

TOWNSHIP OF LITTLE EGG HARBOR

**AUDIT REPORT FOR THE YEAR
ENDED DECEMBER 31, 2018**

TOWNSHIP OF LITTLE EGG HARBOR

COUNTY OF OCEAN

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**TOWNSHIP OF LITTLE EGG HARBOR
COUNTY OF OCEAN**

PART I

**INDEPENDENT AUDITOR'S REPORTS
AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members
of the Township Committee
Township of Little Egg Harbor
Little Egg Harbor, New Jersey

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 Little Egg Harbor as of December 31, 2018 and 2017, and the related statements of operations and changes in in fund balance - regulatory basis for the years then ended, the related statement of revenues - regulatory basis, and statement of expenditures - regulatory basis for the year ended December 31, 2018 and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

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

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

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

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on 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, 2018 and 2017, 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, 2018 and 2017, and the results of its operations and changes in fund balance - regulatory basis of such funds for the years then ended, and the related statement of revenues - regulatory basis, statement of expenditures - regulatory basis, and general fixed assets group of accounts – regulatory basis, for the year ended December 31, 2018 in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Emphasis of Matter

Change in Accounting Principle

As discussed in Note 1 to the financial statements, during the year ended December 31, 2018 the Township adopted Governmental Accounting Standards Board (GASB) Statement No. 75, Accounting and Financial Reporting for Post-employment Benefits Other than Pensions - an Amendment of GASB Statement No. 45, 57, & 74. Our opinion is not modified with respect to this matter.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements referred to in the first paragraph as a whole. 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 is not a required part of the basic financial statements. The accompanying schedules of expenditures and federal awards and state financial assistance, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and New Jersey OMB’s Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid are also presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplemental schedules presented for the various funds and the schedules of expenditures of state financial assistance 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.

The letter of comments and recommendations section has not been subject to the auditing procedures applied in the audit of the financial statements, and accordingly, we do not express an opinion or provide assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated August 5, 2019 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 # 435

Medford, New Jersey
August 5, 2019

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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 Little Egg Harbor
County of Ocean
Little Egg Harbor, New Jersey

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 Little Egg Harbor, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements, and have issued our report thereon dated August 5, 2019. 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.

We noted certain other matters that are not required to be reported under Governmental Auditing Standards, that we reported to management in the accompanying letter of comments and recommendations section of this report as required 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
August 5, 2019

BASIC FINANCIAL STATEMENTS

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**TOWNSHIP OF LITTLE EGG HARBOR
CURRENT FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2018 AND 2017**

ASSETS	REFERENCE	2018	2017
Operating Fund:			
Cash:			
Treasurer	A-4	\$ 6,246,638.44	\$ 9,887,440.97
Change Fund	A	<u>1,800.00</u>	<u>1,870.00</u>
Total Cash		<u>6,248,438.44</u>	<u>9,889,310.97</u>
Other Receivables:			
Due From State of New Jersey	A	<u>241,986.54</u>	<u>244,124.89</u>
Total Other Receivables		<u>241,986.54</u>	<u>244,124.89</u>
Deferred Charges:			
Overexpenditure of Appropriation Reserves	A-9	<u>249,536.59</u>	<u>-</u>
Total Deferred Charges		<u>249,536.59</u>	<u>-</u>
Receivables & Other Assets With Full Reserves:			
Delinquent Property Taxes Receivable	A-5	76,581.35	63,632.17
Tax Title Liens Receivable	A-6	812,765.26	647,630.63
Property Acquired/Assessed Valuation	A-7	5,757,700.00	5,757,700.00
Revenue Accounts Receivable	A-8	12,525.96	14,024.06
Due from Trust Other	B	6,303.22	79,307.25
Due from Payroll	D	127,813.72	25,736.64
Prepaid School Taxed	A-11	<u>103,812.29</u>	<u>-</u>
Total Receivables		<u>6,897,501.80</u>	<u>6,588,030.75</u>
Special Emergency Appropriations:			
Community Disaster Loan	A	<u>4,375,025.68</u>	<u>4,348,463.18</u>
Total Deferred Charges		<u>4,375,025.68</u>	<u>4,348,463.18</u>
Total Operating Fund Assets		<u>18,012,489.05</u>	<u>21,069,929.79</u>
Federal & State Grant Fund:			
Cash - Treasurer	A-4	384,070.47	977,541.95
Grants Receivable	A-13	2,133,111.65	1,985,939.57
Due from Current Fund	A	<u>782.00</u>	<u>229,846.77</u>
Total Federal & State Grant Fund Assets		<u>2,517,964.12</u>	<u>3,193,328.29</u>
Total Assets		<u>\$ 20,530,453.17</u>	<u>\$ 24,263,258.08</u>

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

**TOWNSHIP OF LITTLE EGG HARBOR
CURRENT FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2018 AND 2017**

LIABILITIES RESERVES & FUND BALANCE	REFERENCE	2018	2017
Operating Fund:			
Appropriation Reserve:			
Encumbered	A-3/A-9	\$ 103,537.52	\$ 56,691.20
Unencumbered	A-3	427,466.20	1,323,988.34
Prepaid Taxes	A-4	679,278.79	1,765,588.34
Tax Overpayments	A	174,398.28	165,325.29
Due County for Added & Omitted Taxes	A	84,984.67	128,995.83
Local School Taxes Payable	A-10	1,204,632.46	1,033,336.00
Regional School Taxes Payable	A-11	-	185,423.00
Special District Taxes Payable	A	-	20,740.00
Due Bass River - UCC Fees	A	1,192.80	3,110.20
Due to State - DCA Training Fees	A	7,661.00	17,828.83
Due to State - Marriage Licenses	A	725.00	-
Due General Capital Fund	C	-	198,995.86
Due to Grant Fund	A	782.00	229,846.77
Reserve for Insurance Proceeds	A-12	2,419.00	2,419.00
Reserve for Reassessment	A-12	100,047.00	100,047.00
Reserve for Closed Escrow Accounts	A-12	54,052.92	54,291.00
Reserve for Retail Mercantile Licenses	A-12	2,700.00	-
Reserve for Debt Service -Green Acres	A-12	7,772.89	-
Reserve for FEMA Proceeds	A	3,722.78	50,000.00
CDL - Loan Payable	A	4,250,000.00	4,250,000.00
CDL - Interest Payable	A	125,025.68	98,463.18
Total Operating Liabilities		<u>7,230,398.99</u>	<u>9,685,089.84</u>
Reserve for Receivables	A	6,897,501.80	6,588,030.75
Fund Balance	A-1	<u>3,884,588.26</u>	<u>4,796,809.20</u>
Total Operating Fund		<u>18,012,489.05</u>	<u>21,069,929.79</u>
Federal & State Grant Fund:			
Reserve for State Grants:			
Appropriated Reserves	A-14	2,505,825.93	2,726,886.33
Unappropriated Reserves	A-15	9,855.25	13,986.42
Encumbrances Payable	A-14	2,282.94	7,927.40
Due to General Capital Fund	C	-	444,528.14
Total Federal & State Grant Fund		<u>2,517,964.12</u>	<u>3,193,328.29</u>
Total Liabilities Reserve & Fund Balance		<u>\$ 20,530,453.17</u>	<u>\$ 24,263,258.08</u>

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

TOWNSHIP OF LITTLE EGG HARBOR
CURRENT FUND
STATEMENTS OF OPERATIONS AND CHANGES
IN FUND BALANCE - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

	2018	2017
Revenue & Other Income Realized:		
Fund Balance Utilized	\$ 2,850,000.00	\$ 2,850,000.00
Miscellaneous Revenues Anticipated	3,778,923.99	3,903,222.51
Receipts From Delinquent Taxes	62,208.94	137,618.41
Receipts From Current Taxes	56,050,262.72	54,748,254.81
Nonbudget Revenues	749,123.56	792,584.27
Other Credits to Income:		
Senior & Vet Deduction Adjustment	15,232.19	-
Interfunds Returned	73,192.17	-
Unexpended Balance of Appropriation Reserves	851,075.31	1,533,417.41
	<u>64,430,018.88</u>	<u>63,965,097.41</u>
Total Revenue & Other Income		
	<u>64,430,018.88</u>	<u>63,965,097.41</u>
Expenditures:		
Budget & Emergency Appropriations:		
Appropriations Within "CAPS":		
Operations:		
Salaries and Wages	8,985,150.00	9,014,855.00
Other Expenses	7,617,572.04	7,235,617.23
Deferred Charges & Statutory Expenditures	2,384,706.72	2,158,862.32
Appropriations Excluded From "CAPS":		
Operations:		
Salaries and Wages	415,000.00	425,000.00
Other Expenses	725,688.65	599,263.43
Capital Improvement Fund	100,000.00	100,000.00
Municipal Debt Service	1,716,466.68	1,733,048.86
County Taxes	9,746,839.84	9,798,551.88
Local District School Tax	13,656,994.29	13,152,713.00
Regional High School Tax	15,250,618.00	14,764,513.00
Special District Taxes	1,678,653.00	1,673,951.00
Municipal Open Space	23,377.70	23,349.96
Tax Overpayment Adjustment	191,172.90	68,965.00
Interfund Advances	-	165,277.87
	<u>62,492,239.82</u>	<u>60,913,968.55</u>
Total Expenditures		
	<u>62,492,239.82</u>	<u>60,913,968.55</u>
Excess/(Deficit) in Revenue	1,937,779.06	3,051,128.86
Fund Balance January 1,	4,796,809.20	4,595,680.34
	<u>4,796,809.20</u>	<u>4,595,680.34</u>
Total	6,734,588.26	7,646,809.20
Decreased by: Utilized as Anticipated Revenue	2,850,000.00	2,850,000.00
	<u>2,850,000.00</u>	<u>2,850,000.00</u>
Fund Balance December 31, 2018	<u>\$ 3,884,588.26</u>	<u>\$ 4,796,809.20</u>

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

TOWNSHIP OF LITTLE EGG HARBOR
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2018

	ANTICIPATED BUDGET	ADDED BY N.J.S.40A:4-87	REALIZED	EXCESS OR (DEFICIT)
Fund Balance Anticipated	\$ 2,850,000.00	\$ -	\$ 2,850,000.00	\$ -
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	10,375.00	-	10,814.00	439.00
Other	93,000.00	-	231,427.58	138,427.58
Municipal Court	231,000.00	-	204,813.30	(26,186.70)
Interest & Cost on Taxes	94,826.08	-	106,341.09	11,515.01
Payments in Lieu of Taxes	67,000.00	-	68,634.41	1,634.41
Energy Receipts Tax	1,299,939.00	-	1,299,939.00	-
Uniform Construction Code Fees	650,000.00	-	466,503.70	(183,496.30)
Garden State Trust	149,117.00	-	149,117.00	-
Tower Rental	182,000.00	-	204,402.73	22,402.73
SRO Reimbursement	225,000.00	-	231,479.24	6,479.24
CATV Franchise Fees	90,000.00	-	99,498.29	9,498.29
Additional Revenues Offset With Appropriations:				
Clean Communities Program	-	51,039.06	51,039.06	-
Ocean County Recycling Revenue and Residue	10,054.00	-	10,054.00	-
Recycling Tonnage Grant	30,928.59	-	30,928.59	-
NJ DOT Municipal Aid Road Grant 2017	200,000.00	-	200,000.00	-
Department of Justice	1,488.00	-	1,488.00	-
Coastal Zone Management	2,444.00	-	2,444.00	-
NJ DOT Municipal Aid Road Grant 2018	350,000.00	-	350,000.00	-
Safe and Secure Communities	-	60,000.00	60,000.00	-
Total Miscellaneous	3,687,171.67	111,039.06	3,778,923.99	(19,286.74)
Receipts from Delinquent Taxes	119,000.00	-	62,208.94	(56,791.06)
Subtotal General Revenues	6,656,171.67	111,039.06	6,691,132.93	(76,077.80)
Amount to be Raised by Taxes for Support to Municipal				
Budget - Local Tax for Municipal Purposes	15,604,864.10	-	16,224,080.60	619,216.50
Budget Totals	22,261,035.77	111,039.06	22,915,213.53	543,138.70
Nonbudget Revenues	-	-	749,123.56	749,123.56
Total	\$ 22,261,035.77	\$ 111,039.06	\$ 23,664,337.09	\$ 1,292,262.26

TOWNSHIP OF LITTLE EGG HARBOR
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2018
ANALYSIS OF REALIZED REVENUE

Allocation of Current Tax Collections:

Revenue From Collections	\$ 56,050,262.72
Allocated to - School, County & Special District Taxes	<u>40,252,670.54</u>
Balance for Support of Municipal Budget Revenues	15,797,592.18
Add: Appropriation - "Reserve for Uncollected Taxes"	<u>426,488.42</u>
Amount for Support of Municipal Budget Appropriations	<u><u>\$ 16,224,080.60</u></u>

Receipts From Delinquent Taxes:

Delinquent Tax Collections	\$ 7,317.27
Tax Title Lien Collections	<u>54,891.67</u>
Total Receipts From Delinquent Taxes	<u><u>\$ 62,208.94</u></u>

Analysis of Nonbudget Revenue:

Treasurer:	
Insurance Reimbursements	\$ 79,069.73
Interest on Investments and Deposits	32,787.25
Trash Cans	16,395.00
Forfeited Premiums	46,910.00
Senior & Vet Admin Fee	6,354.71
Refund Expenditures for prior year grant	316,915.65
FEMA Reimbursement	172,163.86
Miscellaneous Tax Collector	53,687.39
Other	<u>24,839.97</u>
Total Analysis of Nonbudget Revenue	<u><u>\$ 749,123.56</u></u>

