 2,400,000.00	\$ 2,400,000.00	
						\$ -	\$ 2,400,000.00	\$ 2,400,000.00

TOWNSHIP OF DENNIS
GENERAL CAPITAL FUND
 Statement of Bond Anticipation Notes
 For the Year Ended December 31, 2015

Ordinance Number	Improvement Description	Date of Issue of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2014	Increase	Decrease	Balance Dec. 31, 2015
04-14	Landfill Closure/Land Purchase	3/16/2011	3/14/2014	3/13/2015	1.00%	\$ 17,500.00		\$ 17,500.00	
05-10	Roads and Buildings	3/22/2007	3/14/2014 3/12/2015	3/13/2015 10/15/2015	1.00% 1.00%	135,000.00	\$ 135,000.00	135,000.00 135,000.00	
06-10	Various Improvements	3/22/2007	3/14/2014 3/12/2015	3/13/2015 10/15/2015	1.00% 1.00%	300,000.00	300,000.00	300,000.00 300,000.00	
04-14, 07-11, 11-01, 12-11	Various Improvements	3/20/2008	3/14/2014 3/12/2015	3/13/2015 10/15/2015	1.00% 1.00%	185,000.00	185,000.00	185,000.00 185,000.00	
08-08, 14-03	Road Improvements	3/19/2009	3/14/2014 3/12/2015	3/13/2015 10/15/2015	1.00% 1.00%	140,000.00	140,000.00	140,000.00 140,000.00	
08-11	Hockey Rink Resurfacing	3/19/2009	3/14/2014 3/12/2015	3/13/2015 10/15/2015	1.00% 1.00%	40,000.00	40,000.00	40,000.00 40,000.00	
08-14	Chassis for Belleplaine Emergency	3/19/2009	3/14/2014	3/13/2015	1.00%	12,500.00		12,500.00	
09-06, 14-03	Various Improvements	3/17/2010	3/14/2014 3/12/2015	3/13/2015 10/15/2015	1.00% 1.00%	70,000.00	70,000.00	70,000.00 70,000.00	
09-08	Playground Equipment at Recreation Complex	3/17/2010	3/14/2014 3/12/2015	3/13/2015 10/15/2015	1.00% 1.00%	70,000.00	70,000.00	70,000.00 70,000.00	
04-14, 07-11, 11-01, 13-05	Various Improvements	3/14/2014	3/14/2014 3/12/2015	3/13/2015 10/15/2015	1.00% 1.00%	190,025.00	190,000.00	190,025.00 190,000.00	
						<u>\$ 1,160,025.00</u>	<u>\$ 1,130,000.00</u>	<u>\$ 2,290,025.00</u>	<u>\$ -</u>
Paid by Budget Appropriations								\$ 30,025.00	
Disbursed by Current Fund								1,130,000.00	
Renewals							\$ 1,130,000.00	1,130,000.00	
							<u>\$ 1,130,000.00</u>	<u>\$ 2,290,025.00</u>	

TOWNSHIP OF DENNIS
GENERAL CAPITAL FUND
 Statement of Improvement Authorizations
 For the Year Ended December 31, 2015

<u>Improvement Description</u>	<u>Ordinance Number</u>	<u>Amount</u>	<u>Balance Dec. 31, 2014</u>		<u>Increased by: Authorizations</u>	<u>Decreased by: Due Current Fund</u>	<u>Balance Dec. 31, 2015</u>	
			<u>Funded</u>	<u>Unfunded</u>			<u>Funded</u>	<u>Unfunded</u>
Various Improvements	00-08	\$ 1,650,000.00	\$ 37,839.90			\$ 5,698.18	\$ 32,141.72	
Various Improvements	06-10	500,000.00		\$ 70,543.30		10,250.00	60,293.30	
Various Improvements	07-10	69,966.59	4,984.75			4,984.75		
Various Improvements	07-11	520,300.00		48,858.07		17,500.00	31,358.07	
Road Improvements	08-08	230,000.00		804.90		804.90		
Chassis for Belleplain Emergency	08-14	30,000.00		3,090.76		3,090.76		
Various Improvements	09-06	110,000.00		10,221.58		10,221.58		
Drainage Improvements	11-01	40,000.00	2,000.00			2,000.00		
Various Improvements	12-11	150,300.00		44,808.93			44,808.93	
Various Improvements	13-05	190,025.00		21,139.29		3,829.00	17,310.29	
Americans with Disabilities Act Compliance Improvements to Various Township Buildings including, but not limited to, the Senior Center, Recreation Center, Public Works Building and Municipal Building	15-03	500,000.00			\$ 500,000.00	20,999.00	479,001.00	
Acquisition of Rescue Squad Vehicle	15-05A	55,000.00			55,000.00		55,000.00	
Acquisition of Various Capital Equipment for the Public Works Department including, but not limited to, a Turf Mower and Plow	15-05B	50,000.00			50,000.00		50,000.00	
Acquisition of Various Capital Equipment for the Public Works Department including, but not limited to, a Dump Truck, Heavy Duty Fork Lift and Heavy Duty Equipment Lift	15-05C	250,000.00			250,000.00		250,000.00	
Reconstruction of Academy and Fidler Roads in the Township	15-05D	191,000.00			191,000.00	6,825.00	184,175.00	
Reconstruction and/or Repaving of Various Township Roads	15-05E	560,000.00			560,000.00	14,595.00	545,405.00	
Structural Improvements to the Township Municipal Building and Senior Center including, but not limited to, New Roof	15-05F	184,000.00			184,000.00	2,331.00	181,669.00	
Improvements to Various Recreation Complexes in the Township including, but not limited to, Parking Lot Improvements	15-05G	100,000.00			100,000.00		98,225.00	\$ 1,775.00
			<u>\$ 44,824.65</u>	<u>\$ 199,466.83</u>	<u>\$ 1,890,000.00</u>	<u>\$ 103,129.17</u>	<u>\$ 2,029,387.31</u>	<u>\$ 1,775.00</u>
Capital Improvement Fund					\$ 66,699.00			
Grants Receivable					556,501.00			
Bonds and Notes Authorized					1,266,800.00			
					<u>\$ 1,890,000.00</u>			

