

**TOWNSHIP OF PLUMSTED**

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



**TOWNSHIP OF PLUMSTED  
COUNTY OF OCEAN**

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**TOWNSHIP OF PLUMSTED  
COUNTY OF OCEAN**

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**TOWNSHIP OF PLUMSTED  
COUNTY OF OCEAN**

**PART I**

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

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## INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members  
of the Township Committee  
Township of Plumsted  
County of Ocean  
New Egypt, New Jersey 08533

### Report on the Financial Statements

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

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

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

## **Opinions**

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

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

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

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

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

### **Unmodified Opinion on Regulatory Basis of Accounting**

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

### **Other Matters**

#### **Other Information**

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

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects, in relation to the basic financial statements as a whole.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated June 21, 2017, on our consideration of the Township of Plumsted’s internal control over financial reporting and on our tests of its



compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township of Plumsted's internal control over financial reporting and compliance.

Respectfully submitted,

**HOLMAN FRENIA ALLISON, P.C.**

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

Medford, New Jersey  
June 21, 2017

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

Honorable Mayor and Members  
of the Township Committee  
Township of Plumsted  
County of Ocean  
New Egypt, New Jersey 08533

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements-regulatory basis of the Township of Plumsted (herein referred to as "the Township"), as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements, and have issued our report thereon dated June 21, 2017. Our report indicated that the Township's financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America but rather prepared in accordance with the regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

**Internal Control over Financial Reporting**

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

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

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

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Township's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial

statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* or audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

### **Purpose of this Report**

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

Respectfully submitted,

**HOLMAN FRENIA ALLISON, P.C.**

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

Medford, New Jersey  
June 21, 2017

## **BASIC FINANCIAL STATEMENTS**

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TOWNSHIP OF PLUMSTED

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

DECEMBER 31, 2016 AND 2015

	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2016</u>	<u>BALANCE DECEMBER 31, 2015</u>
<u>A S S E T S</u>			
Current Fund:			
Cash	A-4	\$ 2,128,957.16	\$ 1,665,011.75
Change Fund	A	600.00	600.00
		<u>2,129,557.16</u>	<u>1,665,611.75</u>
Receivables with Full Reserves:			
Taxes Receivable	A-5	10,995.89	2,831.66
Tax Title Liens Receivable	A-6	38,203.75	24,404.79
Property Acquired for Taxes	A-7	196,900.00	196,900.00
Revenue Accounts Receivable	A-8	4,118.22	3,445.34
Interfunds Receivable	A-17	-	0.01
		<u>250,217.86</u>	<u>227,581.80</u>
Deferred Charges:			
Special Emergency Authorizations 40A:4-53	A-9	<u>24,166.00</u>	<u>28,332.00</u>
		<u>2,403,941.02</u>	<u>1,921,525.55</u>
Grant Fund:			
Interfund - Current Fund	A-20	211,349.12	90,177.06
Grants Receivable	A-21	<u>467,590.33</u>	<u>352,688.51</u>
		<u>678,939.45</u>	<u>442,865.57</u>
Total Assets		<u>\$ 3,082,880.47</u>	<u>\$ 2,364,391.12</u>

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

TOWNSHIP OF PLUMSTED

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

DECEMBER 31, 2016 AND 2015

	<u>REF.</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2016</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2015</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Current Fund:			
Appropriation Reserves	A-3:A-10	\$ 383,625.69	\$ 256,585.74
Tax Overpayments	A-11	1,012.09	4,724.10
Prepaid Taxes	A-12	164,797.14	103,089.70
Due State of New Jersey	A-13	5,347.86	2,299.86
County Taxes Payable	A-14	6,737.59	6,981.89
Local School District Tax Payable	A-15	723,149.13	572,129.13
Special Emergency Note Payable	A-16	14,166.00	28,332.00
Interfunds Payable	A-20	211,349.12	90,177.06
Reserve for Encumbrances	A-18	26,062.87	36,623.54
Miscellaneous Reserves	A-19	626.56	4,114.57
		<u>1,536,874.05</u>	<u>1,105,057.59</u>
Reserve for Receivables and Other Assets	A	250,217.86	227,581.80
Fund Balance	A-1	<u>616,849.11</u>	<u>588,886.16</u>
		<u>2,403,941.02</u>	<u>1,921,525.55</u>
Grant Fund:			
Reserve for:			
Encumbrances	A-18	207,463.46	28,840.46
Grants Appropriated	A-22	471,475.99	414,025.11
		<u>678,939.45</u>	<u>442,865.57</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 3,082,880.47</u>	<u>\$ 2,364,391.12</u>

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



TOWNSHIP OF PLUMSTED

CURRENT FUND

STATEMENTS OF OPERATIONS AND CHANGE  
IN FUND BALANCE - REGULATORY BASIS  
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

	<u>REF.</u>	<u>YEAR 2016</u>	<u>YEAR 2015</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>			
Fund Balance Utilized	A-2	\$ 416,767.00	\$ 593,497.67
Miscellaneous Revenue Anticipated	A-2	1,419,479.44	1,385,538.76
Receipts from Current Taxes	A-2	19,755,774.95	19,207,389.81
Non-Budget Revenues	A-2	85,176.64	72,325.63
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-10	246,923.71	161,911.00
Canceled Tax Overpayments	A-11	1,319.53	52.61
Cancellation of Grants - Appropriated	A-20	41,995.69	5,362.65
Prior Year Interfunds Returned	A-17	0.01	
<u>TOTAL INCOME</u>		<u>21,967,436.97</u>	<u>21,426,078.13</u>
<u>EXPENDITURES</u>			
Budget and Emergency Authorizations:			
Salaries and Wages		1,389,884.00	1,346,639.00
Other Expenses		1,770,487.92	1,732,505.49
Capital Improvements		91,975.00	74,000.00
Municipal Debt Service		85,037.42	270,163.03
Deferred Charges and Statutory Expenditures		<u>373,642.91</u>	<u>355,418.84</u>
	A-3	3,711,027.25	3,778,726.36
County Taxes	A-14	3,598,927.01	3,467,168.47
Local School District Tax	A-15	12,420,697.00	12,118,657.00
Special District Tax	A-5	1,603,290.00	1,554,758.00
Municipal Open Space Tax	A-5	156,740.07	156,672.59
Interfund Advances	A-17		0.01
Cancellation of Grants Receivable	A-20	41,995.69	5,362.65
Refund of Prior Year Revenue	A-4	30.00	
<u>TOTAL EXPENDITURES</u>		<u>21,532,707.02</u>	<u>21,081,345.08</u>
Excess in Revenue		434,729.95	344,733.05
Adjustments to Income Before Fund Balance:			
Expenditures Included Above Which are by Statute			
Deferred Charges to Budget of Succeeding Year	A-3	<u>10,000.00</u>	
Statutory Excess to Fund Balance		<u>444,729.95</u>	<u>344,733.05</u>
<u>FUND BALANCE</u>			
Fund Balance, January 1	A	<u>588,886.16</u>	<u>837,650.78</u>
		1,033,616.11	1,182,383.83
Decreased by:			
Utilization as Anticipated Revenue	A-1:A-2	<u>416,767.00</u>	<u>593,497.67</u>
Balance, December 31	A	<u>\$ 616,849.11</u>	<u>\$ 588,886.16</u>

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

TOWNSHIP OF PLUMSTED

CURRENT FUND

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

	REF.	ANTICIPATED		EXCESS OR (DEFICIT)
		BUDGET	SPECIAL N.J.S. 40A: 4-87 REALIZED	
Fund Balance Appropriated	A-1	\$ 416,767.00	\$ 416,767.00	\$
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverage	A-8	10,300.00	10,300.00	168.00
Other	A-8	5,000.00	5,168.00	3,171.00
Fees and Permits	A-8	87,550.00	90,721.00	
Fines and Costs:				
Municipal Court	A-8	45,000.00	62,300.30	17,300.30
Interest and Costs on Taxes	A-8	27,000.00	26,547.28	(452.72)
Interest on Investments and Deposits	A-8	3,000.00	3,539.67	539.67
Cable Television Franchise Fees	A-8	27,405.96	27,405.96	
Police Towing Fees	A-8	25,000.00	16,540.00	(8,460.00)
Energy Receipts Tax	A-8	447,223.00	447,223.00	
Garden State Trust Fund	A-8	5,099.00	5,099.00	
Uniform Construction Code Fees	A-8	25,200.00	42,466.00	17,266.00
Rental/Smoke Detection Inspection	A-8	9,950.00	21,700.00	11,750.00
Additional Uniform Construction Code Fees	A-8	84,800.00	86,900.00	2,100.00
Plumsted Board of Education School Resource Officer	A-8	85,000.00	91,644.21	6,644.21
Cell Tower Revenue	A-8	37,497.00	37,423.90	(73.10)
Capital Fund Balance	A-8	20,000.00	20,000.00	
Alcohol Education and Rehabilitation Fund	A-20:A-21		1,148.20	
Body Armor Replacement Fund	A-20:A-21		1,622.78	
Body Worn Camera Grant	A-20:A-21	1,000.00	1,000.00	
Bulletproof Vest Partnership Grant	A-20:A-21		2,250.00	
Clean Communities Program	A-20:A-21		21,268.36	
Click-it or Ticket	A-20:A-21		5,000.00	
Community Development Block Grant	A-20:A-21		31,000.00	
Drunk Driving Enforcement Fund	A-20:A-21		4,500.00	
JIF Safety Incentive Award	A-20:A-21		250.00	
Municipal Alliance on Alcoholism and Drug Abuse	A-20:A-21	22,465.00	22,465.00	
NJ Department of Transportation Municipal Aid: Brynmore Road	A-20:A-21		275,000.00	
NJ Radiology Emergency Radio Grant	A-20:A-21	6,187.95	6,187.95	
Ocean County Tourism Grant	A-20:A-21		750.00	
Recycling Revenue and Residue	A-20:A-21		2,556.33	
Recycling Tonnage Grant	A-20:A-21	9,502.50	9,502.50	
Safe and Secure Communities Program	A-20:A-21	30,000.00	30,000.00	
Senior Center	A-20:A-21	10,000.00	10,000.00	
	A-1	\$ 1,024,180.41	\$ 1,419,479.44	\$ 49,953.36

TOWNSHIP OF PLUMSTED

CURRENT FUND

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

	<u>REF.</u>	<u>ANTICIPATED</u>		<u>REALIZED</u>	<u>EXCESS OR (DEFICIT)</u>
		<u>BUDGET</u>	<u>SPECIAL N.J.S. 40A: 4-87</u>		
Amount to be Raised by Taxes for Support of Municipal Budget:	A-2	\$ 1,966,752.59	\$	\$ 2,028,139.29	\$ 61,386.70
Local Tax for Municipal Budget		3,407,700.00	345,345.67	3,864,385.73	111,340.06
<u>Budget Totals</u>	A-1:A-2			85,176.64	85,176.64
Non-Budget Revenue		\$ 3,407,700.00	\$ 345,345.67	\$ 3,949,562.37	\$ 196,516.70
	<u>REF.</u>	A-3	A-3		

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

TOWNSHIP OF PLUMSTED

CURRENT FUND

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

	<u>REF.</u>	
<u>ANALYSIS OF REALIZED REVENUE</u>		
Allocation of Current Tax Collections:		
Revenue from Collections	A-1:A-5	\$ 19,755,774.95
Less:		
Allocated to Local School District, County, Municipal Open Space and Special District Taxes	A-5	<u>17,779,654.08</u>
Balance for Support of Municipal Budget Appropriations		1,976,120.87
Add:		
Appropriation "Reserve for Uncollected Taxes"	A-3	<u>52,018.42</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u>\$ 2,028,139.29</u>
Analysis of Non-Budget Revenues:		
Clerk		\$ 962.88
Police Reports and Sale of Police Vehicle		1,509.96
Construction Code ( Copies and Penalties)		865.00
Finance Department		120.00
Abandoned Property Registration		19,550.00
Motel /Hotel Occupamcy Tax		1,674.26
Insurance Claims, Miscellaneous Reimbursements		25,375.90
Payments in Lieu of Taxes on Real Property		2,200.00
Sale of municipal assets		3,620.00
Senior Citizev/Veterans Administrative Fee		1,340.00
Receipts from Delinquent Taxes	A-5	1.02
Receipts from Delinquent Tax title Liens	A-6	5,351.37
Tax Sale Advertising Costs		18,172.94
Unclassified		<u>4,433.31</u>
	A-2:A-4	<u>\$ 85,176.64</u>

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

TOWNSHIP OF PLUMSTED

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2016

	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
<b>GENERAL GOVERNMENT:</b>					
Shared Services:					
Other Expenses	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$	\$
Mayor and Township Committee:					
Salaries and Wages	5.00	5.00	5.00	2.31	
Other Expenses	1,600.00	1,600.00	1,597.69		
Business Administrator/Community Development Officer:					
Other Expenses	2,500.00	2,500.00	2,188.71	311.29	
Municipal Clerk:					
Salaries and Wages	106,570.00	106,570.00	95,356.44	11,213.56	
Other Expenses	28,150.00	28,150.00	12,639.58	15,510.42	
Assessment Search Officer:					
Salaries and Wages	4,400.00	4,400.00	4,264.78	135.22	
Financial Administration:					
Salaries and Wages	71,000.00	71,000.00	56,121.84	14,878.16	
Other Expenses	15,600.00	15,600.00	14,464.42	1,135.58	
Audit Services	32,000.00	32,000.00	30,510.00	1,490.00	
Assessment of Taxes:					
Salaries and Wages	51,500.00	51,500.00	51,415.26	84.74	
Other Expenses	4,825.00	4,825.00	4,468.08	356.92	
Collection of Taxes:					
Salaries and Wages	65,500.00	65,500.00	61,577.92	3,922.08	
Other Expenses	15,475.00	15,475.00	13,841.13	1,633.87	
Tax Search Officer:					
Salaries and Wages	4,300.00	4,300.00	4,300.00		
Legal Services and Costs:					
Other Expenses	65,000.00	65,000.00	30,729.14	34,270.86	
Engineering Services and Costs:					
Other Expenses	6,500.00	6,500.00	1,515.39	4,984.61	
Downtown Economic Development:					
Salaries and Wages	10,600.00	10,600.00	10,483.20	116.80	
Other Expenses	6,000.00	6,000.00	4,610.35	1,389.65	
Senior Outreach Services:					
Other Expenses	100.00	100.00	73.88	26.12	
Planning Board:					
Salaries and Wages	5,500.00	5,500.00	5,141.64	358.36	
Other Expenses	6,850.00	6,850.00	4,400.39	2,449.61	
Master Plan - Special Emergency					
Zoning Officer:					
Salaries and Wages	15,800.00	15,800.00	15,344.60	455.40	