**TOWNSHIP OF LITTLE EGG HARBOR
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2018**

OPERATIONS	APPROPRIATIONS		EXPENDED			CANCEL
	BUDGET	BUDGET AFTER MODIFICATION	PAID	ENCUMBERED	RESERVED	
General Government:						
General Administration:						
Salaries and Wages	\$ 90,000.00	\$ 90,250.00	\$ 90,219.16	\$ -	\$ 30.84	\$ -
Other Expenses	15,000.00	4,000.00	3,370.90	-	629.10	-
Mayor and Committee:						
Salaries and Wages	85,000.00	84,600.00	84,527.09	-	72.91	-
Other Expenses	5,000.00	3,500.00	2,588.81	24.00	887.19	-
Municipal Clerk:						
Salaries and Wages	250,000.00	256,400.00	256,155.99	-	244.01	-
Other Expenses	70,000.00	56,000.00	51,559.13	66.05	4,374.82	-
Financial Administration (Treasury):						
Salaries and Wages	300,000.00	316,100.00	316,065.32	-	34.68	-
Other Expenses	40,000.00	35,000.00	33,481.40	836.72	681.88	-
Audit Services:						
Other Expenses	67,500.00	60,020.00	23,164.75	-	36,855.25	-
Revenue Administration (Tax Collection):						
Salaries and Wages	205,000.00	191,000.00	190,147.08	-	852.92	-
Other Expenses:						
Tax Sale Costs	10,000.00	10,000.00	3,556.34	69.50	6,374.16	-
Miscellaneous Other Expenses	20,000.00	20,000.00	18,567.69	597.56	834.75	-
Tax Assessment Administration:						
Salaries and Wages	295,000.00	245,000.00	243,292.50	-	1,707.50	-
Other Expenses	5,000.00	4,000.00	1,679.31	1,379.95	940.74	-
Liquidation of Tax Title Liens & Foreclosed Property - Other Expenses	2,000.00	-	-	-		-
Legal Services (Legal Department):						
Other Expenses	300,000.00	378,000.00	353,077.34	1,350.00	23,572.66	-
Engineering Services:						
Other Expenses	140,000.00	160,000.00	144,332.25	5,925.00	9,742.75	-
Land Use Administration:						
Planning Board:						
Salaries and Wages	20,000.00	3,000.00	900.00	-	2,100.00	-
Other Expenses	2,500.00	2,000.00	1,385.00	-	615.00	-
Zoning Board of Adjustment:						
Salaries and Wages	10,000.00	1,000.00	-	-	1,000.00	-
Other Expenses	10,000.00	4,600.00	3,370.38	-	1,229.62	-
Zoning Officer:						
Salaries and Wages	265,000.00	268,000.00	267,758.52	-	241.48	-
Other Expenses	16,000.00	15,000.00	14,040.18	260.00	699.82	-
Insurance:						
Liability Insurance	2,895,731.00	2,969,831.00	2,949,206.33	-	20,624.67	-
Unemployment Insurance	40,000.00	40,000.00	34,890.87	-	5,109.13	-
Group Insurance for Employees						
Health Benefit Waiver	170,000.00	172,500.00	171,036.61	-	1,463.39	-
Other Insurance: JIF, Surety, Workers Comp	492,841.04	474,841.04	474,429.53		411.51	

TOWNSHIP OF LITTLE EGG HARBOR
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2018

OPERATIONS	APPROPRIATIONS		EXPENDED			CANCEL
	BUDGET	BUDGET AFTER MODIFICATION	PAID	ENCUMBERED	RESERVED	
Public Safety Functions:						
Police Department:						
Salaries and Wages	5,265,000.00	5,293,500.00	5,286,608.45	-	6,891.55	-
Other Expenses	185,000.00	216,000.00	181,624.11	12,614.61	21,761.28	-
Accreditation Software	21,000.00	-	-	-	-	-
Office of Emergency Management:						
Salaries and Wages	22,500.00	22,500.00	22,500.00	-	-	-
Other Expenses	1,200.00	200.00	-	-	200.00	-
Aid to Volunteer Fire Company	2,400.00	2,400.00	2,400.00	-	-	-
First Aid Squad Contribution	70,000.00	70,000.00	-	-	70,000.00	-
Municipal Prosecutor:						
Other Expenses	55,000.00	50,000.00	45,000.00	-	5,000.00	-
Public Works Functions:						
Streets & Roads Maintenance:						
Salaries and Wages	295,000.00	305,500.00	304,828.44	-	671.56	-
Other Expenses	82,500.00	77,500.00	71,307.99	4,790.56	1,401.45	-
Solid Waste Sanitation:						
Salaries and Wages	235,000.00	251,225.00	250,195.02	-	1,029.98	-
Other Expenses	132,500.00	119,300.00	100,658.46	11,760.77	6,880.77	-
Bulk Property Maintenance Pick-Up	100,000.00	-	-	-	-	-
Solid Waste Recycling:						
Salaries and Wages	300,000.00	305,600.00	304,848.65	-	751.35	-
Other Expenses	28,000.00	28,000.00	17,970.21	1,526.25	8,503.54	-
Buildings & Grounds:						
Salaries and Wages	273,000.00	271,200.00	269,835.46	-	1,364.54	-
Other Expenses	110,000.00	118,250.00	111,666.84	6,072.83	510.33	-
Vehicle Maintenance:						
Salaries and Wages	190,000.00	157,575.00	152,249.96	-	5,325.04	-
Other Expenses	145,000.00	158,000.00	138,710.03	18,342.55	947.42	-
Municipal Services Act:						
Other Expenses	60,000.00	60,000.00	15,137.52	-	44,862.48	-
County Mosquito Control Agency:						
Salaries and Wages	14,000.00	-	-	-	-	-
Other Expenses	58,000.00	13,000.00	12,275.38	-	724.62	-
Health & Human Services:						
Public Health Services (Board of Health):						
Salaries and Wages	7,500.00	1,500.00	300.00	-	1,200.00	-
Other Expenses	5,000.00	4,000.00	3,542.43	-	457.57	-
Environmental Health Services:						
Salaries and Wages	1,200.00	1,200.00	800.00	-	400.00	-
Other Expenses	200.00	400.00	365.00	-	35.00	-
Animal Control Services:						
Other Expenses	60,000.00	46,000.00	41,846.00	657.00	3,497.00	-
Contributions to Social Service Agencies - Statutory:						
Long Beach Island Community Center	1,000.00	1,000.00	-	-	1,000.00	-
Providence House	40,000.00	40,000.00	20,000.00	-	20,000.00	-

TOWNSHIP OF LITTLE EGG HARBOR
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2018

OPERATIONS	APPROPRIATIONS		EXPENDED			CANCEL
	BUDGET	BUDGET AFTER MODIFICATION	PAID	ENCUMBERED	RESERVED	
Park & Recreation Functions:						
Recreation Services & Programs:						
Salaries and Wages	145,000.00	154,000.00	153,339.53	-	660.47	-
Other Expenses	25,000.00	23,000.00	21,435.82	1,240.18	324.00	-
Senior Center/Community Activities:						
Other Expenses	2,500.00	2,500.00	1,146.20	-	1,353.80	-
Utility Expenses & Bulk Purchases:						
Electricity	190,000.00	178,000.00	161,393.42	-	16,606.58	-
Street Lighting	405,000.00	397,350.00	364,160.61	1,103.16	32,086.23	-
Telephone	190,000.00	201,500.00	186,984.51	5,102.38	9,413.11	-
Fuel Oil/Natural Gas	40,000.00	30,000.00	24,518.36	5,146.62	335.02	-
Gasoline	210,000.00	263,000.00	227,208.38	21,841.97	13,949.65	-
Landfill/Solid Waste Disposal Costs:						
Sanitary Landfill	750,000.00	825,630.00	825,630.00	-	-	-
Uniform Construction Code Enforcement Functions:						
Construction Code Official:						
Salaries and Wages	490,000.00	450,500.00	449,777.94	-	722.06	-
Other Expenses	20,000.00	20,000.00	18,941.80	-	1,058.20	-
Municipal Court:						
Salaries and Wages	331,000.00	315,500.00	312,559.16	-	2,940.84	-
Other Expenses	25,000.00	16,000.00	11,982.48	2,829.86	1,187.66	-
Public Defender:						
Other Expenses	50,000.00	35,000.00	30,860.00	-	4,140.00	-
Other Common Operating Functions (Unclassified):						
Municipal Alliance Council	17,000.00	17,000.00	15,841.01	-	1,158.99	-
Celebration of Public Events:						
Other Expenses	6,000.00	6,000.00	6,000.00	-	-	-
Accumulated Sick & Vacation Fund	150,000.00	150,000.00	150,000.00	-	-	-
Reserve for Disputed Contracts	68,000.00	39,250.00	39,215.32	-	34.68	-
Total Operations Within "CAPS"	16,696,072.04	16,602,722.04	16,088,466.97	103,537.52	410,717.55	-
Detail:						
Salaries and Wages	9,089,200.00	8,985,150.00	8,956,908.27	-	28,241.73	-
Other Expenses	7,606,872.04	7,617,572.04	7,131,558.70	103,537.52	382,475.82	-
Deferred Charges & Statutory Expenditures - Municipal Within "CAPS":						
Statutory Expenditures:						
Social Security System (O.A.S.I.)	685,000.00	731,000.00	725,386.38	-	5,613.62	-
Defined Contribution Retirement Program	3,000.00	1,500.00	789.67	-	710.33	-
Consolidated Police & Firemen's Pension	1,162,371.00	1,163,221.00	1,163,197.51	-	23.49	-
Public Employees Retirement System	450,985.72	488,985.72	488,967.86	-	17.86	-
Total Deferred Charges & Statutory Expenditures Within "CAPS"	2,301,356.72	2,384,706.72	2,378,341.42	-	6,365.30	-
Total General Appropriations for Municipal Purposes Within "CAPS"	18,997,428.76	18,987,428.76	18,466,808.39	103,537.52	417,082.85	-

**TOWNSHIP OF LITTLE EGG HARBOR
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2018**

OPERATIONS	APPROPRIATIONS		EXPENDED			CANCEL
	BUDGET	BUDGET AFTER MODIFICATION	PAID	ENCUMBERED	RESERVED	
Operations Excluded From "CAPS":						
Public & Private Programs Offset by Revenues:						
Ocean County Recycling Revenue Share	10,054.00	10,054.00	10,054.00	-	-	-
Department of Justice	1,488.00	1,488.00	1,488.00	-	-	-
Coastal Zone Management	2,444.00	2,444.00	2,444.00	-	-	-
Recycling Tonnage Grant	30,928.59	30,928.59	30,928.59	-	-	-
NJ DOT Municipal Aid Road Grant 2017	200,000.00	200,000.00	200,000.00	-	-	-
NJ DOT Municipal Aid Road Grant 2018	350,000.00	350,000.00	350,000.00	-	-	-
Safe & Secure Communities	-	60,000.00	60,000.00	-	-	-
Clean Communities Grant CY18	-	51,039.06	51,039.06	-	-	-
Police Dispatch/911:						
Salaries and Wages	415,000.00	425,000.00	419,116.65	-	5,883.35	-
Other Expenses	4,500.00	4,500.00	-	-	4,500.00	-
Supplemental Aid to Fire Districts	5,235.00	5,235.00	5,235.00	-	-	-
Total Operations Excluded from "CAPS"	1,019,649.59	1,140,688.65	1,130,305.30	-	10,383.35	-
Detail:						
Salaries and Wages	415,000.00	415,000.00	419,116.65	-	5,883.35	-
Other Expenses	604,649.59	725,688.65	711,188.65	-	4,500.00	-
Capital Improvements - Excluded from "CAPS":						
Capital Improvement Fund	100,000.00	100,000.00	100,000.00	-	-	-
Total Capital Improvements - Excluded from CAPS	100,000.00	100,000.00	100,000.00	-	-	-
Municipal Debt Service - Excluded From "CAPS":						
Payment of Bond Principal	1,120,000.00	1,120,000.00	1,120,000.00	-	-	-
Payment of Bond Anticipation Notes & Capital Notes	275,000.00	275,000.00	274,000.00	-	-	1,000.00
Interest on Bonds	249,488.00	249,488.00	249,487.50	-	-	0.50
Interest on Notes	57,434.00	57,434.00	57,433.38	-	-	0.62
Green Acres Trust Loan Program:						
Principal & Interest	13,458.00	13,458.00	13,458.00	-	-	-
Green Trust Loans: Interest	2,089.00	2,089.00	2,087.80	-	-	1.20
Total Municipal Debt Service Excluded From "CAPS"	1,717,469.00	1,717,469.00	1,716,466.68	-	-	1,002.32
Total General Appropriations Excluded From "CAPS"	2,837,118.59	2,958,157.65	2,946,771.98	-	10,383.35	1,002.32
Subtotal General Appropriations	21,834,547.35	21,945,586.41	21,413,580.37	103,537.52	427,466.20	1,002.32
Reserve For Uncollected Taxes	426,488.42	426,488.42	426,488.42	-	-	-
Total General Appropriations	<u>\$ 22,261,035.77</u>	<u>\$ 22,372,074.83</u>	<u>\$ 21,840,068.79</u>	<u>\$ 103,537.52</u>	<u>\$ 427,466.20</u>	<u>\$ 1,002.32</u>
Adopted Budget		\$ 22,261,035.77				
Added by N.J.S.40A:4-87		<u>111,039.06</u>				
Total		<u><u>\$ 22,372,074.83</u></u>				
Federal & State Grants			\$ 705,953.65			
Reserve for Uncollected Taxes			426,488.42			
Refunds			(584,152.25)			
Due to General Capital - Capital Improvement Fund			100,000.00			
Disbursed			<u>21,191,778.97</u>			
Total			<u>\$ 21,840,068.79</u>			