TOWNSHIP OF DENNIS
GENERAL CAPITAL FUND
Statement of Capital Improvement Fund
For the Year Ended December 31, 2015

Balance December 31, 2014	\$ 182,000.00
Increased by:	
Current Fund Budget Appropriation	<u>175,000.00</u>
	357,000.00
Decreased by:	
Improvement Authorizations	<u>66,699.00</u>
Balance December 31, 2015	<u><u>\$ 290,301.00</u></u>

TOWNSHIP OF DENNIS
GENERAL CAPITAL FUND
Statement of Bonds and Notes Authorized But Not Issued
For the Year Ended December 31, 2015

Ordinance Number		Balance <u>Dec. 31, 2014</u>	<u>Authorizations</u>	Bonds <u>Issued</u>	Balance <u>Dec. 31, 2015</u>
04-14, 07-11, 11-01, 12-11	Various Improvements	\$ 4,975.00		\$ 4,975.00	
15-03	Americans with Disabilities Act Compliance Improvements to Various Township Buildings including, but not limited to, the Senior Center, Recreation Center, Public Works Building and Municipal Building		\$ 95,000.00	95,000.00	
15-05A	Acquisition of Rescue Squad Vehicle		52,250.00	52,250.00	
15-05B	Acquisition of Various Capital Equipment for the Public Works Department including, but not limited to, a Turf Mower and Plow		47,500.00	47,500.00	
15-05C	Acquisition of Various Capital Equipment for the Public Works Department including, but not limited to, a Dump Truck, Heavy Duty Fork Lift and Heavy Duty Equipment Lift		237,500.00	237,500.00	
15-05D	Reconstruction of Academy and Fidler Roads in the Township		32,750.00	32,750.00	
15-05E	Reconstruction and/or Repaving of Various Township Roads		532,000.00	532,000.00	
15-05F	Structural Improvements to the Township Municipal Building and Senior Center including, but not limited to, New Roof		174,800.00	174,800.00	
15-05G	Improvements to Various Recreation Complexes in the Township including, but not limited to, Parking Lot Improvements		95,000.00	93,225.00	\$ 1,775.00
		<u>\$ 4,975.00</u>	<u>\$ 1,266,800.00</u>	<u>\$ 1,270,000.00</u>	<u>\$ 1,775.00</u>

PART II
SCHEDULE OF FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2015

TOWNSHIP OF DENNIS
Schedule of Findings and Recommendations
For the Year Ended December 31, 2015

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 DENNIS
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*.

FINANCIAL STATEMENT FINDINGS

No prior year audit findings.

TOWNSHIP OF DENNIS
Officials in Office and Surety Bonds

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

<u>Name</u>	<u>Title</u>
John Murphy	Mayor
Albert M. DiCicco	Committeeperson
Brian D. O'Connor	Committeeperson
Lisa Salimbene	Committeeperson
Donald Tozer	Committeeperson
Jacqueline Justice	Township Clerk, Registrar of Vital Statistics
Glenn O. Clarke	Chief Financial Officer
Michele T. Heim	Tax Collector
Patricia Sutton	Tax Assessor
Kimberly Herron	Recreation Director
Rosemarie Essig	Senior Center Director
Jeffery A. April	Solicitor
John C. Gibson	Engineer

All employees are covered under a Blanket Surety Bond from the Joint Insurance Fund in the amount of \$1,000,000.

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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



Michael J. Welding
Certified Public Accountant
Registered Municipal Accountant