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

TOWNSHIP OF PLUMSTED

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2016

	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
Mobile Home Inspector:					
Salaries and Wages	\$ 3,200.00	\$ 3,200.00	\$ 3,137.94	\$ 62.06	\$
Rental Inspections:					
Salaries and Wages	12,000.00	12,000.00	7,425.00	4,575.00	
Code Enforcement Officer					
Salaries and Wages	6,200.00	6,200.00	6,177.86	22.14	
Insurance:					
General Liability Insurance	70,972.00	70,972.00	70,706.69	265.31	
Workers Compensation Insurance	70,972.00	70,972.00	70,706.70	265.30	
Employees Group Health Insurance	383,000.00	383,000.00	346,927.42	36,072.58	
Vision Program	2,500.00	2,500.00	556.91	1,943.09	
Dental Program	14,700.00	14,700.00	11,586.00	3,114.00	
Health Benefit Waiver	24,200.00	24,200.00	13,750.92	10,449.08	
Other Insurance	3,000.00	3,000.00		3,000.00	
PUBLIC SAFETY:					
Public Safety Director:					
Salaries and Wages	1.00	1.00	1.00		
Police:					
Salaries and Wages	793,000.00	793,000.00	743,681.19	49,318.81	
Other Expenses	71,412.00	71,412.00	65,797.76	5,614.24	
Other Expenses - Vehicle Purchase	8,878.46	8,878.46	8,878.46		
Emergency Management Services:					
Salaries and Wages	7,375.00	7,375.00	7,326.80	48.20	
Other Expenses	3,880.00	3,880.00	3,121.14	758.86	
School Crossing Guards:					
Salaries and Wages	100.00	100.00		100.00	
Municipal Court:					
Salaries and Wages	20,300.00	20,300.00	16,683.48	3,616.52	
Other Expenses	7,395.00	7,395.00	2,800.02	4,594.98	
Public Defender (P.L. 1997, C. 256):					
Other Expenses	500.00	500.00		500.00	
PUBLIC WORKS FUNCTIONS:					
Road Repairs and Maintenance:					
Other Expenses	22,000.00	22,000.00	10,532.86	11,467.14	

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

TOWNSHIP OF PLUMSTED

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2016

	APPROPRIATIONS		BUDGET AFTER MODIFICATION	EXPENDED		UNEXPENDED BALANCE CANCELED
	BUDGET			PAID OR CHARGED	RESERVED	
Snow Removal:						
Other Expenses	\$	47,249.00	\$	47,249.00	\$	11,629.25
Recycling (Ch. 102, P.L. 1987):						
Salaries and Wages		4,400.00		4,400.00		4,400.00
Other Expenses		710.00		710.00		460.00
Sanitary Landfill:						
Other Expenses		950.00		950.00		450.00
Public Buildings and Grounds:						
Salaries and Wages		45,000.00		45,000.00		21,980.58
Other Expenses		43,150.00		43,150.00		2,639.02
Demolition		3,900.00		3,900.00		3,900.00
<u>HEALTH AND WELFARE</u>						
Board of Health:						
Other Expenses		4,000.00		4,000.00		2,000.00
Soil/Water Testing		450.00		450.00		450.00
Environmental Commission:						
Other Expenses		1,090.00		1,090.00		493.28
Administration of Public Assistance:						
Relocation Costs		350.00		350.00		350.00
Catholic Charities		490.00		490.00		70.00
Federally Mandated Hepatitis Immunization:						
Other Expenses		490.00		490.00		490.00
<u>PARKS AND RECREATION FUNCTIONS:</u>						
Recreation Department:						
Other Expenses		15,440.00		15,440.00		1,587.40
Celebration of Public Event, Anniversary or Holiday:						
Other Expenses		3,125.00		3,125.00		1,015.42
Council for the Arts:						
Other Expenses		500.00		500.00		301.46
Public Employee Awards (NJS A 40A:5-31):						
Salaries and Wages		2,600.00		2,600.00		2,600.00
Other Expenses		250.00		250.00		250.00

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

TOWNSHIP OF PLUMSTED

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2016

	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
\$	16,433.00	\$ 16,433.00	\$ 16,433.00	\$	\$
UNIFORM CONSTRUCTION CODE - APPROPRIATIONS OFFSET BY DEDICATED REVENUES (N.J.A.C. 5:23-4.17): State Uniform Construction Code Official: Salaries and Wages					
UTILITIES:					
Electricity	33,000.00	33,000.00	28,846.53	4,153.47	
Street Lighting	56,000.00	56,000.00	46,307.59	9,692.41	
Telephone	25,000.00	25,000.00	22,688.28	2,311.72	
Water	5,500.00	5,500.00	3,832.05	1,667.95	
Natural Gas	9,000.00	9,000.00	4,518.82	4,481.18	
Heating Oil	8,000.00	8,000.00	1,961.15	6,038.85	
Gasoline	45,000.00	43,205.09	25,279.38	17,925.71	
TOTAL OPERATIONS WITHIN "CAPS"	2,419,437.46	2,427,642.55	2,095,791.98	331,850.57	
CONTINGENT	5,000.00	5,000.00	1,776.00	3,224.00	
TOTAL OPERATIONS INCLUDING CONTINGENT WITHIN "CAPS"	2,424,437.46	2,432,642.55	2,097,567.98	335,074.57	
Detail:					
Salaries and Wages	1,245,784.00	1,245,784.00	1,127,896.37	117,887.63	
Other Expenses	1,178,653.46	1,186,858.55	969,671.61	217,186.94	
DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS": Contribution to:					
Public Employees Retirement System	60,968.00	61,958.19	61,958.19		
Social Security System (O.A.S.I.)	125,000.00	125,000.00	107,389.42	17,610.58	
Police and Firemen's Retirement System of N.J.	159,464.00	160,268.72	160,268.72		
State Unemployment Insurance	8,750.00	8,750.00	8,002.88	747.12	
Defined Contribution Retirement Plan	3,500.00	3,500.00	1,152.04	2,347.96	
TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"	357,682.00	359,476.91	338,771.25	20,705.66	

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



TOWNSHIP OF PLUMSTED

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2016

	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"	\$ 2,782,119.46	\$ 2,792,119.46	\$ 2,436,339.23	\$ 355,780.23	\$
OPERATIONS EXCLUDED FROM "CAPS":					
State of Emergency - Snow Removal					
Other Expenses	32,751.00	32,751.00	32,547.25	203.75	
Uniform Constuction Code Appropriations Offset by Increased Fees:					
Salaries and Wages	72,100.00	72,100.00	71,061.26	1,038.74	
Other Expenses	12,700.00	12,700.00	5,246.67	7,453.33	
Interlocal Municipal Service Agreements:					
Plumsted Board of Education School Resource Officer:					
Salaries and Wages	72,000.00	72,000.00	71,407.96	592.04	
Other Expenses	13,000.00	13,000.00	1,960.00	11,040.00	
Plumsted Board of Education - Courtesy Busing					
Other Expenses	56,421.00	56,421.00	56,421.00		
Plumsted-Allentown Court					
Other Expenses	27,000.00	27,000.00	20,732.40	6,267.60	
TOTAL OTHER OPERATIONS EXCLUDED FROM "CAPS"	285,972.00	285,972.00	259,376.54	26,595.46	
PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES:					
Local Matching Funds for Grants	1,250.00	1,250.00		1,250.00	
Alcohol Education and Rehabilitation Fund		1,148.20	1,148.20		
Body Armor Replacement Fund		1,622.78	1,622.78		
Body Worn Camera Grant	1,000.00	1,000.00	1,000.00		
Bulletproof Vest Partnership Grant		2,250.00	2,250.00		
Clean Communities Program		21,268.36	21,268.36		
Click-it or Ticket		5,000.00	5,000.00		
Community Development Block Grant		31,000.00	31,000.00		
Drunk Driving Enforcement Fund		4,500.00	4,500.00		
JIF Safety Incentive Award		250.00	250.00		
Municipal Alliance on Alcoholism and Drug Abuse:					
Grant Share	22,465.00	22,465.00	22,465.00		
Local Share	5,616.25	5,616.25	5,616.25		
NJ Department of Transportation Municipal Aid:					
Brynmore Road		275,000.00	275,000.00		

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

TOWNSHIP OF PLUMSTED

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2016

	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
<b>PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES</b>					
(CONTINUED):					
Ocean County Tourism Grant:					
Grant Share		\$	\$		\$
Local Share	750.00	750.00	750.00		
Recycling Tonnage Grant	9,502.50	9,502.50	9,502.50		
NJ Radiology Emergency Radio Grant	6,187.95	6,187.95	6,187.95		
Recycling Revenue and Residue		2,556.33	2,556.33		
Safe and Secure Communities Program:					
State Share	30,000.00	30,000.00	30,000.00		
Local Share	7,500.00	7,500.00	7,500.00		
Senior Center	10,000.00	10,000.00	10,000.00		
Supplemental Fire Services Program	2,140.00	2,140.00	2,140.00		
<b>TOTAL PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES</b>	<b>96,411.70</b>	<b>441,757.37</b>	<b>440,507.37</b>	<b>1,250.00</b>	
<b>TOTAL OPERATIONS EXCLUDED FROM "CAPS"</b>	<b>382,383.70</b>	<b>727,729.37</b>	<b>699,883.91</b>	<b>27,845.46</b>	
Detail:					
Salaries and Wages	144,100.00	144,100.00	142,469.22	1,630.78	
Other Expenses	238,283.70	583,629.37	557,414.69	26,214.68	
<b>CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"</b>	<b>45,000.00</b>	<b>45,000.00</b>	<b>45,000.00</b>		
Acquisition of a 4WD Police Vehicle	25,000.00	25,000.00	25,000.00		
Electronic Equipment	20,000.00	20,000.00	20,000.00		
Road Drainage Parking Lot	1,975.00	1,975.00	1,975.00		
Public Works Equipment					
<b>TOTAL CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"</b>	<b>91,975.00</b>	<b>91,975.00</b>	<b>91,975.00</b>	<b>-</b>	
<b>MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"</b>	<b>47,477.00</b>	<b>47,477.00</b>	<b>47,477.00</b>		
Payment of Bond Anticipation Notes and Capital Notes	3,076.20	3,076.20	3,076.20		
Interest on Notes	34,484.22	34,484.22	34,484.22		
Downtown Business Zone Loan					
<b>TOTAL MUNICIPAL DEBT SERVICE EXCLUDED FROM "CAPS"</b>	<b>85,037.42</b>	<b>85,037.42</b>	<b>85,037.42</b>		

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

TOWNSHIP OF PLUMSTED

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2016

	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
DEFERRED CHARGES MUNICIPAL - EXCLUDED FROM "CAPS"					
Deferred Charges:					
Special Emergency Authorizations-					
5 Years (N.J.S.A. 40A:4-53)	\$ 14,166.00	\$ 14,166.00	\$ 14,166.00	\$	\$
TOTAL DEFERRED CHARGES MUNICIPAL - EXCLUDED FROM "CAPS"	14,166.00	14,166.00	14,166.00		
TOTAL GENERAL APPROPRIATIONS EXCLUDED FROM "CAPS"	573,562.12	918,907.79	891,062.33	27,845.46	
SUB-TOTAL GENERAL APPROPRIATIONS RESERVE FOR UNCOLLECTED TAXES	3,355,681.58	3,711,027.25	3,327,401.56	383,625.69	
	52,018.42	52,018.42	52,018.42		
TOTAL GENERAL APPROPRIATIONS	\$ 3,407,700.00	\$ 3,763,045.67	\$ 3,379,419.98	\$ 383,625.69	\$
REF.	A-2		A-1	A-A-1	
Special Emergency Appropriation 40A:4-53		\$ 10,000.00			
Appropriation by 40A:4-87		345,345.67			
Budget		3,407,700.00			
		\$ 3,763,045.67			
Deferred Charges - 40A:4-53			\$ 14,166.00		
Grants Appropriated			440,507.37		
Reserve for Master Plan			10,000.00		
Reserve for Encumbrances			26,062.87		
Reserve for Uncollected Taxes			52,018.42		
Disbursements			2,836,665.32		
			\$ 3,379,419.98		

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

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TOWNSHIP OF PLUMSTED

TRUST FUND

BALANCE SHEETS - REGULATORY BASIS

DECEMBER 31, 2016 AND 2015

	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2016</u>	<u>BALANCE DECEMBER 31, 2015</u>
<u>A S S E T S</u>			
Animal Control Trust Fund:			
Cash	B-1	\$ <u>3,552.23</u>	\$ <u>2,784.14</u>
Trust - Other Funds:			
Cash	B-1	<u>713,842.04</u>	<u>760,615.67</u>
		\$ <u><u>717,394.27</u></u>	\$ <u><u>763,399.81</u></u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Animal Control Trust Fund:			
Reserve for Animal Control Trust Fund Expenditures	B-3	\$ 3,552.23	\$ 2,752.14
Reserve for Encumbrances	B-5	<u>32.00</u>	<u>32.00</u>
		<u>3,552.23</u>	<u>2,784.14</u>
Trust - Other Funds:			
Interfund - Current Fund	B-4		0.01
Reserve for Encumbrances	B-5	5,650.00	15,130.00
Miscellaneous Reserves	B-6	<u>708,192.04</u>	<u>745,485.66</u>
		<u>713,842.04</u>	<u>760,615.67</u>
		\$ <u><u>717,394.27</u></u>	\$ <u><u>763,399.81</u></u>

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

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TOWNSHIP OF PLUMSTED  
GENERAL CAPITAL FUND  
BALANCE SHEETS - REGULATORY BASIS  
DECEMBER 31, 2016 AND 2015

	<u>REF.</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2016</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2015</u>
<u>A S S E T S</u>			
Cash	C-2	\$ 227,025.14	\$ 77,862.48
Deferred Charges to Future Taxation:			
Funded	C-4	437,195.84	492,736.66
Unfunded	C-5	<u>2,384,737.45</u>	<u>2,445,900.45</u>
		<u>\$ 3,048,958.43</u>	<u>\$ 3,016,499.59</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Bond Anticipation Notes	C-6	\$ 536,143.00	\$ 347,306.00
Downtown Business Improvement Zone Loans Payable	C-7	344,842.10	379,326.32
NJEIT Interim Construction Note	C-8	429,227.00	72,347.00
Green Trust Loans Payable	C-9	92,353.74	113,410.34
Improvement Authorizations:			
Funded	C-10	26,049.84	37,967.46
Unfunded	C-10	986,671.46	1,856,537.42
Capital Improvement Fund	C-11	2,731.39	2,731.39
Reserve for Encumbrances	C-12	630,357.99	186,291.75
Fund Balance	C-1	<u>581.91</u>	<u>20,581.91</u>
		<u>\$ 3,048,958.43</u>	<u>\$ 3,016,499.59</u>

There were bonds and notes authorized but not issued on December 31, 2016 of \$1,419,367.45 (Schedule C-13).

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

TOWNSHIP OF PLUMSTED

GENERAL CAPITAL FUND

STATEMENT OF FUND BALANCE - REGULATORY BASIS

DECEMBER 31, 2016

	<u>REF.</u>	
Balance, December 31, 2015	C	\$ 20,581.91
Decreased by:		
Payment to Current Fund as Anticipated Revenue	C-2	<u>20,000.00</u>
Balance, December 31, 2016	C	\$ <u><u>581.91</u></u>

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



TOWNSHIP OF PLUMSTED  
GENERAL FIXED ASSETS ACCOUNT GROUP  
BALANCE SHEETS - REGULATORY BASIS  
DECEMBER 31, 2016 AND 2015

	BALANCE DECEMBER <u>31, 2016</u>	BALANCE DECEMBER <u>31, 2015</u>
Fixed Assets:		
Land	\$ 1,261,203.30	\$ 1,261,203.30
Improvements	4,014,908.55	4,014,908.55
Equipment and Vehicles	<u>881,079.87</u>	<u>814,492.02</u>
<u>Total Fixed Assets</u>	<u>\$ 6,157,191.72</u>	<u>\$ 6,090,603.87</u>
Reserve:		
Investments in General Fixed Assets	<u>\$ 6,157,191.72</u>	<u>\$ 6,090,603.87</u>

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

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**TOWNSHIP OF PLUMSTED  
COUNTY OF OCEAN**

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

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TOWNSHIP OF PLUMSTED  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Except as noted below, the financial statements of the Township of Plumsted, County of Ocean, New Jersey (the "Township"), include every board, body, office or commission supported and maintained wholly or in part by funds appropriated by the Township as required by N.J.S. 40A:5-5.