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

**TOWNSHIP OF LITTLE EGG HARBOR
TRUST FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2018 AND 2017**

ASSETS	REFERENCE	2018	2017
Assessment Fund:			
Cash	B-1	\$ 54,096.41	\$ 54,096.41
Total Assessment Fund		<u>54,096.41</u>	<u>54,096.41</u>
Animal Control Trust:			
Cash		<u>27.00</u>	<u>-</u>
		<u>27.00</u>	<u>-</u>
Other Funds:			
Cash - Treasurer	B-1	4,045,599.12	3,095,391.65
Cash - Collector	B-2	1,475,259.74	1,706,969.93
CDBG Receivable	B	-	3,600.00
Due from General Capital Fund	C	<u>-</u>	<u>1,000,000.00</u>
Total Other Funds		<u>5,520,858.86</u>	<u>5,805,961.58</u>
Total Assets		<u>\$ 5,574,982.27</u>	<u>\$ 5,860,057.99</u>
LIABILITIES, RESERVES & FUND BALANCE			
Assessment Fund:			
Fund Balance	B	\$ 54,096.41	\$ 54,096.41
Total Assessment Fund		<u>54,096.41</u>	<u>54,096.41</u>
Animal Control Trust:			
Reserve for Dog Fund		<u>27.00</u>	<u>-</u>
Total Animal Control Fund		<u>27.00</u>	<u>-</u>
Other Funds:			
Reserves for:			
Deposits for Tax Title Redemptions	B-5	1,475,259.74	1,706,969.93
Escrow Deposits	B-6	1,399,244.93	1,351,109.86
Forfeited Property	B-7	40,920.73	28,798.88
Planning Board	B-8	27,715.56	80,011.94
Recreation Trust	B-9	2,057.05	2,057.00
COAH Funds	B-14	301,559.15	260,600.72
Open Space	B-10	1,722,985.19	2,239,689.26
Community Center	B-11	3,582.88	3,582.88
Federal Forfeiture Law Enforcement Funds	B-12	4,265.66	5,853.05
Sick/Vacation Funds	B-13	50,127.87	46,294.81
Police Community Activities	B-15	1,100.00	1,100.00
Police K-9 Equipment Donations	B-16	1,736.08	-
Police Evidence Deposits	B-17	3,352.80	-
POAA Funds	B	648.00	586.00
Due to Current Fund	A	6,303.22	79,307.25
Due to Current Fund - Open Space Trust	A	<u>480,000.00</u>	<u>-</u>
Total Other Funds		<u>5,520,858.86</u>	<u>5,805,961.58</u>
Total Liabilities, Reserves & Fund Balance		<u>\$ 5,574,982.27</u>	<u>\$ 5,860,057.99</u>

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

TOWNSHIP OF LITTLE EGG HARBOR
GENERAL CAPITAL FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2018 AND 2017

ASSETS	REFERENCE	2018	2017
Cash & Cash Equivalents	C-2	\$ 2,389,462.10	\$ 190,867.85
State Road Aid Allotments Receivable	C-12	-	396,690.16
Interfund Receivable - Current	A	-	198,995.86
Due from Grant Fund	A	-	444,528.14
Due from Open Space Trust	B	480,000.00	-
Due from NJEIT	C	3,025,961.00	-
Deferred Charges to Future Taxation:			
Funded	C-4	12,174,355.25	9,313,554.31
Unfunded	C-5	16,413,854.17	12,625,629.00
		<u>\$ 34,483,632.52</u>	<u>\$ 23,170,265.32</u>
Total Assets			
		<u>\$ 34,483,632.52</u>	<u>\$ 23,170,265.32</u>
LIABILITIES, RESERVES & FUND BALANCE			
Bond Anticipation Notes Payable	C-8	\$ 10,520,000.00	\$ 4,354,000.00
General Serial Bond	C-9	7,750,000.00	8,870,000.00
Green Trust Loan Payable	C-10	374,026.25	443,554.31
NJEIT Loan Payable	C	4,050,329.00	-
Capital Improvement Fund	C-6	96,044.00	32,394.00
Encumbrances Payable	C-7	687,951.34	314,388.20
Due To Ocean County - CDBG	C	3,722.00	3,722.00
Due to Open Space Trust	B	-	1,000,000.00
Improvement Authorizations:			
Funded	C-7	2,409,853.30	961,670.57
Unfunded	C-7	7,673,708.27	6,720,068.16
Reserve for Receivable-State Road Aid Receivable	C	-	396,690.16
Reserve for Debt Service	C	780,233.44	-
Reserve for Debt Service - Premiums on BANS	C	63,987.00	-
Fund Balance	C-1	73,777.92	73,777.92
		<u>\$ 34,483,632.52</u>	<u>\$ 23,170,265.32</u>
Total Liabilities, Reserves & Fund Balance		<u>\$ 34,483,632.52</u>	<u>\$ 23,170,265.32</u>

There were bonds and notes authorized but not issued on December 31, 2018 of \$6,551,452.00 and on December 31, 2017 of \$8,271,629.00.

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

**TOWNSHIP OF LITTLE EGG HARBOR
PAYROLL FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2018 AND 2017**

ASSETS	REFERENCE	2018	2017
Cash - Treasurer	D-1	<u>\$ 212,027.77</u>	<u>\$ 228,900.14</u>
Total		<u><u>\$ 212,027.77</u></u>	<u><u>\$ 228,900.14</u></u>
LIABILITIES			
Payroll Taxes Payable	D-2	\$ 84,214.05	\$ 203,163.50
Due to Current Fund	A	<u>127,813.72</u>	<u>25,736.64</u>
Total		<u><u>\$ 212,027.77</u></u>	<u><u>\$ 228,900.14</u></u>

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

TOWNSHIP OF LITTLE EGG HARBOR
GENERAL FIXED ASSETS ACCOUNT GROUP
STATEMENTS OF FIXED ASSETS AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2018 AND 2017

ASSETS	2018	2017
Land and Improvements	\$ 7,789,600.00	\$ 7,789,600.00
Building	10,473,776.00	10,473,776.00
Equipment	<u>11,932,952.03</u>	<u>11,877,971.97</u>
Total	<u>\$ 30,196,328.03</u>	<u>\$ 30,141,347.97</u>
FUND BALANCE		
Investment in Fixed Assets	<u>\$ 30,196,328.03</u>	<u>\$ 30,141,347.97</u>

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

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**TOWNSHIP OF LITTLE EGG HARBOR
COUNTY OF OCEAN**

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

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**TOWNSHIP OF LITTLE EGG HARBOR
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

Note 1. Summary of Significant Accounting Policies

Description of Financial Reporting Entity - The Township of Little Egg Harbor was incorporated in 1798 and is located in the Ocean County, New Jersey. The population according to the 2010 census was 20,065.

The form of Government is known as a Township pursuant to N.J.S.A.40A:63-1 et seq. The government consists of five (5) Committee Members who are elected at large to three (3) year staggered terms. The Mayor is elected from and by the Members of the Committee and serves a one (1) year term. Under the statutes the Mayor is the head of the government and acts as the executive branch. The Committee acts as the legislative branch of government and has executive powers not assigned to the Mayor.

Component Units - The financial statements of the component unit of the Township of Little Egg Harbor are not presented in accordance with Governmental Accounting Standards Board Statement No. 14, as amended by GASB Statements No. 39, 61 and 80. If the provisions of GASBS No. 14, as amended by GASB Statements No. 39, 61 and 80, had been complied with, the financial statements of the following component unit would have been either blended or discretely presented with the financial statements of the Township, the primary government:

Little Egg Harbor Municipal Utilities Authority
823 Radio Road
Post Office Box 660
Little Egg Harbor, New Jersey 08087-0660

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

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

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

Current Fund – This fund accounts for revenues and expenditures for governmental operations of a general nature, including federal and state grant funds.

Trust Funds – These funds account for receipts, custodianship and disbursement of funds in accordance with the purpose for which each reserve was created.

Trust Assessment Fund– This fund accounts for the financing of local improvements deemed to benefit the properties against which assessments are levied.

**TOWNSHIP OF LITTLE EGG HARBOR
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

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

General Capital Fund – This fund accounts for receipt and disbursement of funds for the acquisition of general capital facilities, other than those acquired in the Current Fund.

General Fixed Asset Account Group – The Fixed Asset Account Group of accounts is utilized to account for property, land, buildings, and equipment that have been acquired by other funds of the Township.

Payroll Fund – This fund accounts for the receipts and disbursements of funds used to meet obligations to employees and payroll tax 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* 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 10th 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. 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.

Cash, Cash Equivalents and Investments - Cash and Cash equivalents include petty cash, change funds and cash on deposit with public depositories. All certificates of deposit are recorded as cash regardless of the date of maturity. Under GAAP, investments are reported at fair value but under regulatory basis of accounting, investments are stated at cost. Therefore unrealized gains or losses on investments have not been recorded.

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

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

**TOWNSHIP OF LITTLE EGG HARBOR
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

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

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

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

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

General Fixed Assets – Accounting for governmental fixed assets, as required by *N.J.A.C.5:30-5.6*, differs in certain respects from accounting principles generally accepted in the United States of America. In accordance with the regulations, all local units, including municipalities, must maintain a general fixed assets reporting system that establishes and maintains a physical inventory of nonexpendable, tangible property as defined and limited by the U.S. Office of Management and Budget Circular A-87 (Attachment B, Section 19), except that the useful life of such property is at least five years. The Township has adopted a capitalization threshold of \$5,000.00, the maximum amount allowed by the Circular. Generally, assets are valued at historical cost; however, assets acquired prior to December 31, 1985 are valued at actual historical cost or estimated historical cost. In some instances, assets are valued at the assessed valuation of the property at the time of acquisition, which approximates fair value. No depreciation of general fixed assets is recorded. Donated general fixed assets are recorded at their acquisition value as of the date of the transaction. Interest costs relative to the acquisition of general fixed assets are recorded as expenditures when paid. Public domain ("infrastructure") general fixed assets consisting of certain improvements such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. Expenditures for construction in progress are recorded in the capital funds until such time as the construction is completed and put into operation. The Township is required to maintain a subsidiary ledger detailing fixed assets records to control additions, retirements, and transfers of fixed assets. In addition, a statement of general fixed assets, reflecting the activity for the year, must be included in the Township's basic financial statements.

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

Foreclosed property – Foreclosed Property or "Property Acquired for Taxes" is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved. Ordinarily it is the intention of the Township to resell foreclosed property in order to recover all or a portion of the delinquent taxes or assessments and to return the property to a taxpaying basis. For this reason the value of foreclosed property has not been included in the General Fixed Assets Account Group. If such property is converted to a municipal use, it will be recorded in the General Fixed Assets Account Group.

**TOWNSHIP OF LITTLE EGG HARBOR
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

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

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

Fund Balance – Fund Balance included in the Current Fund represent the amount available for anticipation as revenue in future year's budgets, with certain restrictions.

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

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, Fire Districts, Little Egg Harbor Township School and the Pineland's Regional 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 the County for the year, based upon the ratables required to be certified to the County Board of Taxation by January 10th 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 10th of the current year and due to be paid to the County by February 15th of the following year.

School Taxes – The municipality is responsible for levying, collecting and remitting school taxes for the Little Egg Harbor Township School District and the Pinelands Regional School District. Operations are charged for the full amount required to be raised from taxation to operate the local and regional school district July 1st to June 30th.

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.

Expenditures – are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when an amount is encumbered through the issuance of a numerically controlled purchase order or when a contract is executed as required by Technical Accounting Directive No. 85-1. When an expenditure is paid, the amount encumbered is simultaneously liquidated in its original amount.

**TOWNSHIP OF LITTLE EGG HARBOR
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

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

Encumbrances are offset by an account entitled reserve for encumbrances. The reserve is classified as a cash liability under New Jersey municipal accounting. At December 31, this reserve represents the portion of appropriation reserves that has been encumbered and is subject to the same statutory provisions as appropriation reserves. Appropriations for interest payments on outstanding general capital bonds and notes are provided on the cash basis.

Appropriation Reserves – Appropriation reserves covering unexpended appropriation balances are automatically created at year-end and recorded as liabilities, except for amounts, which may be cancelled by the governing body. Appropriation reserves and reserve for encumbrances at current year end are available until December 31st of the succeeding year to meet specific claims, commitments or contracts incurred during the preceding year. Any unspent balances at this time are lapsed appropriation reserves and recorded as income.

Long-Term Debt - Long-Term Debt relative to the acquisition of capital assets, is recorded as a liability in the General Capital Fund. Where an improvement is a “local improvement”, i.e. assessable upon completion, long-term debt associated with that portion of the cost of the improvement to be funded by assessments is transferred to the Trust Fund upon the confirmation of the assessments or when the improvement is fully and permanently funded.

Compensated Absences – Expenditures relating to obligations for unused vested accumulated vacation and sick leave are not recorded until paid; however, municipalities may establish and budget reserve funds subject to NJSA 40A:4-39 for the future payment of compensated absences.

Recent Accounting Pronouncements – The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB adopts 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 their financial statements in accordance with GAAP and thus do not comply with all of the GASB pronouncements. The following GASB pronouncement effective for the current year did have a significant impact on the Township’s financial statements.

Statement No. 75, *Accounting and Financial Reporting for Post-employment Benefits Other than Pensions*. This Statement replaces the requirements of Statement No. 45, *Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agency Employers and Agent Multi-Employer Plans*, for OPEB. Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, establishes new accounting and financial reporting requirements for OPEB Plans.

Note 2. Deposits and Investments

The Township is governed by the deposit and investment limitations of New Jersey state law.

Deposits

Custodial Credit Risk Related to Deposits - Custodial credit risk is the risk that, in the event of a bank failure, the Township’s deposits may not be returned. Although the Township does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental

**TOWNSHIP OF LITTLE EGG HARBOR
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

Note 2. Deposits and Investments (continued):

Unit Deposit Protection Act (GUDPA). GUDPA is a supplemental insurance program set forth by the New Jersey Legislature to protect the deposits of local governmental agencies. The program is administered by the Commissioner of the New Jersey Department of Banking and Insurance. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Public funds owned by the Township in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, bail funds or funds that may pass to the Township relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below.

As of December 31, 2018, the Township's bank balance of \$15,602,893.15 was insured or collateralized as follows:

Insured under FDIC and GUDPA	\$ 9,824,442.00
Uninsured and Uncollateralized	<u>5,778,451.15</u>
	<u><u>\$ 15,602,893.15</u></u>

Investments

The Township had no investments as of December 31, 2018.

