

**TOWNSHIP OF PLUMSTED**

**AUDIT REPORT FOR THE YEAR  
ENDED DECEMBER 31, 2017**



**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, 2017**

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HOLMAN | FRENIA  
ALLISON, P.C.

*Certified Public Accountants & Consultants*

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## INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members  
of the Township Committee  
Township of Plumsted  
County of Ocean  
New Egypy, 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 as of December 31, 2017 and 2016 and the related statements of operations and changes in fund balance - regulatory basis for the years then ended, the related statements of revenues - regulatory basis, and statements of expenditures - regulatory basis for the year ended December 31, 2017 and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Township's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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, the financial statements are prepared by the Township of Plumsted on the basis of the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the State of New Jersey.

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

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

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” 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, as of December 31, 2017 and 2016 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, as of December 31, 2017 and 2016, and the results of its operations and changes in fund balance - regulatory basis of such funds for the years then ended, and the statements of revenues - regulatory basis, statements of expenditures - regulatory basis of the various funds, and general fixed assets group of accounts – regulatory basis, for the year ended December 31, 2017 in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

## **Other Matters**

### **Other Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township’s basic financial statements. The supplemental schedules presented for the various funds and letter of comments and recommendations section are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and are not a required part of the basic financial statements.

The supplemental schedules presented for the various funds are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the



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

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

In accordance with Government Auditing Standards, we have also issued our report dated June 12, 2018 on our consideration of the Township's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Township's internal control over financial reporting and compliance.

Respectfully submitted,

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

Kevin P. Frenia  
Certified Public Accountant  
Registered Municipal Accountant  
RMA No. 435

Medford, New Jersey  
June 12, 2018

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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, as of and for the year ended December 31, 2017, 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 12, 2018. 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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **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 and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 No. 435

Medford, New Jersey  
June 12, 2018

## **BASIC FINANCIAL STATEMENTS**

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TOWNSHIP OF PLUMSTED

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2017</u>	<u>BALANCE DECEMBER 31, 2016</u>
<u>A S S E T S</u>			
Current Fund:			
Cash	A-4	\$ 2,632,299.18	\$ 2,128,957.16
Change Fund		800.00	600.00
		<u>2,633,099.18</u>	<u>2,129,557.16</u>
Receivables with Full Reserves:			
Taxes Receivable	A-5	7,395.86	10,995.89
Municipal Liens Receivable	A-6	35,008.64	38,203.75
Property Acquired for Taxes	A-7	196,900.00	196,900.00
Revenue Accounts Receivable	A-8	4,884.74	4,118.22
		<u>244,189.24</u>	<u>250,217.86</u>
Deferred Charges:			
Special Emergency Authorizations 40A:4-53	A-9	8,000.00	24,166.00
		<u>2,885,288.42</u>	<u>2,403,941.02</u>
Grant Fund:			
Interfund - Current Fund	A-20	18,599.77	211,349.12
Grants Receivable	A-21	501,943.86	467,590.33
		<u>520,543.63</u>	<u>678,939.45</u>
Total Assets		<u>\$ 3,405,832.05</u>	<u>\$ 3,082,880.47</u>

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

TOWNSHIP OF PLUMSTED

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2017</u>	<u>BALANCE DECEMBER 31, 2016</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Current Fund:			
Appropriation Reserves	A-3:A-10	\$ 410,376.45	\$ 383,625.69
Tax Overpayments	A-11	43,433.31	1,012.09
Prepaid Taxes	A-12	474,341.58	164,797.14
Due State of New Jersey	A-13	4,440.86	5,347.86
County Taxes Payable	A-14	8,849.52	6,737.59
Local School District Tax Payable	A-15	554,319.63	723,149.13
Special Emergency Note Payable	A-16		14,166.00
Interfunds Payable	A-17:A-20	18,987.25	211,349.12
Reserve for Encumbrances	A-18	72,492.30	26,062.87
Miscellaneous Reserves	A-19	667.67	626.56
		<u>1,587,908.57</u>	<u>1,536,874.05</u>
Reserve for Receivables and Other Assets	A	244,189.24	250,217.86
Fund Balance	A-1	<u>1,053,190.61</u>	<u>616,849.11</u>
		<u>2,885,288.42</u>	<u>2,403,941.02</u>
Grant Fund:			
Reserve for:			
Encumbrances	A-18	63,946.01	207,463.46
Grants Appropriated	A-22	418,209.98	471,475.99
Grants Unappropriated	A-23	38,387.64	
		<u>520,543.63</u>	<u>678,939.45</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 3,405,832.05</u>	<u>\$ 3,082,880.47</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 2017

	<u>REF.</u>	<u>YEAR 2017</u>	<u>YEAR 2016</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>			
Fund Balance Utilized	A-2	\$ 519,454.16	\$ 416,767.00
Miscellaneous Revenue Anticipated	A-2	1,250,028.37	1,419,479.44
Receipts from Delinquent Taxes	A-2	27,471.19	
Receipts from Current Taxes	A-2	20,106,803.46	19,755,774.95
Non-Budget Revenues	A-2	137,953.73	85,176.64
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-10	359,936.29	246,923.71
Canceled Tax Overpayments	A-11		1,319.53
Cancellation of Grants - Appropriated	A-20	1,201.55	41,995.69
Prior Year Interfunds Returned	A-17		0.01
<u>TOTAL INCOME</u>		<u>22,402,848.75</u>	<u>21,967,436.97</u>
<u>EXPENDITURES</u>			
Budget and Emergency Authorizations:			
Salaries and Wages		1,442,489.00	1,389,884.00
Other Expenses		1,680,566.33	1,770,487.92
Capital Improvements		103,600.00	91,975.00
Municipal Debt Service		87,519.17	85,037.42
Deferred Charges and Statutory Expenditures		379,338.00	373,642.91
	A-3	<u>3,693,512.50</u>	<u>3,711,027.25</u>
County Taxes	A-14	3,563,789.93	3,598,927.01
Local School District Tax	A-15	12,383,038.00	12,420,697.00
Special District Tax	A-5	1,649,242.00	1,603,290.00
Municipal Open Space Tax	A-5	157,266.66	156,740.07
Cancellation of Grants Receivable	A-20		41,995.69
Refund of Prior Year Revenue	A-4	204.00	30.00
<u>TOTAL EXPENDITURES</u>		<u>21,447,053.09</u>	<u>21,532,707.02</u>
Excess in Revenue		955,795.66	434,729.95
Adjustments to Income Before Fund Balance:			
Expenditures Included Above Which are by Statute			
Deferred Charges to Budget of Succeeding Year	A-3		10,000.00
Statutory Excess to Fund Balance		<u>955,795.66</u>	<u>444,729.95</u>
<u>FUND BALANCE</u>			
Fund Balance, January 1	A	<u>616,849.11</u>	<u>588,886.16</u>
		1,572,644.77	1,033,616.11
Decreased by:			
Utilization as Anticipated Revenue	A-1:A-2	<u>519,454.16</u>	<u>416,767.00</u>
Balance, December 31	A	<u>\$ 1,053,190.61</u>	<u>\$ 616,849.11</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, 2017

	REF.	ANTICIPATED		EXCESS OR (DEFICIT)
		BUDGET	SPECIAL N.J.S. 40A: 4-87 REALIZED	
Fund Balance Appropriated	A-1	\$ 519,454.16	\$ 519,454.16	\$
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverage	A-8	10,300.00	10,550.00	250.00
Other	A-8	4,970.00	5,134.00	164.00
Fees and Permits	A-8	89,300.00	90,098.30	798.30
Fines and Costs:				
Municipal Court	A-8	60,000.00	61,086.56	1,086.56
Interest and Costs on Taxes	A-8	26,000.00	24,371.70	(1,628.30)
Interest on Investments and Deposits	A-8	3,500.00	26,016.08	22,516.08
Cable Television Franchise Fees	A-8	28,857.62	28,857.62	
Police Towing Fees	A-8	16,000.00	8,960.00	(7,040.00)
Cell Tower Revenue	A-8	30,000.00	30,000.00	
Off Duty Municipal Police	A-8	12,000.00	12,000.00	
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	38,100.00	17,262.00	(20,838.00)
Rental/Smoke Detection Inspection	A-8	15,000.00	20,775.00	5,775.00
Additional Uniform Construction Code Fees	A-8	86,900.00	108,000.00	21,100.00
Plumsted Board of Education School Resource Officer	A-8	39,500.00	46,374.03	6,874.03
Alcohol Education and Rehabilitation Fund	A-20:A-21		450.38	
Body Armor Replacement Fund	A-20:A-21		1,624.83	
Bulletproof Vest Partnership Grant	A-20:A-21		1,533.38	
Clean Communities Program	A-20:A-21		18,068.81	
Distracted Driver	A-20:A-21		5,500.00	
Drunk Driving Enforcement Fund	A-20:A-21		5,000.00	
JIF Safety Incentive Award	A-20:A-21		225.00	
Municipal Alliance on Alcoholism and Drug Abuse	A-20:A-21	22,465.00	22,465.00	
NJ Department of Transportation Municipal Aid: Cedar Street and Brynmore Road	A-20:A-21		200,000.00	
Recycling Revenue Sharing	A-20:A-21		5,340.13	
Recycling Tonnage Grant	A-20:A-21	8,013.55	8,013.55	
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	\$ 983,228.17	\$ 237,742.53	\$ 29,057.67

TOWNSHIP OF PLUMSTED

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2017

	<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>		
Receipts From Delinquent Taxes	A-1:A-2	\$	\$	\$ 27,471.19	\$ 27,471.19
Amount to be Raised by Taxes for Support of Municipal Budget:					
Local Tax for Municipal Budget	A-2	\$ 2,000,597.64	\$	\$ 2,100,976.87	\$ 100,379.23
<u>Budget Totals</u>		3,503,279.97	237,742.53	3,897,930.59	156,908.09
Non-Budget Revenue	A-1:A-2			137,953.73	137,953.73
		\$ 3,503,279.97	\$ 237,742.53	\$ 4,035,884.32	\$ 294,861.82
	<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, 2017

	<u>REF.</u>	
<u>ANALYSIS OF REALIZED REVENUE</u>		
Allocation of Current Tax Collections:		
Revenue from Collections	A-1:A-5	\$ 20,106,803.46
Less:		
Allocated to Local School District, County, Municipal Open Space and Special District Taxes	A-5	<u>18,053,336.59</u>
Balance for Support of Municipal Budget Appropriations		2,053,466.87
Add:		
Appropriation "Reserve for Uncollected Taxes"	A-3	<u>47,510.00</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u>\$ 2,100,976.87</u>
Receipts from Delinquent Taxes:		
Delinquent Tax Collections	A-2:A-5	\$ 10,170.55
Tax Title Lien Collections	A-2:A-6	<u>17,300.64</u>
	A-2	<u>\$ 27,471.19</u>
Analysis of Non-Budget Revenues:		
Municipal Clerk		\$ 2,537.37
Police Department		735.55
Construction Department		475.00
Finance Department		81,397.70
Homestead Benefit Administrative Fee		319.80
Senior Citizen/Veterans Administrative Fee		1,255.00
CDBG Hurricane Sandy		3,878.54
FEMA Jonas		30,498.08
Unclassified		<u>16,856.69</u>
	A-2:A-4	<u>\$ 137,953.73</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, 2017

	APPROPRIATIONS		EXPENDED	
	<u>BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>PAID OR CHARGED</u>	<u>RESERVED</u>
<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	
Other Expenses	3,000.00	3,000.00	1,831.51	1,168.49
Business Administrator/Community Development Officer:				
Other Expenses	1,700.00	1,700.00	1,662.50	37.50
Municipal Clerk:				
Salaries and Wages	113,150.00	113,150.00	107,870.57	5,279.43
Other Expenses	31,650.00	36,850.00	25,761.05	11,088.95
Assessment Search Officer:				
Salaries and Wages	4,500.00	4,500.00	4,344.08	155.92
Financial Administration:				
Salaries and Wages	80,000.00	80,000.00	60,410.72	19,589.28
Other Expenses	17,600.00	17,600.00	15,553.48	2,046.52
Audit Services	32,000.00	32,000.00	29,875.00	2,125.00
Assessment of Taxes:				
Salaries and Wages	52,500.00	52,500.00	52,363.74	136.26
Other Expenses	6,375.00	6,375.00	4,649.42	1,725.58
Collection of Taxes:				
Salaries and Wages	75,200.00	75,200.00	69,991.53	5,208.47
Other Expenses	16,180.00	16,180.00	12,184.02	3,995.98
Tax Search Officer:				
Salaries and Wages	4,400.00	4,400.00	3,490.20	909.80
Legal Services and Costs:				
Other Expenses	65,000.00	65,000.00	36,009.84	28,990.16
Engineering Services and Costs:				
Other Expenses	6,500.00	6,500.00	6,329.02	170.98
Downtown Economic Development:				
Salaries and Wages	11,000.00	11,000.00	10,690.42	309.58
Other Expenses	6,000.00	6,000.00	5,700.94	299.06