The Governmental Accounting Standards Board ("GASB") Statement 14, as amended by GASB Statement 61, established criteria to be used to determine which component units should be included in the financial statements of the oversight entity. The criteria differ from the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") requirements whereby certain boards, commissions and agencies of the Township, by statute or other directive, report separately on their financial statements. The financial statements of the following units are reported separately:

Plumsted Township Municipal Utilities Authority  
Plumsted Township Redevelopment Agency

B. Description of Funds

The GASB is the recognized standard-setting body for establishing governmental generally accepted accounting and financial reporting principles.

The accounting policies of the Township conform to the accounting principles applicable to municipalities which have been prescribed by the Division. Such principles and practices 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. Under this method of accounting, the Township accounts for its financial transactions through the following separate funds and account groups which differ from the fund structure required by generally accepted accounting principles ("GAAP"):

Current Fund - revenues and expenditures for governmental operations of a general nature, including federal and state grant funds.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Description of Funds (Continued)

Animal Control Trust Fund - dog license revenues and expenditures.

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

General Capital Fund - resources including Federal and State grants in aid of construction, and expenditures for the acquisition of general capital facilities, other than those acquired through the Current Fund, including the status of bonds and notes for said purposes.

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

C. Basis of Accounting

The accounting principles and practices prescribed for municipalities by the Division differ in certain respects from GAAP applicable to local governmental units. The more significant differences are as follows:

A modified accrual basis of accounting is followed with minor exceptions.

Property Taxes and Other Revenues - property taxes and other revenues are recognized on a cash basis. Receivables for property taxes and other items that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the Township's Current Fund. GAAP requires such revenue to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

Grant Revenues - Federal and State grants, entitlement or shared revenues received for purposes normally financed through the Current Fund are recognized when anticipated in the Township's budget. Federal and State grant revenues received for purposes of capital projects financed by capital ordinances are recognized when received. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual.

Expenditures - unexpended or uncommitted appropriations at December 31, are reported expenditures through the establishment of appropriation reserves unless canceled by the governing body. GAAP requires expenditures to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for un-matured interest on general long-term debt, which should be recognized when due.

Encumbrances - contractual orders at December 31, are reported as

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Encumbrances (Continued) - expenditures through the establishment of a reserve for encumbrances. Encumbrances do not constitute expenditures under GAAP.

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. Appropriation reserves do not exist under GAAP.

Deferred Charges - the regulatory basis of accounting utilized by the Township requires that certain expenditures be deferred, and raised as items of appropriation in budgets of succeeding years. These deferred charges include the two general categories, overexpenditures and emergency appropriations. Overexpenditures occur when expenditures recorded as "paid or charged" exceed available appropriation balances. Emergency appropriations occur when, subsequent to the adoption of a balanced budget, the governing body authorizes the establishment of additional appropriations based on unforeseen circumstances or for other special purposes as defined by statute. Overexpenditures and emergency appropriations are deducted from total expenditures in the calculation of operating results and are established as assets for Deferred Charges on the respective balance sheets. GAAP does not permit the deferral of overexpenditures to succeeding budgets. In addition, GAAP does not recognize expenditures based on the authorization of an appropriation. Instead, the authorization of special purpose expenditures, such as the preparation of tax maps or revaluation of assessable real property, would represent the designation of fund balance. The status of deferred charges at December 31, 2016 is set forth in Note 9.

Compensated Absences - expenditures relating to obligations for vested accumulated vacation and sick pay are not recorded until paid. GAAP requires that the amount which would normally be liquidated with expendable available financial resources be recorded as expenditures in the operating funds and the remaining obligations be recorded as a long-term obligation. The compensated absence liability at December 31, 2016 is set forth in Note 4.

Property Acquired for Taxes - is recorded in the Current Fund at the assessed valuation when such property was acquired and fully reserved. GAAP requires such property to be recorded at its market value.

Sale of Municipal Assets - cash proceeds from the sale of Township owned property may be reserved until utilized as an item of anticipated revenue in a subsequent year budget. Year-end balances of such

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Sale of Municipal Assets (Continued) - proceeds are reported as a cash liability in the Current Fund. GAAP requires that revenue be recognized in the accounting period that the terms of sales contracts become legally enforceable.

Interfunds - advances in the Current Fund are reported as interfund receivables with offsetting reserves which are created by charges to operations. Income is recognized in the year the receivables are liquidated. GAAP does not require the establishment of an offsetting reserve. The status of interfunds is set forth in Note 15

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 balance sheets. GAAP requires that the cost of inventories be reflected on the balance sheet until utilized and expended.

General Fixed Assets - in accordance with the New Jersey Administrative Code, which differs in certain respects from GAAP, the Township has developed a fixed assets accounting and reporting system. All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available.

Fixed assets used in governmental operations (general fixed assets) are required to be accounted for in the General Fixed Assets Account Group. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized.

GAAP does not require utilization of a general fixed asset account group.

Except for land and buildings, all fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available.

Depreciation is not recorded in the General Fixed Assets Account Group.

Expenditures for construction in progress are required to be recorded in the Capital Fund until such time as the construction is completed and put into operation.

Fixed assets acquired through grants in aid or contributed capital have not been accounted for separately.



NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

General Fixed Assets (Continued)

During 2016 the following changes occurred in the fixed assets of the Township:

	Balance Jan. 1, 2016	Net Change	Balance Dec. 31, 2016
General Fixed Assets Account Group:			
Land	\$ 1,261,203.30	\$	\$ 1,261,203.30
Improvements	4,014,908.55		4,014,908.55
Equipment and Vehicles	<u>814,492.02</u>	<u>66,587.85</u>	<u>881,079.87</u>
	<u>\$ 6,090,603.87</u>	<u>\$ 66,587.85</u>	<u>\$ 6,157,191.72</u>

General fixed assets, as shown in Exhibit D, are presented as recorded in the Township records with offsetting reserves on the balance sheet of the Township's General Fixed Assets Account Group.

Accounting and Financial Reporting for Pensions - In June 2012, the Governmental Accounting Standards Board (GASB) approved Statement No. 68 Accounting and financial reporting for pensions administered by state and local government employers. This Statement improves accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local government employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency. This Statement replaces the requirement of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The requirements of Statements 27 and 50 remain applicable for pensions that are not covered by the scope of this Statement. This statement is effective for periods beginning after June 15, 2014.

In November of 2013, GASB approved Statement 71, Pension Transition

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Accounting and Financial Reporting for Pensions (Continued)

for Contributions made Subsequent to the Measurement Date-an amendment to GASB No. 68. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, Accounting and Financial Reporting for Pensions. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or non-employer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

Statement 68 requires a state or local government employer (or non-employer contributing entity in a special funding situation) to recognize a net pension liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year. If a state or local government employer or non-employer contributing entity makes a contribution to a defined benefit pension plan between the measurement date of the reported net pension liability and the end of the government's reporting period, Statement 68 requires that the government recognize its contribution as a deferred outflow of resources.

In addition, Statement 68 requires recognition of deferred outflows of resources and deferred inflows of resources for changes in the net pension liability of a state or local government employer or non-employer contributing entity that arise from other types of events.

At transition to Statement 68, if it is not practical for an employer or non-employer contributing entity to determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions, paragraph 137 of Statement 68 required that beginning balances for deferred outflows of resources and deferred inflows of resources not be reported. Consequently, if it is not practical to determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions, contributions made after the measurement date of the beginning net pension liability could not have been reported as deferred outflows of resources at transition. This could have resulted in a significant understatement of an employer or non-employer contributing entity's beginning net position and expense in the initial period of implementation.

This Statement amends paragraph 137 of Statement 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. Statement 68, as amended, continues to require that beginning balances for other deferred

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Accounting and Financial Reporting for Pensions (Continued)

outflows of resources and deferred inflows of resources related to pensions be reported at transition only if it is practical to determine all such amounts.

Under GAAP, municipalities are required to recognize the pension liability in Statements of Revenues, Expenses, Changes in Net Assets (balance sheets) and Notes to the Financial Statements in accordance with GASB 68. The liability required to be displayed by GASB 68 is displayed as a separate line item in the Unrestricted Net Assets area of the balance sheet.

New Jersey's municipalities and counties do not follow GAAP accounting principles and, as such, do not follow GASB requirements with respect to recording the net pension liability as a liability on their balance sheets. However, N.J.A.C.5:30 6.1(c)(2) requires municipalities to disclose GASB 68 information in the Notes to the Financial Statements. The disclosure must meet the requirements of GASB 68.

D. Financial Statements

The GASB codification requires the financial statements of a governmental unit to be presented in accordance with GAAP. The Township presents its financial statements in accordance with an other comprehensive basis of accounting as promulgated by the Division which differs from the financial statements required by GAAP. In addition, the Division requires the financial statements to be referenced to the supplementary schedules. This practice differs from GAAP.

E. Budgets and Budgetary Accounting

An annual budget is required to be adopted and integrated into the accounting system to provide for budgetary control over revenues and expenditures. Budget amounts presented in the accompanying financial statements represent amounts adopted by the Township and approved by the Division in accordance with applicable statutes.

F. Impact of Recently Issued Accounting Principles

*Adopted Accounting Pronouncements*

For the year ended December 31, 2016, the Township implemented

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Impact of Recently Issued Accounting Principles (Continued)

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

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

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

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

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

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

*Recently Issued Accounting Pronouncements*

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Impact of Recently Issued Accounting Principles (Continued)

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

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

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Impact of Recently Issued Accounting Principles (Continued)

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

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

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

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

NOTE 2: CASH AND CASH EQUIVALENTS

A. Deposits

New Jersey statutes permit the deposit of public funds in institutions located in New Jersey which are insured by the Federal Deposit Insurance Corporation ("FDIC"), or by any other agencies of the United States that insure deposits or the State of New Jersey Cash Management Fund. New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed certain insurance limits as follows:

The market value of the collateral must equal five percent of the average daily balance of public funds; or

If the public funds deposited exceed 75 percent of the funds of the depository, the depository must provide collateral having a market value equal to 100 percent of the amount exceeding 75 percent.

All collateral must be deposited with the Federal Reserve Bank, the Federal Home Loan Bank Board or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.00.

The Township considers certain short-term investments permitted by statute to be cash equivalents if they mature within three months or may be withdrawn in cash upon notice from a pool of eligible investments in a participation arrangement with a bank that meets the insurance and collateral requirements of the statute.

At year-end, the carrying amount of the Township's deposits was \$3,168,537.90. Of this amount \$250,000.00 was covered by FDIC insurance and a collateral pool under New Jersey's Governmental Unit Deposit Protection Act covered \$2,770,469.81. An amount of \$148,068.09 was on deposit in the name of various developers for escrow and is insured by FDIC insurance or uninsured depending upon the deposits of the individual developer in the escrow depository.

B. Investments

When authorized by a cash management plan approved pursuant to N.J.S. 40A:5-14, the Township may use available funds for the purchase of the following types of securities which, if suitable for registry, may be registered in the name of the Township:

1. Bonds or other obligations of the United States or obligations guaranteed by the United States.

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

B. Investments (Continued)

2. Government money market mutual funds.
3. Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor.
4. Bonds or other obligations of the Township, or bonds or other obligations of school districts of which the Township is a part or within which the school district is located.
5. Bonds or other obligations, having a maturity date not more than 397 days from date of purchase, approved by the Division of Investments, New Jersey Department of the Treasury.
6. Municipal investment pools.
7. Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 or
8. Agreements for the repurchase of fully collateralized securities if:
  - a. the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this section;
  - b. the custody of collateral is transferred to a third party;
  - c. the maturity of the agreement is not more than 30 days;
  - d. the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C. 17:19-41);
  - e. a master repurchase agreement providing for the custody and security of collateral is executed.

Any investment instruments in which the security is not physically held by the Township shall be covered by a third party custodial agreement, which shall provide for the designation of such investments in the name of the Township and prevent unauthorized use of such investments.

Investments are further regulated and restricted in accordance with N.J.S. 40A:5-15.1.



NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

B. Investments (Continued)

Other than cash equivalents that would otherwise qualify as investments, except for their maturity or the withdrawal provisions of their deposit, the Township had no investments in qualified securities at year-end.

C. Cash Management Plan

In accordance with N.J.S. 40A:5-14, every municipality shall adopt a cash management plan and shall deposit and invest its funds pursuant to that plan. The plan shall be approved annually by majority vote of the governing body and may be modified from time to time in order to reflect changes in federal or state law or regulations. The chief financial officer shall be charged with administering the plan.

When an investment in bonds maturing in more than one year is authorized, the maturity of those bonds shall approximate the prospective use of the funds invested.

The plan also requires a monthly report to the governing body summarizing all investments made or redeemed since the previous report and shall include, at a minimum, the specific detailed information as set forth in the statute.

D. Credit Risk Categories

All bank deposits and investments as of the balance sheet date are classified as to credit risk by the following categories described below:

	<u>Bank Balance</u>	
	<u>2016</u>	<u>2015</u>
<u>Depository Account</u>		
Insured		
FDIC	\$ 250,000.00	\$ 250,000.00
GUDPA	2,770,469.81	2,339,241.05
Escrow Deposits	<u>148,068.09</u>	<u>151,529.66</u>
	<u>\$ 3,168,537.90</u>	<u>\$ 2,740,770.71</u>

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the government's deposits may not be returned to it. The Township does not

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

D. Credit Risk Categories (Continued)

Custodial Credit Risk – Deposits (Continued)

have a formal policy for custodial credit risk.

State law limits investments as noted above.

During the year, the Township had none of its idle funds invested in repurchase agreements collateralized by eligible securities. At the close of the year, no such investments were held by the Township.

NOTE 3: MUNICIPAL DEBT

The Local Bond Law, Chapter 40A:2, governs the issuance of bonds to finance general municipal capital expenditures. All bonds are retired in annual installments within the statutory period of usefulness. All bonds issued by the Township are general obligation bonds, backed by the full faith and credit of the Township. Bond Anticipation Notes, which are issued to temporarily finance capital projects, shall mature and be paid off within ten years or financed by the issuance of bonds.

SUMMARY OF MUNICIPAL DEBT

	<u>YEAR 2016</u>	<u>YEAR 2015</u>	<u>YEAR 2014</u>
Issued:			
General:			
Bonds, Notes and Loans	\$ 1,402,565.84	\$ 912,389.66	\$ 1,139,131.58
Total Issued	<u>1,402,565.84</u>	<u>912,389.66</u>	<u>1,139,131.58</u>
Less:			
Open Space Funds Held to Pay			
Bonds, Notes and Loans	95,790.00	109,476.00	123,162.00
Refunding Notes			94,000.00
Total Deductions	<u>95,790.00</u>	<u>109,476.00</u>	<u>217,162.00</u>
Net Debt Issued	<u>1,306,775.84</u>	<u>802,913.66</u>	<u>921,969.58</u>
Authorized But Not Issued			
Bonds, Notes and Loans	<u>1,419,367.45</u>	<u>2,026,247.45</u>	<u>598,594.45</u>
Net Bonds Notes and Loans Issued and Authorized but Not	<u>\$ 2,726,143.29</u>	<u>\$ 2,829,161.11</u>	<u>\$ 1,520,564.03</u>

NOTE 3: MUNICIPAL DEBT (CONTINUED)

SUMMARY OF STATUTORY DEBT CONDITION-  
ANNUAL DEBT STATEMENT

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of .322%.