Note 3. Property Taxes

The following is a three-year comparison of certain statistical information relative to property taxes and property tax collections for the current and previous two years.

	<u>Comparison Schedule of Tax Rates</u>		
	<u>2018</u>	<u>2017</u>	<u>2016</u>
Tax Rate	<u>\$ 2.335</u>	<u>\$ 2.300</u>	<u>\$ 2.319</u>
Apportionment of Tax Rate:			
Municipal	0.674	0.657	0.661
County General	0.418	0.423	0.430
Local School	0.585	0.575	0.571
Regional School	0.658	0.645	0.657

Assessed Valuation

<u>Year</u>	<u>Amount</u>
2018	\$ 2,317,505,931.00
2017	2,287,472,584.00
2016	2,240,445,490.00

**TOWNSHIP OF LITTLE EGG HARBOR
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

Note 3. Property Taxes (continued):

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage Of Collection</u>
2018	\$ 56,311,740.99	\$ 56,050,262.72	99.53%
2017	55,027,332.99	54,748,254.82	99.49%
2016	54,442,150.23	54,217,629.37	99.58%

Delinquent Taxes and Tax Title Liens

<u>Year</u>	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage Of Tax Levy</u>
2018	\$ 812,765.26	\$ 76,581.35	\$ 889,346.61	1.58%
2017	647,630.63	63,632.17	711,262.80	1.29%
2016	612,368.40	79,043.96	691,412.36	1.27%

Number of Tax Title Liens

<u>Year</u>	<u>Number</u>
2018	190
2017	135
2016	135

The last tax sale was held on December 19, 2018.

Note 4: Property Acquired By Tax Title Lien Liquidation

The value of properties acquired by liquidation of tax title liens based on the last assessed valuation of such properties as of December 31, was as follows:

<u>Year</u>	<u>Amount</u>
2018	\$ 5,757,700.00
2017	5,757,700.00
2016	5,757,700.00

**TOWNSHIP OF LITTLE EGG HARBOR
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

Note 5. Fund Balances Appropriated

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

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
Current Fund:			
2018	\$ 3,884,588.26	\$ 2,850,000.00	73.37%
2017	4,796,809.20	2,850,000.00	59.41%
2016	4,595,680.34	2,850,000.00	62.01%

Note 6. Disaggregated Receivable and Payable Balances

There are no significant components of receivable and payable balances reported in the financial statements.

Note 7. Interfund Receivables, Payables and Transfers

The following interfund balances were recorded in the various statements of assets liabilities, reserves and fund balances at December 31, 2018:

Fund	Interfund Receivable	Interfund Payable
Current Fund	\$ 134,116.94	\$ 782.00
State and Federal Grant Fund	782.00	-
Trust Other Fund	-	486,303.22
General Capital Fund	480,000.00	-
Payroll Fund	-	127,813.72
	<u>\$ 614,898.94</u>	<u>\$ 614,898.94</u>

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

A summary of interfund transfers is as follows:

Fund	Transfers In	Transfers Out
Current Fund	\$ 863,450.78	\$ 1,233,127.00
State and Federal Grant Fund	473,814.63	696,424.12
Trust Other Fund	-	49,161.21
Capital Fund	743,524.00	-
Payroll Fund	460,316.51	562,393.59
	<u>\$2,541,105.92</u>	<u>\$ 2,541,105.92</u>

**TOWNSHIP OF LITTLE EGG HARBOR
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

Note 7. Interfund Receivables, Payables and Transfers (continued):

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 earning), (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 8. Fixed Assets

The following is a summary of changes in the General Fixed Assets Account Group for the year ended December 31, 2018.

	Balance December 31, <u>2017</u>	<u>Additions</u>	<u>Deletions</u>	Balance December 31, <u>2018</u>
Land and Improvements	\$ 7,789,600.00	\$ -	\$ -	\$ 7,789,600.00
Buildings	10,473,776.00	215,550.56	-	10,689,326.56
Machinery & Equipment	11,877,971.97	53,624.50	(214,195.00)	11,717,401.47
	<u>\$ 30,141,347.97</u>	<u>\$ 269,175.06</u>	<u>\$ (214,195.00)</u>	<u>\$ 30,196,328.03</u>

Note 9. Pension Obligations

A. Public Employees' Retirement System (PERS)

Plan Description - The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PERS, please refer to Division's Comprehensive Annual Financial Report (CAFR) which can be found at <http://www.nj.gov/treasury/pensions/financial-reports.shtml>.

The vesting and benefit provisions are set by *N.J.S.A. 43:15A*. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

The following represents the membership tiers for PERS:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service

**TOWNSHIP OF LITTLE EGG HARBOR
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

Note 9. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS)

retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 or more years of service credit before age 62 and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Basis of Presentation - The schedules of employer allocations and the schedules of pension amounts by employer (collectively, the Schedules) present amounts that are considered elements of the financial statements of PERS or its participating employers. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of PERS or the participating employers. The accompanying Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of PERS to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

Contributions - The contribution policy for PERS is set by *N.J.S.A. 43:15A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For the fiscal year 2018, the State's pension contribution was less than the actuarial determined amount. The local employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. For the year ended December 31, 2018, the Township's contractually required contribution to PERS plan was \$501,181.

Components of Net Pension Liability - At December 31, 2018, the Township's proportionate share of the PERS net pension liability was \$9,920,813. The net pension liability was measured as of June 30, 2018. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. The Township's proportion of the net pension liability was based on the Township's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2018. The Township's proportion measured as of June 30, 2018, was 0.05039% which was an increase of 0.00246% from its proportion measured as of June 30, 2017.

**TOWNSHIP OF LITTLE EGG HARBOR
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

Note 9. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS)

Collective Balances at December 31, 2018 and December 31, 2017

	<u>12/31/2018</u>	<u>12/30/2017</u>
Actuarial valuation date (including roll forward)	June 30, 2018	June 30, 2017
Deferred Outflows of Resources	\$ 2,532,826	\$ 2,987,085
Deferred Inflows of Resources	3,673,265	2,698,454
Net Pension Liability	9,920,813	11,154,416
Township's portion of the Plan's total net pension Liability	0.05039%	0.04792%

Pension Expense and Deferred Outflows/Inflows of Resources - At December 31, 2018, the Township's proportionate share of the PERS expense, calculated by the plan as of the June 30, 2018 measurement date is \$734,632. This expense is not recognized by the Township because of the regulatory basis of accounting as described in Note 1, but as previously mentioned the Township contributed \$501,181 to the plan in 2018.

At December 31, 2018, the Township reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 189,191	\$ 51,155
Changes of Assumptions	1,634,789	3,172,149
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	93,058
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions	<u>708,846</u>	<u>356,903</u>
	<u>\$ 2,532,826</u>	<u>\$ 3,673,265</u>

The Township will amortize the above sources of deferred outflows and inflows related to PERS over the following number of years:

**TOWNSHIP OF LITTLE EGG HARBOR
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

Note 9. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS)

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	5.48	-
June 30, 2018	5.63	-
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	-	5.48
June 30, 2018	-	5.63
Net Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2014	-	5.00
June 30, 2015	-	5.00
June 30, 2016	5.00	-
June 30, 2017	5.00	-
June 30, 2018	5.00	-
Changes in Proportion and Differences between Contributions and Proportionate Share of Contributions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	6.44
June 30, 2015	5.72	5.72
June 30, 2016	5.57	5.57
June 30, 2017	5.48	5.48
June 30, 2018	5.63	5.63

**TOWNSHIP OF LITTLE EGG HARBOR
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

Note 9. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS)

The following is a summary of the deferred outflows of resources and deferred inflows of resources related to PERS that will be recognized in future periods:

Year Ending <u>Dec 31,</u>	<u>Amount</u>
2019	\$ 51,512
2020	(44,954)
2021	(386,111)
2022	(647,371)
2023	<u>(113,515)</u>
	<u><u>\$ (1,140,439)</u></u>

Actuarial Assumptions - The total pension asset/(liability) as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuations used the following actuarial assumptions:

Inflation	2.25%
Salary Increases:	
Through 2026	1.65% - 4.15% Based on Age
Thereafter	2.65% - 5.15% Based on Age
Investment Rate of Return	7.00%
Mortality Rate Table	RP-2000
Period of Actuarial Experience	
Study upon which Actuarial	
Assumptions were Based	July 1, 2011 - June 30, 2014

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

**TOWNSHIP OF LITTLE EGG HARBOR
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

Note 9. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS)

base year of 2012 using a generational approach based on the plan actuary's modified MP-2014 projection scales. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

The actuarial assumptions used in the July 1, 2017 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 Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2018) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
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 Asset	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. Developed Markets Equity	11.50%	9.00%
Emerging Markets Equity	6.50%	11.64%
Buyouts/Venture Capital	8.25%	13.08%
	<u>100.00%</u>	

**TOWNSHIP OF LITTLE EGG HARBOR
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

Note 9. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS)

Discount Rate - The discount rate used to measure the total pension liability was 5.66% as of June 30, 2018. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.87% as of June 30, 2018 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 50% 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 2046. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2046 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the Township's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the Township's proportionate share of the net pension liability calculated using the discount rate as disclosed above, as well as what the Township's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.66%) or 1-percentage-point higher (6.66%) than the current rate:

	1% Decrease <u>(4.66%)</u>	Current Discount Rate <u>(5.66%)</u>	1% Increase <u>(6.66%)</u>
Township's Proportionate Share of the Net Pension Liability	\$ 12,474,280	\$ 9,920,813	\$ 7,778,618

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

Plan Description – The State of New Jersey, Police and Firemen's Retirement System (PFRS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PFRS, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at <http://www.nj.gov/treasury/pensions/financial-reports.shtml>.

The vesting and benefit provisions are set by N.J.S.A. 43:16A. PFRS provides retirement as well as death and disability benefits. All benefits vest after ten years of service, except disability benefits which vest after four years of service.

The following represents the membership tiers for PFRS:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to May 22, 2010.
2	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
3	Members who were eligible to enroll on or after June 28, 2011

**TOWNSHIP OF LITTLE EGG HARBOR
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

Note 9. Pension Obligations (continued):

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

Service retirement benefits are available at age 55 and are generally determined to be 2% of final compensation for each year of creditable service, as defined, up to 30 years plus 1% for each year of service in excess of 30 years. Members may seek special retirement after achieving 25 years of creditable service, in which benefits would equal 65% (tiers 1 and 2 members) and 60% (tier 3 members) of final compensation plus 1 % for each year if creditable service over 25 years but not to exceed 30 years. Members may elect deferred retirement benefits after achieving ten years of service, in which case benefits would begin at age 55 equal to 2% of final compensation for each year of service.

Basis of Presentation - The schedules of employer allocations and the schedules of pension amounts by employer (collectively, the Schedules) present amounts that are considered elements of the financial statements of PFRS or its participating employers. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of PFRS or the participating employers. The accompanying Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of PFRS to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

Contributions - The contribution policy for PFRS is set by *N.J.S.A. 43:16A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's contribution amount is based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. For fiscal year 2018, the State contributed an amount less than the actuarially determined amount. The Local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PFRS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. For the year ended December 31, 2018, the Township's contractually required contributions to PFRS plan was \$1,255,309.

The employee contributions for PFRS are 10.00% of employees' annual compensation, as defined.

Net Pension Liability and Pension Expense - At December 31, 2018 the Township's proportionate share of the PFRS net pension liability was \$17,374,773. The net pension liability was measured as of June 30, 2018. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2017, to the measurement date of June 30, 2018. The Township's proportion of the net pension liability was based on the Township's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2018. The Township's proportion measured as of June 30, 2018, was 0.12840%, which was a decrease of 0.00294% from its proportion measured as of June 30, 2017.

**TOWNSHIP OF LITTLE EGG HARBOR
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

Note 9. Pension Obligations (continued):

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

Collective Balances at December 31, 2018 and December 31, 2017

	<u>12/31/2018</u>	<u>12/31/2017</u>
Actuarial valuation date (including roll forward)	June 30, 2018	June 30, 2017
Deferred Outflows of Resources	\$ 2,715,963	\$ 4,545,177
Deferred Inflows of Resources	5,186,915	3,696,307
Net Pension Liability	17,374,773	20,276,143
Township's portion of the Plan's total net pension Liability	0.12840%	0.13134%

Pension Expense and Deferred Outflows/Inflows of Resources – At December 31, 2018, the Township's proportionate share of the PFRS expense, calculated by the plan as of the June 30, 2018 measurement date was \$1,674,572. This expense is not recognized by the Township because of the regulatory basis of accounting as described in Note 1, but as previously mentioned the Township contributed \$1,255,309 to the plan in 2018.