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, 2017

	APPROPRIATIONS		EXPENDED	
	<u>BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>PAID OR CHARGED</u>	<u>RESERVED</u>
Senior Outreach Services:				
Other Expenses	\$ 100.00	\$ 100.00	\$ 82.47	\$ 17.53
Planning Board:				
Salaries and Wages	5,500.00	5,500.00	5,099.60	400.40
Other Expenses	7,050.00	7,050.00	3,768.02	3,281.98
Master Plan				
Zoning Officer:				
Salaries and Wages	16,200.00	16,200.00	15,992.08	207.92
Mobile Home Inspector:				
Salaries and Wages	3,300.00	3,300.00	3,200.60	99.40
Rental Inspections:				
Salaries and Wages	12,000.00	12,000.00	5,475.00	6,525.00
Code Enforcement Officer				
Salaries and Wages	6,500.00	6,500.00	6,301.36	198.64
Insurance:				
General Liability Insurance	68,500.00	68,500.00	68,463.50	36.50
Workers Compensation Insurance	68,500.00	68,500.00	68,463.49	36.51
Employees Group Health Insurance	394,500.00	376,690.00	313,401.03	63,288.97
Vision Program	3,000.00	3,000.00	844.81	2,155.19
Dental Program	14,500.00	14,500.00	11,867.30	2,632.70
Health Benefit Waiver	28,000.00	30,210.00	13,257.47	16,952.53
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	814,000.00	814,000.00	793,063.38	20,936.62
Other Expenses	86,890.00	86,890.00	80,262.18	6,627.82
Other Expenses - Vehicle Purchase	11,200.00	11,200.00	11,197.54	2.46

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, 2017

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>	
	<u>BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>PAID OR CHARGED</u>	<u>RESERVED</u>
Emergency Management Services:				
Salaries and Wages	\$ 7,500.00	\$ 7,500.00	\$ 7,473.44	\$ 26.56
Other Expenses	2,500.00	2,500.00	275.63	2,224.37
School Crossing Guards:				
Salaries and Wages	100.00	100.00		100.00
Municipal Court:				
Salaries and Wages	20,300.00	20,300.00	17,828.53	2,471.47
Other Expenses	7,100.00	7,100.00	3,740.55	3,359.45
Public Defender (P.L. 1997, C. 256):				
Other Expenses	500.00	500.00	500.00	
 PUBLIC WORKS FUNCTIONS:				
Road Repairs and Maintenance:				
Other Expenses	20,500.00	20,500.00	19,531.60	968.40
Snow Removal:				
Other Expenses	72,000.00	72,000.00	38,000.00	34,000.00
Recycling (Ch. 102, P.L. 1987):				
Salaries and Wages	4,400.00	4,400.00		4,400.00
Other Expenses	710.00	710.00	250.00	460.00
Sanitary Landfill:				
Other Expenses	950.00	950.00	500.00	450.00
Public Buildings and Grounds:				
Salaries and Wages	50,000.00	50,000.00	20,789.18	29,210.82
Other Expenses	72,300.00	72,300.00	53,571.59	18,728.41
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		4,000.00
Soil/Water Testing	450.00	450.00		450.00

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, 2017

	APPROPRIATIONS		EXPENDED	
	<u>BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>PAID OR CHARGED</u>	<u>RESERVED</u>
Environmental Commission:				
Other Expenses	\$ 1,000.00	\$ 1,000.00	\$ 300.00	\$ 700.00
Sustainable New Jersey:				
Other Expenses	500.00	500.00	100.00	400.00
Administration of Public Assistance:				
Relocation Costs	350.00	350.00		350.00
Catholic Charities	490.00	490.00		490.00
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	6,936.71	8,503.29
Celebration of Public Event, Anniversary or Holiday:				
Other Expenses	3,125.00	3,125.00	2,729.68	395.32
Council for the Arts:				
Other Expenses	500.00	500.00	262.97	237.03
Salary Settlements and Adjustments	20,000.00	23,200.00	20,000.00	3,200.00
Public Employee Awards (NJSA 40A:5-31):				
Salaries and Wages	2,600.00	2,600.00		2,600.00
Other Expenses	250.00	250.00	60.00	190.00
<u>UNIFORM CONSTRUCTION CODE - APPROPRIATIONS</u>				
<u>OFFSET BY DEDICATED REVENUES (N.J.A.C. 5:23-4.17):</u>				
State Uniform Construction Code Official:				
Salaries and Wages	16,433.00	16,433.00	16,433.00	

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, 2017

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>	
	<u>BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>PAID OR CHARGED</u>	<u>RESERVED</u>
<u>UTILITIES:</u>				
Electricity	\$ 36,000.00	\$ 36,000.00	\$ 32,975.35	\$ 3,024.65
Street Lighting	56,000.00	56,000.00	54,154.08	1,845.92
Telephone	25,000.00	25,000.00	22,208.20	2,791.80
Water	6,000.00	6,000.00	4,151.34	1,848.66
Natural Gas	8,000.00	8,000.00	5,336.67	2,663.33
Heating Oil	8,000.00	8,000.00	2,452.14	5,547.86
Gasoline	45,000.00	45,000.00	28,640.45	16,359.55
<u>TOTAL OPERATIONS WITHIN "CAPS"</u>	<u>2,583,889.00</u>	<u>2,576,689.00</u>	<u>2,210,664.98</u>	<u>366,024.02</u>
<u>CONTINGENT</u>	<u>5,000.00</u>	<u>5,000.00</u>		<u>5,000.00</u>
<u>TOTAL OPERATIONS INCLUDING CONTINGENT WITHIN "CAPS"</u>	<u>2,588,889.00</u>	<u>2,581,689.00</u>	<u>2,210,664.98</u>	<u>371,024.02</u>
Detail:				
Salaries and Wages	1,319,589.00	1,322,789.00	1,220,823.43	101,965.57
Other Expenses	1,269,300.00	1,258,900.00	989,841.55	269,058.45
<u>DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"</u>				
Contribution to:				
Public Employees Retirement System	60,854.00	60,854.00	60,854.00	
Social Security System (O.A.S.I.)	125,000.00	125,000.00	110,454.43	14,545.57
Police and Firemen's Retirement System of N.J.	164,818.00	164,818.00	164,818.00	
State Unemployment Insurance	9,000.00	9,000.00	8,292.73	707.27
Defined Contribution Retirement Plan	3,500.00	3,500.00	442.22	3,057.78
<u>TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"</u>	<u>363,172.00</u>	<u>363,172.00</u>	<u>344,861.38</u>	<u>18,310.62</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, 2017

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>	
	<u>BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>PAID OR CHARGED</u>	<u>RESERVED</u>
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"	\$ 2,952,061.00	\$ 2,944,861.00	\$ 2,555,526.36	\$ 389,334.64
<u>OPERATIONS EXCLUDED FROM "CAPS"</u>				
State of Emergency - Snow Removal				
Other Expenses				
Uniform Constuction Code Appropriations Offset by Increased Fees:				
Salaries and Wages	74,200.00	74,200.00	72,608.96	1,591.04
Other Expenses	12,700.00	12,700.00	7,546.85	5,153.15
Interlocal Municipal Service Agreements:				
Plumsted Board of Education School Resource Officer:				
Salaries and Wages	37,500.00	37,500.00	35,703.98	1,796.02
Other Expenses	2,000.00	2,000.00		2,000.00
Plumsted Board of Education - Courtesy Busing				
Other Expenses	56,289.00	56,289.00	56,289.00	
Plumsted-Allentown Court				
Salaries and Wages	8,000.00	8,000.00	15.61	7,984.39
Other Expenses	18,000.00	25,200.00	25,070.79	129.21
TOTAL OTHER OPERATIONS EXCLUDED FROM "CAPS"	208,689.00	215,889.00	197,235.19	18,653.81
<u>PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES:</u>				
Local Matching Funds for Grants				
Alcohol Education and Rehabilitation Fund	2,000.00	2,000.00	450.38	2,000.00
Body Armor Replacement Fund			1,624.83	
Bulletproof Vest Partnership Grant			1,533.38	
Clean Communities Program			18,068.81	
Distracted Driver			5,500.00	
Drunk Driving Enforcement Fund			5,000.00	
JIF Safety Incentive Award			225.00	

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, 2017

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>	
	<u>BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>PAID OR CHARGED</u>	<u>RESERVED</u>
<u>PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES</u>				
(CONTINUED):				
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:				
Cedar Street and Brynmore Road		200,000.00	200,000.00	
Recycling Revenue Sharing		5,340.13	5,340.13	
Recycling Tonnage Grant	8,013.55	8,013.55	8,013.55	
NJ Radiology Emergency Radio Grant				
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	
TOTAL PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES	<u>87,734.80</u>	<u>325,477.33</u>	<u>323,477.33</u>	<u>2,000.00</u>
<u>TOTAL OPERATIONS EXCLUDED FROM "CAPS"</u>	<u>296,423.80</u>	<u>541,366.33</u>	<u>520,712.52</u>	<u>20,653.81</u>
Detail:				
Salaries and Wages	119,700.00	119,700.00	108,328.55	11,371.45
Other Expenses	176,723.80	421,666.33	412,383.97	9,282.36
<u>CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"</u>				
Electronic Equipment	15,000.00	15,000.00	15,000.00	
Road Drainage Parking Lot	43,600.00	43,600.00	43,600.00	
Public Works Equipment	45,000.00	45,000.00	44,612.00	388.00
TOTAL CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"	<u>103,600.00</u>	<u>103,600.00</u>	<u>103,212.00</u>	<u>388.00</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, 2017

	APPROPRIATIONS		EXPENDED	
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED
<u>MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"</u>				
Payment of Bond Anticipation Notes and Capital Notes	\$ 47,477.00	\$ 47,477.00	\$ 47,477.00	\$
Interest on Notes	5,557.95	5,557.95	5,557.95	
Downtown Business Zone Loan	34,484.22	34,484.22	34,484.22	
<u>TOTAL MUNICIPAL DEBT SERVICE EXCLUDED FROM "CAPS"</u>	<u>87,519.17</u>	<u>87,519.17</u>	<u>87,519.17</u>	
<u>DEFERRED CHARGES MUNICIPAL - EXCLUDED FROM "CAPS"</u>				
Special Emergency Authorizations - 5 Years (N.J.S.A. 40A:4-53)	16,166.00	16,166.00	16,166.00	
<u>TOTAL DEFERRED CHARGES MUNICIPAL - EXCLUDED FROM "CAPS"</u>	<u>16,166.00</u>	<u>16,166.00</u>	<u>16,166.00</u>	
<u>TOTAL GENERAL APPROPRIATIONS EXCLUDED FROM "CAPS"</u>	<u>503,708.97</u>	<u>748,651.50</u>	<u>727,609.69</u>	<u>21,041.81</u>
SUB-TOTAL GENERAL APPROPRIATIONS RESERVE FOR UNCOLLECTED TAXES	3,455,769.97	3,693,512.50	3,283,136.05	410,376.45
	47,510.00	47,510.00	47,510.00	
<u>TOTAL GENERAL APPROPRIATIONS</u>	<u>\$ 3,503,279.97</u>	<u>\$ 3,741,022.50</u>	<u>\$ 3,330,646.05</u>	<u>\$ 410,376.45</u>
REF.				
A-2	A-2	\$ 237,742.53	A-1	A-A-1
A-3		<u>3,503,279.97</u>		
		<u>\$ 3,741,022.50</u>		
Appropriation by 40A:4-87 Budget				
Deferred Charges - 40A:4-53	A-9	\$ 16,166.00		
Grants Appropriated	A-20:A-22	323,477.33		
Reserve for Encumbrances	A-18	72,492.30		
Reserve for Uncollected Taxes	A-2	47,510.00		
Disbursements	A-4	2,871,000.42		
		<u>\$ 3,330,646.05</u>		