	<u>GROSS DEBT</u>	<u>DEDUCTIONS</u>	<u>NET DEBT</u>
Local District School Debt \$	8,630,000.00	\$ 8,630,000.00	\$
General Debt	2,821,933.29	95,790.00	2,726,143.29
	<u>\$ 11,451,933.29</u>	<u>\$ 8,725,790.00</u>	<u>\$ 2,726,143.29</u>

Net debt \$2,726,143.29 divided by equalized valuation basis per N.J.S.40A:2-2 as amended \$846,466,795.00 equals .322%.

BORROWING POWER UNDER N.J.S.40A:2-6 AS AMENDED

Equalized Valuation Basis* - December 31 2016	\$846,466,795.00
3-1/2% of Equalized Valuation Basis	29,626,337.83
Net Debt	<u>2,726,143.29</u>
Remaining Borrowing Power	<u>\$26,900,194.54</u>

\*Equalized Valuation Basis is the average of the equalized valuation of real estate, including improvements, and the assessed valuation of Class II Railroad Property of the Township for the last three (3) preceding years.

LONG-TERM DEBT OBLIGATIONS

At December 31, 2016 the Township's long-term debt outstanding was as follows:

Green Trust Loan Program

The Township has three low interest loans (2%) under the New Jersey Department of Environmental Protection's Green Trust Loan Program. The \$100,000 for the Recreation Complex Improvement was finalized on or about December 20, 2010. Loans in the amounts of \$99,999 for the Recreation Park Development 2 and \$149,999 for the Oakford Lake Park Development were both finalized on November 19, 1999. The Township

NOTE 3: MUNICIPAL DEBT (CONTINUED)

LONG-TERM DEBT OBLIGATIONS (CONTINUED)

Green Trust Loan Program (Continued)

must repay the latter two loans in semi-annual installments over seventeen and one half years and the Recreation Complex Improvement Loan must be repaid in semi-annual installments over nineteen and one half years. The balance as of December 31, 2016 was \$92,353.74 and loan payments are due through 2030.

Debt Service requirements during the next five fiscal years and thereafter are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2017	\$ 21,480	\$ 1,740
2018	4,825	1,393
2019	4,922	1,296
2020	5,021	1,198
2021	5,122	1,097
2022-26	27,194	3,897
2027-30	<u>23,790</u>	<u>1,083</u>
	\$ <u>92,354</u>	\$ <u>11,704</u>

Downtown Business Improvement Zone Loan Program

On December 15, 2011, the Township closed on a 0% Downtown Business Improvement Zone Loan in the Amount of \$528,294.76 to fund Downtown New Egypt Improvements. Payments are due annually on December 15 of each year until the loan is paid in full.

Debt Service requirements during the next five fiscal years and thereafter are as follows:

<u>Year</u>	<u>Principal</u>
2017	\$ 34,484
2018	34,484
2019	34,484
2020	34,484
2021	34,484
2022-26	<u>172,421</u>
	\$ <u>344,842</u>

NOTE 3: MUNICIPAL DEBT (CONTINUED)

SHORT-TERM DEBT OBLIGATIONS

Bond Anticipation Notes

On December 31, 2016 the Township's outstanding Bond Anticipation Notes were as follows:

08-11	Various Capital Improvements	\$ 26,553	1.250%
08-11	Various Capital Improvements	97,387	1.090%
09-07	Preliminary Expenses in Connection with the Redevelopment Plans	100,800	1.250%
02-02	Acquisition and Development of Lands for Open Space	61,403	1.250%
15-06	Various Capital Improvements and Other Related Expenses	<u>250,000</u>	1.250%
		<u>\$ 536,143</u>	

NJEIT Interim Construction Notes

On October 28, 2015, the Township signed a loan agreement with the New Jersey Environmental Infrastructure Trust, (NJEIT) in order to provide funding for Ordinance #15-06. The NJEIT assigned the project the following project number: S-340607-03. Funding in the amount of \$1,250,000 was approved by the NJEIT. The loan is in the interim construction phase of the loan process. Of the \$1,250,000 approved, \$72,347 was drawn down in 2015, \$356,880 was drawn down in 2016 and \$294,451 was drawn down to date in 2017. As of the date of the audit, a balance of \$526,322 remained available for draw down. To date, no loan amortization schedule has been provided. When the loan becomes eligible for permanent financing, the amortization scheduled will be established.

Bonds and Notes Authorized but Not Issued

At December 31, 2016 the Township had bonds and notes authorized but not issued in the amount of \$1,419,367.45.

NOTE 3: MUNICIPAL DEBT (CONTINUED)

SHORT-TERM DEBT OBLIGATIONS (CONTINUED)

Special Emergency Note

A special emergency note for \$85,000 was issued September 28, 2012 for a period of one year as permitted by statute. The balance as of December 31, 2016 was \$14,166.

NOTE 4: COMPENSATED ABSENCES

As discussed in Note 1 and in accordance with accounting principles prescribed by the State of New Jersey, the cash basis of accounting is followed for recording the Township's liability related to compensated absences. The Township's policy with respect to compensated absences is as follows:

Vacation Leave

Any unused vacation leave may be carried forward into the next succeeding year only. In the event an employee is unable to utilize during the first six (6) months of the succeeding year any unused vacation time, the Township Committee may consider approval by resolution, an employee's request with Department Head approval, to utilize the aforementioned unused vacation time during the last six (6) months of the succeeding year. Unused vacation time from the previous year shall not be utilized so that a vacation will exceed the total for the previous year.

Sick Leave

Sick leave will be recorded in thirty (30) minute increments.

Sick leave can be accumulated without limit during each employee's length of service for a period of up to thirty (30) days.

In the first calendar year of employment, full-time permanent employees shall be entitled to two thirds (2/3) a day of sick leave for each month or fractional part thereof calculated from date of employment.

Thereafter, full-time permanent employees shall be entitled to either eight (8) days of sick leave each year which shall be credited to their account at the beginning of the year.

Any amount of sick leave used which exceeds the amount accrued to an employee's account at time of separation from the Township will be deducted from the final salary payment. Upon termination for any reason accumulated sick time will be forfeited. Temporary and seasonal employees shall not be eligible for sick leave with pay.

NOTE 4: COMPENSATED ABSENCES (CONTINUED)

If an employee is unable to report for work due to illness, this fact shall be reported to the department not later than one (1) hour after the start of the normal work day.

An employee on sick leave and receiving his normal compensation who, in addition, qualifies for payments under workers' compensation weekly benefits shall, during the period he is receiving such weekly benefits, be entitled to only that portion of his regular salary which with the workers' compensation payments, equals his normal salary.

Compensated absences at December 31, 2016 approximate \$45,369.

NOTE 5: FUND BALANCES APPROPRIATED

The Current Fund balance at December 31, 2016, which was appropriated and included as anticipated revenue for the year ending December 31, 2017, was as follows:

Current Fund:

\$519,454.16

NOTE 6: TAXES COLLECTED IN ADVANCE

Taxes collected in advance set forth as a cash liability in the financial statements are as follows:

	Balance December <u>31, 2016</u>	Balance December <u>31, 2015</u>
Prepaid Taxes	<u>\$164,797.14</u>	<u>\$103,089.70</u>

NOTE 7: ASSESSMENT AND COLLECTION OF PROPERTY TAXES

New Jersey statutes require that taxable valuation of real property be prepared by the Township Tax Assessor as of October 1 in each year and filed with the County Board of Taxation (the "Board") by January 10 of the following year. Upon the filing of certified adopted budgets by the Township, Local School District, Fire District and County, the tax rate is struck by the Board based on the certified amounts in each of the taxing districts for collection to fund the budgets. Pursuant to statute, this process is to be completed on or before May 3, with a completed duplicate of the tax rolls to be delivered to the Township Tax Collector

NOTE 7: ASSESSMENT AND COLLECTION OF PROPERTY TAXES (CONTINUED)

(the "Collector") on or before May 13<sup>th</sup>.

Tax bills are prepared then mailed by the Collector of the Township annually and set forth the final tax for the tax year. The bill contains a credit for preliminary amounts billed previously with the balance payable in equal installments on August 1<sup>st</sup> and November 1<sup>st</sup> of the tax year. In addition the property owner receives a preliminary bill for the succeeding year based on one half of the prior year's tax. The preliminary payments are due on February 1<sup>st</sup> and May 1<sup>st</sup>. The N.J. Statutes allow a grace period of 10 days for each payment period and the Township granted this option to taxpayers. Taxes become delinquent if not paid on the installment dates and become subject to interest penalties of 8% or 18% of the amount delinquent. If taxes are delinquent on or after April 1<sup>st</sup> of the succeeding year, the delinquent amount is subject to "Tax Sale" which places a tax lien on the property allowing the holder to enforce the tax lien by collection or foreclosure. New Jersey property tax laws establish a tax lien on real estate as of January 1<sup>st</sup> of the current tax year even though the amount due is not known.

Comparison of Tax Rate Information:

	2016	2015	2014
Total Tax Rate	<u>\$2.520</u>	<u>\$2.449</u>	<u>\$2.392</u>
Apportionment of Tax Rate:			
Municipal	0.250	0.241	0.235
Municipal Open Space	0.020	0.020	0.020
County	0.461	0.443	0.440
Local School	1.584	1.546	1.498
Fire District	0.205	0.199	0.199

Net Valuation Taxable:

2016	<u>\$ 783,700,365</u>	
2015	<u>\$ 783,861,029</u>	
2014		<u>\$ 785,150,772</u>

Comparison of Tax Levies and Collection Currently:

YEAR	TAX LEVY	CASH COLLECTIONS	PERCENTAGE OF COLLECTION
2016	\$ 19,783,125.30	\$ 19,755,774.95	99.86%
2015	19,233,285.76	19,212,113.88	99.88%
2014	18,811,113.10	18,782,380.87	99.84%



NOTE 7: ASSESSMENT AND COLLECTION OF PROPERTY TAXES (CONTINUED)

Delinquent Taxes and Tax Title Liens:

YEAR ENDED DECEMBER 31	AMOUNT OF TAX TITLE LIENS	AMOUNT OF DELINQUENT TAXES	TOTAL DELINQUENT	PERCENTAGE OF TAX LEVY
2016	\$ 38,203.75	\$ 10,995.89	\$ 49,199.64	0.25%
2015	24,404.79	2,831.66	27,236.45	0.14%
2014	3,842.69	-	3,842.69	0.02%

NOTE 8: DEFERRED CHARGES TO FUTURE TAXATION FUNDED AND UNFUNDED

Upon the authorization of capital projects, the township establishes deferred charges for the cost of the capital projects to be raised by future taxation. Funded deferred charges relate to permanent debt issued, whereas unfunded deferred charges relate to temporary or non-funding of the authorized cost of capital projects. According to the New Jersey Statutes Annotated 40A:2-4, the Township may levy taxes on all taxable property within the local unit to repay the debt. Annually, the Township raises the debt requirements for the particular year in the current budget. As funds are raised, the deferred charges are reduced.

NOTE 9: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2016, the following deferred charges are shown on the balance sheets of the various funds:

	BALANCE DECEMBER <u>31, 2016</u>	2017 BUDGET <u>APPROPRIATION</u>	BALANCE TO SUCCEEDING <u>YEARS</u>
Current Fund:			
Special Emergency			
Authorizations			
40A:4-53	<u>\$24,166.00</u>	<u>\$16,166.00</u>	<u>\$8,000.00</u>

NOTE 10: PENSION PLANS

Plan Description

Substantially all of the Township's employees participate in one of the following pension plans which have been established by State statute, and are administered by the New Jersey Division of Pensions and Benefits (the "Division"): the Public Employees' Retirement System (the "PERS"), the Police and Firemen's Retirement System (the "PFRS") or the Defined Contribution Retirement Program (the "DCRP"). Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the State of New Jersey, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey, 08625-0295.

Public Employees' Retirement System (PERS)

The PERS was established in 1955. The PERS provides retirement, death, disability and medical benefits to qualified members. Vesting and benefit provisions are established by N.J.S.A. 43:15A and 43:3B.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 92 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate was increased to 6.5% plus an additional 1% phased-in over seven years beginning in the first year. The phase-in of the additional incremental member contribution amount will take place in July of each subsequent year. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however the statute also requires the return to the normal rate when such surplus pension assets no longer exist.

The Township is billed annually for its normal contribution plus any accrued liability. These contributions, equal to the required contributions are detailed below.

Police and Fireman's Retirement System (PFRS)

The PFRS was established in 1944. The PFRS provides retirement, death, disability and medical benefits to qualified members. Vesting and benefit provisions are established by N.J.S.A. 43:16A and 43:3B.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 204, P.L. 1989, plan members enrolled in the PFRS are required to contribute 8.5% of their annual covered salary. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate was

NOTE 10: PENSION PLANS (CONTINUED)

increased to 10.0% in October 2011. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however the statute also requires the return to the normal rate when such surplus pension assets no longer exist.

The Township is billed annually for its normal contribution plus any accrued liability. These contributions, equal to the required contributions are detailed below.

Defined Contribution Retirement Program (DCRP)

The DCRP was established in 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 1, P.L. 2010. The DCRP Board oversees the DCRP, which is administered by Prudential Financial on behalf of the Division. The DCRP provides eligible members, and their beneficiaries, with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by N.J.S.A. 43:15C-1 et seq.

The contribution requirements of plan members are determined by State statute. Plan members are required to contribute 5.5% of their annual covered salary and the Township is required to contribute 3% of the annual salary. The employee contributions along with the Township's contribution for each pay period are transmitted to Prudential financial not later than the fifth business day after the date on which the employee is paid for that pay period.

There were two Township employees enrolled in the DCRP for the years ended December 31, 2016, 2015 and 2014.

Other Information

The Township's contributions, equal to the required contributions for each fiscal year, were as follows:

	<u>PERS</u>	<u>PFRS</u>	<u>DCRP</u>
2016	\$ 60,968	\$ 159,464	\$ 1,152
2015	59,351	147,362	1,317
2014	55,929	146,879	1,187

NOTE 10: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68

The Governmental Accounting Standards Board (GASB) has issued Statement No. 68 "Accounting and Financial Reporting for Public Employees Pensions" and is effective for fiscal years beginning after June 15, 2014. This statement requires the State of New Jersey to calculate and allocate, for note disclosure purposes only, the unfunded net pension liability of Public Employees Retirement System (PERS) and the Police and Firemen's Retirement System (PFRS) of the participating municipality as of December 31, 2016. The statement does not alter the amounts of funds that must be budgeted for pension payments under existing state law.

Under accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, any unfunded net pension liability of the municipality, allocated by the State of New Jersey, is not required to be reported in the financial statements as presented and any pension contributions required to be paid are raised in that year's budget and no liability is accrued at December 31, 2016.

Public Employees Retirement System (PERS)

At June 30, 2016, the State reported a net pension liability of \$2,022,025.00 for the Township of Plumsted's proportionate share of the total net pension liability. The total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2016, the Township's proportion was 0.0068272147 percent, which was a decrease of 0.0002642992 percent from its proportion measured as of June 30, 2015.

For the year ended June 30, 2016, the State recognized an actuarially determined pension expense of \$173,811.00 for the Township of Plumsted's proportionate share of the total pension expense. The pension expense recognized in the Township's financial statement based on the April 1, 2016 billing was \$60,968.00.