At December 31, 2018, the Township had deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 176,766	\$ 71,901
Changes of Assumptions	1,491,390	4,452,854
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	95,056
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions	<u>1,047,807</u>	<u>567,104</u>
	<u>\$ 2,715,963</u>	<u>\$ 5,186,915</u>

The Township will amortize the above sources of deferred outflows and inflows related to PFRS over the following number of years:

**TOWNSHIP OF LITTLE EGG HARBOR
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

Note 9. Pension Obligations (continued):

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

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
June 30, 2015	-	5.53
June 30, 2016	-	5.58
June 30, 2017	5.59	-
June 30, 2018	5.73	-
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.17	-
June 30, 2015	5.53	-
June 30, 2016	5.58	-
June 30, 2017	-	5.59
June 30, 2018	-	5.73
Net Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2014	-	5.00
June 30, 2015	-	5.00
June 30, 2016	5.00	-
June 30, 2017	5.00	-
June 30, 2018	5.00	-
Changes in Proportion and Differences between Contributions and Proportionate Share of Contributions		
Year of Pension Plan Deferral:		
June 30, 2014	6.17	6.17
June 30, 2015	5.53	5.53
June 30, 2016	5.58	5.58
June 30, 2017	5.59	5.59
June 30, 2018	5.73	5.73

**TOWNSHIP OF LITTLE EGG HARBOR
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

Note 9. Pension Obligations (continued):

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

The following is a summary of the deferred outflows of resources and deferred inflows of resources related to PERS that will be recognized in future periods:

Year Ending	
<u>Dec 31,</u>	<u>Amount</u>
2019	\$ 656,414
2020	(188,937)
2021	(1,120,815)
2022	(1,450,036)
2023	<u>(367,576)</u>
	<u><u>\$ (2,470,950)</u></u>

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

Additionally, the State's proportionate share of the PFRS net pension liability attributable to the Township is \$2,360,076 as of December 31, 2018. The net pension liability was measured as of June 30, 2018. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2017, to the measurement date of June 30, 2018. The State's proportion of the net pension liability associated with the Township 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 members, actuarially determined. The State's proportion measured as of June 30, 2018 was 0.12840%, which was a decrease of 0.00294% from its proportion measured as of June 30, 2017, which is the same proportion as the Township's. At December 31, 2018, the Township's and the State of New Jersey's proportionate share of the PFRS net pension liability were as follows:

Township's Proportionate Share of Net Pension Liability	\$ 17,374,773
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Township	<u>2,360,076</u>
	<u><u>\$ 19,734,849</u></u>

**TOWNSHIP OF LITTLE EGG HARBOR
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

Note 9. Pension Obligations (continued):

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

At December 31, 2018, the State's proportionate share of the PFRS expense, associated with the Township, calculated by the plan as of the June 30, 2018 measurement date was \$279,547.

Actuarial Assumptions - The total pension asset/(liability) as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuations used the following actuarial assumptions:

Inflation	2.25%
Salary Increases:	
Through 2026	2.10% - 8.98% Based on Age
Thereafter	3.10% - 9.98% Based on Age
Investment Rate of Return	7.00%
Mortality Rate Table	RP-2000
Period of Actuarial Experience	
Study upon which Actuarial	
Assumptions were Based	July 1, 2010 - June 30, 2013

Pre-retirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2012 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Post-retirement mortality rate were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on the mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2012 using a generational approach based on the plan actuary's modified MP-2014 projection scales. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

The actuarial assumptions used in the July 1, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2013.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2018) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges

**TOWNSHIP OF LITTLE EGG HARBOR
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

Note 9. Pension Obligations (continued):

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

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, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
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 Asset	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. Developed Markets 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 6.51% as of June 30, 2018. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.87% as of June 30, 2018 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 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 after that date in determining the total pension liability.

**TOWNSHIP OF LITTLE EGG HARBOR
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

Note 9. Pension Obligations (continued):

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

Sensitivity of the Township's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the Township's proportionate share of the net pension liability calculated using the discount rate as disclosed above, as well as what the Township's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.51%) or 1-percentage-point higher (7.51%) than the current rate:

	1% Decrease <u>(5.51%)</u>	Current Discount Rate <u>(6.51%)</u>	1% Increase <u>(7.51%)</u>
Township's Proportionate Share of the Net Pension Liability	\$ 23,253,978	\$ 17,374,773	\$ 12,491,586
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Township	<u>3,158,669</u>	<u>2,360,076</u>	<u>1,696,776</u>
	<u>\$ 26,412,647</u>	<u>\$ 19,734,849</u>	<u>\$ 14,188,362</u>

Related Party Investments - The Division of Pensions and Benefits does not invest in securities issued by the Township.

**TOWNSHIP OF LITTLE EGG HARBOR
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

Note 10. Municipal Debt

The following schedule represents the Township's summary of debt, as filed in the Township's Annual Debt Statement required by the Local Bond Law of New Jersey for the current and two previous years:

	<u>2018</u>	<u>2017</u>	<u>2016</u>
Issued:			
General:			
Bonds, Notes and Loans	\$ 22,694,355.25	\$ 13,667,554.31	\$ 15,076,157.57
Total Debt Issued	<u>22,694,355.25</u>	<u>13,667,554.31</u>	<u>15,076,157.57</u>
Authorized but not issued:			
General:			
Bonds, Notes and Loans	6,551,452.00	8,271,629.00	6,651,879.00
Total Authorized But Not Issued	<u>6,551,452.00</u>	<u>8,271,629.00</u>	<u>6,651,879.00</u>
Total Gross Debt	<u>\$ 29,245,807.25</u>	<u>\$ 21,939,183.31</u>	<u>\$ 21,728,036.57</u>
Deductions:			
General:			
Funds on Hand For Payment of Bonds and Notes:			
Reserve for Debt Service	1,437,831.27	-	-
Total Deductions	<u>1,437,831.27</u>	<u>-</u>	<u>-</u>
Total Net Debt	<u>\$ 27,807,975.98</u>	<u>\$ 21,939,183.31</u>	<u>\$ 21,728,036.57</u>

Summary of Statutory Debt Condition - Annual Debt Statement

The following schedule is a summary of the previous schedule and is prepared in accordance with the required method of setting up the Annual Debt Statement:

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School Debt	\$ 26,454,550.00	\$ 26,454,550.00	\$ -
Regional School Debt	42,906,150.96	42,906,150.96	-
General Debt	29,245,807.25	1,437,831.27	27,807,975.98
	<u>\$ 98,606,508.21</u>	<u>\$ 70,798,532.23</u>	<u>\$ 27,807,975.98</u>

Net Debt \$27,807,975.98 divided by the average Equalized Valuation Basis per N.J.S.A 40A:2-2 as amended, \$2,336,053,164.00, equals 1.190%. New Jersey statute 40A:2-6, as amended, limits the debt of a Municipality to 3.5% of the last three preceding year's average equalized valuations of real estate, including improvements and the assessed valuation of Class II Railroad Property. The remaining borrowing power in dollars at December 31, 2018 is calculated as follows:

**TOWNSHIP OF LITTLE EGG HARBOR
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

Note 10. Municipal Debt (continued):

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 81,761,860.74
Net Debt	<u>27,807,975.98</u>
 Remaining Borrowing Power	 <u><u>\$ 53,953,884.76</u></u>

General Debt

A. Serial Bonds Payable

On February 1, 2010, the Township issued \$3,275,000 of General Obligation Refunding Bonds. The General Obligation Refunding Bonds were issued at interest rates varying from 3.75% to 5.00% and mature on August 1, 2021.

On May 2, 2012, the Township issued \$5,260,000 of General Obligation Refunding Bonds. The General Obligation Refunding Bonds were issued at interest rates varying from 2.00% to 4.00% and mature on November 11, 2023.

On February 2, 2017, the Township issued \$4,500,000 of General Obligation Bonds. The General Obligation Bonds were issued at interest rates varying from 2.00% to 3.00% and mature on February 1, 2027.

Principal and interest due on the outstanding bonds is as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 1,170,000.00	\$ 210,437.50	\$ 1,380,437.50
2020	1,155,000.00	181,037.50	1,336,037.50
2021	1,095,000.00	148,250.00	1,243,250.00
2022	1,070,000.00	112,125.00	1,182,125.00
2023	1,060,000.00	85,525.00	1,145,525.00
2024-2027	2,200,000.00	132,000.00	2,332,000.00
	<u>\$ 7,750,000.00</u>	<u>\$ 869,375.00</u>	<u>\$ 8,619,375.00</u>

B. Bond Anticipation Notes Payable – Short Term Debt

The following is a summary of bond anticipation notes payable accounted for in the General Capital Fund at December 31, 2018:

**TOWNSHIP OF LITTLE EGG HARBOR
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

Note 10. Municipal Debt (continued):

<u>Description</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Rate</u>	<u>Balance December 31, 2018</u>
Series 2018 B	2/2/2018	2/1/2019	1.246%	\$ 1,169,000.00
Series 2018 A	2/2/2018	2/1/2019	2.500%	7,851,000.00
Series 2018 C	11/20/2018	8/20/2019	2.250%	<u>1,500,000.00</u>
				<u>\$ 10,520,000.00</u>

The purpose of these short-term borrowings was to provide resources for general capital construction, acquisitions or improvement projects and other purposes permitted by State Local Bond Law NJSA 40A:2 et. seq.

C. Bonds and Notes Authorized But Not Issued

As of December 31, 2018, the Township had \$6,551,452.00 in various General Capital bonds and notes authorized but not issued.

D. Loans Payable

As of December 31, 2018, the Township had \$374,026.25 in Green Trust Loans Payable outstanding. Principal and interest due on the loans payable are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 70,925.08	\$ 7,127.71	78,052.79
2020	72,351.78	5,702.00	78,053.78
2021	73,805.56	4,248.23	78,053.79
2022	59,743.12	2,763.86	62,506.98
2023	29,293.06	1,797.74	31,090.80
2024-2026	<u>67,907.65</u>	<u>2,047.75</u>	<u>69,955.40</u>
	<u>\$ 374,026.25</u>	<u>\$ 23,687.29</u>	<u>\$ 397,713.54</u>

E. NJEIT Loans Payable

As of December 31, 2018, the Township had \$4,050,329.00 in NJEIT Loans Payable outstanding. The loan proceeds are being utilized for the Twin Lakes Boulevard Drainage Project. As of the date of this audit report, the loan agreement has not been finalized and no amortization schedule is available.

**TOWNSHIP OF LITTLE EGG HARBOR
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

Note 10. Municipal Debt (continued):

Summary of Principal Debt

A summary of the changes in long-term and short-term debt of the Township is as follows:

	Balance December 31, <u>2017</u>	Accrued/ <u>Increases</u>	Retired/ <u>Decreases</u>	Balance December 31, <u>2018</u>	Balance Due Within <u>One Year</u>
General Capital:					
General Bonds	\$ 8,870,000.00	\$ -	\$ 1,120,000.00	\$ 7,750,000.00	\$ 1,170,000.00
Bond Anticipation Notes	4,354,000.00	10,520,000.00	4,354,000.00	10,520,000.00	10,520,000.00
Green Trust Loans	443,554.31	-	69,528.06	374,026.25	70,925.08
NJEIT Loan Payable	-	4,050,329.00	-	4,050,329.00	-
	<u>\$ 13,667,554.31</u>	<u>\$ 14,570,329.00</u>	<u>\$ 5,543,528.06</u>	<u>\$ 22,694,355.25</u>	<u>\$ 11,760,925.08</u>

Note 11. Deferred School Taxes

School taxes have been raised and the liability deferred by statutes. The balance of unpaid local taxes levied, amount deferred and the amount reported as a liability (payable) at December 31, are as follows:

<u>Local Taxes</u>	Balance, December 31,	
	<u>2018</u>	<u>2017</u>
Total Balance of Local Tax	\$ 6,440,929.46	\$ 6,269,633.00
Deferred Taxes	<u>5,236,297.00</u>	<u>5,236,297.00</u>
Local Tax Payable	<u>\$ 1,204,632.46</u>	<u>\$ 1,033,336.00</u>

Note 12. Deferred Compensation Salary Account

The Township offers its employees a Deferred Compensation Plan in accordance with Internal Revenue Code Section 457 which has been approved by the Director of the Division of Local Government Services. The Plan, available to all full time employees at their option, permits employees to defer a portion of their salary to future years. The deferred compensation is not available to participants until termination, retirement, death or unforeseeable emergency. Amounts deferred under Section 457 plans must be held in trust for the exclusive benefits of participating employees and not be accessible by the Township or its creditors. Since the Township does not have a fiduciary relationship with the Plan, the balances and activities of the Plan are not reported in the Township's financial statements.

**TOWNSHIP OF LITTLE EGG HARBOR
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

Note 13. Accrued Sick, Vacation and Compensation Time

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 unused vacation, sick pay and compensation time. The Township permits certain employees within limits to accumulate unused vacation, sick pay and compensation time, which may be taken as time off or paid at a later date at an agreed upon rate. In accordance with New Jersey accounting principles, this unused accumulated absences amount is not reported as a liability in the accompanying financial statements. It is estimated that accrued benefits for compensated absences are valued at \$2,473,104.04 at December 31, 2018.

The Township has established a Trust Fund in accordance with NJSA 40A:4-39 to set aside funds for future payments of compensated absences. As of December 31, 2018, the Township has reserved in the Other Trust Fund \$50,127.87 to fund compensated absences in accordance with NJSA 40A:4-39.

Note 14. Contingencies

Grantor Agencies

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 grant agreements and applicable regulations, including the expenditure of the funds for eligible purposes. Substantially all grants, entitlements and cost reimbursements are subject to financial and compliance audits by grantors. As a result of these audits, costs previously reimbursed could be disallowed and require repayment to the grantor agency. As of December 31, 2018 the Township estimates that no material liabilities will result from such audits.

Litigation

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

Tax Appeals

Losses arising from tax appeals are recognized at the time a decision is rendered by an administrative or judicial body; however, municipalities may establish reserves transferred from tax collections or by budget appropriation for future payments of tax appeal losses. There are no significant pending tax appeals as of December 31, 2018.

Note 15. Other Postemployment Benefits

General Information about the OPEB Plan

The State Health Benefit Local Government Retired Employees Plan (the Plan) is a cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan with a special funding situation. It covers employees of local government employers that have adopted a resolution to participate in the Plan. For additional information about the Plan, please refer to the State of New Jersey (the State), Division of Pensions and Benefits' (the Division) Comprehensive Annual Financial Report (CAFR), which can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

**TOWNSHIP OF LITTLE EGG HARBOR
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

Note 15. Other Postemployment Benefits (continued):

The Plan provides medical and prescription drug to retirees and their covered dependents of the participating employers. Under the provisions of Chapter 88, P.L. 1974 and Chapter 48, P.L. 1999, local government employers electing to provide postretirement medical coverage to their employees must file a resolution with the Division. Under Chapter 88, local employers elect to provide benefit coverage based on the eligibility rules and regulations promulgated by the State Health Benefits Commission. Chapter 48 allows local employers to establish their own age and service eligibility for employer paid health benefits coverage for retired employees. Under Chapter 48, the employer may assume the cost of postretirement medical coverage for employees and their dependents who: 1) retired on a disability pension; or 2) retired with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 3) retired and reached the age of 65 with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 4) retired and reached age 62 with at least 15 years of service with the employer. Further, the law provides that the employer paid obligations for retiree coverage may be determined by means of a collective negotiations agreement.