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

TOWNSHIP OF PLUMSTED

TRUST FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2017</u>	<u>BALANCE DECEMBER 31, 2016</u>
<u>ASSETS</u>			
Animal Control Trust Fund:			
Cash	B-1	\$ <u>2,355.53</u>	\$ <u>3,552.23</u>
		<u>2,355.53</u>	<u>4,925.30</u>
Trust - Other Funds:			
Cash	B-1	705,361.54	713,842.04
Interfund - Current Fund	B-4	<u>387.48</u>	<u>713,842.04</u>
		<u>705,749.02</u>	<u>713,842.04</u>
		\$ <u>708,104.55</u>	\$ <u>717,394.27</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Animal Control Trust Fund:			
Reserve for Animal Control Trust Fund Expenditures	B-3	\$ 2,083.53	\$ 3,552.23
Reserve for Encumbrances	B-5	<u>272.00</u>	<u>3,552.23</u>
		<u>2,355.53</u>	<u>3,552.23</u>
Trust - Other Funds:			
Reserve for Encumbrances	B-5	1,677.95	5,650.00
Miscellaneous Reserves	B-6	<u>704,071.07</u>	<u>708,192.04</u>
		<u>705,749.02</u>	<u>713,842.04</u>
		\$ <u>708,104.55</u>	\$ <u>717,394.27</u>

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

TOWNSHIP OF PLUMSTEDGENERAL CAPITAL FUNDBALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2017</u>	<u>BALANCE DECEMBER 31, 2016</u>
<u>A S S E T S</u>			
Cash	C-2	\$ 116,986.41	\$ 227,025.14
Deferred Charges to Future Taxation:			
Funded	C-4	381,231.81	437,195.84
Unfunded	C-5	<u>27,473,574.45</u>	<u>2,384,737.45</u>
		<u>\$ 27,971,792.67</u>	<u>\$ 3,048,958.43</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Bond Anticipation Notes	C-6	\$ 624,980.00	\$ 536,143.00
Downtown Business Improvement Zone Loans Payable	C-7	310,357.88	344,842.10
NJEIT Interim Construction Note	C-8	1,067,607.00	429,227.00
Green Trust Loans Payable	C-9	70,873.93	92,353.74
Improvement Authorizations:			
Funded	C-10	15,302.35	26,049.84
Unfunded	C-10	25,615,513.64	986,671.46
Capital Improvement Fund	C-11	2,731.39	2,731.39
Reserve for Encumbrances	C-12	163,844.57	630,357.99
Reserve for Retirement of Debt	C-2	100,000.00	
Fund Balance	C-1	<u>581.91</u>	<u>581.91</u>
		<u>\$ 27,971,792.67</u>	<u>\$ 3,048,958.43</u>

There were bonds and notes authorized but not issued on December 31, 2017 of \$25,780,987.45 (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

	<u>REF.</u>	
Balance, December 31, 2017 and 2016	C	\$ <u>581.91</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

	BALANCE DECEMBER <u>31, 2017</u>	BALANCE DECEMBER <u>31, 2016</u>
Fixed Assets:		
Land	\$ 1,261,203.30	\$ 1,261,203.30
Improvements	4,023,943.55	4,014,908.55
Equipment and Vehicles	<u>845,807.87</u>	<u>881,079.87</u>
<u>Total Fixed Assets</u>	\$ <u>6,130,954.72</u>	\$ <u>6,157,191.72</u>
Reserve:		
Investments in General Fixed Assets	\$ <u>6,130,954.72</u>	\$ <u>6,157,191.72</u>

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



**TOWNSHIP OF PLUMSTED  
COUNTY OF OCEAN**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

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TOWNSHIP OF PLUMSTED  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Township of Plumsted, County of Ocean, New Jersey, (the "Township"), is an instrumentality of the State of New Jersey established to function as a municipality. The Township Committee consists of five (5) elected officials and is responsible for fiscal control of the Township.

Except as noted below, the financial statements of 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. Accordingly, the financial statements of the Township do not include the operations of any libraries, first aid organizations, volunteer fire companies or the local school district.

The Governmental Accounting Standards Board, ("GASB") Statement 14, as amended by GASB Statements 39, 61 and 80, 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 accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB codification establishes the presentation of basic financial statements into three fund types, the governmental, proprietary and fiduciary funds, as well as government-wide financial reporting that must be used by general purpose governmental units when reporting financial position and results of operations in accordance with U.S. Generally Accepted Accounting Principles, (GAAP).

The accounting policies of the Township conform to the accounting principles applicable to municipalities which have been prescribed by the

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Description of Funds (Continued)

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 financial transactions and accounts of the Township are organized on the basis of funds and account groups which is different from the fund structure required by GAAP. A fund or account group is an accounting entity with a separate set of self-balancing accounts established to record the financial position and results of operations of a specific governmental activity. As required by the Division, the Township accounts for its financial transactions through the following individual funds and account groups:

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

Animal Control Trust Fund - dog license receipts and disbursements.

Trust Other Fund - receipts, custodianship and disbursements of funds in accordance with the purpose for which each reserve was created.

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

General Fixed Assets Account Group – utilized to account for property, land, buildings and equipment that have been acquired by other governmental funds.

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.

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Revenues (Continued)

recorded as revenue when received. GAAP requires revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

Expenditures - are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with the Encumbrance Accounting System. Outstanding encumbrances at December 31 are reported as a cash liability in the financial statements and constitute part of the Township's statutory Appropriation Reserve balance. Appropriation reserves covering unexpended appropriation balances are automatically created at December 31<sup>st</sup> of each year and recorded as liabilities, except for amounts which may be canceled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income. Appropriations for principal payments on outstanding general capital bonds, notes and loans are provided on the cash basis; interest on general capital indebtedness is on the cash basis.

Encumbrances - contractual orders, at December 31, are reported as expenditures through the establishment of encumbrances payable. Under GAAP, encumbrances outstanding at year end are reported as reservations of fund balance because they do not constitute expenditures or liabilities.

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Budgets and Budgetary Accounting (Continued)

Budgets are adopted on the same basis of accounting utilized for the preparation of the Township's financial statements. Once a budget is approved it may be amended after November 1, by a resolution adopted by the governing body.

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, 2017 is set forth in Note 9.

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

Sale of Municipal Assets - the proceeds from the sale of municipal assets can be held in a reserve until anticipated as revenue in a future budget. GAAP requires such proceeds to be recorded as revenue in the year of sale.

Interfunds - interfund receivables in the Current Fund are recorded with offsetting reserves which are created by charges to operations. Income is recognized in the year the receivables are liquidated. GAAP does not require the establishment of an offsetting reserve. The status of interfunds is set forth in Note 16.

Inventories of Supplies - the costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The cost of inventories is not included on the various balance sheets.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Inventories of Supplies (Continued)

GAAP requires the cost of inventories to be reported on the balance sheet until utilized and expended.

General Fixed Assets - N.J.A.C. 5:30-5.6, Accounting for Governmental Fixed Assets, as promulgated by the Division, which differs in certain respects from GAAP, requires the inclusion of a statement of general fixed assets of the Township as part of its basic financial statements. General fixed assets are defined as nonexpendable personal property having a physical existence, a useful life of more than one year and an acquisition cost of \$5,000.00 or more per unit.

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.

General fixed assets that have been acquired and are utilized in a governmental fund operation are accounted for in the General Fixed Assets Account Group rather than in a governmental fund. No depreciation has been provided on general fixed assets or reported in the financial statements.

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.

During 2017 the following changes occurred in the fixed assets of the Township:

	Balance Jan. 1, 2017	Net Change	Balance Dec. 31, 2017
General Fixed Assets Account Group:			
Land	\$ 1,261,203.30	\$	\$ 1,261,203.30
Improvements	4,014,908.55	9,035.00	4,023,943.55
Equipment and Vehicles	881,079.87	(35,272.00)	845,807.87
	<u>\$ 6,157,191.72</u>	<u>\$ (26,237.00)</u>	<u>\$ 6,130,954.72</u>

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

General Fixed Assets (Continued)

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.

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

County Taxes – The municipality is responsible for levying, collecting and remitting County taxes for the County of Ocean. Operations is charged for the amount due to the County for the year, based upon the ratables required to be certified to the County Board of Taxation by January 10<sup>th</sup> of the current year. In addition, operations is charged for the County share of Added and Omitted Taxes certified to the County Board of Taxation by October 10<sup>th</sup> of the current year and due to be paid to the County by February 15<sup>th</sup> of the following year.

School Taxes – The municipality is responsible for levying, collecting and remitting school taxes for the Township of Plumsted School District. Operations are charged for the full amount required to be raised from taxation to operate the local school district July 1 to June 30.

Deferred School Taxes – School taxes raised in advance in the Current Fund for a school fiscal year (July 1 to June 30) which remain unpaid at December 31 of the calendar year levied may be deferred to fund balance to the extent of not more than 50% of the annual levy providing no requisition has been made by the school district for such amount.

Reserve for Uncollected Taxes – The inclusion of the "Reserve for Uncollected Taxes" appropriation in the Township's annual budget protects the Township from taxes not paid currently. The Reserve, the minimum amount of which is determined on the percentage of collections experienced in the immediate preceding year, with certain exceptions, is required to provide assurance that cash collected in the current year will provide sufficient cash flow to meet expected obligations.

Accounting and Financial Reporting for Pensions - The 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



NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Accounting and Financial Reporting for Pensions (Continued)

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.

GASB approved Statement 71, Pension Transition 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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Accounting and Financial Reporting for Pensions (Continued)

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 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 Position (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 Position 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 also defines the financial statements of a governmental unit to be presented in the general purpose financial statements to be held in accordance with GAAP. The Township presents the financial statements as reflected in the "Requirements of Audit and Accounting Revision of 1987" as prescribed by the Division and which differ from the financial statements required by GAAP.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Recent Accounting Pronouncements

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB has recently adopted accounting statements to be used by governmental units when reporting financial position and results of operations in accordance with accounting principles generally accepted in the United States of America (GAAP). The municipalities in the State of New Jersey do not prepare financial statements in accordance with GAAP and thus do not comply with all of the GASB pronouncements; and there have been no GASB pronouncements effective for the current year that have a significant impact of the Township's financial statements.

NOTE 2: CASH AND CASH EQUIVALENTS

The Township considers petty cash, change funds, cash in banks, deposits in the New Jersey Cash Management Fund and certificates of deposit as cash and cash equivalents.

A. Deposits

New Jersey statutes permit the deposit of public funds in institutions which are located in New Jersey and which meet the requirements of the Governmental Unit Deposit Protection Act, (GUDPA) or the State of New Jersey Cash Management Fund. GUDPA requires a bank that accepts public funds to be a public depository. A public depository is defined as a state bank, a national bank or a savings bank which is located in the State of New Jersey, the deposits of which are insured by the Federal Deposit Insurance Corporation, ("FDIC"). The statutes also require public depositories to maintain collateral for deposits of public funds that exceed certain insurance limits. All collateral must be deposited with the Federal Reserve Bank 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 had the following cash and cash and cash equivalents at December 31, 2017:

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

A. Deposits (Continued)

Fund	Cash		Less	Cash
	On Hand	On Deposit	Checks Outstanding	Book Balance
Current	\$ 134,568.39	\$ 2,736,617.48	\$ 238,086.69	\$ 2,633,099.18
Animal Control Trust		2,389.13	33.60	2,355.53
Trust Other	65,030.00	665,907.98	25,576.44	705,361.54
General Capital		137,763.07	20,776.66	116,986.41
	<u>\$ 199,598.39</u>	<u>\$ 3,542,677.66</u>	<u>\$ 284,473.39</u>	<u>\$ 3,457,802.66</u>

At year-end, the carrying amount of the Township's deposits was \$3,542,677.66. 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 \$3,081,786.78. An amount of \$210,890.88 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.

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 have a specific policy for custodial credit risk other than those policies that adhere to the requirements of statute.

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

A. Deposits (Continued)

Credit Risk Categories (Continued)

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

<u>Depository Account</u>	<u>Bank Balance</u>	
	<u>2017</u>	<u>2016</u>
Insured		
FDIC	\$ 250,000.00	\$ 250,000.00
GUDPA	3,081,786.78	2,770,469.81
Escrow Deposits	<u>210,890.88</u>	<u>148,068.09</u>
	<u>\$ 3,542,677.66</u>	<u>\$ 3,168,537.90</u>

B. Investments

The purchase of investments by the Township is strictly limited by the express authority of the New Jersey Local Fiscal Affairs Law, N.J.S.A. 40A:5-15.1. Permitted Investments include any of the following type of securities:

1. Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
2. Government money market mutual funds which are purchased from an investment company or investment trust which is registered with the Securities and Exchange Commission under the "Investment Company Act of 1940," 15 U.S.C. 80a-1 et seq., and operated in accordance with 17 C.F.R. § 270.2a-7 and which portfolio is limited to U.S. Government securities that meet the definition of an eligible security pursuant to 17 C.F.R. § 270.2a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 5-15.1. These funds are also required to be rated by a nationally recognized statistical rating organization.
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

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

B. Investments (Continued)

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 Local Unit or bonds or other obligations of school districts of which the Local Unit 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 Investment of the Department of Treasury for investment by Local Units;
6. Local government investment pools that are fully invested in U.S. Government securities that meet the definition of eligible security pursuant to 17 C.F.R. § 270a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 5-15.1. This type of investment is also required to be rated in the highest category by a nationally recognized statistical rating organization.
7. Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C. 52:18A-90.4); 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 subsection;
  - 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); and
  - e. a master repurchase agreement providing for the custody and security of collateral is executed.