NOTE 10: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Public Employees Retirement System (PERS) (Continued)

At June 30, 2016, the State reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Inflow of Resources</u>	<u>Deferred Outflow of Resources</u>
Differences between expected and actual experience	-	\$37,604.00
Changes of assumptions		418,856.00
Net difference between projected and actual earnings on pension plan investments		77,102.00
Changes in proportion and differences between Township contributions and proportionate share of contributions	<u>\$77,837.00</u>	<u>                    </u>
	<u><u>\$77,837.00</u></u>	<u><u>\$533,562.00</u></u>

Other local amounts reported by the State as the Township's proportionate share of deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in the State's actuarially calculated pension expense as follows:

<u>Year Ended June 30,</u>	<u>Amount</u>
2017	\$100,843.00
2018	100,843.00
2019	120,925.00
2020	102,034.00
2021	<u>31,080.00</u>
	<u><u>\$455,725.00</u></u>

NOTE 10: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions

The total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015, which rolled forward to June 30, 2016. These actuarial valuations used the following assumptions:

	<u>June 30, 2015</u>	<u>June 30, 2016</u>
Inflation	3.04 Percent	3.08 Percent
Salary Increases (based on age)		
Though 2026	2.15-4.40 Percent	1.65-4.15 Percent
Thereafter	3.15-5.40 Percent	2.65-5.15 Percent
Investment Rate of Return	7.90 Percent	7.65 percent

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

In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

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

NOTE 10: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Public Employees Retirement System (PERS) (Continued)

Long-Term Rate of Return

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

<u>Asset Class</u>	<u>June 30, 2016</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	0.87%
U.S. Treasuries	1.50%	1.74%
Investment Grade Credit	8.00%	1.79%
Mortgages	2.00%	1.67%
High Yield Bonds	2.00%	4.56%
Inflation Indexed Bonds	1.50%	3.44%
Broad U.S. Equities	26.00%	8.53%
Developed Foreign Markets	13.25%	6.83%
Emerging Market Equities	6.50%	9.95%
Private Equity	9.00%	12.40%
Hedge Funds/Absolute Returns	12.50%	4.68%
Real Estate (Property)	2.00%	6.91%
Commodities	0.50%	5.45%
Global Debt ex US	5.00%	-0.25%
REIT	5.25%	5.63%
	<u>100.00%</u>	

NOTE 10: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Public Employees Retirement System (PERS) (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 3.98% as of June 30, 2016. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.65% and a municipal bond rate of 2.85% as of June 30, 2016 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 30% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2034. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2034 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate.

The following presents the collective net pension liability of the participating employers as of June 30, 2016 respectively, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2016		
	1%	At Current	1%
	Decrease	Discount Rate	Increase
	<u>2.98%</u>	<u>3.98%</u>	<u>4.98%</u>
Township's proportionate share of the pension liability	\$2,477,756.00	\$2,022,025.00	\$1,645,780.00



NOTE 10: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Public Employees Retirement System (PERS) (Continued)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System (PERS). The report may be obtained at 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>

Police and Firemen's Retirement System (PFRS)

At June 30, 2016, the State reported a net pension liability of \$3,861,509.00 for the Township of Plumsted's proportionate share of the total PFRS net pension liability. The total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2016, the Township's proportion was 0.0202146197 percent, which was an increase of 0.0005967524 percent from its proportion measured as of June 30, 2015.

For the year ended June 30, 2016, the State recognized an actuarially determined pension expense of \$418,230.00. The pension expense recognized in the Township's financial statement based on the April 1, 2016 billing was \$159,464.00. At June 30, 2016, the State reported deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	<u>Deferred Inflow of Resources</u>	<u>Deferred Outflow of Resources</u>
Differences between expected and actual experience	\$25,313.00	
Changes of assumptions		\$270,568.00
Net difference between projected and actual earnings on pension plan investments		105,558.00
Changes in proportion and differences between the Township's contributions and proportionate share of contributions	<u>64,614.00</u>	<u>910,977.00</u>
	<u>\$89,927.00</u>	<u>\$1,287,103.00</u>

NOTE 10: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Police and Firemen's Retirement System (PFRS) (Continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended</u>	<u>Amount</u>
<u>June 30</u>	
2017	\$323,504.00
2018	323,502.00
2019	385,072.00
2020	297,616.00
2021	<u>(132,518.00)</u>
	<u>\$1,197,176.00</u>

Actuarial Assumptions

The total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015, which rolled forward to June 30, 2016. This actuarial valuation used the following assumptions:

	<u>2016</u>	<u>2015</u>
Inflation	3.08 Percent	3.04 Percent
Salary Increases (based on age)		
Through 2026	2.10-8.98 Percent	2.60-9.48 Percent
Thereafter	3.10-9.98 Percent	3.60-10.48 Percent
Investment Rate of Return	7.65 Percent	7.90 Percent

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

NOTE 10: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Police and Firemen's Retirement System (PFRS) (Continued)

Actuarial Assumptions (Continued)

modified 2014 projection scales, which was further projected on a generational basis using the plan actuary's modified 2014 projection scales. Disability mortality rates were based on special mortality tables used for the period after disability retirement.

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

Long Term Rate of Return

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

NOTE 10: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Police and Firemen's Retirement System (PFRS) (Continued)

Long Term Rate of Return (Continued)

<u>Asset Class</u>	June 30, 2016	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	0.87%
US Treasuries	1.50%	1.74%
Investment Grade Credit	8.00%	1.79%
Mortgages	2.00%	1.67%
High Yield Bonds	2.00%	4.56%
Inflation-Indexed Bonds	1.50%	3.44%
Broad US Equities	26.00%	8.53%
Developed Foreign Equities	13.25%	6.83%
Emerging Market Equities	6.50%	9.95%
Private Equity	9.00%	12.40%
Hedge Funds Absolute Return	12.50%	4.68%
Real Estate (Property)	2.00%	6.91%
Commodities	0.50%	5.45%
Global Debt ex US	5.00%	-0.25%
REIT	5.25%	5.63%
	<u>100.00%</u>	

Discount Rate

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

NOTE 10: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Police and Firemen's Retirement System (PFRS) (Continued)

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate.

The following presents the collective net pension liability of the participating employers as of June 30, 2016 respectively, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2016		
	1%	At Current	1%
	Decrease	Discount Rate	Increase
	<u>4.55%</u>	<u>5.55%</u>	<u>6.55%</u>
Township's proportionate share of the PFRS pension liability	\$4,979,133.00	\$3,861,509.00	\$2,950,154.00

Special Funding Situation

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

At December 31, 2016 and 2015, the State's proportionate share of the net pension liability attributable to the Township for the PFRS special funding situation is \$324,271.00 and \$286,562.00 respectively.

NOTE 10: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Police and Firemen's Retirement System (PFRS) (Continued)

Special Funding Situation (Continued)

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

Township's Proportionate Share of Net Pension Liability	\$3,861,509.00
State of New Jersey Proportionate Share of Net Pension Liability Associated with the Township	<u>324,271.00</u>
	<u>\$4,185,780.00</u>

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Police and Firemen's Retirement System (PFRS). The report may be obtained at 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>

NOTE 11: SCHOOL TAXES

Local School District Taxes have been raised and liabilities deferred. Section 13 of P.L. 1991, C. 63 required that any municipality that levied school taxes on a school year basis shall defer from the 1991 municipal purposes tax levy at least 25% of the amount allowable to be deferred (which is 50% (fifty percent) of the levy). The remainder of the allowable amount shall be deferred from the levy in each of the next three years (1992-1994). The amounts so deferred shall be regarded as fund balance and shall be used to offset the local property tax levy for local purposes. In 1992 at least 50% of the amount of the amount allowable to be deferred from the 1992 tax levy was required to offset the 1993 local property tax levy and the total amount of deferral at December 31, 1993 was 75% of the amount allowable to be deferred based on the 1993 tax levy.

In 1994 Section 13, P.L. 1991, C. 63 was amended to provide municipalities with the option to determine the percentage if any of the amount allowable to be deferred to offset the local property tax levy for local purposes.

Local School District Tax		
Balance December 31		
	2016	2015
Balance of Tax	\$ 6,210,349	\$ 6,059,329
Deferred	<u>5,487,200</u>	<u>5,487,200</u>
Tax Payable	<u>\$ 723,149</u>	<u>\$ 572,129</u>

NOTE 12: OTHER POSTEMPLOYMENT BENEFITS

In addition to the pension benefits described in Note 10, the Township's policy with respect to certain other postemployment retirement benefits is as follows:

Any employee who experiences a voluntary separation from the service of the Township, upon obtaining retirement age or after twenty-five (25) continuous years of service with the Township, shall be entitled to continue his or her insurance coverage through the Township, provided that the employee assume and pay for the entire cost of their insurance premiums for that former employee. If possible, such insurance premiums shall be paid directly to the insurance carrier.

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. The Township is a member of the Ocean County Municipal Joint Insurance Fund, and the Municipal Excess Liability Fund,

NOTE 13: RISK MANAGEMENT (CONTINUED)

public entity risk pools currently operating as a common risk management and insurance programs for municipalities within the state. The Township pays an actuarially determined annual assessment to Ocean County Municipal Joint Insurance Fund for its insurance coverage and that of the Municipal Excess Liability Fund. Supplemental assessments may be levied to supplement the funds. The Township has not been notified on any supplemental assessments.

Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three years.

NOTE 14: CONTINGENT LIABILITIES

State and Federal Financial Assistance

The Township receives financial assistance from the State of New Jersey and the U.S. government in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the financial assistance agreements and applicable regulations, including the expenditure of the funds for eligible purposes. Substantially all grants, entitlements and cost reimbursements are subject to financial and compliance audits by grantors. As a result of these audits, cost previously reimbursed could be disallowed and require repayment to the grantor agency. As of December 31, 2016, the Township estimates that no material liabilities will result from such audits.

Pending Litigation

It is the opinion of the Township officials that there is no litigation threatened or pending that would materially affect the financial position of the Township or adversely affect the Township's ability to levy, collect and enforce the collection of taxes or other revenue for the payment of its bonds, notes or other obligations.

NOTE 15: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheets at December 31, 2016:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Current Fund	\$ .	\$ 211,349.12
Grant Fund	<u>211,349.12</u>	<u>                    </u>
	\$ <u>211,349.12</u>	\$ <u>211,349.12</u>

The purpose of these interfunds is short-term borrowing.



NOTE 15: INTERFUND RECEIVABLES AND PAYABLES (CONTINUED)

The summary of interfund transfers follows:

	TRANSFERS IN	TRANSFERS OUT
Current Fund	\$ 750,203.20	\$ 629,031.13
State & Federal Grant Fund	628,934.61	750,106.67
Trust Other Fund	<u>96.52</u>	<u>96.53</u>
Total Transfers	\$ <u><u>1,379,234.33</u></u>	\$ <u><u>1,379,234.33</u></u>

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

NOTE 16: SUBSEQUENT EVENTS

The Township has evaluated subsequent events occurring after the financial statement date through the audit date which is the date the financial statements were available to be issued. Based upon this evaluation, the Township has determined that no items require disclosure in the financial statements:

NOTE 17: ACCOUNTS RECEIVABLE

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

	Current Fund	State & Federal Grant Fund	Total
State Aid	\$ -	\$ 431,978.81	\$ 431,978.81
Federal Aid	-	34,861.52	34,861.52
Taxes	49,199.64	-	49,199.64
Other	<u>201,018.22</u>	<u>750.00</u>	<u>201,768.22</u>
Total	\$ <u><u>250,217.86</u></u>	\$ <u><u>467,590.33</u></u>	\$ <u><u>717,808.19</u></u>

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**SUPPLEMENTARY EXHIBITS**

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<b>CURRENT FUND</b>
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TOWNSHIP OF PLUMSTED  
CURRENT FUND  
SCHEDULE OF CASH - TREASURER

	<u>REF.</u>		
Balance, December 31, 2015	A		\$ 1,665,011.75
Increased by Receipts:			
Third Party Liens	Contra	\$ 138,669.35	
Non-Budget Revenues	A-2	85,176.64	
Property Taxes Receivable	A-5	19,586,255.89	
Revenue Accounts Receivable	A-8	994,978.32	
Tax Overpayments	A-11	808.42	
Prepaid Taxes	A-12	164,797.14	
Due From/To State of New Jersey	A-13	82,613.00	
Emergency Note Payable	A-16	14,166.00	
Interfunds	A-17	96.53	
Miscellaneous Reserves	A-19	415,390.43	
Grants Receivable	A-21	<u>267,603.61</u>	
			<u>21,750,555.33</u>
			23,415,567.08
Decreased by Disbursements:			
Third Party Liens	Contra	\$ 138,669.35	
Refund of Prior Year Revenue	A-1	30.00	
2016 Budget Appropriations	A-3	2,836,665.32	
Municipal Open Space Tax	A-5	156,740.07	
Special District Taxes	A-5	1,603,290.00	
Appropriation Reserves	A-10	46,285.57	
Tax Overpayments	A-11	3,021.54	
Due From/To State of New Jersey	A-13	13,315.00	
County Taxes Payable	A-14	3,599,171.31	
Local School District Tax Payable	A-15	12,269,677.00	
Emergency Note Payable	A-16	28,332.00	
Interfunds	A-17	96.52	
Miscellaneous Reserves	A-19	428,878.44	
Grants - Appropriated	A-22	<u>162,437.80</u>	
			<u>21,286,609.92</u>
Balance, December 31, 2016	A		<u>\$ 2,128,957.16</u>

TOWNSHIP OF PLUMSTED

CURRENT FUND

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

YEAR	BALANCE DECEMBER 31, 2015	2016 LEVY	CASH COLLECTIONS 2016	2015	DUE FROM STATE OF NEW JERSEY CH. 20, P.L. 1971	OVER- PAYMENTS APPLIED	CANCELED	TRANSFERRED TO TAX TITLE LIENS	BALANCE DECEMBER 31, 2016
2015	\$ 2,831.66	\$	\$ 1.02	\$	\$	\$	\$ 52.62	\$	\$ 2,778.02
2016	2,831.66	19,783,125.30	1.02				52.62		2,778.02
			19,586,255.89	103,089.70	66,250.00	179.36	9,194.74	9,937.74	8,217.87
	\$ 2,831.66	\$ 19,783,125.30	\$ 19,586,256.91	\$ 103,089.70	\$ 66,250.00	\$ 179.36	\$ 9,247.36	\$ 9,937.74	\$ 10,995.89
REF.	A	A-5		A-12	A-13	A-11		A-6	A
Receipts from Delinquent Taxes									
Property Taxes Receivable	A-2		\$ 1.02						
	A-4		19,586,255.89						
			\$ 19,586,256.91						

ANALYSIS OF 2016 PROPERTY TAX LEVY

TAX YIELD	REF.		
General Purpose Tax		\$ 19,749,264.04	
Added Taxes (54:4-63.1 et seq.)		33,861.26	
	A-5	\$ 19,783,125.30	
TAX LEVY			
Local School District Tax (Abstract)	A-15	\$ 12,420,697.00	
County Taxes:			
General County Tax (Abstract)	A-14	\$ 3,042,937.87	
County Library Tax (Abstract)	A-14	327,650.15	
County Health Tax (Abstract)	A-14	118,152.49	
County Open Space Tax Preservation (Abstract)	A-14	103,448.91	
Due County for Added Taxes (54:4-63.1 et seq.)	A-14	6,737.59	
		3,598,927.01	
Municipal Open Space Tax	A-4	\$ 156,740.07	
Special District Taxes	A-4	1,603,290.00	
Local Tax for Municipal Purposes (Abstract)	A-2	1,966,752.59	
Add: Additional Tax Levied		36,718.63	
	A-5	3,763,501.29	
		\$ 19,783,125.30	