In accordance with Chapter 330, P.L. 1997, which is codified in N.J.S.A 52:14-17.32i, the State provides medical and prescription coverage to local police officers and firefighters, who retire with 25 years of service or on a disability from an employer who does not provide postretirement medical coverage. Local employers were required to file a resolution with the Division in order for their employees to qualify for State-paid retiree health benefits coverage under Chapter 330. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L.1989.

Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

Basis of Presentation

The schedule of employer and nonemployer allocations and the schedule of OPEB amounts by employer and nonemployer (collectively, the Schedules) present amounts that are considered elements of the financial statements of its participating employers or the State as a nonemployer contributing entity. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of the participating employers or the State. The accompanying Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of the Plan to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

Allocation Methodology

GASB Statement No. 75 requires participating employers in the Plan to recognize their proportionate share of the collective net OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective OPEB expense. The special funding situation's and nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense are based on separately calculated total OPEB liabilities. For the special funding situation and the nonspecial funding situation, the total OPEB liabilities for the year ended June 30, 2018 were

**TOWNSHIP OF LITTLE EGG HARBOR
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

Note 15. Other Postemployment Benefits (continued):

\$6,338,578,586 and \$9,642,524,641, respectively. The nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense are further allocated to employers based on the ratio of the plan members of an individual employer to the total members of the Plan's nonspecial funding situation during the measurement period July 1, 2017 through June 30, 2018. Employer and nonemployer allocation percentages have been rounded for presentation purposes; therefore, amounts presented in the schedule of OPEB amounts by employer and nonemployer may result in immaterial differences.

Special Funding Situation

Under Chapter 330, P.L. 1997, the State shall pay the premium or periodic charges for the qualified local police and firefighter retirees and dependents equal to 80 percent of the premium or periodic charge for the category of coverage elected by the qualified retiree under the State managed care plan or a health maintenance organization participating in the program providing the lowest premium or periodic charge. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L.1989.

Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan, there is no net OPEB liability, deferred outflows of resources or deferred inflows of resources to report in the financial statements of the local participating employers related to this legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the collective net OPEB liability that is associated with the local participating employer.

The participating employer allocations included in the supplemental schedule of employer special funding allocations and the supplemental schedule of special funding amounts by employer for each employer are provided as each employer is required to record in their financial statements, as an expense and corresponding revenue, their proportionate share of the OPEB expense allocated to the State of New Jersey under the special funding situation and include their proportionate share of the collective net OPEB liability in their respective notes to their financial statements. For this purpose, the proportionate share was developed based on eligible plan members subject to the special funding situation. This data takes into account active members from both participating and non-participating employer locations and retired members currently receiving OPEB benefits.

Additionally, the State's proportionate share of the OPEB liability attributable to the Township is \$9,840,306.00 as of December 31, 2018. The OPEB liability was measured as of June 30, 2018. The total OPEB liability used to calculate the OPEB liability was determined using update procedures to roll forward the total OPEB liability from an actuarial valuation as of July 1, 2017, to the measurement date of June 30, 2018. The State's proportion of the OPEB liability associated with the Township was based on a projection of the Township's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating members, actuarially determined. The State's proportion measured as of June 30, 2018 was 0.158361%, which was an increase of 0.014657% from its proportion measured as of June 30, 2017, which is the same proportion as the Township's. At December 31, 2018, the Township's and the State of New Jersey's proportionate share of the OPEB liability were as follows:

**TOWNSHIP OF LITTLE EGG HARBOR
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

Note 15. Other Postemployment Benefits (continued):

State of New Jersey's	
Proportionate Share of OPEB Liability	
Associated with the Township	\$ 9,840,306.00

At December 31, 2018, the State's proportionate share of the OPEB expense, associated with the Township, calculated by the plan as of the June 30, 2018 measurement date was \$297,878.00.

Note 16. Postemployment Benefits Other Than Pensions

General Information about the OPEB Plan

The financial statements of the Township are not prepared in accordance with Governmental Accounting Standards Board (GASB) Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other than Pensions. The following information is provided in accordance with the requirements of the Statement and has been implemented prospectively.

The Township of Little Egg Harbor provides post-employment medical, prescription drug, dental, and vision benefits to eligible retired employees and their spouses until Medicare age is attained by either the retired employee or the spouse in the case of spousal coverage. The Township of Little Egg Harbor pays 100% of the insurance cost for the retiree.

Employees and Retirees Covered – At December 31, 2018, the following employees were covered by the Township plan:

Participant Data	<u>Amount</u>
Active Employees	116
Retired Employees	36
Total Membership Count	152

**TOWNSHIP OF LITTLE EGG HARBOR
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

Note 16. Postemployment Benefits Other Than Pensions (continued):

Actuarial Assumptions and Other Inputs

This valuation has been conducted as of December 31, 2018 based on census, plan design and premium information provided by the Township. Census includes 36 retired participants (including spouses) and 116 active participants. The Measurement Date, for each fiscal year is as of the end of the prior year. Thus, the Total OPEB Liability for fiscal year ending December 31, 2018 of \$22,979,322 is measured at December 31, 2017 as allowed under GASB 75.

The values are determined in accordance with GASB 75 including the Individual Entry Age Normal Cost method with the normal cost determined as a percentage of pay. Standard roll forward and backward techniques were used to adjust valuation dates to measurement dates. The following assumptions and other inputs applied to all periods in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry Age Normal
Discount Rate	Based on S&P Municipal Bond 20 year High Grade Bond Index Rate of 3.64% as of 12/31/18.
Inflation Rate	3.00%
Salary Increases	3.00%
Health Care Cost Trend	8% decr to 5% ultimate
Rates of Mortality	RP 2014 w/ MP2016 projection
Rates of Retirement	Rates start at age 55 & 10 years or 20 years
Rates of Disability	None assumed
Retiree Participation	100% of eligible retirees are assumed to elect to participate in the plan
Investment Rate of Return	3.64%
Asset Valuation Method	Market

Discount Rate – The discount rate is the single rate that reflects (1) the long-term expected rate of return on the OPEB plan investments that are expected to be used to finance the payments of benefits, to the extent that the OPEB plan's fiduciary net position is projected to be sufficient to make projected benefit payments and OPEB plan assets are expected to be invested using a strategy to achieve that return and (2) a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of Aa, to the extent that the conditions for use of the long-term expected rate of return are not met. For the total OPEB liability calculation as of December 31, 2018, the discount rate utilized was 3.64%.

**TOWNSHIP OF LITTLE EGG HARBOR
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

Note 16. Postemployment Benefits Other Than Pensions (continued):

Changes in the Total OPEB Liability – The changes to the total OPEB Liability during the year ending December 31, 2018 were as follows:

Changes in the Total OPEB Liability

Total OPEB Liability

Balance, January 1, 2018	\$ 22,596,186
Changes for the Year:	
Service Cost	504,373
Interest Cost	802,997
Changes of Assumptions	-
Difference between Actual and Expected	147,410
Benefits Paid (implicit)	(1,071,644)
Net Changes	383,136
Balance, December 31, 2018	\$ 22,979,322

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the Township, as well as what the Township's total OPEB liability would be, if it were calculated using a discount rate that is 1-percentage-point lower (2.64 percent) or 1-percentage pointer higher (4.64 percent) that the current discount rate:

	December 31, 2018		
	At 1% Decrease (2.64%)	At Discount Rate (3.64%)	At 1% Increase (4.64%)
Total OPEB Liability	\$ 24,903,208	\$ 22,979,322	\$ 21,055,436

The following presents the total OPEB liability of the Township, as well as what the Township's total OPEB liability would be, if it were calculated using a healthcare cost trend rate that is 1-percentage-point lower or 1-percentage pointer higher that the current healthcare cost trend rate:

	December 31, 2018		
	1% Decrease	Healthcare Cost Trend Rate*	1% Increase
Total OPEB Liability	\$ 20,777,226	\$ 22,979,322	\$ 25,586,176

* See Healthcare Cost Trend Assumptions for details of rates.

**TOWNSHIP OF LITTLE EGG HARBOR
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

Note 16. Postemployment Benefits Other Than Pensions (continued):

OPEB Expense and Deferred Outflows and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2018, the Township's OPEB expense was estimated to be \$1,322,111. At December 31, 2018, the Township reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Differences between Expected and Actual Experience	\$ 132,669	\$ -
Changes of Assumptions or other inputs	-	-
Total	<u>\$ -</u>	<u>\$ -</u>

Amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ending December 31,</u>	
2019	\$ 14,741
2020	14,741
2021	14,741
2022	14,741
2022	14,741
Thereafter	<u>58,964</u>
	<u>\$ 132,669</u>

Other Supplementary Information

Schedule of Changes in the Township's Total OPEB Liability and Related Ratios

	Fiscal Year Ending December 31,		
	<u>2018</u>	<u>2017</u>	<u>2016</u>
Service Cost	\$ 504,373	N/A	N/A
Interest Cost	802,997		
Changes of Assumptions	-		
Difference between Actual and Expected	147,410		
Benefits Paid (implicit)	<u>(1,071,644)</u>		
Net Change in Total OPEB Liability	383,136		
Total OPEB Liability (Beginning)	<u>22,596,186</u>		
Total OPEB Liability (Ending)	<u>\$ 22,979,322</u>		
Total Covered Employee Payroll	10,309,945		
Net OPEB Liability as a Percentage of Payroll	223%		

**TOWNSHIP OF LITTLE EGG HARBOR
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

Note 17. Community Disaster Loan

On April 5, 2013, the Township submitted a formal request for a FEMA Community Disaster Loan (CDL) in the amount of \$4,319,506.00 in relation to Hurricane Sandy losses and expenditures. On March 28, 2013, the Township approved a resolution to amend the 2013 Budget by \$1,750,000.00, the amount of the CDL that was awarded in 2013. During 2014, an additional \$1,500,000.00 was received. During 2015, an additional \$1,000,000.00 was received.

The interest rate on the loan is the U.S. Treasury rate for 5-year maturities on the date the Promissory Note is executed, in this case June 13, 2013 when the interest rate was 0.625%. The term of the loan is usually 5 years, but may be extended. Interest accrues on the funds as they are disbursed. When applicable, the Assistance Administrator of the Disaster Assistance Directorate may cancel repayment of all or part of the loan if the revenues of the applicant in the three fiscal years following the financial year of the disaster are insufficient to meet the operating budget because of disaster related revenue losses and un-reimbursed disaster related operating expenses. As of December 31, 2018 the Current Fund has recorded a loan payable in the amount of \$4,250,000.00 with \$125,025.68 of accrued interest. The loan originally came to maturity on May 1, 2018, but has since been extended to April 16, 2023.

Note 18. Subsequent Events

Management has reviewed and evaluated all events and transactions that occurred between December 31, 2018 and August 5, 2019, the date that the financial statements were available for issuance, for possible disclosure and recognition in the financial statements. No items have come to the attention of the Township that would require disclosure.

SUPPLEMENTARY EXHIBITS

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CURRENT FUND

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TOWNSHIP OF LITTLE EGG HARBOR
CURRENT FUND
SCHEDULE OF CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>CURRENT FUND</u>	<u>STATE & FEDERAL GRANT FUND</u>
Balance December 31, 2017	\$ 9,887,440.97	\$ 977,541.95
Increased by Receipts:		
Taxes Receivable	\$ 53,884,539.22	\$ -
Tax Title Liens Receivable	54,891.67	-
Due From State - Senior Citizen & Veteran Deductions	317,735.60	-
Revenue Accounts Receivable	3,072,970.34	-
Miscellaneous Revenue Not Anticipated	749,123.56	-
Prepaid Taxes	679,278.79	-
Refunds of Current Year Appropriations	584,152.25	-
Due Bass River	2,171.80	-
Construction Fees Due State of New Jersey	27,066.00	-
Reserve for Commercial Mercantile License	2,700.00	-
Reserve for Debt Service - Green Trust	7,772.89	-
Transferred from Current Fund	-	473,814.63
Transferred from Trust Funds	49,161.21	-
Due from State & Federal Grant Fund	251,895.98	-
Federal & State Grants Unappropriated	-	9,855.25
Federal & State Grants Receivable	-	544,013.87
Total Receipts	<u>59,683,459.31</u>	<u>1,027,683.75</u>
Subtotal	<u>69,570,900.28</u>	<u>2,005,225.70</u>
Decreased by Disbursements:		
2018 Appropriations	21,191,778.97	-
Appropriation Reserves	773,654.15	-
County Taxes Payable	9,661,855.17	-
Due County for Added & Omitted Taxes	128,995.83	-
Local District School Tax	13,381,885.54	-
Regional High School Tax	15,539,853.29	-
Special District Taxes	1,720,133.00	-
Construction Fees Due State of NJ	19,405.00	-
Refund Tax Overpayments	86,396.10	-
Bass River Construction Fees	979.00	-
Reserve for Closed Escrow	238.08	-
Reserve for FEMA Reimbursements	46,277.22	-
Due from State & Federal Grant Fund	473,814.63	-
Due from Current Fund	-	251,895.98
Due to Capital Fund	298,995.86	444,528.14
Federal & State Grants - Appropriated	-	924,731.11
Total Disbursements	<u>63,324,261.84</u>	<u>1,621,155.23</u>
Balance December 31, 2018	<u><u>\$ 6,246,638.44</u></u>	<u><u>\$ 384,070.47</u></u>

TOWNSHIP OF LITTLE EGG HARBOR
CURRENT FUND
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY
FOR THE YEAR ENDED DECEMBER 31, 2018