Based upon the limitations set forth by New Jersey Statutes 40A:5-15.1 and existing investment practices of the Investment Council of the New Jersey Cash Management Fund, the Township is general not exposed to credit risks, custodial credit risk, concentration of credit risks and interest rate risks for its investments nor is it exposed to foreign currency risk for

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

B. Investments (Continued)

its deposits and Investments.

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.

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 2017</u>	<u>YEAR 2016</u>	<u>YEAR 2015</u>
Issued:			
General:			
Bonds, Notes and Loans	\$ <u>2,073,818.81</u>	\$ <u>1,402,565.84</u>	\$ <u>912,389.66</u>
Total Issued	<u>2,073,818.81</u>	<u>1,402,565.84</u>	<u>912,389.66</u>
Less:			
Funds Held to Pay			
Bonds, Notes and Loans	<u>182,104.00</u>	<u>95,790.00</u>	<u>109,476.00</u>
Total Deductions	<u>182,104.00</u>	<u>95,790.00</u>	<u>109,476.00</u>
Net Debt Issued	<u>1,891,714.81</u>	<u>1,306,775.84</u>	<u>802,913.66</u>
Authorized But Not Issued			
Bonds, Notes and Loans	<u>25,780,987.45</u>	<u>1,419,367.45</u>	<u>2,026,247.45</u>
Net Bonds Notes and Loans Issued and Authorized but Not	\$ <u><u>27,672,702.26</u></u>	\$ <u><u>2,726,143.29</u></u>	\$ <u><u>2,829,161.11</u></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 3.23%.

	<u>GROSS DEBT</u>	<u>DEDUCTIONS</u>	<u>NET DEBT</u>
Local School District Debt \$	6,455,000.00	\$ 6,455,000.00	\$
General Debt	<u>27,854,806.26</u>	<u>182,104.00</u>	<u>27,672,702.26</u>
	<u>\$ 34,309,806.26</u>	<u>\$ 6,637,104.00</u>	<u>\$ 27,672,702.26</u>

Net debt \$27,672,702.26 divided by equalized valuation basis per N.J.S.40A:2-2 as amended \$856,257,258.67 equals 3.23%.

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

Equalized Valuation Basis* - December 31 2017	\$856,257,258.67
3-1/2% of Equalized Valuation Basis	29,969,004.05
Net Debt	<u>27,672,702.26</u>
Remaining Borrowing Power	<u>\$2,296,301.79</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, 2017 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 must repay the latter two loans in semi-annual installments over seventeen and one half years and the Recreation Complex Improvement



NOTE 3: MUNICIPAL DEBT (CONTINUED)

LONG-TERM DEBT OBLIGATIONS (CONTINUED)

Green Trust Loan Program (Continued)

Loan must be repaid in semi-annual installments over nineteen and one half years. The balance as of December 31, 2017 was \$70,873.93 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>
2018	\$ 4,825	\$ 1,393
2019	4,922	1,296
2020	5,021	1,198
2021	5,122	1,097
2022	5,225	993
2023-27	27,741	3,351
2028-30	<u>18,019</u>	<u>636</u>
	\$ <u><u>70,874</u></u>	\$ <u><u>9,964</u></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>
2018	\$ 34,484
2019	34,484
2020	34,484
2021	34,484
2022	34,484
2023-26	<u>137,937</u>
	\$ <u><u>310,358</u></u>

NOTE 3: MUNICIPAL DEBT (CONTINUED)

SHORT-TERM DEBT OBLIGATIONS

Bond Anticipation Notes

On December 31, 2017 the Township's outstanding Bond Anticipation Notes were as follows:

08-11	Various Capital Improvements	\$ 13,276	1.739%
08-11	Various Capital Improvements	83,474	1.200%
09-07	Preliminary Expenses in Connection with the Redevelopment Plans	75,600	1.739%
02-02	Acquisition and Development of Lands for Open Space	52,630	1.739%
15-06	Various Capital Improvements and Other Related Expenses	250,000	1.739%
17-15	Various Capital Improvements and Other Related Expenses	<u>150,000</u>	1.739%
		<u>\$ 624,980</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 \$638,380 was drawn down in 2017. As of the date of the audit, a balance of \$182,393 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, 2017, the Township had bonds and notes authorized but not issued in the amount of \$25,780,987.45.

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.

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, 2017 approximate \$29,726.

NOTE 5: FUND BALANCES APPROPRIATED

The Current Fund balance at December 31, 2017, which was appropriated and included as anticipated revenue for the year ending December 31, 2018, was as follows:

Current Fund:

\$620,591.39

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, 2017</u>	Balance December <u>31, 2016</u>
Prepaid Taxes	<u>\$474,341.58</u>	<u>\$164,797.14</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 (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.

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

Comparison of Tax Rate Information

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Tax Rate	\$ <u>2.561</u>	\$ <u>2.520</u>	\$ <u>2.449</u>
Appointment of Tax Rate:			
Municipal	.256	.250	.241
Municipal Open Space	.020	.020	.020
County	.457	.461	.443
Local School	1.617	1.584	1.546
Fire District	.211	.205	.199

Net Valuation Taxable:

Year 2017	\$ <u>784,364,100.00</u>		
Year 2016		\$ <u>783,700,365.00</u>	
Year 2015			\$ <u>783,861,029.00</u>

Comparison of Tax Levies and  
Collection Currently:

<u>YEAR</u>	<u>TAX LEVY</u>	<u>CASH COLLECTIONS</u>	<u>PERCENTAGE OF COLLECTION</u>
2017	\$20,132,847.94	\$20,106,803.46	99.87%
2016	19,783,125.30	19,755,774.95	99.86%
2015	19,233,285.76	19,212,113.88	99.88%

Delinquent Taxes and Tax Title Liens

<u>DECEMBER 31, YEAR</u>	<u>AMOUNT OF TAX TITLE LIENS</u>	<u>AMOUNT OF DELINQUENT TAXES</u>	<u>TOTAL DELINQUENT</u>	<u>PERCENTAGE OF TAX LEVY</u>
2017	\$35,008.64	\$ 7,395.86	\$42,404.50	0.21%
2016	38,203.75	10,995.89	49,199.64	0.25%
2015	24,404.79	2,831.66	27,236.45	0.14%

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, 2017, the following deferred charges are shown on the balance sheets of the various funds:

	BALANCE DECEMBER <u>31, 2017</u>	2018 BUDGET <u>APPROPRIATION</u>	BALANCE TO SUCCEEDING <u>YEARS</u>
Current Fund:			
Special Emergency			
Authorizations			
40A:4-53	<u>\$8,000</u>	<u>\$2,000</u>	<u>\$6,000</u>

NOTE 10: PENSION PLANS

Plan Descriptions

Substantially all eligible employees participate in the *Public Employees' Retirement System (PERS)*, the *Police and Firemen's Retirement System (PFRS)* or the *Defined Contribution Retirement Program (DCRP)*, which have been established by state statute and are administered by the New Jersey Division of Pensions and Benefits (the "Division"). The Division issues publicly available financial reports that include the financial statements and required supplementary information for the PERS and the PFRS. These reports may be obtained by writing to the Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey, 08625-0295 or are available online at [www.nj.gov/treasury/pensions/annrpts.shtml](http://www.nj.gov/treasury/pensions/annrpts.shtml).

*Public Employees' Retirement System (PERS)*

The *PERS* was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A, to provide retirement, death, disability and medical benefits to certain qualified members. The *PERS* is a cost-sharing multiple employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district or public agency,

NOTE 10: PENSION PLANS (CONTINUED)

Plan Descriptions (Continued)

provided the employee is not required to be a member of another state-administered retirement system or other state pension fund or local jurisdiction's pension fund.

*Police and Fireman's Retirement System (PFRS)*

The *PFRS* was established as of July 1, 1944, under the provisions of N.J.S.A. 43:16A, to provide retirement, death and disability benefits to its members. The *PFRS* is a cost-sharing multiple-employer plan. Membership is mandatory for substantially, all full-time county and municipal police or firemen or officer employees with police powers appointed after June 30, 1944.

*Defined Contribution Retirement Program (DCRP)*

The *DCRP* was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, and was expanded under the provisions of Chapter 89, P.L. 2009. The *DCRP* provides eligible employees and their beneficiaries with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage.

Vesting and Benefit Provisions

The vesting and benefit provisions for *PERS* are set by N.J.S.A. 43:15A and 43:36. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service. Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving ten years of service credit, in which case, benefits would begin the first day of the month after the member attains normal retirement age.

The vesting and benefit provisions for *PFRS* are set by N.J.S.A. 43:16A and 43:36. All benefits vest after ten years of service, except for disability benefits, which vest after four years of service. Retirement benefits for age and service are available at age 55. Members may seek special retirement after achieving 25 years of creditable service or they may elect deferred retirement after achieving ten years of service.

Newly elected or appointed officials that have an existing *DCRP* account, or are a member of another State-administered retirement system are immediately invested in the *DCRP*. For newly elected or appointed officials that do not qualify for immediate vesting in the *DCRP*, employee and employer contributions are held during the initial year of membership. Upon commencing the second year of *DCRP* membership, the member is fully invested. However, if a member is not eligible to continue in the *DCRP* for a second year of membership, the member may apply for a refund of the employee contributions from the *DCRP*, while the employer contributions will revert back to the employer. Employees are

NOTE 10: PENSION PLANS (CONTINUED)

Vesting and Benefit Provisions (Continued)

required to contribute 5.5% of their base salary and employers contribute 3.0%.

Funding Policy

The contribution policy is set by New Jersey State Statutes and contributions are required by active members and contributing employers. Plan members and employer contributions may be amended by State of New Jersey legislation. During 2017 *PERS* provides for employee contributions of 7.34% of employees' annual compensation. Employers are required to contribute at an actuarially determined rate. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums.

The contribution policy for *PFRS* is set by N.J.S.A. 43: 16A and requires contributions by active members and contributing employers. Plan member and employer contributions *may* be amended by State of New Jersey legislation. Employers are required to contribute at an actuarially determined rate. The annual employer contribution includes funding for basic retirement allowances, cost-of-living adjustments and noncontributory death benefits. During 2017, members contributed at a uniform rate of 10.00% of base salary. Certain portions of the costs are contributed by the employees. The Township's share of pension costs, which is based upon the annual billings received from the State, was as follows:

	<u>PERS</u>	<u>PFRS</u>	<u>DCRP</u>
2017	\$ 60,854	\$ 164,818	\$ 442
2016	60,968	159,464	1,152
2015	59,351	147,362	1,317

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" which 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, 2017. 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



NOTE 10: PENSION PLANS (CONTINUED)

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

presented and any pension contributions required to be paid are raised in that year's budget and no liability is accrued at December 31, 2017.

Public Employees Retirement System (PERS)

At June 30, 2017, the State reported a net pension liability of \$1,612,287.00 for the Township of Plumsted's proportionate share of the total net pension liability. The total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. 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, 2017, the Township's proportion was 0.0069261087 percent, which was an increase of 0.0000988940 percent from its proportion measured as of June 30, 2016.

For the year ended June 30, 2017, the State recognized an actuarially determined pension expense of \$101,980.00 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, 2017 billing was \$60,652.00.

At June 30, 2017, 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	-	\$37,964.00
Changes of assumptions	\$323,629.00	324,820.00
Net difference between projected and actual earnings on pension plan investments		10,979.00
Changes in proportion and differences between Township contributions and proportionate share of contributions	<u>\$58,601.00</u>	<u>17,627.00</u>
	<u>\$382,230.00</u>	<u>\$391,390.00</u>

NOTE 10: PENSION PLANS (CONTINUED)

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

Public Employees Retirement System (PERS) (Continued)

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>
2018	\$22,207.00
2019	42,289.00
2020	23,398.00
2021	(47,556.00)
2022	<u>(31,178.00)</u>
	<u><u>\$9,160.00</u></u>

Actuarial Assumptions

The total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016, which rolled forward to June 30, 2017. These actuarial valuations used the following assumptions:

	<u>June 30, 2017</u>	<u>June 30, 2016</u>
Inflation	2.25 Percent	3.08 Percent
Salary Increases (based on age)		
Though 2026	1.65-4.15 Percent	1.65-4.15 Percent
Thereafter	2.65-5.15 Percent	2.65-5.15 Percent
Investment Rate of Return	7.00 Percent	7.65 percent

Preretirement 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. Postretirement 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

NOTE 10: PENSION PLANS (CONTINUED)

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

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions (Continued)

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, 2016 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.