"A-6"

TOWNSHIP OF PLUMSTED

CURRENT FUND

SCHEDULE OF TAX TITLE LIENS RECEIVABLE

	<u>REF.</u>		
Balance, December 31, 2015	A		\$ 24,404.79
Increased by:			
Transfers From Taxes Receivable	A-5	\$ 9,937.74	
Interest and Costs Accrued by Sale		<u>9,212.59</u>	
			<u>19,150.33</u>
			43,555.12
Decreased by:			
Receipts	A-2		<u>5,351.37</u>
Balance, December 31, 2016	A		\$ <u><u>38,203.75</u></u>

"A-7"

SCHEDULE OF PROPERTY ACQUIRED FOR TAXES  
(AT ASSESSED VALUATION)

	<u>REF.</u>	
Balance, December 31, 2015 and December 31, 2016	A	\$ <u><u>196,900.00</u></u>

TOWNSHIP OF PLUMSTED

CURRENT FUND

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2015</u>	<u>ACCRUED</u>	<u>COLLECTED</u>	<u>BALANCE DECEMBER 31, 2016</u>
Licenses:					
Alcoholic Beverage	A-2	\$	\$	\$	\$
Other	A-2		10,300.00	10,300.00	
Fees and Permits	A-2		5,168.00	5,168.00	
Fines and Costs			90,721.00	90,721.00	
Municipal Court	A-2	3,445.34	62,973.18	62,300.30	4,118.22
Interest and Costs on Taxes	A-2		26,547.28	26,547.28	
Interest on Investments and Deposits	A-2		3,539.67	3,539.67	
Cable Television Franchise Fees	A-2		27,405.96	27,405.96	
Police Towing Fees	A-2		16,540.00	16,540.00	
Energy Receipts Tax	A-2		447,223.00	447,223.00	
Garden State Trust Fund	A-2		5,099.00	5,099.00	
Uniform Construction Code Fees	A-2		42,466.00	42,466.00	
Rental/Smoke Detection Inspection	A-2		21,700.00	21,700.00	
Additional Uniform Construction Code Fees	A-2		86,900.00	86,900.00	
Plumsted Board of Education School Resource Officer	A-2		91,644.21	91,644.21	
Cell Tower Revenue	A-2		37,423.90	37,423.90	
Capital Fund Balance	A-2		20,000.00	20,000.00	
		<u>\$ 3,445.34</u>	<u>\$ 995,651.20</u>	<u>\$ 994,978.32</u>	<u>\$ 4,118.22</u>
	<u>REF.</u>	A		A-4	A

TOWNSHIP OF PLUMSTED

CURRENT FUND

SCHEDULE OF DEFERRED CHARGES - SPECIAL EMERGENCY 40A:4-53

<u>DATE AUTHORIZED</u>	<u>PURPOSE</u>	<u>NET AMOUNT AUTHORIZED</u>	<u>1/5 OF NET AMOUNT AUTHORIZED</u>	<u>BALANCE DECEMBER 31, 2015</u>	<u>ADDED IN 2016</u>	<u>REDUCED IN 2016</u>	<u>BALANCE DECEMBER 31, 2016</u>
08/01/12	Hybrid Reassessment Project	\$ 85,000.00	\$ 17,000.00	\$ 28,332.00	\$	\$ 14,166.00	\$ 14,166.00
06/01/16	Preparation of Master Plan	10,000.00	2,000.00		10,000.00		10,000.00
		<u>\$ 85,000.00</u>	<u>\$ 17,000.00</u>	<u>\$ 28,332.00</u>	<u>\$ 10,000.00</u>	<u>\$ 14,166.00</u>	<u>\$ 24,166.00</u>
<u>REF.</u>				A	A-3	A-3	A

## SCHEDULE OF 2015 APPROPRIATION RESERVES

	BALANCE DECEMBER 31, 2015	BALANCE AFTER TRANSFERS	PAID OR CHARGED	BALANCE LAPSED
<u>SALARIES AND WAGES</u>				
Municipal Clerk	\$ 12,637.12	\$ 12,637.12	\$	12,637.12
Financial Administration	9,274.42	9,274.42		9,274.42
Collection of Taxes	702.55	3,702.55		3,702.55
Assessment of Taxes	14.51	14.51		14.51
Downtown Economic Development	113.36	113.36		113.36
Planning Board	141.68	141.68		141.68
Zoning Officer	38.05	38.05		38.05
Mobile Home Inspector	5.09	5.09		5.09
Rental Inspections	5,625.00	5,625.00		5,625.00
Code Enforcement Officer	195.38	195.38		195.38
Police	10,094.84	10,094.84		10,094.84
School Crossing Guards	100.00	100.00		100.00
Emergency Management Services	16.72	16.72		16.72
Municipal Court	6,156.27	6,156.27		6,156.27
Recycling	3,600.00	3,600.00		3,600.00
Public Buildings and Grounds	17,004.78	17,004.78		17,004.78
Public Employee Awards	2,600.00	2,600.00	1,944.37	655.63
State Uniform Construction Code Official O/S	1,847.08	1,847.08		1,847.08
<b>TOTAL SALARIES AND WAGES</b>	<b>\$ 70,166.85</b>	<b>\$ 73,166.85</b>	<b>\$ 1,944.37</b>	<b>\$ 71,222.48</b>

TOWNSHIP OF PLUMSTED

CURRENT FUND

SCHEDULE OF 2015 APPROPRIATION RESERVES

	BALANCE DECEMBER 31, 2015	BALANCE AFTER TRANSFERS	PAID OR CHARGED	BALANCE LAPSED
	\$	\$	\$	\$
<u>OTHER EXPENSES</u>				
Shared Services	950.00	950.00		950.00
Mayor and Township Committee	338.80	338.80		338.80
Municipal Clerk	12,011.05	12,011.05	3,997.66	8,013.39
Financial Administration	1,499.68	1,499.68	911.54	588.14
Audit Services	1,450.00	1,450.00		1,450.00
Collection of Taxes	1,474.00	1,474.00	67.57	1,406.43
Assessment of Taxes	2,960.52	2,960.52	1,471.30	1,489.22
Legal Services and Costs	33,048.46	33,048.46	1,294.59	31,753.87
Engineering Services and Costs	769.42	769.42	143.00	626.42
Downtown Economic Development	1,576.90	1,576.90	27.95	1,548.95
Senior Outreach Services	0.97	0.97		0.97
Planning Board	3,002.65	3,002.65	70.01	2,932.64
General Liability Insurance	132.79	132.79		132.79
Workers Compensation Insurance	132.80	132.80		132.80
Employee Group Health Insurance	6,724.40	3,724.40		3,724.40
Vision Program	1,178.47	1,178.47		1,178.47
Dental Program	1,946.40	1,946.40		1,946.40
Health Benefit Waiver	8,631.20	8,631.20		2,067.00
Other Insurance	1,596.00	1,596.00	6,564.20	1,596.00
Police	8,688.27	8,688.27	4,927.25	3,761.02
Emergency Management Services	940.03	940.03	203.32	736.71
Municipal Court	3,143.99	3,143.99	464.10	2,679.89

TOWNSHIP OF PLUMSTED

CURRENT FUND

SCHEDULE OF 2015 APPROPRIATION RESERVES

	BALANCE DECEMBER 31, 2015	BALANCE AFTER TRANSFERS	PAID OR CHARGED	BALANCE LAPSED
	\$	\$	\$	\$
Public Defender	250.00	250.00		250.00
Road Repairs and Maintenance	4,241.49	4,241.49		4,241.49
Snow Removal	296.40	296.40		296.40
Recycling	2,150.00	2,150.00	3.57	2,146.43
Sanitary Landfill	450.00	450.00		450.00
Public Buildings and Grounds	6,358.61	6,358.61	1,577.83	4,780.78
Demolition	3,900.00	3,900.00		3,900.00
Soil/Water Testing	450.00	450.00		450.00
Environmental Commission	900.00	900.00		900.00
Administration of Public Assistance Relocation Costs	350.00	350.00		350.00
Federally Mandated Hepatitis Immunization	490.00	490.00		490.00
Recreation	11,626.00	11,626.00	3,298.80	8,327.20
Celebration of Public Event, Anniversary or Holiday	1,145.52	1,145.52		1,145.52
Council for the Arts	483.93	483.93	233.67	250.26
Public Employee Awards	250.00	250.00		250.00
Utilities:				
Electricity	7,116.29	7,116.29	1,681.53	5,434.76
Street Lighting	6,442.48	6,442.48	4,290.61	2,151.87
Telephone	3,016.42	3,016.42	560.62	2,455.80
Water	1,350.30	1,350.30		1,350.30
Natural Gas	2,890.21	2,890.21		2,890.21
Heating Oil	4,602.41	4,602.41		4,602.41

TOWNSHIP OF PLUMSTED

CURRENT FUND

SCHEDULE OF 2015 APPROPRIATION RESERVES

	BALANCE DECEMBER 31, 2015	BALANCE AFTER TRANSFERS	PAID OR CHARGED	BALANCE LAPSED
Utilities (Continued):				
Gasoline	\$ 3,078.47	\$ 3,078.47	\$ 1,629.75	\$ 1,448.72
Contingent	2,500.00	2,500.00		2,500.00
Contribution to Social Security System (O.A.S.I.)	13,460.15	13,460.15		13,460.15
State Unemployment Insurance	1,014.28	1,014.28		1,014.28
Defined Contribution Retirement Program	1,319.04	1,319.04	135.55	1,183.49
State Uniform Construction Code Official O/S	5,106.71	5,106.71	1,619.27	3,487.44
Plumsted Board of Education School Resource Officer	14,810.00	14,810.00	1,121.00	13,689.00
Plumsted-Allentown Court	8,157.44	8,157.44	532.03	7,625.41
Local Matching Funds for Grants	200.00	200.00		200.00
Acquisition of a 4WD Police Vehicle	2,439.48	2,439.48	2,439.48	
Improvements to Municipal Building	20,000.00	20,000.00	5,075.00	14,925.00
<u>TOTAL OTHER EXPENSES</u>	<u>223,042.43</u>	<u>220,042.43</u>	<u>44,341.20</u>	<u>175,701.23</u>
<u>GRAND TOTAL</u>	<u>\$ 293,209.28</u>	<u>\$ 293,209.28</u>	<u>\$ 46,285.57</u>	<u>\$ 246,923.71</u>
			A-4	A-1
REF.				
Appropriation Reserves	\$ 256,585.74			
Reserve for Encumbrances	<u>36,623.54</u>			
	<u>\$ 293,209.28</u>			

"A-11"

TOWNSHIP OF PLUMSTED  
CURRENT FUND  
SCHEDULE OF TAX OVERPAYMENTS

	<u>REF.</u>		
Balance, December 31, 2015	A	\$	4,724.10
Increased by:			
Receipts	A-4		<u>808.42</u>
			5,532.52
Decreased by:			
Cancelled	A-1	\$	1,319.53
Disbursements	A-4		3,021.54
Applied to 2016 Taxes Receivable	A-5		<u>179.36</u>
			<u>4,520.43</u>
Balance, December 31, 2016	A	\$	<u><u>1,012.09</u></u>

"A-12"

SCHEDULE OF PREPAID TAXES

	<u>REF.</u>		
Balance, December 31, 2015	A	\$	103,089.70
Increased by:			
Receipts	A-4		<u>164,797.14</u>
			267,886.84
Decreased by:			
Applied to 2016 Taxes Receivable	A-5		<u>103,089.70</u>
Balance, December 31, 2016	A	\$	<u><u>164,797.14</u></u>



TOWNSHIP OF PLUMSTED

CURRENT FUND

SCHEDULE OF DUE FROM/TO STATE OF NEW JERSEY

	<u>REF.</u>	<u>TOTAL</u>	<u>UNIFORM CONSTRUCTION CODE</u>	<u>MARRIAGE LICENSES</u>	<u>CH. 20, P.L. 1971</u>
Balance, December 31, 2015 - Due From/(Due To)	A	\$ (2,299.86)	\$ (1,805.00)	\$ (225.00)	\$ (269.86)
Increased/Decreased by:					
Deductions:					
Per Billings		68,250.00			68,250.00
Allowed by Tax Collector (Net)		(2,000.00)			(2,000.00)
	A-5	66,250.00			66,250.00
Disbursements	A-4	13,315.00	12,240.00	1,075.00	
Total Increases/Decreases		79,565.00	12,240.00	1,075.00	66,250.00
Total Increases/Decreases and Balances		77,265.14	10,435.00	850.00	65,980.14
Decreased/Increased by:					
Receipts	A-4	82,613.00	14,638.00	975.00	67,000.00
Total Decreases		82,613.00	14,638.00	975.00	67,000.00
Balance, December 31, 2016 - Due From/(Due To)	A	\$ (5,347.86)	\$ (4,203.00)	\$ (125.00)	\$ (1,019.86)

TOWNSHIP OF PLUMSTED

CURRENT FUND

SCHEDULE OF COUNTY TAXES PAYABLE

	<u>REF.</u>		
Balance, December 31, 2015	A	\$	6,981.89
Increased by:			
2016 Tax Levy:			
General County	A-5	\$	3,042,937.87
County Library	A-5		327,650.15
County Health	A-5		118,152.49
County Open Space Preservation	A-5		103,448.91
Due County for Added and Omitted Taxes	A-5		<u>6,737.59</u>
	A-1		<u>3,598,927.01</u>
			<u>3,605,908.90</u>
Decreased by:			
Payments	A-4		<u>3,599,171.31</u>
Balance, December 31, 2016	A	\$	<u><u>6,737.59</u></u>

SCHEDULE OF LOCAL SCHOOL DISTRICT TAX PAYABLE

	<u>REF.</u>		
Balance, December 31, 2015:			
School Tax Payable	A	\$	572,129.13
School Tax Deferred			<u>5,487,199.61</u>
		\$	6,059,328.74
Increased by:			
Levy School Year - July 1, 2016 to June 30, 2017	A-5		<u>12,420,697.00</u>
			<u>18,480,025.74</u>
Decreased by:			
Payments	A-4		<u>12,269,677.00</u>
Balance, December 31, 2016:			
School Tax Payable	A	\$	723,149.13
School Tax Deferred			<u>5,487,199.61</u>
		\$	<u><u>6,210,348.74</u></u>

TOWNSHIP OF PLUMSTED

CURRENT FUND

SCHEDULE OF SPECIAL EMERGENCY NOTE PAYABLE

<u>PURPOSE</u>	<u>DATE OF</u>		<u>DATE OF</u>	<u>INTEREST</u>	<u>BALANCE</u>	<u>INCREASED</u>	<u>DECREASED</u>	<u>BALANCE</u>
	<u>ORIGINAL</u>	<u>ISSUE</u>	<u>ISSUE</u>	<u>RATE</u>	<u>DECEMBER</u>			<u>DECEMBER</u>
	<u>ISSUE</u>	<u>DATE</u>	<u>DATE</u>	<u>MATURITY</u>	<u>31, 2015</u>			<u>31, 2016</u>
Hybrid Reassessment Program	09/28/12	09/22/15	09/22/16	1.000%	\$ 28,332.00	\$ 14,166.00	\$ 28,332.00	\$ 14,166.00
Hybrid Reassessment Program	09/28/12	09/20/16	09/20/17	1.090%				
					<u>\$ 28,332.00</u>	<u>\$ 14,166.00</u>	<u>\$ 28,332.00</u>	<u>\$ 14,166.00</u>
				<u>REF.</u>	A	A-4	A-4	A