YEAR	BALANCE DECEMBER 31, 2017	2018 LEVY	ADDED TAXES	2017	COLLECTED 2018	SENIOR CITIZENS & VETERANS	OVERPAYMENT APPLIED	OVERPAYMENT CREATED	CANCELED	TRANSFERRED TO TAX TITLE LIENS	BALANCE DECEMBER 31, 2018
2009	\$ 1,625.85	\$ -	\$ -	\$ -	\$ -	-	\$ 177.19	\$ 177.19	\$ -	\$ 1,621.20	\$ 4.65
2010	1,760.61	-	-	-	-	-	177.19	177.19	-	1,755.60	5.01
2011	1,802.76	-	-	-	-	-	177.19	177.19	-	1,797.60	5.16
2012	3,124.73	-	-	-	-	-	177.19	4,296.27	4,119.08	1,872.15	1,252.58
2013	4,458.05	-	-	-	-	-	4,296.27	11,795.80	7,499.53	1,945.65	2,512.40
2014	5,626.29	-	-	-	-	-	11,987.80	20,848.38	8,860.58	2,008.65	3,617.64
2015	7,044.23	-	-	-	-	-	22,081.33	25,637.01	3,555.71	1,688.46	5,355.74
2016	17,440.27	-	-	-	-	-	24,404.06	39,585.20	14,499.29	1,668.92	16,453.20
2017	20,749.38	-	-	-	7,317.27	(5,633.56)	151,871.88	169,786.60	16,691.42	1,658.45	18,630.52
Total	63,632.17	-	-	-	7,317.27	(5,633.56)	215,350.10	272,480.83	55,225.61	16,016.68	47,836.90
2018	-	55,810,723.45	501,017.54	1,765,588.34	53,877,221.95	311,748.62	159,661.71	63,957.90	101,745.89	130,987.93	28,744.45
Total	\$ 63,632.17	\$ 55,810,723.45	\$ 501,017.54	\$ 1,765,588.34	\$ 53,884,539.22	\$ 306,115.06	\$ 375,011.81	\$ 336,438.73	\$ 156,971.50	\$ 147,004.61	\$ 76,581.35

ANALYSIS OF 2018 PROPERTY TAX LEVY:

Tax Yield:		
General Property Tax	\$ 54,132,070.45	
Special District	1,678,653.00	
Added Taxes (54:4-63.1 et. seq.)	501,017.54	\$ 56,311,740.99
Total Tax Yield	\$ 56,311,740.99	
Tax Levy:		
Local School District Tax (Abstract)	\$ 13,553,182.00	
Regional High School Tax (Abstract)	15,250,618.00	
Municipal Open Space (Abstract)	23,175.08	
Municipal Open Space (Added)	202.62	
County Taxes:		
County Tax (Abstract)	\$ 8,166,783.00	
County Library Tax (Abstract)	891,032.31	
County Health Services (Abstract)	321,746.47	
County Open Space	282,293.52	
Due County for Added Taxes (54:4-63,1 et.seq.)	84,984.54	
Total County Taxes	9,746,839.84	
Fire District #1 (Amount Certified)	\$ 612,967.00	
Fire District #2 (Amount Certified)	619,686.00	
Fire District #3 (Amount Certified)	446,000.00	
Total Special District Taxes	1,678,653.00	
Local Tax for Municipal Purposes	\$ 15,604,864.10	
Add: Additional Tax Levied	454,206.35	16,059,070.45
Total Tax Levy	\$ 56,311,740.99	

**TOWNSHIP OF LITTLE EGG HARBOR
CURRENT FUND
SCHEDULE OF TAX TITLE LIENS
FOR THE YEAR ENDED DECEMBER 31, 2018**

Balance December 31, 2017		\$ 647,630.63
Increased by:		
Transfers from Taxes Receivable	\$ 147,004.61	
Adjustment	73,021.69	220,026.30
		<hr/>
Subtotal		867,656.93
Decreased by:		
Collections		54,891.67
		<hr/>
Balance December 31, 2018		<u><u>\$ 812,765.26</u></u>

**SCHEDULE OF PROPERTY ACQUIRED FOR TAXES
(AT ASSESSED VALUATION)
FOR THE YEAR ENDED DECEMBER 31, 2018**

Balance December 31, 2018 and 2017	<u><u>\$ 5,757,700</u></u>
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TOWNSHIP OF LITTLE EGG HARBOR
CURRENT FUND
STATEMENT OF REVENUE ACCOUNTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2018

	BALANCE DECEMBER 31, 2017	ACCRUED IN 2018	TREASURER	BALANCE DECEMBER 31, 2018
Miscellaneous Revenue Anticipated:				
Licenses - Alcoholic Beverages	\$ -	\$ 10,814.00	\$ 10,814.00	\$ -
Fees & Permits	-	231,427.58	231,427.58	-
Municipal Court	14,024.06	203,315.20	204,813.30	12,525.96
Interest & Costs on Taxes	-	106,341.09	106,341.09	-
Payments in Lieu of Taxes	-	68,634.41	68,634.41	-
Energy Receipts Tax	-	1,299,939.00	1,299,939.00	-
Garden State Trust	-	149,117.00	149,117.00	-
Uniform Construction Code Fees	-	466,503.70	466,503.70	-
Tower Rental	-	204,402.73	204,402.73	-
SRO Officer	-	231,479.24	231,479.24	-
Cable TV	-	99,498.29	99,498.29	-
Total	<u>\$ 14,024.06</u>	<u>\$ 3,071,472.24</u>	<u>\$ 3,072,970.34</u>	<u>\$ 12,525.96</u>

**TOWNSHIP OF LITTLE EGG HARBOR
CURRENT FUND
SCHEDULE OF 2017 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2018**

	BALANCE DECEMBER 31, 2017	BALANCE AFTER TRANSFERS	PAID OR CHARGED	BALANCE LAPSED	OVEREXPENDED
General Government:					
General Administration:					
Salaries and Wages	\$ 15,328.60	\$ 15,328.60	\$ -	\$ 15,328.60	\$ -
Other Expenses	13,460.00	13,460.00	-	13,460.00	-
Mayor and Committee:					
Salaries and Wages	82.13	82.13	-	82.13	-
Other Expenses	3,371.85	3,371.85	-	3,371.85	-
Municipal Clerk:					
Salaries and Wages	13,148.08	13,148.08	-	13,148.08	-
Other Expenses	223.60	729.16	723.33	5.83	-
Financial Administration (Treasury):					
Salaries and Wages	1,963.00	1,963.00	-	1,963.00	-
Other Expenses	7,803.60	8,042.97	5,332.17	2,710.80	-
Audit Services:					
Other Expenses	32,339.00	32,339.00	32,339.00	-	-
Revenue Administration (Tax Collection):					
Salaries and Wages	3,966.97	3,966.97	-	3,966.97	-
Other Expenses:					
Tax Sale Costs	4,386.38	4,491.58	185.20	4,306.38	-
Miscellaneous Other Expenses	6,860.94	10,539.39	3,740.79	6,798.60	-
Tax Assessment Administration:					
Salaries and Wages	2,387.69	2,387.69	-	2,387.69	-
Other Expenses	4,767.11	4,767.11	7.50	4,759.61	-
Liquidation of Tax Title Liens & Foreclosed:					
Property- Other Expenses	5,000.00	5,000.00	-	5,000.00	-
Legal Services (Legal Department):					
Other Expenses	23,664.79	23,664.79	23,664.79	-	-
Engineering Services:					
Other Expenses	17,147.86	17,147.86	17,147.86	-	-
Economic Development Agencies:					
Salaries and Wages	1,200.00	1,200.00	-	1,200.00	-
Other Expenses	2,600.00	2,600.00	-	2,600.00	-
Land Use Administration:					
Planning Board:					
Salaries and Wages	600.00	600.00	-	600.00	-
Other Expenses	8,041.00	8,041.00	-	8,041.00	-
Zoning Board of Adjustment:					
Salaries and Wages	500.00	500.00	-	500.00	-
Other Expenses	860.58	860.58	775.50	85.08	-
Zoning Officer:					
Salaries and Wages	39.89	39.89	-	39.89	-
Other Expenses	2,726.81	2,886.81	160.00	2,726.81	-
Insurance:					
Liability Insurance	2,329.22	2,329.22	-	2,329.22	-
Unemployment Insurance	2,770.32	2,770.32	-	2,770.32	-
Health Benefit Waiver	277.84	277.84	-	277.84	-
Group Insurance for Employees	4,913.65	4,913.65	254,450.24	-	249,536.59
Public Safety Functions:					
Police Department:					
Salaries and Wages	327,523.50	327,523.50	51,076.44	276,447.06	-
Other Expenses	17,062.65	30,503.50	26,376.62	4,126.88	-
Office of Emergency Management:					
Other Expenses	80.00	80.00	-	80.00	-
First Aid Squad Contribution	70,000.00	70,000.00	70,000.00	-	-
Municipal Prosecutor:					
Other Expenses	10,750.00	10,750.00	4,500.00	6,250.00	-
Public Works Functions:					
Streets & Roads Maintenance:					
Salaries and Wages	2,365.60	2,365.60	-	2,365.60	-
Other Expenses	26,603.78	30,481.53	8,806.07	21,675.46	-
Solid Waste Sanitation:					
Salaries and Wages	6,888.49	6,888.49	-	6,888.49	-
Other Expenses	48,364.68	56,140.89	15,962.36	40,178.53	-
Bulk Property Maintenance Pick-Up	22,000.00	22,000.00	-	22,000.00	-
Solid Waste Recycling:					
Salaries and Wages	220.86	220.86	-	220.86	-
Other Expenses	1,913.34	2,001.42	268.03	1,733.39	-
Buildings & Grounds:					
Salaries and Wages	5,948.07	5,948.07	-	5,948.07	-
Other Expenses	27,491.98	35,565.06	16,167.31	19,397.75	-
Vehicle Maintenance:					
Other Expenses	17,915.65	21,532.71	15,351.81	6,180.90	-
Salaries and Wages	2,082.54	2,082.54	-	2,082.54	-
Municipal Services Act:					
Other Expenses	56,585.88	56,585.88	18,433.91	38,151.97	-
County Mosquito Control Agency:					
Other Expenses	51,362.06	51,362.06	-	51,362.06	-
Salaries and Wages	1,742.91	1,742.91	-	1,742.91	-

**TOWNSHIP OF LITTLE EGG HARBOR
CURRENT FUND
SCHEDULE OF 2017 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2018**

	BALANCE DECEMBER 31, 2017	BALANCE AFTER TRANSFERS	PAID OR CHARGED	BALANCE LAPSED	OVEREXPENDED
Health & Human Services:					
Public Health Services (Board of Health):					
Salaries and Wages	7,255.00	7,255.00	-	7,255.00	-
Other Expenses	4,293.80	4,493.80	1,000.00	3,493.80	-
Environmental Health Services:					
Salaries and Wages	500.00	500.00	-	500.00	-
Animal Control Services:					
Other Expenses	15,193.00	15,193.00	1,049.00	14,144.00	-
Contributions to Social Service Agencies - Statutory:					
Long Beach Island Community Center	1,000.00	1,000.00	-	1,000.00	-
Providence House	2,500.00	2,500.00	-	2,500.00	-
Park & Recreation Functions:					
Recreation Services & Programs:					
Salaries and Wages	4,125.91	4,125.91	-	4,125.91	-
Other Expenses	4,295.01	4,628.68	1,602.54	3,026.14	-
Senior Center/Community Activities:					
Salaries and Wages	400.00	400.00	-	400.00	-
Other Expenses	-	-	-	-	-
Utility Expenses & Bulk Purchases:					
Electricity	27,148.78	27,148.78	8,656.90	18,491.88	-
Street Lighting	29,890.24	29,890.24	29,890.24	-	-
Telephone	27,517.90	28,895.90	28,895.90	-	-
Gasoline	11,777.98	21,460.18	21,232.66	227.52	-
Natural Gas	13,910.93	13,910.93	11,371.88	2,539.05	-
Uniform Construction Code Enforcement Functions:					
Construction Code Official:					
Salaries and Wages	38,751.37	38,751.37	-	38,751.37	-
Other Expenses	7,523.46	7,832.32	308.86	7,523.46	-
Municipal Court:					
Salaries and Wages	32,242.96	32,242.96	-	32,242.96	-
Other Expenses	8,081.70	11,208.99	3,803.77	7,405.22	-
Public Defender:					
Other Expenses	15,139.50	15,139.50	2,750.00	12,389.50	-
Other Common Operating Functions (Unclassified):					
Municipal Alliance Council	0.66	0.66	-	0.66	-
Celebration of Public Events:					
Other Expenses	2,000.00	2,000.00	-	2,000.00	-
Relocation Assistance:					
Other Expenses	500.00	500.00	-	500.00	-
Schedule "C":					
Other Expenses	135,000.00	135,000.00	83,729.21	51,270.79	-
Reserve for Disputed Contracts	13,894.26	13,894.26	13,894.26	-	-
Deferred Charges & Statutory Expenditures - Municipal Within "CAPS":					
Social Security System (O.A.S.I.)	12,417.46	12,417.46	-	12,417.46	-
Defined Contributions Retirement Program	1,367.58	1,367.58	152.10	1,215.48	-
Operations Excluded From "CAPS"					
Police Dispatch/911:					
Salaries and Wages	19,326.65	19,326.65	-	19,326.65	-
Other Expenses	3,036.29	3,135.86	99.57	3,036.29	-
Supplemental Aid to Fire Districts	5,235.00	5,235.00	5,235.00	-	-
Total	\$ 1,323,988.34	\$ 1,380,679.54	\$ 773,654.15	\$ 851,075.31	\$ 249,536.59

**TOWNSHIP OF LITTLE EGG HARBOR
CURRENT FUND
SCHEDULE OF LOCAL DISTRICT TAX
FOR THE YEAR ENDED DECEMBER 31, 2018**

Balance December 31, 2017:		
School Tax Deferred	\$ 5,236,297.00	
School Tax Payable	<u>1,033,336.00</u>	6,269,633.00
Increased by Levy:		
School Year July 1, 2018 - June 30, 2019		<u>13,553,182.00</u>
Subtotal		19,822,815.00
Decreased by:		
Payments		<u>13,381,885.54</u>
Subtotal		6,440,929.46
Balance December 31, 2018:		
School Tax Deferred	5,236,297.00	
School Tax Payable	<u>1,204,632.46</u>	
Balance December 31, 2018		<u><u>\$ 6,440,929.46</u></u>