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2017 and 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, 2017 are summarized in the following table:

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 (Continued)

<u>Asset Class</u>	June 30, 2017	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Absolute return/risk mitigation	5.00%	5.51%
Cash	5.50%	1.00%
US Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
Public High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit oriented hedge funds	1.00%	6.60%
Debt related private equity	2.00%	10.63%
Debt related real estate	1.00%	6.61%
Private Real Estate	2.50%	11.83%
Equity related real estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. developed market equity	11.50%	9.00%
Emerging markets equity	6.50%	11.64%
Buyouts venture capital	8.25%	13.08%
	<u>100.00%</u>	

Discount Rate

The discount rate used to measure the total pension liability was 5.00% and 3.98% as of June 30, 2017 and 2016, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and 7.65%, and a municipal bond rate of 3.58%. The discount rate used to measure the total pension liability was 5.00% and 3.98% as of June 30, 2017 and 2016, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and 7.65%, and a municipal bond rate of 3.58% and 2.85% as of June 30, 2017 and 2016, respectively, 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

NOTE 10: PENSION PLANS (CONTINUED)

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

Public Employees Retirement System (PERS) (Continued)

Discount Rate (Continued)

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 40% 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 2040. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2040 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, 2017 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, 2017		
	1% Decrease <u>4.00%</u>	At Current Discount Rate <u>5.00%</u>	1% Increase <u>6.00%</u>
Township's proportionate share of the pension liability	\$2,000,152.00	\$1,612,287.00	\$1,289,148.00

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>

NOTE 10: PENSION PLANS (CONTINUED)

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

Police and Firemen's Retirement System (PFRS)

At June 30, 2017, the State reported a net pension liability of \$2,643,465.00.00 for the Township of Plumsted's proportionate share of the total PFRS net pension liability. The total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. 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, 2017, the Township's proportion was 0.0171230327 percent, which was a decrease of 0.0030915870 percent from its proportion measured as of June 30, 2016.

For the year ended June 30, 2017, the State recognized an actuarially determined pension expense of \$162,039. The pension expense recognized in the Township's financial statement based on the April 1, 2017 billing was \$164,818.00.

At June 30, 2017, the State reported deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	Deferred Inflow of Resources	Deferred Outflow of Resources
Differences between expected and actual experience	\$15,515.00	\$17,149.00
Changes of assumptions	432,922.00	325,969.00
Net difference between projected and actual earnings on pension plan investments		50,444.00
Changes in proportion and differences between the Township's contributions and proportionate share of contributions	<u>431,189.00</u>	<u>80,114.00</u>
	<u>\$879,626.00</u>	<u>\$473,676.00</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>	
2018	(\$39,167.00)
2019	22,404.00
2020	(64,186.00)
2021	(214,487.00)
2022	<u>(110,514.00)</u>
	<u>(\$405,950.00)</u>

Actuarial Assumptions

The total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016, which rolled forward to June 30, 2017. This actuarial valuation used the following assumptions:

	<u>2016</u>	<u>2017</u>
Inflation	3.08 Percent	2.25 Percent
Salary Increases (based on age)		
Through 2026	2.10-8.98 Percent Based on Age	2.10-8.98 Percent Based on Age
Thereafter	3.10-9.98 Percent Based on Age	3.10-9.98 Percent Based on Age
Investment Rate of Return	7.65 Percent	7.00 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

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)

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

The actuarial assumptions used in the July 1, 2016 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 (7.00 percent at June 30, 2017 and 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, 2017 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>	<u>June 30, 2017</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Absolute return/risk mitigation	5.00%	5.51%
Cash	5.50%	1.00%
US Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
Public High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit oriented hedge funds	1.00%	6.60%
Debt related private equity	2.00%	10.63%
Debt related real estate	1.00%	6.61%
Private Real Estate	2.50%	11.83%
Equity related real estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. developed market equity	11.50%	9.00%
Emerging markets equity	6.50%	11.64%
Buyouts venture capital	8.25%	13.08%
	<u>100.00%</u>	

Discount Rate

The discount rate used to measure the total pension liability was 6.14% and 5.55% as of June 30, 2017 and June 30, 2016 respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00 and 7.65% and a municipal bond rate of 3.58% and 2.85% as of June 30, 2017 and June 30, 2016 respectively 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 40% 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 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057, and the municipal bond rate was applied to projected benefit payments

NOTE 10: PENSION PLANS (CONTINUED)

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

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

Discount Rate (Continued)

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, 2017 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, 2017		
	1% Decrease <u>5.14%</u>	At Current Discount Rate <u>6.14%</u>	1% Increase <u>7.14%</u>
Township's proportionate share of the PFRS pension liability	\$3,482,983.00	\$2,643,465.00	\$1,953,706.00

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

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 non-employer 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 June 30, 2017 and 2016, the State's proportionate share of the net pension liability attributable to the Township for the PFRS special funding situation is \$296,090.00 and \$324,271.00 respectively.

At June 30, 2017, 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	\$2,643,465.00
State of New Jersey Proportionate Share of Net Pension Liability Associated with the Township	<u>296,090.00</u>
	<u><u>\$2,939,555.00</u></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: CAPITAL LEASES

The Township of Plumsted entered into a lease/purchase agreement for one (1) motor vehicle for the Plumsted Township Police Department; specifically a 2017 Dodge Charger. Under the terms of the lease the Township will pay interest at the rate of 6% on a principal amount of \$31,727.00. At December 31, 2017, a principal balance of \$20,529.46 was outstanding. Payments are due on May 16th of each year throughout the lease term. Obligations remaining under the lease are as follows:

Year	Principal	Interest
2018	\$ 9,965.77	\$ 1,231.77
2019	<u>10,563.69</u>	<u>633.85</u>
	\$ <u>20,529.46</u>	\$ <u>1,865.62</u>

NOTE 12: 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	
	<u>2017</u>	<u>2016</u>
Balance of Tax	\$ 6,341,519	\$ 6,210,349
Deferred	<u>5,787,200</u>	<u>5,487,200</u>
Tax Payable	\$ <u><u>554,320</u></u>	\$ <u><u>723,149</u></u>

NOTE 13: 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 14: 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, 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 15: 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, 2017, 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

NOTE 15: CONTINGENT LIABILITIES (CONTINUED)

Pending Litigation (Continued)

obligations.

NOTE 16: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheets at December 31, 2017:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Current Fund	\$ .	\$ 18,987.25
Grant Fund	18,599.77	
Trust Other Fund	387.48	
	<u>\$ 18,987.25</u>	<u>\$ 18,987.25</u>

The purpose of these interfunds is short-term borrowing. All interfund balances are expected to be repaid within one year.

A summary of interfund transfers is as follows:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Current Fund	\$ .	\$ 192,361.87
Grant Fund	192,749.35	
Trust Other Fund		387.48
	<u>\$ 192,749.35</u>	<u>\$ 192,749.35</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them (i.e. interest earnings), (2) provide cash flow to other funds to temporary finance expenditures that are on a reimbursable basis (i.e. grants), (3) when no bank account exists for a fund, and (4) utilizing surplus or fund balance from one fund as budgeted revenue in another.

NOTE 17: 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 18: NEW EGYPT REDEVELOPMENT PLAN

On November 1, 2017 the Township Council approved Bond Ordinance 2017-21 which approved the appropriation of \$25,000,000 and authorized the issuance of \$25,000,000 in bonds or notes. This ordinance authorizes bonds to be issued to aid in a Redevelopment Project including, but not limited to, the construction of a new sewer collection system pump station and treatment plant and provision of expenses of the Plumsted Municipal Utilities Authority incurred in connection with the construction and operation of the same. The Township plans to finance these authorized project costs with New Jersey Environmental Infrastructure Trust Program.

The Township has signed an agreement with Lennar Plumsted, LLC (the Entity) as redeveloper of Block 40, Lot 10 and 18 for a minimum of 400 and a maximum of a 500 unit Active Adult Community. The Entity shall pay to the township a \$19,500 fee for each market unit. The Entity shall prepay \$100,000 to the Township upon site plan approval, \$100,000 upon the final site plan approval, \$200,000 upon commencement of construction and \$100,000 upon the issuance of the first building permit. The Entity will also prepay any annual debt service shortfall not covered by the described prepayments.

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**SUPPLEMENTARY EXHIBITS**

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<b>CURRENT FUND</b>
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TOWNSHIP OF PLUMSTEDCURRENT FUNDSCHEDULE OF CASH - TREASURER

	<u>REF.</u>		
Balance, December 31, 2016	A		\$ 2,128,957.16
Increased by Receipts:			
Non-Budget Revenues	A-2	\$ 137,953.73	
Property Taxes Receivable	A-5	19,891,426.87	
Tax Title Liens Receivable	A-6	17,300.64	
Revenue Accounts Receivable	A-8	941,807.29	
Tax Overpayments	A-11	46,467.62	
Prepaid Taxes	A-12	474,341.58	
Due From/To State of New Jersey	A-13	71,577.00	
Interfunds	A-17	387.48	
Miscellaneous Reserves	A-19	421,546.81	
Grants Receivable	A-21	273,867.55	
Grants - Unappropriated	A-23	<u>38,387.64</u>	
			<u>22,315,064.21</u>
			24,444,021.37
Decreased by Disbursements:			
Petty Cash	A	\$ 200.00	
Refund of Prior Year Revenue	A-1	204.00	
2016 Budget Appropriations	A-3	2,871,000.42	
Municipal Open Space Tax	A-5	157,266.66	
Special District Taxes	A-5	1,649,242.00	
Appropriation Reserves	A-10	49,752.27	
Tax Overpayments	A-11	4,046.40	
Due From/To State of New Jersey	A-13	11,734.00	
County Taxes Payable	A-14	3,561,678.00	
Local School District Tax Payable	A-15	12,551,867.50	
Emergency Note Payable	A-16	14,166.00	
Miscellaneous Reserves	A-19	421,505.70	
Grants - Appropriated	A-22	<u>519,059.24</u>	
			<u>21,811,722.19</u>
Balance, December 31, 2017	A		\$ <u><u>2,632,299.18</u></u>

TOWNSHIP OF PLUMSTED

CURRENT FUND

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

<u>YEAR</u>	<u>BALANCE DECEMBER 31, 2016</u>	<u>2017 LEVY</u>	<u>CASH COLLECTIONS 2017</u>	<u>2016</u>	<u>DUE FROM STATE OF NEW JERSEY CH. 20, P.L. 1971</u>	<u>CANCELED</u>	<u>TRANSFERRED TO TAX TITLE LIENS</u>	<u>BALANCE DECEMBER 31, 2017</u>
2015	\$ 2,778.02	\$	\$ 2,778.02	\$	\$	\$ 824.04	\$	\$ 0.00
2016	8,217.87		7,392.53			824.04		1.30
	<u>10,995.89</u>		<u>10,170.55</u>			<u>824.04</u>		<u>1.30</u>
2017		20,132,847.94	19,881,256.32	164,797.14	60,750.00	5,855.14	12,794.78	7,394.56
	<u>\$ 10,995.89</u>	<u>\$ 20,132,847.94</u>	<u>\$ 19,891,426.87</u>	<u>\$ 164,797.14</u>	<u>\$ 60,750.00</u>	<u>\$ 6,679.18</u>	<u>\$ 12,794.78</u>	<u>\$ 7,395.86</u>
	<u>REF. A</u>	<u>A-5</u>	<u>A-4</u>	<u>A-12</u>	<u>A-13</u>		<u>A-6</u>	<u>A</u>

Receipts from Delinquent Taxes A-2  
Receipts from Current Taxes A-2

\$ 10,170.55  
19,881,256.32  
\$ 19,891,426.87

ANALYSIS OF 2017 PROPERTY TAX LEVY

REF.