TOWNSHIP OF PLUMSTED

CURRENT FUND

SCHEDULE OF INTERFUNDS

	<u>REF.</u>	<u>TRUST OTHER FUND</u>
Balance, December 31, 2015 Due From/(Due To)	A	\$ 0.01
Increased by:		
Disbursements	A-4	<u>96.52</u>
		96.53
Decreased by:		
Receipts	A-4	<u>96.53</u>
Balance, December 31, 2016 Due From/(Due To)	A	\$ <u><u>          </u></u>

TOWNSHIP OF PLUMSTED

CURRENT FUND

SCHEDULE OF RESERVE FOR ENCUMBRANCES

	<u>REF.</u>	<u>CURRENT FUND</u>	<u>GRANT FUND</u>
Balance December 31, 2015	A	\$ 36,623.54	\$ 28,840.46
Increased by:			
Transferred from:			
2016 Appropriations	A-3	26,062.87	
Grants Appropriated	A-22		207,463.46
Total Increases		<u>26,062.87</u>	<u>207,463.46</u>
Total Increases and Balances		<u>62,686.41</u>	<u>236,303.92</u>
Decreased by:			
Transferred to:			
2015 Appropriation Reserves	A-10	36,623.54	
Grants Appropriated	A-22		28,840.46
Total Decreases		<u>36,623.54</u>	<u>28,840.46</u>
Balance December 31, 2016	A	\$ <u>26,062.87</u>	\$ <u>207,463.46</u>

TOWNSHIP OF PLUMSTED

CURRENT FUND

SCHEDULE OF MISCELLANEOUS RESERVES

	BALANCE DECEMBER 31, 2015	INCREASED BY	DECREASED BY	BALANCE DECEMBER 31, 2016
Hybrid Reassessment Program	\$ 2,837.58	\$	2,837.58	\$
Master Plan		10,000.00	9,917.05	82.95
Payroll Liabilities	543.06	415,390.43	415,389.88	543.61
SRO PFRS Pension Liability	733.93		733.93	
	<u>\$ 4,114.57</u>	<u>\$ 425,390.43</u>	<u>\$ 428,878.44</u>	<u>\$ 626.56</u>
REF.	A		A-4	A
Transfer from Budget Appropriations		\$ 10,000.00		
Cash Receipts		<u>415,390.43</u>		
		<u>\$ 425,390.43</u>		

TOWNSHIP OF PLUMSTED

GRANT FUND

SCHEDULE OF INTERFUNDS

	<u>REF.</u>	<u>CURRENT FUND</u>
Balance, December 31, 2015 - Due From/(Due To)	A	\$ <u>90,177.06</u>
Increased by:		
Canceled Grants Receivable	A-1:A-21	41,995.69
Receipts - Grants Receivable	A-21	267,603.61
2016 Budget Appropriations	A-3:A-22	<u>440,507.37</u>
		<u>750,106.67</u>
		<u>840,283.73</u>
Decreased by:		
Canceled Grants Appropriated	A-1:A-22	41,995.69
Disbursements	A-22	162,437.80
2016 Budget Revenues Realized	A-2:A-21	<u>424,501.12</u>
		<u>628,934.61</u>
Balance, December 31, 2016 - Due From/(Due To)	A	\$ <u><u>211,349.12</u></u>

TOWNSHIP OF PLUMSTED

GRANT FUND

SCHEDULE OF GRANTS RECEIVABLE

	BALANCE DECEMBER 31, 2015	2016 BUDGET REVENUE REALIZED	CASH RECEIPTS	CANCELED	BALANCE DECEMBER 31, 2016
Bulletproof Vest Partnership Grant 2010	\$ 1,403.88	\$	\$		\$ 1,403.88
Bulletproof Vest Partnership Grant 2012	181.00				181.00
Bulletproof Vest Partnership Grant 2013	26.64				26.64
Bulletproof Vest Partnership Grant 2014	721.84		721.84		
NJ Department of Transportation Municipal Aid:					
Hopkins Road	250,000.00		119,986.19	40,975.69	130,013.81
Oakwood Drive	76,640.15		35,664.46	1,020.00	
Municipal Alliance on Alcoholism and Drug Abuse	22,465.00		21,445.00		
Ocean County Cultural and Heritage Grant	250.00		250.00		
Ocean County Tourism Grant	1,000.00		1,000.00		
2016 Grants:					
Alcohol Education and Rehabilitation Fund		1,148.20	1,148.20		
Body Armor Replacement Fund		1,622.78	1,622.78		
Body Worn Cameras		1,000.00	1,000.00		2,250.00
Bullet Proof Vest Partnership Grant		2,250.00			
Clean Communities Program		21,268.36	21,268.36		
Click-it or Ticket		5,000.00	5,000.00		
Community Development Block Grant		31,000.00			31,000.00
Drunk Driving Enforcement Fund		4,500.00			4,500.00
JIF Safety Incentive Award		250.00	250.00		
Municipal Alliance on Alcoholism and Drug Abuse		22,465.00			22,465.00
NJ Department of Transportation Municipal Aid:					
Brynmere Road		275,000.00			275,000.00
NJ Radiology Emergency Radio		6,187.95	6,187.95		
Ocean County Tourism Grant		750.00			750.00
Recycling Revenue and Residue		2,556.33	2,556.33		
Recycling Tonnage Grant		9,502.50	9,502.50		
Safe and Secure Communities Program		30,000.00	30,000.00		
Senior Center		10,000.00	10,000.00		
	<u>\$ 352,688.51</u>	<u>\$ 424,501.12</u>	<u>\$ 267,603.61</u>	<u>\$ 41,995.69</u>	<u>\$ 467,590.33</u>
REF.	A	A-20	A-4:A-20	A-20	A



TOWNSHIP OF PLUMSTED

GRANT FUND

SCHEDULE OF GRANTS - APPROPRIATED

	BALANCE DECEMBER 31, 2015	2016 BUDGET APPROPRIATIONS	PAID OR CHARGED	CANCELED	BALANCE DECEMBER 31, 2016
Alcohol Education and Rehabilitation Fund	\$ 5,671.13	\$ 1,148.20	\$ 1,100.00	\$	\$ 5,719.33
Body Armor Replacement Fund	6,077.77	1,622.78	1,065.75		6,634.80
Body Worn Cameras		1,000.00	1,000.00		
Bulletproof Vest Partnership Grant	1,192.49	2,250.00	1,065.75		2,376.74
Clean Communities Program	22,293.98	21,268.36	22,440.58		21,121.76
Click-it or Ticket		5,000.00	5,000.00		
Community Development Block Grant		31,000.00	31,000.00		
Drunk Driving Enforcement Fund	6,194.05	4,500.00	6,793.98		3,900.07
JIF Safety Incentive Award	132.03	250.00	132.03		250.00
Lombardi Canine Unit	934.10		934.10		
Municipal Alliance on Alcoholism and Drug Abuse	24,033.10	28,081.25	32,546.67	1,020.00	18,547.68
NJ Department of Transportation Municipal Aid:					
Hopkins Road	250,000.00		176,121.58		73,878.42
Oakwood Drive	38,646.87		(2,328.82)	40,975.69	275,000.00
Brynmere Road		275,000.00			
NJ Radiology Emergency Radio		6,187.95	6,187.95		
Ocean County Tourism Grant		1,500.00	1,500.00		
Recycling Revenue and Residue	27,173.69	2,556.33	345.00		29,385.02
Recycling Tonnage Grant	31,429.38	9,502.50	6,516.23		34,415.65
Safe and Secure Communities Program		37,500.00	37,500.00		
Senior Center		10,000.00	10,000.00		
Supplemental Fire Services Program	246.52	2,140.00	2,140.00		246.52
	<u>\$ 414,025.11</u>	<u>\$ 440,507.37</u>	<u>\$ 341,060.80</u>	<u>\$ 41,995.69</u>	<u>\$ 471,475.99</u>
	REF. A	A-20		A-20	A
Cash Disbursements			\$ 162,437.80		
Reserve for Encumbrances			207,463.46		
Reserve for Encumbrances			(28,840.46)		
			<u>\$ 341,060.80</u>		

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**TRUST FUND**

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TOWNSHIP OF PLUMSTED

TRUST FUND

SCHEDULE OF TRUST CASH - TREASURER

	<u>REF.</u>	<u>ANIMAL CONTROL TRUST</u>	<u>TRUST OTHER</u>
Balance, December 31, 2015	B	\$ 2,784.14	\$ 760,615.67
Increased by Receipts:			
Due State Department of Health-Animal Control Trust Fund	B-2	\$ 1,980.60	\$
Reserve for Animal Control Trust Fund Expenditures	B-3	12,868.00	
Interfund-Current Fund	B-4		96.52
Miscellaneous Reserves	B-6		<u>770,376.42</u>
		<u>14,848.60</u>	<u>770,472.94</u>
		<u>17,632.74</u>	<u>1,531,088.61</u>
Decreased by Disbursements:			
Due State Department of Health-Animal Control Trust Fund	B-2	\$ 1,980.60	\$
Reserve for Animal Control Trust Fund Expenditures	B-3	12,099.91	
Interfund-Current Fund	B-4		96.53
Miscellaneous Reserves	B-6		<u>817,150.04</u>
		<u>14,080.51</u>	<u>817,246.57</u>
Balance, December 31, 2016	B	\$ <u>3,552.23</u>	\$ <u>713,842.04</u>

TOWNSHIP OF PLUMSTED

TRUST FUND

SCHEDULE OF DUE STATE DEPARTMENT OF HEALTH - ANIMAL CONTROL TRUST FUND

	<u>REF.</u>	
Balance, December 31, 2015	B	\$
Increased by:		
Receipts - State Registration Fees	B-1	1,980.60
Decreased by:		
Disbursements - State Registration Fees	B-1	<u>1,980.60</u>
Balance, December 31, 2016		<u>\$ 0.00</u>

SCHEDULE OF RESERVE FOR ANIMAL CONTROL TRUST FUND EXPENDITURES

	<u>REF.</u>	
Balance, December 31, 2015	B	\$ 2,752.14
Increased by:		
Animal Control License Fees Collected	B-1	<u>12,868.00</u>
		15,620.14
Decreased by:		
Expenditures Under R.S. 4:19-15.11	B-1	\$ 12,099.91
Reserve for Encumbrances	B-5	<u>(32.00)</u>
		<u>12,067.91</u>
Balance, December 31, 2016	B	<u>\$ 3,552.23</u>

LICENSE FEES COLLECTED

	<u>AMOUNT</u>
2015	\$ 10,665.40
2014	<u>13,713.00</u>
	<u>\$ 24,378.40</u>

"B-4"

TOWNSHIP OF PLUMSTED

TRUST FUND

SCHEDULE OF INTERFUND-CURRENT FUND

	<u>REF.</u>	<u>TRUST OTHER FUND</u>
Balance, December 31, 2015 (Due From)/Due To	B	\$ 0.01
Increased by:		
Receipts	B-1	<u>96.52</u>
		96.53
Decreased by:		
Disbursements	B-1	<u>96.53</u>
Balance, December 31, 2016 (Due From)/Due To	B	<u><u>\$ 0.00</u></u>

"B-5"

SCHEDULE OF RESERVE FOR ENCUMBRANCES

	<u>REF.</u>	<u>ANIMAL CONTROL TRUST FUND</u>	<u>TRUST OTHER FUND</u>
Balance, December 31, 2015	B	\$ 32.00	\$ 15,130.00
Increased by:			
Miscellaneous Reserves	B-6	<u>32.00</u>	<u>5,650.00</u>
			20,780.00
Decreased by:			
Reserve for Animal Control Trust Fund Expenditures	B-3	32.00	
Miscellaneous Reserves	B-6	<u>32.00</u>	<u>15,130.00</u>
Balance, December 31, 2016	B	<u><u>\$ 32.00</u></u>	<u><u>\$ 5,650.00</u></u>

TOWNSHIP OF PLUMSTED

TRUST FUND

SCHEDULE OF MISCELLANEOUS RESERVES

	BALANCE DECEMBER 31, 2015	INCREASED	DECREASED	BALANCE DECEMBER 31, 2016
Tax Sale Premiums	\$ 347,200.00	\$ 184,100.16	\$ 252,500.16	\$ 278,800.00
Performance Bonds	151,529.65	16,774.98	20,333.07	147,971.56
Planning Board Escrow	148,436.45	128,426.97	121,108.34	155,755.08
Curb and Sidewalk Deposits	2,841.88	2,424.75		5,266.63
Lot Grading	4,694.00			4,694.00
Recreation Improvement Contributions	1,862.74			1,862.74
Soil Removal	2,777.75			2,777.75
Parking Offense Adjudication Act	95.00			95.00
Law Enforcement Trust	47.27	10,705.17	8,166.00	2,586.44
Public Defender	1,083.70	1,991.50	2,500.00	575.20
Green Technology	1,490.06			1,490.06
Municipal Open Space	12,511.10	156,740.07	160,180.36	9,070.81
Council on the Arts	2,742.40			2,742.40
Outside Employment of Off Duty Municipal Police	24,592.47	90,242.86	80,763.18	34,072.15
PT Environmental Commission Donation	798.33	60.00		858.33
September 11, 2001 World Trade Center	987.85	500.00	1,435.84	52.01
Snow Removal	31,191.69	22,000.00	22,000.00	31,191.69
Land Use Education	808.00	400.00		1,208.00
Main Street Program	4,248.74	4,018.00	3,431.35	4,835.39
Municipal Alliance of Drug and Alcohol Abuse	1,295.87	2,020.00	1,056.83	2,259.04
Municipal Building Donations	300.00	785.85	1,035.85	50.00
July 4th Celebration	3,950.71	11,219.26	13,341.94	1,828.03
TTL Redemption		137,805.85	119,656.12	18,149.73
Canine Program		161.00	161.00	
	<u>\$ 745,485.66</u>	<u>\$ 770,376.42</u>	<u>\$ 807,670.04</u>	<u>\$ 708,192.04</u>
REF.	B	B-1		B
Cash Disbursements			\$ 817,150.04	
Reserve for Encumbrances			5,650.00	
Reserve for Encumbrances			<u>(15,130.00)</u>	
			<u>\$ 807,670.04</u>	



<b>GENERAL CAPITAL FUND</b>
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TOWNSHIP OF PLUMSTED

GENERAL CAPITAL FUND

SCHEDULE OF GENERAL CAPITAL CASH

	<u>REF.</u>		
Balance, December 31, 2015	C		\$ 77,862.48
Increased by Receipts:			
Bond Anticipation Notes	C-6	\$ 250,000.00	
NJEIT Interim Construction Note Proceeds	C-8	<u>356,880.00</u>	
			<u>606,880.00</u>
			684,742.48
Decreased by Disbursements:			
Fund Balance	C-1	\$ 20,000.00	
Improvement Authorizations	C-10	<u>437,717.34</u>	
			<u>457,717.34</u>
Balance, December 31, 2016	C		\$ <u><u>227,025.14</u></u>

TOWNSHIP OF PLUMSTED

GENERAL CAPITAL FUND

ANALYSIS OF GENERAL CAPITAL CASH

BALANCE  
DECEMBER  
31, 2016

Fund Balance	\$	581.91
Reserve for Encumbrances		630,357.99
Capital Improvement Fund		2,731.39

Improvement Authorizations:

Ordinance  
Number

02-02	Acquisition and Development for Lands for Open Space, Natural Lands, Recreation, Historic and Farmland Preservation and Other Related Expenses	(93,967.84)
08-11	Various Capital Improvements	(19,484.09)
12-15	Payments of Amounts Owing to Others for Taxes Levied	656.75
13-12	Various Capital Improvements	25,393.09
15-06	Various Capital Improvements and Other Related Expenses	<u>(319,244.06)</u>
		\$ <u>227,025.14</u>

REF.