TAX YIELD	
General Purpose Tax	\$ 20,087,566.15
Added Taxes (54:4-63.1 et seq.)	<u>45,281.79</u>
	<u>\$ 20,132,847.94</u>

TAX LEVY	
Local School District Tax (Abstract)	\$ 12,683,038.00

County Taxes:	
General County Tax (Abstract)	\$ 3,010,469.36
County Library Tax (Abstract)	324,332.09
County Health Tax (Abstract)	117,527.36
County Open Space Tax Preservation (Abstract)	102,611.60
Due County for Added Taxes (54:4-63.1 et seq.)	<u>8,849.52</u>
	3,563,789.93

Municipal Open Space Tax	\$ 157,266.66
Special District Taxes	1,649,242.00
Local Tax for Municipal Purposes (Abstract)	2,000,597.64
Add: Additional Tax Levied	<u>78,913.71</u>
	<u>3,886,020.01</u>
	<u>\$ 20,132,847.94</u>

A-5

"A-6"

TOWNSHIP OF PLUMSTED

CURRENT FUND

SCHEDULE OF MUNICIPAL LIENS RECEIVABLE

	<u>REF.</u>		
Balance, December 31, 2016	A		\$ 38,203.75
Increased by:			
Transfers From Taxes Receivable	A-5	\$ 12,794.78	
Interest and Costs Accrued by Sale		<u>1,310.75</u>	
			<u>14,105.53</u>
			52,309.28
Decreased by:			
Receipts	A-2		<u>17,300.64</u>
Balance, December 31, 2017	A		\$ <u><u>35,008.64</u></u>

"A-7"

SCHEDULE OF PROPERTY ACQUIRED FOR TAXES  
(AT ASSESSED VALUATION)

	<u>REF.</u>	
Balance, December 31, 2016 and December 31, 2017	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, 2016</u>	<u>ACCRUED</u>	<u>COLLECTED</u>	<u>BALANCE DECEMBER 31, 2017</u>
Licenses:					
Alcoholic Beverage	A-2	\$	\$ 10,550.00	\$ 10,550.00	\$
Other	A-2		5,134.00	5,134.00	
Fees and Permits	A-2		90,098.30	90,098.30	
Fines and Costs					
Municipal Court	A-2	4,118.22	61,853.08	61,086.56	4,884.74
Interest and Costs on Taxes	A-2		24,371.70	24,371.70	
Interest on Investments and Deposits	A-2		26,016.08	26,016.08	
Cable Television Franchise Fees	A-2		28,857.62	28,857.62	
Police Towing Fees	A-2		8,960.00	8,960.00	
Cell Tower Revenue	A-2		30,000.00	30,000.00	
Off Duty Municipal Police	A-2		12,000.00	12,000.00	
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		17,262.00	17,262.00	
Rental/Smoke Detection Inspection	A-2		20,775.00	20,775.00	
Additional Uniform Construction Code Fees	A-2		108,000.00	108,000.00	
Plumsted Board of Education School Resource Officer	A-2		46,374.03	46,374.03	
		<u>\$ 4,118.22</u>	<u>\$ 942,573.81</u>	<u>\$ 941,807.29</u>	<u>\$ 4,884.74</u>
	<u>REF.</u>	<u>A</u>		<u>A-4</u>	<u>A</u>



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, 2016</u>	<u>REDUCED IN 2017</u>	<u>BALANCE DECEMBER 31, 2017</u>
08/01/12	Hybrid Reassessment Project	\$ 85,000.00	\$ 17,000.00	\$ 14,166.00	\$ 14,166.00	\$
06/01/16	Preparation of Master Plan	10,000.00	2,000.00	10,000.00	2,000.00	8,000.00
		<u>\$ 85,000.00</u>	<u>\$ 17,000.00</u>	<u>\$ 24,166.00</u>	<u>\$ 16,166.00</u>	<u>\$ 8,000.00</u>

REF.

A

A-3

A

TOWNSHIP OF PLUMSTED

CURRENT FUND

SCHEDULE OF 2016 APPROPRIATION RESERVES

SALARIES AND WAGES

Municipal Clerk	\$ 11,213.56	\$ 11,213.56	\$		\$ 11,213.56
Assessment Search Officer	135.22	135.22			135.22
Financial Administration	14,878.16	14,878.16			14,878.16
Collection of Taxes	3,922.08	3,922.08			3,922.08
Assessment of Taxes	84.74	84.74			84.74
Downtown Economic Development	116.80	116.80			116.80
Planning Board	358.36	358.36			358.36
Zoning Officer	455.40	455.40			455.40
Mobile Home Inspector	62.06	62.06			62.06
Rental Inspections	4,575.00	4,575.00			4,575.00
Code Enforcement Officer	22.14	22.14			22.14
Police	59,601.60	59,601.60		12,420.01	47,181.59
School Crossing Guards	100.00	100.00			100.00
Emergency Management Services	48.20	48.20			48.20
Municipal Court	3,616.52	3,616.52		1,100.00	2,516.52
Recycling	4,400.00	4,400.00			4,400.00
Public Buildings and Grounds	21,980.58	21,980.58			21,980.58
Public Employee Awards	2,600.00	2,600.00		871.08	1,728.92
State Uniform Construction Code Official O/S	1,038.74	1,038.74			1,038.74
Plumsted Board of Education School Resource Officer	592.04	592.04			592.04
<u>TOTAL SALARIES AND WAGES</u>	<u>\$ 129,801.20</u>	<u>\$ 129,801.20</u>	<u>\$ 14,391.09</u>	<u>\$</u>	<u>115,410.11</u>



TOWNSHIP OF PLUMSTED

CURRENT FUND

SCHEDULE OF 2016 APPROPRIATION RESERVES

	BALANCE DECEMBER 31, 2016	BALANCE AFTER TRANSFERS	PAID OR CHARGED	BALANCE LAPSED
	\$	\$	\$	\$
Sanitary Landfill	450.00	450.00		450.00
Public Buildings and Grounds	2,913.11	2,913.11	711.82	2,201.29
Demolition	3,900.00	3,900.00		3,900.00
Board of Health	2,000.00	2,000.00		2,000.00
Soil/Water Testing	450.00	450.00		450.00
Environmental Commission	493.28	493.28		493.28
Catholic Charities	70.00	70.00	70.00	
Administration of Public Assistance Relocation Costs	350.00	350.00		350.00
Federally Mandated Hepatitis Immunization	490.00	490.00		490.00
Recreation	1,587.40	1,587.40		1,587.40
Celebration of Public Event, Anniversary or Holiday	1,069.95	1,069.95	54.53	1,015.42
Council for the Arts	301.46	301.46		301.46
Public Employee Awards	250.00	250.00		250.00
Utilities:				
Electricity	4,153.47	4,153.47	3,152.03	1,001.44
Street Lighting	9,692.41	9,692.41	4,328.62	5,363.79
Telephone	3,775.42	3,775.42	1,788.97	1,986.45
Water	1,667.95	1,667.95	380.55	1,287.40
Natural Gas	4,481.18	4,481.18		4,481.18
Heating Oil	6,316.29	6,316.29	277.44	6,038.85
Gasoline	17,925.71	17,925.71		17,925.71
Contingent	3,224.00	3,224.00		3,224.00
Contribution to Social Security System (O.A.S.I.)	17,610.58	17,610.58		17,610.58
State Unemployment Insurance	747.12	747.12		747.12
Defined Contribution Retirement Program	2,407.39	2,407.39	59.43	2,347.96
State of Emergency - Snow Removal	203.75	203.75		203.75
State Uniform Construction Code Official O/S	7,524.81	7,524.81	2,125.38	5,399.43

TOWNSHIP OF PLUMSTED

CURRENT FUND

SCHEDULE OF 2016 APPROPRIATION RESERVES

	BALANCE DECEMBER 31, 2016	BALANCE AFTER TRANSFERS	PAID OR CHARGED	BALANCE LAPSED
Plumsted Board of Education School Resource Officer	\$ 11,040.00	\$ 11,040.00	\$	\$ 11,040.00
Plumsted-Allentown Court	6,267.60	6,267.60		6,267.60
Local Matching Funds for Grants	1,250.00	1,250.00		1,250.00
<u>TOTAL OTHER EXPENSES</u>	<u>279,887.36</u>	<u>279,887.36</u>	<u>35,361.18</u>	<u>244,526.18</u>
<u>GRAND TOTAL</u>	<u>\$ 409,688.56</u>	<u>\$ 409,688.56</u>	<u>\$ 49,752.27</u>	<u>\$ 359,936.29</u>
			A-4	A-1
REF.				
Appropriation Reserves	\$ 383,625.69			
Reserve for Encumbrances	<u>26,062.87</u>			
	<u>\$ 409,688.56</u>			

"A-11"

TOWNSHIP OF PLUMSTED  
CURRENT FUND  
SCHEDULE OF TAX OVERPAYMENTS

	<u>REF.</u>	
Balance, December 31, 2016	A	\$ 1,012.09
Increased by:		
Receipts	A-4	<u>46,467.62</u>
		47,479.71
Decreased by:		
Disbursements	A-4	<u>4,046.40</u>
Balance, December 31, 2017	A	\$ <u><u>43,433.31</u></u>

"A-12"

SCHEDULE OF PREPAID TAXES

	<u>REF.</u>	
Balance, December 31, 2016	A	\$ 164,797.14
Increased by:		
Receipts	A-4	<u>474,341.58</u>
		639,138.72
Decreased by:		
Applied to 2017 Taxes Receivable	A-5	<u>164,797.14</u>
Balance, December 31, 2017	A	\$ <u><u>474,341.58</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, 2016 - Due From/(Due To)	A	\$ (5,347.86)	\$ (4,203.00)	\$ (125.00)	\$ (1,019.86)
Increased/Decreased by:					
Deductions:					
Per Billings		64,000.00			64,000.00
Allowed by Tax Collector (Net)		(3,250.00)			(3,250.00)
	A-5	60,750.00			60,750.00
Disbursements	A-4	11,734.00	10,759.00	975.00	
Total Increases/Decreases		72,484.00	10,759.00	975.00	60,750.00
Total Increases/Decreases and Balances		67,136.14	6,556.00	850.00	59,730.14
Decreased/Increased by:					
Receipts	A-4	71,577.00	8,577.00	1,000.00	62,000.00
Total Decreases		71,577.00	8,577.00	1,000.00	62,000.00
Balance, December 31, 2017 - Due From/(Due To)	A	\$ (4,440.86)	\$ (2,021.00)	\$ (150.00)	\$ (2,269.86)

TOWNSHIP OF PLUMSTED

CURRENT FUND

SCHEDULE OF COUNTY TAXES PAYABLE

	<u>REF.</u>		
Balance, December 31, 2016	A	\$	6,737.59
Increased by:			
2017 Tax Levy:			
General County	A-5	\$	3,010,469.36
County Library	A-5		324,332.09
County Health	A-5		117,527.36
County Open Space Preservation	A-5		102,611.60
Due County for Added and Omitted Taxes	A-5		<u>8,849.52</u>
	A-1		<u>3,563,789.93</u>
			<u>3,570,527.52</u>
Decreased by:			
Payments	A-4		<u>3,561,678.00</u>
Balance, December 31, 2017	A	\$	<u><u>8,849.52</u></u>

SCHEDULE OF LOCAL SCHOOL DISTRICT TAX PAYABLE

	<u>REF.</u>		
Balance, December 31, 2016:			
School Tax Payable	A	\$	723,149.13
School Tax Deferred			<u>5,487,199.61</u>
		\$	6,210,348.74
Increased by:			
Levy School Year - July 1, 2017 to June 30, 2018	A-5		<u>12,683,038.00</u>
			<u>18,893,386.74</u>
Decreased by:			
Payments	A-4		<u>12,551,867.50</u>
Balance, December 31, 2017:			
School Tax Payable	A	\$	554,319.63
School Tax Deferred			<u>5,787,199.61</u>
		\$	<u><u>6,341,519.24</u></u>
2017 Liability for Local District School Tax:			
Tax Paid		\$	12,551,867.50
Tax Payable December 31, 2017			<u>554,319.63</u>
			<u>13,106,187.13</u>
Less: Tax Payable December 31, 2016			<u>723,149.13</u>
Amount Charged to 2017 Operations	A-1	\$	<u><u>12,383,038.00</u></u>



TOWNSHIP OF PLUMSTED

CURRENT FUND

SCHEDULE OF SPECIAL EMERGENCY NOTE PAYABLE

<u>PURPOSE</u>	<u>DATE OF ORIGINAL ISSUE</u>	<u>DATE OF ISSUE</u>	<u>DATE OF MATURITY</u>	<u>INTEREST RATE</u>	<u>BALANCE DECEMBER 31, 2016</u>	<u>DECREASED</u>	<u>BALANCE DECEMBER 31, 2017</u>
Hybrid Reassessment Program	09/28/12	09/20/16	09/20/17	1.090%	\$ 14,166.00	\$ 14,166.00	
					<u>\$ 14,166.00</u>	<u>\$ 14,166.00</u>	<u>\$</u>
				<u>REF.</u>	A	A-4	A

TOWNSHIP OF PLUMSTED

CURRENT FUND

SCHEDULE OF INTERFUNDS

	<u>REF.</u>	TRUST OTHER <u>FUND</u>
Decreased by:		
Receipts	A-4	\$ <u>387.48</u>
Balance, December 31, 2017 Due From/(Due To)	A	\$ <u><u>(387.48)</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, 2016	A	\$ 26,062.87	\$ 207,463.46
Increased by:			
Transferred from:			
2017 Appropriations	A-3	72,492.30	
Grants Appropriated	A-22		63,946.01
Total Increases		<u>72,492.30</u>	<u>63,946.01</u>
Total Increases and Balances		<u>98,555.17</u>	<u>271,409.47</u>
Decreased by:			
Transferred to:			
2016 Appropriation Reserves	A-10	26,062.87	
Grants Appropriated	A-22		207,463.46
Total Decreases		<u>26,062.87</u>	<u>207,463.46</u>
Balance December 31, 2017	A	\$ <u>72,492.30</u>	\$ <u>63,946.01</u>

TOWNSHIP OF PLUMSTED

CURRENT FUND

SCHEDULE OF MISCELLANEOUS RESERVES

	BALANCE DECEMBER 31, 2016	INCREASED BY	DECREASED BY	BALANCE DECEMBER 31, 2017
Master Plan	\$ 82.95	\$	\$ 82.95	\$
Payroll Liabilities	543.61	421,546.81	421,422.75	667.67
	<u>\$ 626.56</u>	<u>\$ 421,546.81</u>	<u>\$ 421,505.70</u>	<u>\$ 667.67</u>
<u>REF.</u>	A	A-4	A-4	A

TOWNSHIP OF PLUMSTED

GRANT FUND

SCHEDULE OF INTERFUNDS

	<u>REF.</u>	<u>CURRENT FUND</u>
Balance, December 31, 2016 - Due From/(Due To)	A	\$ <u>211,349.12</u>
Increased by:		
Receipts - Grants Receivable	A-21	273,867.55
Receipts - Grants Unappropriated	A-23	38,387.64
2017 Budget Appropriations	A-3:A-22	<u>323,477.33</u>
		<u>635,732.52</u>
		<u>847,081.64</u>
Decreased by:		
Canceled Grants Appropriated	A-1:A-22	1,201.55
Disbursements	A-22	519,059.24
2017 Budget Revenues Realized	A-2:A-21	<u>308,221.08</u>
		<u>828,481.87</u>
Balance, December 31, 2017 - Due From/(Due To)	A	\$ <u><u>18,599.77</u></u>

TOWNSHIP OF PLUMSTED

GRANT FUND

SCHEDULE OF GRANTS RECEIVABLE

	BALANCE DECEMBER 31, 2016	2017 BUDGET REVENUE REALIZED	CASH RECEIPTS	BALANCE DECEMBER 31, 2017
Bulletproof Vest Partnership Grant Prior Years	\$ 3,861.52	\$	\$ 1,920.00	\$ 1,941.52
Community Development Block Grant Prior Years	31,000.00		31,000.00	
Drunk Driving Enforcement Fund Prior Years	4,500.00		4,500.00	
NJ Department of Transportation Municipal Aid Prior Years:				
Hopkins Road	130,013.81			130,013.81
Brynmore Road	275,000.00		133,509.85	141,490.15
Municipal Alliance on Alcoholism and Drug Abuse Prior Years	22,465.00		22,465.00	
Ocean County Tourism Grant Prior Years	750.00		750.00	
2017 Grants:				
Alcohol Education and Rehabilitation Fund		450.38	450.38	
Body Armor Replacement Fund		1,624.83	1,624.83	
Bullet Proof Vest Partnership Grant		1,533.38		1,533.38
Clean Communities Program		18,068.81	18,068.81	
Distracted Driver		5,500.00	5,500.00	
Drunk Driving Enforcement Fund		5,000.00	500.00	4,500.00
JIF Safety Incentive Award		225.00	225.00	
Municipal Alliance on Alcoholism and Drug Abuse		22,465.00		22,465.00
NJ Department of Transportation Municipal Aid:				
Cedar Street and Brynmore Road		200,000.00		200,000.00
Recycling Revenue Sharing		5,340.13	5,340.13	
Recycling Tonnage Grant		8,013.55	8,013.55	
Safe and Secure Communities Program		30,000.00	30,000.00	
Senior Center		10,000.00	10,000.00	
	<u>\$ 467,590.33</u>	<u>\$ 308,221.08</u>	<u>\$ 273,867.55</u>	<u>\$ 501,943.86</u>
<u>REF.</u>	<u>A</u>	<u>A-20</u>	<u>A-4:A-20</u>	<u>A</u>

TOWNSHIP OF PLUMSTED

GRANT FUND

SCHEDULE OF GRANTS - APPROPRIATED

	BALANCE DECEMBER 31, 2016	2017 BUDGET APPROPRIATIONS	PAID OR CHARGED	CANCELED	BALANCE DECEMBER 31, 2017
Alcohol Education and Rehabilitation Fund	\$ 5,719.33	\$ 450.38	\$ (1,100.00)	\$	\$ 7,269.71
Body Armor Replacement Fund	6,634.80	1,624.83	2,578.94		5,680.69
Bulletproof Vest Partnership Grant	2,376.74	1,533.38	2,578.94		1,331.18
Clean Communities Program	21,121.76	18,068.81	19,245.62		19,944.95
Distracted Driver		5,500.00	5,500.00		
Drunk Driving Enforcement Fund	3,900.07	5,000.00	3,843.05		5,057.02
JIF Safety Incentive Award	250.00	225.00			475.00
Municipal Alliance on Alcoholism and Drug Abuse	18,547.68	28,081.25	21,511.38	1,201.55	23,916.00
NJ Department of Transportation Municipal Aid:					
Hopkins Road	73,878.42		33,794.32		40,084.10
Brynmore Road	275,000.00		227,192.67		47,807.33
Cedar Street and Brynmore Road		200,000.00			200,000.00
Recycling Revenue Sharing	29,385.02	5,340.13			34,725.15
Recycling Tonnage Grant	34,415.65	8,013.55	10,756.87		31,672.33
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>\$ 471,475.99</u>	<u>\$ 323,477.33</u>	<u>\$ 375,541.79</u>	<u>\$ 1,201.55</u>	<u>\$ 418,209.98</u>
REF.	A	A-20		A-20	A
Cash Disbursements			\$ 519,059.24		
Reserve for Encumbrances - Current Year	A-4:A-20		63,946.01		
Reserve for Encumbrances - Prior Year	A-18		(207,463.46)		
	A-18				
			<u>\$ 375,541.79</u>		

TOWNSHIP OF PLUMSTED

GRANT FUND

SCHEDULE OF GRANTS - UNAPPROPRIATED

Recycling Tonnage Grant

	<u>CASH RECEIPTS</u>	<u>BALANCE DECEMBER 31, 2017</u>
	\$ 38,387.64	\$ 38,387.64
	<u>\$ 38,387.64</u>	<u>\$ 38,387.64</u>

REF.

A-4:A-20

A



**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, 2016	B	\$ 3,552.23	\$ 713,842.04
Increased by Receipts:			
Due State Department of Health-Animal Control Trust Fund	B-2	\$ 1,845.60	\$
Reserve for Animal Control Trust Fund Expenditures	B-3	9,998.80	
Miscellaneous Reserves	B-6		792,214.12
		<u>11,844.40</u>	<u>792,214.12</u>
		15,396.63	1,506,056.16
Decreased by Disbursements:			
Due State Department of Health-Animal Control Trust Fund	B-2	\$ 1,845.60	\$
Reserve for Animal Control Trust Fund Expenditures	B-3	11,195.50	
Interfund-Current Fund	B-4		387.48
Miscellaneous Reserves	B-6		800,307.14
		<u>13,041.10</u>	<u>800,694.62</u>
Balance, December 31, 2017	B	\$ 2,355.53	\$ 705,361.54

"B-2"

TOWNSHIP OF PLUMSTED

TRUST FUND

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

	<u>REF.</u>		
Increased by:			
Receipts - State Registration Fees	B-1	\$	1,845.60
Decreased by:			
Disbursements - State Registration Fees	B-1	\$	<u>1,845.60</u>

"B-3"

SCHEDULE OF RESERVE FOR ANIMAL CONTROL TRUST FUND EXPENDITURES

	<u>REF.</u>		
Balance, December 31, 2016	B	\$	3,552.23
Increased by:			
Animal Control License Fees Collected	B-1		<u>9,998.80</u>
			13,551.03
Decreased by:			
Expenditures Under R.S. 4:19-15.11	B-1	\$	11,195.50
Reserve for Encumbrances	B-5		<u>272.00</u>
			<u>11,467.50</u>
Balance, December 31, 2017	B	\$	<u>2,083.53</u>

LICENSE FEES COLLECTED

	<u>AMOUNT</u>
2016	\$ 12,868.00
2015	<u>10,665.40</u>
	<u>\$ 23,533.40</u>

"B-4"

TOWNSHIP OF PLUMSTED

TRUST FUND

SCHEDULE OF INTERFUND-CURRENT FUND

	<u>REF.</u>	TRUST OTHER <u>FUND</u>
Decreased by:		
Disbursements	B-1	\$ <u>387.48</u>
Balance, December 31, 2017 (Due From)/Due To	B	\$ <u><u>(387.48)</u></u>

"B-5"

SCHEDULE OF RESERVE FOR ENCUMBRANCES

	<u>REF.</u>	ANIMAL CONTROL TRUST <u>FUND</u>	TRUST OTHER <u>FUND</u>
Balance, December 31, 2016	B	\$	\$ 5,650.00
Increased by:			
Reserve for Animal Control Trust Fund Expenditures	B-3	272.00	
Miscellaneous Reserves	B-6	<u>272.00</u>	<u>1,677.95</u>
			7,327.95
Decreased by:			
Miscellaneous Reserves	B-6	<u>272.00</u>	<u>5,650.00</u>
Balance, December 31, 2017	B	\$ <u><u>272.00</u></u>	\$ <u><u>1,677.95</u></u>

TOWNSHIP OF PLUMSTED

TRUST FUND

SCHEDULE OF MISCELLANEOUS RESERVES

	BALANCE DECEMBER 31, 2016	INCREASED	DECREASED	BALANCE DECEMBER 31, 2017
Tax Sale Premiums	\$ 278,800.00	\$ 64,900.00	\$ 164,000.00	\$ 179,700.00
Performance Bonds	147,971.56	62,908.74		210,880.30
Planning Board Escrow	155,755.08	207,569.50	190,181.59	173,142.99
Curb and Sidewalk Deposits	5,266.63			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	10.00		105.00
Law Enforcement Trust	2,586.44	252.17	2,000.00	838.61
Public Defender	575.20	930.00	1,505.20	
Green Technology	1,490.06		113.97	1,376.09
Municipal Open Space	9,070.81	157,266.66	113,611.55	52,725.92
Council on the Arts	2,742.40			2,742.40
Outside Employment of Off Duty Municipal Police	34,072.15	62,430.00	61,662.14	34,840.01
PT Environmental Commission Donation	858.33			858.33
September 11, 2001 World Trade Center	52.01			52.01
Snow Removal	31,191.69		10,183.96	21,007.73
Land Use Education	1,208.00	100.00	580.00	728.00
Main Street Program	4,835.39	3,861.00	3,075.00	5,621.39
Municipal Alliance of Drug and Alcohol Abuse	2,259.04	1,735.00	1,333.28	2,660.76
Municipal Building Donations	50.00	751.00	208.00	593.00
July 4th Celebration	1,828.03	14,830.76	15,061.38	1,597.41
TTL Redemption	18,149.73	210,129.87	228,279.60	
Accumulated Absences		4,539.42	4,539.42	
	<u>\$ 708,192.04</u>	<u>\$ 792,214.12</u>	<u>\$ 796,335.09</u>	<u>\$ 704,071.07</u>
	REF. B	B-1		B
Cash Disbursements			\$ 800,307.14	
Reserve for Encumbrances - Current Year			1,677.95	
Reserve for Encumbrances - Prior Year			(5,650.00)	
			<u>\$ 796,335.09</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, 2016	C		\$ 227,025.14
Increased by Receipts:			
Reserve for Retirement of Debt	C-3	\$ 100,000.00	
Bond Anticipation Notes	C-6	150,000.00	
NJEIT Interim Construction Note Proceeds	C-8	<u>638,380.00</u>	
			<u>888,380.00</u>
			1,115,405.14
Decreased by Disbursements:			
Improvement Authorizations	C-10		<u>998,418.73</u>
Balance, December 31, 2017	C		\$ <u><u>116,986.41</u></u>