C

TOWNSHIP OF PLUMSTED

GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION-FUNDED

	<u>REF.</u>		
Balance December 31, 2015	C	\$	492,736.66
Decreased by:			
Budget Appropriations to Pay:			
Downtown Business Improvement Zone Loan	C-7	\$	34,484.22
Green Trust Loans	C-9		<u>21,056.60</u>
			<u>55,540.82</u>
Balance December 31, 2016	C	\$	<u><u>437,195.84</u></u>

TOWNSHIP OF PLUMSTED

GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION-UNFUNDED

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2015	NOTES PAID BY BUDGET APPROPRIATION	BALANCE DECEMBER 31, 2016	ANALYSIS OF BALANCE DECEMBER 31, 2016		
					BOND ANTICIPATION NOTES	EXPENDITURES	UNEXPENDED IMPROVEMENT AUTHORIZATIONS
02-02	Acquisition and Development for Lands for Open Space, Natural Lands, Recreation, Historic and Farmland Preservation and Other Related Expenses	\$ 432,580.45	\$ 8,773.00	\$ 423,807.45	\$ 61,403.00	\$ 93,967.84	\$ 268,436.61
08-11	Various Capital Improvements	387,320.00	27,190.00	360,130.00	123,940.00	19,484.09	216,705.91
09-07	Preliminary Expenses in Connection with the Redevelopment Plans	126,000.00	25,200.00	100,800.00	100,800.00	-	501,528.94
15-06	Various Capital Improvements and Other Related Expenses	1,500,000.00		1,500,000.00	679,227.00	319,244.06	
		<u>\$ 2,445,900.45</u>	<u>\$ 61,163.00</u>	<u>\$ 2,384,737.45</u>	<u>\$ 965,370.00</u>	<u>\$ 432,695.99</u>	<u>\$ 986,671.46</u>
REF.		C		C			C-10
Bond Anticipation Notes			\$ 61,163.00		\$ 536,143.00		
NJEIT Interim Construction Notes					429,227.00		
			<u>\$ 61,163.00</u>		<u>\$ 965,370.00</u>		

TOWNSHIP OF PLUMSTED

GENERAL CAPITAL FUND

SCHEDULE OF BOND ANTICIPATION NOTES

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	DATE OF ISSUE OF ORIGINAL NOTE	DATE OF ISSUE	DATE OF MATURITY	INTEREST RATE	BALANCE DECEMBER 31, 2015	INCREASED	DECREASED	BALANCE DECEMBER 31, 2016
08-11	Various Capital Improvements	09/30/08	09/20/16	09/20/17	1.250%	\$ 39,830.00	\$	\$ 13,277.00	\$ 26,553.00
08-11	Various Capital Improvements	09/26/13	09/20/16	09/20/17	1.090%	111,300.00		13,913.00	97,387.00
09-07	Preliminary Expenses in Connection with the Redevelopment Plans	01/26/10	09/20/16	09/20/17	1.250%	126,000.00		25,200.00	100,800.00
02-02	Acquisition and Development of Lands for Open Space, Natural Lands, Recreation, Historic and Farmland								
	Preservation and Other Related Expenses	09/26/13	09/20/16	09/20/17	1.250%	70,176.00		8,773.00	61,403.00
15-06	Various Capital Improvements and Other Related Expenses	09/20/16	09/20/16	09/20/17	1.250%		250,000.00		250,000.00
						\$ 347,306.00	\$ 250,000.00	\$ 61,163.00	\$ 536,143.00
					<u>REF.</u>	C	C-2	C-5	C

TOWNSHIP OF PLUMSTED

GENERAL CAPITAL FUND

SCHEDULE OF DOWNTOWN BUSINESS IMPROVEMENT ZONE LOAN PAYABLE

<u>IMPROVEMENT DESCRIPTION</u>	<u>DATE OF ISSUE</u>	<u>ORIGINAL ISSUE</u>	<u>MATURITIES OF LOANS OUTSTANDING</u>		<u>BALANCE DECEMBER 31, 2015</u>	<u>DECREASED</u>	<u>BALANCE DECEMBER 31, 2016</u>
			<u>DATE</u>	<u>AMOUNT</u>			
Downtown New Egypt Improvements	12/15/11	\$ 528,294.76	12/15/2017-25	\$ 34,484.22	\$ 379,326.32	\$ 34,484.22	\$ 344,842.10
			12/15/26	34,484.12			
			<u>REF.</u>		<u>C</u>	<u>C-4</u>	<u>C</u>



TOWNSHIP OF PLUMSTED

GENERAL CAPITAL FUND

SCHEDULE OF NJEIT INTERIM CONSTRUCTION NOTE

	<u>REF.</u>	
Balance December 31, 2015	C	\$ 72,347.00
Increased by:		
Receipts	C-2	<u>356,880.00</u>
Balance December 31, 2016	C	<u>\$ 429,227.00</u>

TOWNSHIP OF PLUMSTED

GENERAL CAPITAL FUND

SCHEDULE OF GREEN TRUST LOANS PAYABLE

<u>IMPROVEMENT DESCRIPTION</u>	<u>DATE OF ISSUE</u>	<u>ORIGINAL ISSUE</u>	<u>MATURITIES OF LOANS OUTSTANDING</u>		<u>INTEREST RATE</u>	<u>BALANCE DECEMBER 31, 2015</u>	<u>DECREASED</u>	<u>BALANCE DECEMBER 31, 2016</u>
			<u>DATE</u>	<u>AMOUNT</u>				
Recreation Complex Improvement	12/20/10	\$ 100,000.00	See C-9 - Sheet 2		2.00%	\$ 80,240.28	\$ 4,636.58	\$ 75,603.70
Recreation Park Development 2	11/19/99	99,999.00	See C-9 - Sheet 3		2.00%	13,267.99	6,567.99	6,700.00
Oakford Lake Park Development	11/19/99	149,999.00	See C-9 - Sheet 3		2.00%	19,902.07	9,852.03	10,050.04
						<u>\$ 113,410.34</u>	<u>\$ 21,056.60</u>	<u>\$ 92,353.74</u>
					<u>REF.</u>	C	C-4	C

TOWNSHIP OF PLUMSTED

GENERAL CAPITAL FUND

MATURITY SCHEDULE \$100,000 GREEN TRUST - 2010 - RECREATION COMPLEX IMPROVEMENT

<u>DUE</u>	<u>LOAN</u> <u>BALANCE</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>PAYMENT</u>
04/25/17	\$ 75,603.70	\$ 2,353.12	\$ 756.04	\$ 3,109.16
10/25/17	73,250.58	2,376.65	732.51	3,109.16
04/25/18	70,873.93	2,400.42	708.74	3,109.16
10/25/18	68,473.51	2,424.42	684.74	3,109.16
04/25/19	66,049.09	2,448.67	660.49	3,109.16
10/25/19	63,600.42	2,473.16	636.00	3,109.16
04/25/20	61,127.26	2,497.89	611.27	3,109.16
10/25/20	58,629.37	2,522.87	586.29	3,109.16
04/25/21	56,106.50	2,548.09	561.07	3,109.16
10/25/21	53,558.41	2,573.58	535.58	3,109.16
04/25/22	50,984.83	2,599.31	509.85	3,109.16
10/25/22	48,385.52	2,625.30	483.86	3,109.16
04/25/23	45,760.22	2,651.56	457.60	3,109.16
10/25/23	43,108.66	2,678.07	431.09	3,109.16
04/25/24	40,430.59	2,704.85	404.31	3,109.16
10/25/24	37,725.74	2,731.90	377.26	3,109.16
04/25/25	34,993.84	2,759.22	349.94	3,109.16
10/25/25	32,234.62	2,786.81	322.35	3,109.16
04/25/26	29,447.81	2,814.68	294.48	3,109.16
10/25/26	26,633.13	2,842.83	266.33	3,109.16
04/25/27	23,790.30	2,871.26	237.90	3,109.16
10/25/27	20,919.04	2,899.97	209.19	3,109.16
04/25/28	18,019.07	2,928.97	180.19	3,109.16
10/25/28	15,090.10	2,958.26	150.90	3,109.16
04/25/29	12,131.84	2,987.84	121.32	3,109.16
10/25/29	9,144.00	3,017.72	91.44	3,109.16
04/25/30	6,126.28	3,047.90	61.26	3,109.16
10/25/30	3,078.38	3,078.38	30.78	3,109.16
<u>TOTAL</u>		\$ <u>75,603.70</u>	\$ <u>11,452.78</u>	\$ <u>87,056.48</u>

TOWNSHIP OF PLUMSTED

GENERAL CAPITAL FUND

MATURITY SCHEDULE \$99,999 GREEN TRUST - 1999 - RECREATION PARK DEVELOPMENT 2

<u>DUE</u>		<u>LOAN BALANCE</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>PAYMENT</u>
02/19/17	\$	6,700.00	\$ 3,333.34	\$ 67.00	\$ 3,400.34
08/19/17		3,366.66	<u>3,366.66</u>	<u>33.68</u>	<u>3,400.34</u>
<u>TOTAL</u>			<u>\$ 6,700.00</u>	<u>\$ 100.68</u>	<u>\$ 6,800.68</u>

MATURITY SCHEDULE \$149,999 GREEN TRUST - 1999 - OAKFORD LAKE PARK DEVELOPMENT

<u>DUE</u>		<u>LOAN BALANCE</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>PAYMENT</u>
02/19/17	\$	10,050.04	\$ 5,000.03	\$ 100.50	\$ 5,100.53
08/19/17		5,050.01	<u>5,050.01</u>	<u>50.52</u>	<u>5,100.53</u>
<u>TOTAL</u>			<u>\$ 10,050.04</u>	<u>\$ 151.02</u>	<u>\$ 10,201.06</u>

TOWNSHIP OF PLUMSTED

GENERAL CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	ORDINANCE DATE	AMOUNT	BALANCE DECEMBER 31, 2015		PAID OR CHARGED	BALANCE DECEMBER 31, 2016	
				FUNDED	UNFUNDED		FUNDED	UNFUNDED
02-02	Acquisition and Development of Lands for Open Space, Natural Lands, Recreation, Historic and Farmland Preservation and Other Related Expenses	01/28/02	\$ 2,500,000.00	\$	\$ 361,936.61	\$ 93,500.00	\$	\$ 268,436.61
08-11	Various Capital Improvements	08/06/08	977,170.00		241,847.81	25,141.90		216,705.91
12-15	Payments of Amounts Owning to Others for Taxes Levied	10/03/12	282,000.00		656.75		656.75	
13-12	Various Capital Improvements	10/02/13	68,938.27		37,310.71	11,917.62	25,393.09	
15-06	Various Capital Improvements and Other Related Expenses	09/02/15	1,500,000.00		1,252,753.00	751,224.06		501,528.94
				\$ 37,967.46	\$ 1,856,537.42	\$ 881,783.58	\$ 26,049.84	\$ 986,671.46
			<u>REF.</u>	C	C		C	C
	Cash Disbursements							
	Reserve for Encumbrances					\$ 437,717.34		
	Reserve for Encumbrances					630,357.99		
	Reserve for Encumbrances					(186,291.75)		
						\$ 881,783.58		

TOWNSHIP OF PLUMSTED

GENERAL CAPITAL FUND

SCHEDULE OF CAPITAL IMPROVEMENT FUND

REF.

Balance, December 31, 2016 and 2015	C	\$ <u>2,731.39</u>
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TOWNSHIP OF PLUMSTED

GENERAL CAPITAL FUND

SCHEDULE OF RESERVE FOR ENCUMBRANCES

	<u>REF.</u>	
Balance, December 31, 2015	C	\$ 186,291.75
Increased by:		
Improvement Authorizations	C-10	<u>630,357.99</u>
		816,649.74
Decreased by:		
Improvement Authorizations	C-10	<u>186,291.75</u>
Balance, December 31, 2016	C	\$ <u><u>630,357.99</u></u>

TOWNSHIP OF PLUMSTED

GENERAL CAPITAL FUND

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

<u>ORDINANCE NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>BALANCE DECEMBER 31, 2016</u>
02-02	Acquisition and Development of Lands for Open Space, Natural Lands, Recreation, Historic and Farmland Preservation and Other Related Expenses	\$ 362,404.45
08-11	Various Capital Improvements	236,190.00
15-06	Various Capital Improvements and Other Related Expenses	<u>820,773.00</u>
		<u>\$ 1,419,367.45</u>
	<u>REF.</u>	C



**TOWNSHIP OF PLUMSTED  
COUNTY OF OCEAN**

**PART II**

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

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The Honorable Mayor and Members of the  
Township Committee  
Township of Plumsted  
County of Ocean  
New Egypt, New Jersey 08533

We have audited the financial statements of the Township of Plumsted in the County of Ocean for the year ended December 31, 2016.

### Scope of Audit

The audit covered the financial transactions of the Treasurer and Tax Collector, and the activities of the Mayor and Commissioners and the records of the various outside departments.

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

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

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

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

### GENERAL COMMENTS

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

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

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

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

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

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

The compliance review of expenditures did not reveal any individual payments or contracts in excess of the statutory limit "for the performance of any work, or the furnishing of any materials, supplies or labor, or the hiring of teams or vehicles," other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of *N.J.S.A.40A:11-6*.

### **Contracts and Agreements Requiring Solicitation of Quotations**

The examination of expenditures did not reveal any individual payments, contracts or agreements in excess of \$6,000.00 "for the performance of any work or the furnishing or hiring of any materials or supplies", other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provision of (*N.J.S.A.40A:11-6.1*).

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

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

The governing body on January 1, 2016 adopted the following resolution authorizing interest to be charged on delinquent taxes:

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

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

### **Delinquent Taxes and Tax Title Liens**

The last tax sale was held on December 19, 2016 and was complete except for those properties in bankruptcy.

**Delinquent Taxes and Tax Title Liens (continued):**

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

<b>YEAR</b>	<b>NUMBER OF LIENS</b>
2016	22
2015	11
2014	9

**Examination of Bills**

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

**Municipal Court**

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

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

**Follow-up on Prior Year Findings**

In accordance with government auditing standards, my procedures included a review of all prior year findings. There were no prior year findings.

## **OFFICIALS IN OFFICE**

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

<b>NAME</b>	<b>TITLE</b>
Jack Trotta	Mayor
Eric Sorchik	Deputy Mayor
Vince Lotito	Committeeman
Michael H. Wysong	Committeeman
Herbert F. Marinari	Committeeman
June D. Madden	Chief Financial Officer
Dorothy J. Hendrickson	Municipal Clerk
Laura Giovene	Tax Collector

**Acknowledgment**

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

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

Respectfully submitted,

HOLMAN FRENIA ALLISON, P.C.

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

Medford, New Jersey  
June 21, 2017

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