TOWNSHIP OF PLUMSTED

GENERAL CAPITAL FUND

ANALYSIS OF GENERAL CAPITAL CASH

		BALANCE DECEMBER <u>31, 2017</u>
Fund Balance		\$ 581.91
Reserve for Retirement of Debt		100,000.00
Reserve for Encumbrances		163,844.57
Capital Improvement Fund		2,731.39
Improvement Authorizations:		
Ordinance <u>Number</u>		
02-02	Acquisition and Development for Lands for Open Space, Natural Lands, Recreation, Historic and Farmland Preservation and Other Related Expenses	(99,051.87)
08-11	Various Capital Improvements	(29,488.53)
12-15	Payments of Amounts Owing to Others for Taxes Levied	656.75
13-12	Various Capital Improvements	14,645.60
15-06	Various Capital Improvements and Other Related Expenses	71,989.28
17-15	Various Capital Improvements and Other Related Expenses	29,607.82
17-21	Aid to New Egypt Redevelopment Project	<u>(138,530.51)</u>
		\$ <u>116,986.41</u>
<u>REF.</u>		C

TOWNSHIP OF PLUMSTED

GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION-FUNDED

	<u>REF.</u>		
Balance December 31, 2016	C		\$ 437,195.84
Decreased by:			
Budget Appropriations to Pay:			
Downtown Business Improvement Zone Loan	C-7	\$ 34,484.22	
Green Trust Loans	C-9	<u>21,479.81</u>	
			<u>55,964.03</u>
Balance December 31, 2017	C		\$ <u>381,231.81</u>

TOWNSHIP OF PLUMSTED

GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION-UNFUNDED

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2016	2016 AUTHORIZATIONS	NOTES PAID BY BUDGET APPROPRIATION	BALANCE DECEMBER 31, 2017	ANALYSIS OF BALANCE DECEMBER 31, 2017		
						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	\$ 423,807.45	\$	8,773.00	\$ 415,034.45	\$ 52,630.00	\$ 99,051.87	\$ 263,352.58
08-11	Various Capital Improvements	360,130.00		27,190.00	332,940.00	96,750.00	29,488.53	206,701.47
09-07	Preliminary Expenses in Connection with the Redevelopment Plans	100,800.00		25,200.00	75,600.00	75,600.00		
15-06	Various Capital Improvements and Other Related Expenses	1,500,000.00			1,500,000.00	1,317,607.00		182,393.00
17-15	Various Capital Improvements and Other Related Expenses		150,000.00		150,000.00	150,000.00		
17-21	Aid to New Egypt Redevelopment Project		25,000,000.00		25,000,000.00		138,530.51	24,861,469.49
		<u>\$ 2,384,737.45</u>	<u>\$ 25,150,000.00</u>	<u>\$ 61,163.00</u>	<u>\$ 27,473,574.45</u>	<u>\$ 1,692,587.00</u>	<u>\$ 267,070.91</u>	<u>\$ 25,513,916.54</u>
		REF. C	C-10		C			
Current Fund Budget								
Open Space Trust Fund Budget				47,477.00				
Bond Anticipation Notes				13,686.00		\$ 624,980.00		
NJEIT Interim Construction Notes						<u>1,067,607.00</u>		
				<u>\$ 61,163.00</u>		<u>\$ 1,692,587.00</u>		
Improvement Authorizations Unfunded								\$ 25,615,513.64
Less: Unexpended Proceeds of Bond Anticipation Notes								
ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION							
15-06	Various Capital Improvements and Other Related Expenses						71,989.28	
17-15	Various Capital Improvements and Other Related Expenses						<u>29,607.82</u>	101,597.10
								<u>\$ 25,513,916.54</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, 2016	INCREASED	DECREASED	BALANCE DECEMBER 31, 2017
08-11	Various Capital Improvements	09/30/08	09/19/17	09/19/18	1.739%	\$ 26,553.00	\$	\$ 13,277.00	\$ 13,276.00
08-11	Various Capital Improvements	09/26/13	09/19/17	09/19/18	1.200%	97,387.00		13,913.00	83,474.00
09-07	Preliminary Expenses in Connection with the Redevelopment Plans	01/26/10	09/19/17	09/19/18	1.739%	100,800.00		25,200.00	75,600.00
02-02	Acquisition and Development of Lands for Open Space, Natural Lands, Recreation, Historic and Farmland Preservation and Other Related Expenses	09/26/13	09/19/17	09/19/18	1.739%	61,403.00		8,773.00	52,630.00
15-06	Various Capital Improvements and Other Related Expenses	09/20/16	09/19/17	09/19/18	1.739%	250,000.00			250,000.00
17-15	Various Capital Improvements and Other Related Expenses	09/19/17	09/19/17	09/19/18	1.739%		150,000.00		150,000.00
						\$ 536,143.00	\$ 150,000.00	\$ 61,163.00	\$ 624,980.00
					<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, 2016</u>	<u>BALANCE DECEMBER 31, 2017</u>
			<u>DATE</u>	<u>AMOUNT</u>		<u>DECREASED</u>
Downtown New Egypt Improvements	12/15/11	\$ 528,294.76	12/15/2018-25	\$ 34,484.22	\$ 344,842.10	\$ 310,357.88
			12/15/26	34,484.12		
				<u>REF.</u>	C	C
					C-4	

TOWNSHIP OF PLUMSTED

GENERAL CAPITAL FUND

SCHEDULE OF NJEIT INTERIM CONSTRUCTION NOTE

	<u>REF.</u>	
Balance December 31, 2016	C	\$ 429,227.00
Increased by:		
Receipts	C-2	<u>638,380.00</u>
Balance December 31, 2017	C	<u>\$ 1,067,607.00</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, 2016</u>	<u>DECREASED</u>	<u>BALANCE DECEMBER 31, 2017</u>
			<u>DATE</u>	<u>DECEMBER 31, 2017</u>	<u>AMOUNT</u>				
Recreation Complex Improvement	12/20/10	\$ 100,000.00	See C-9 - Sheet 2			2.00%	\$ 75,603.70	\$ 4,729.77	\$ 70,873.93
Recreation Park Development 2	11/19/99	99,999.00	N/A	N/A		2.00%	6,700.00	6,700.00	
Oakford Lake Park Development	11/19/99	149,999.00	N/A	N/A		2.00%	10,050.04	10,050.04	
							<u>\$ 92,353.74</u>	<u>\$ 21,479.81</u>	<u>\$ 70,873.93</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>
04/25/18	\$ 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>70,873.93</u>	\$ <u>9,964.23</u>	\$ <u>80,838.16</u>

TOWNSHIP OF PLUMSTED

GENERAL CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	ORDINANCE DATE	ORDINANCE AMOUNT	BALANCE DECEMBER 31, 2016		2017 AUTHORIZATIONS	PAID OR CHARGED	BALANCE DECEMBER 31, 2017	
				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	\$	\$ 268,436.61	\$	\$ 5,084.03	\$	\$ 263,352.58
08-11	Various Capital Improvements	08/06/08	977,170.00		216,705.91		10,004.44		206,701.47
12-15	Payments of Amounts Owing 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	25,393.09			10,747.49	14,645.60	
15-06	Various Capital Improvements and Other Related Expenses	09/02/15	1,500,000.00		501,528.94		247,146.66		254,382.28
17-15	Various Capital Improvements and Other Related Expenses	08/02/17	150,000.00			150,000.00	120,392.18		29,607.82
17-21	Aid to New Egypt Redevelopment Project	11/01/17	25,000,000.00			25,000,000.00	138,530.51		24,861,469.49
				\$ 26,049.84	\$ 986,671.46	\$ 25,150,000.00	\$ 531,905.31	\$ 15,302.35	\$ 25,615,513.64
				C	C	C-5		C	C
			REF.						
	Cash Disbursements								
	Reserve for Encumbrances - Current Year		C-2				\$ 998,418.73		
	Reserve for Encumbrances - Prior Year		C-12				163,844.57		
			C-12				(630,357.99)		
							\$ 531,905.31		

TOWNSHIP OF PLUMSTED

GENERAL CAPITAL FUND

SCHEDULE OF CAPITAL IMPROVEMENT FUND

REF.

Balance, December 31, 2017 and 2016	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, 2016	C	\$ 630,357.99
Increased by:		
Improvement Authorizations	C-10	<u>163,844.57</u>
		794,202.56
Decreased by:		
Improvement Authorizations	C-10	<u>630,357.99</u>
Balance, December 31, 2017	C	\$ <u><u>163,844.57</u></u>

TOWNSHIP OF PLUMSTED

GENERAL CAPITAL FUND

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2017
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	182,393.00
17-21	Aid to the New Egypt Redevelopment Project	<u>25,000,000.00</u>
		<u>\$ 25,780,987.45</u>
	<u>REF.</u>	C

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**TOWNSHIP OF PLUMSTED**

**PART II**

**SCHEDULE OF FINANCIAL STATEMENT FINDINGS -  
GOVERNMENT AUDITING STANDARDS**

**FOR THE YEAR ENDED DECEMBER 31, 2017**

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**TOWNSHIP OF PLUMSTED**  
**SCHEDULE OF FINANCIAL STATEMENT FINDINGS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

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

None.

**TOWNSHIP OF PLUMSTED**  
**SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS**  
**AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

This section identifies the status of prior year findings related to the financial statements, federal awards and state financial assistance that are required to be reported in accordance with *Government Auditing Standards*, Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and New Jersey OMB's Circular 15-08.

Financial Statement Findings

No Prior Year Findings.

**FEDERAL AWARDS**

N/A – No Federal Single Audit in prior year.

**STATE FINANCIAL ASSISTANCE**

N/A – No State Single Audit in prior year.

**TOWNSHIP OF PLUMSTED**

**PART III**

**LETTER OF COMMENTS AND RECOMMENDATIONS – REGULATORY BASIS**

**FOR THE YEAR ENDED DECEMBER 31, 2017**

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## OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office at December 31, 2017:

<u>Name</u>	<u>Title</u>
Jack Trotta	Mayor
Erick Sorchik	Deputy Mayor
Herbert Marinari	Committee Member
Vincent Lotito	Committee Member
Larry Jones	Committee Member
June D. Madden	Chief Financial Officer
Dorothy J. Hendrickson	Municipal Clerk
Scott Pezarras	Tax Collector/Business Administrator
Maureen Francis	Tax Assessor
Damian G. Murray	Municipal Court Judge
Sandra Brodbeck	Municipal Court Administrator

Employees are covered by a Blanket Bond of \$1,000,000.00 of which \$50,000.00 is provided as part of the Ocean County Joint Insurance Fund and \$950,000.00 through the Municipal Excess Liability Joint Insurance Fund.

During 2017, the Township of Plumsted was provided insurance as part of the Ocean County Municipal Joint Insurance Fund. The Government Crime Policy coverage is as follows:

Employee Theft, Disappearance and Destruction On/Off Premises	\$1,000,000.00
Forgery or Alteration	1,000,000.00
Robbery and Safe Burglary	1,000,000.00
Employee Dishonesty and Faithful Performance	1,000,000.00
Deductible Each Loss	1,000.00
Member Joint Insurance Fund Retention	50,000.00

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

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 ended December 31, 2017.

## **GENERAL COMMENTS:**

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

N.J.S.A.40A:11-4 states 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 the bid threshold, except by contract or agreement.

The bid threshold in accordance with N.J.S.A. 40A:11-4 was \$40,000 for the year ended December 31, 2017.

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.

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.

Our examination of expenditures did not reveal any individual payments or contracts in excess of the bid threshold "for the performance of any work, or the furnishing of any materials, supplies or labor" 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*.

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

*N.J.S.54:4-67*, 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 2, 2017 adopted the following resolution authorizing interest to be charged on delinquent taxes:

*“NOW THEREFORE, BE IT RESOLVED, by the Mayor and Township Committee of the Township of Plumsted, County of Ocean, State of New Jersey as follows:*

- 1. The Tax Collector is hereby authorized and directed to charge 8% per annum on the first \$1,500.00 of taxes or unpaid assessments becoming delinquent after due date and 18% per annum on any amount of taxes in excess of \$1,500.00 becoming delinquent after due date subject to any abatement or discount for the late payment of taxes as provided by law; and, if a delinquency is or unpaid assessments in excess of \$10,000.00 and remains in arrears beyond December 31<sup>st</sup> of the tax year, an additional penalty of 6% shall be charged against the delinquency.*
- 2. Effective January 1, 2017 there will be a five (5) day grace period for quarterly tax payments made by cash, check, or money order.*
- 3. Any payments not made in accordance with paragraph two of this resolution shall be charged interest from the due date, as set forth in paragraph one of this resolution.”*

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

**OTHER COMMENTS (FINDINGS):**

None.

**RECOMMENDATIONS:**

None.

**Appreciation**

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

Respectfully submitted,

HOLMAN FRENIA ALLISON, P. C.

Kevin P. Frenia  
Certified Public Accountant  
Registered Municipal Accountant  
RMA No. 435

Medford, New Jersey  
June 12, 2018