ANALYSIS OF AMOUNT CHARGED TO OPERATIONS

2018 Payments	\$ 13,381,885.54
Less School Taxes Payable at December 31, 2017	1,033,336.00
Plus School Taxes Payable at December 31, 2018	<u>1,204,632.46</u>
Amount Charged to 2018 Operations	<u><u>\$ 13,553,182.00</u></u>

**SCHEDULE OF REGIONAL HIGH SCHOOL TAX PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2018**

Balance December 31, 2017	\$ 185,423.00
Increased by:	
Levy - Calendar Year 2018	<u>15,250,618.00</u>
Subtotal	15,436,041.00
Decreased by:	
Payments	<u>15,539,853.29</u>
Balance December 31, 2018 (Prepaid)	<u><u>\$ (103,812.29)</u></u>

TOWNSHIP OF LITTLE EGG HARBOR
CURRENT FUND
SCHEDULE OF VARIOUS RESERVES
8FOR THE YEAR ENDED DECEMBER 31, 2018

	BALANCE DECEMBER 31, <u>2017</u>	<u>INCREASED</u>	<u>DECREASED</u>	BALANCE DECEMBER 31, <u>2018</u>
Reserve for Sandy Insurance Proceeds	\$ 2,419.00	\$ -	\$ -	\$ 2,419.00
Reserve for Closed Escrow Accounts	54,291.00	-	238.08	54,052.92
Reserve for Retail Mercantile Licenses	-	2,700.00	-	2,700.00
Reserve for Debt Service -Green Trust	-	7,772.89	-	7,772.89
Reserve for Reassessment	100,047.00	-	-	100,047.00
	<u>\$ 156,757.00</u>	<u>\$ 10,472.89</u>	<u>\$ 238.08</u>	<u>\$ 166,991.81</u>

TOWNSHIP OF LITTLE EGG HARBOR
CURRENT FUND
SCHEDULE OF STATE AND FEDERAL GRANTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2018

GRANT	BALANCE DECEMBER 31, 2017	ANTICIPATED REVENUE	RECEIVED	TRANSFERRED FROM UNAPPROPRIATED	ADJUSTMENT	BALANCE DECEMBER 31, 2018
NJOEM Grant	\$ 6,203.35	\$ -	\$ -	-	-	\$ 6,203.35
Safe & Secure Communities Program	25,000.00	60,000.00	60,000.00	-	-	25,000.00
CDBG - 2015	19,226.71	-	-	-	-	19,226.71
966 Reimbursement Grant	15,193.42	-	5,817.00	-	-	9,376.42
Recycling Tonnage Grant	-	30,928.89	30,928.89	-	-	-
Neighborhood Community Revitalization Grant	2,464.22	-	-	-	-	2,464.22
Child Restraint Grant	2,500.00	-	-	-	-	2,500.00
NJDOT Municipal Aid Program - 2017	-	200,000.00	200,000.00	-	-	-
NJDOT Municipal Aid Program - 2018	-	350,000.00	-	-	-	350,000.00
NJ Department of Justice Grant	-	1,488.00	-	1,488.00	-	-
Coastal Zone Management	-	2,444.00	-	2,444.00	-	-
National Fish & Wildlife	1,404,454.33	-	196,228.92	-	-	1,208,225.41
Alcohol Education and Rehabilitation Program	782.00	-	-	-	(782.00)	-
Recycling Revenue and Residue	-	10,054.00	-	10,054.00	-	-
Ocean County Recycling Revenue Share	10,053.55	-	-	-	-	10,053.55
Bulletproof Vest Partnership Grant	6,207.81	-	-	-	-	6,207.81
Clean Communities Program	-	51,039.06	51,039.06	-	-	-
Post Sandy Planning Assistance	93,854.18	-	-	-	-	93,854.18
NJDEP Living Shore Grant	400,000.00	-	-	-	-	400,000.00
Total	\$ 1,985,939.57	\$ 705,953.95	\$ 544,013.87	\$ 13,986.00	\$ (782.00)	\$ 2,133,111.65

TOWNSHIP OF LITTLE EGG HARBOR
CURRENT FUND
SCHEDULE OF RESERVES FOR STATE AND FEDERAL GRANTS - APPROPRIATED
FOR THE YEAR ENDED DECEMBER 31, 2018

APPROPRIATION	BALANCE DECEMBER 31, 2017	2018 BUDGET APPROPRIATION	ENCUMBRANCES RECLASSIFIED	EXPENDED	ADJUSTED	BALANCE DECEMBER 31, 2018
State:						
Safe and Secure Communities - 2015	\$ 60,000.00	\$ -	\$ -	\$ 60,000.00	\$ -	\$ -
Safe and Secure Communities - 2016	60,000.00	-	-	60,000.00	-	-
Safe and Secure Communities - 2017	60,000.00	-	-	60,000.00	-	-
Safe and Secure Communities - 2018	-	60,000.00	-	50,000.00	(365.40)	10,000.00
Body Armor Replacement Fund	3,794.30	-	-	3,428.90	-	-
Alcohol Education & Rehabilitation	1,631.95	-	-	-	-	1,631.95
Safe and Secure Communities	45,000.00	-	-	45,000.00	-	-
NJOEM Grant	20.95	-	-	-	-	20.95
NJ Department of Justice Grant	-	1,488.00	-	-	-	1,488.00
Drunk Driving Enforcement Fund	3,102.91	-	-	2,604.96	-	497.95
Clean Communities Program - Prior	16,885.78	-	-	16,885.78	-	-
Clean Communities Program - 2017	53,425.51	-	-	53,186.45	-	239.06
Clean Communities Program - 2018	-	51,039.06	-	-	-	51,039.06
NIDOT Municipal Aid Program - 2014	188,119.25	-	-	-	-	188,119.25
NIDOT Municipal Aid Program - 2017	-	200,000.00	-	200,000.00	-	-
NIDOT Municipal Aid Program - 2018	-	350,000.00	-	-	-	350,000.00
Recycling Tonnage Grant - Prior	10,326.58	-	-	10,326.58	-	-
Recycling Tonnage Grant - 2017	31,060.86	-	-	-	-	31,060.86
Recycling Tonnage Grant - 2018	-	30,928.59	-	-	-	30,928.59
Recycling Revenue and Residue	25,377.56	-	-	-	-	25,377.56
Child Restraint Grant	2,500.00	-	-	-	-	2,500.00
Safe and Secure Communities	120,000.00	-	-	107,460.00	-	12,540.00
966 Reimbursement	15,217.37	-	-	-	365.40	15,582.77
Coastal Zone Management	153.75	2,444.00	-	-	-	2,597.75
Municipal Access Plan	15,000.00	-	-	-	-	15,000.00
Refuge Revenue Sharing Act	2,240.00	-	-	-	-	2,240.00
Post Sandy Planning Assistance	64,004.19	-	-	15,930.93	-	48,073.26
NUDEP Living Shoreline	400,000.00	-	-	-	-	400,000.00
Total State	1,177,860.96	695,899.65	-	684,823.60	-	1,188,937.01
Federal:						
National Fish & Wildlife	1,439,625.56	-	-	224,794.65	-	1,214,830.91
CDBG 2015	30,493.42	-	-	-	-	30,493.42
National Wildlife Refuge	130.00	-	-	-	-	130.00
CDBG 2014	31,062.15	-	-	-	-	31,062.15
Total Federal	1,501,311.13	-	-	224,794.65	-	1,276,516.48
Local:						
Recycling Tonnage Grant - County	13,496.76	-	-	3,080.89	-	10,415.87
Ocean County Recycling Revenue and Residue	9,371.49	-	-	8,932.49	-	439.00
Ocean County Recycling Revenue Sharing - 2015	5,382.42	-	-	5,382.42	-	-
Ocean County Recycling Revenue Sharing - 2017	9,849.02	-	-	-	-	9,849.02
Ocean County Recycling Revenue Sharing - 2018	-	10,054.00	-	-	-	10,054.00
Ocean County Recycling Revenue Sharing	9,614.55	-	-	-	-	9,614.55
Total Local	47,714.24	10,054.00	-	17,395.80	-	40,372.44
Total	\$ 2,726,886.33	\$ 705,953.65	\$ -	\$ 927,014.05	\$ -	\$ 2,505,825.93
Cash Disbursements				\$ 924,731.11		
Encumbrances				2,282.94		
Total				\$ 927,014.05		

TOWNSHIP OF LITTLE EGG HARBOR
FEDERAL AND STATE GRANT FUND
SCHEDULE OF RESERVES FOR STATE GRANTS - UNAPPROPRIATED
FOR THE YEAR ENDED DECEMBER 31, 2018

GRANT	TRANSFERRED			
	BALANCE DECEMBER 31, 2017	TO 2018 GRANT APPROPRIATED	RECEIVED	BALANCE DECEMBER 31, 2018
State Grants:				
Recycling Revenue - Ocean County	\$ 10,054.00	\$ 10,054.00	\$ -	\$ -
Department of Justice Grant	1,488.00	1,488.00	9,855.25	9,855.25
Coastal Zone Management	2,444.42	2,444.42	-	-
	<hr/>			
Total Grants	\$ 13,986.42	\$ 13,986.42	\$ 9,855.25	\$ 9,855.25
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TRUST FUND

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**TOWNSHIP OF LITTLE EGG HARBOR
TRUST FUND
SCHEDULE OF CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2018**

	<u>TRUST OTHER</u>	<u>TRUST ASSESSMENT</u>
Balance December 31, 2017	\$ 3,095,391.65	\$ 54,096.41
Increased by Receipts:		
Escrow Fees	\$ 908,872.04	\$ -
Open Space	27,155.72	-
Recreation	0.05	-
Forfeited Funds	26,547.15	-
COAH Fees	74,133.43	-
Sick/Vacation Funds	150,000.00	-
Federal Forfeiture	12.61	-
Police K-9 Equipment Donations	1,872.00	-
Police Evidence Deposits	3,352.80	-
Interfunds Received	930,657.97	-
Interest	-	-
	<u>2,122,603.77</u>	<u>-</u>
Subtotal	<u>5,217,995.42</u>	<u>54,096.41</u>
Decreased by Disbursements:		
Escrow Fees	860,736.97	-
Planning Board	52,296.38	-
Open Space	63,859.79	-
COAH Fees	33,175.00	-
Sick/Vacation Funds	146,166.94	-
Federal Forfeiture	1,600.00	-
Police K-9 Equipment Donations	135.92	-
Forfeited Funds	14,425.30	-
	<u>1,172,396.30</u>	<u>-</u>
Balance December 31, 2018	<u><u>\$ 4,045,599.12</u></u>	<u><u>\$ 54,096.41</u></u>

**SCHEDULE OF CASH - COLLECTOR - TAX TITLE LIEN REDEMPTION
FOR THE YEAR ENDED DECEMBER 31, 2018**

Balance December 31, 2017	\$ 1,706,969.93
Increased by Receipts:	
Deposits for Redemption of Tax Sale Certificates	<u>2,882,076.91</u>
Subtotal	4,589,046.84
Decreased by Disbursements:	
Refunds - Tax Sale Certificates Redeemed	<u>3,113,787.10</u>
Balance December 31, 2018	<u><u>\$ 1,475,259.74</u></u>

**TOWNSHIP OF LITTLE EGG HARBOR
TRUST FUND
SCHEDULE OF CASH - ANIMAL CONTROL
FOR THE YEAR ENDED DECEMBER 31, 2018**

Balance December 31, 2017	\$	-
Increased by Receipts:		
Dog License Fees	7,429.20	
State Dog License Fees	1,489.80	8,919.00
		<hr/>
Subtotal		8,919.00
Decreased by Disbursements:		
Disbursements to State of New Jersey	1,489.80	
Disbursements for Dog License Expenses	7,402.20	8,892.00
		<hr/>
Balance December 31, 2018	\$	<u>27.00</u>

**SCHEDULE OF RESERVE FOR DOG FUND EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2018**

Balance December 31, 2017	\$	-
Increased by:		
Dog Licenses		8,919.00
		<hr/>
Decreased by:		
Expenditures		8,892.00
		<hr/>
Balance	\$	<u>27.00</u>

LICENSE FEES COLLECTED

YEAR	AMOUNT
2017	7,683.00
2016	8,645.40
	<hr/>
Total	\$ <u>16,328.40</u>

**SCHEDULE OF DEPOSITS FOR REDEMPTION OF TAX SALE CERTIFICATES
FOR THE YEAR ENDED DECEMBER 31, 2018**

Balance December 31, 2017	\$	1,706,969.93
Increased by Receipts:		
Deposits Received - Collector		2,882,076.91
		<hr/>
Subtotal		4,589,046.84
Decreased by Disbursements:		
Refunds - Tax Sale Certificates		3,113,787.10
		<hr/>
Balance December 31, 2018	\$	<u>1,475,259.74</u>

EXHIBIT B-6

**TOWNSHIP OF LITTLE EGG HARBOR
TRUST FUND
SCHEDULE OF RESERVE FOR ESCROW DEPOSITS
FOR THE YEAR ENDED DECEMBER 31, 2018**

Balance December 31, 2017	\$ 1,351,109.86
Increased by:	
Escrow Deposits Received	<u>908,872.04</u>
Subtotal	2,259,981.90
Decreased by:	
Disbursements	<u>860,736.97</u>
Balance December 31, 2018	<u><u>\$ 1,399,244.93</u></u>

EXHIBIT B-7

**SCHEDULE OF RESERVE FOR FORFEITED PROPERTY
FOR THE YEAR ENDED DECEMBER 31, 2018**

Balance December 31, 2017	\$ 28,798.88
Increased by:	
Cash Receipts	<u>26,547.15</u>
Subtotal	55,346.03
Decreased by:	
Disbursements	<u>14,425.30</u>
Balance December 31, 2018	<u><u>\$ 40,920.73</u></u>

**TOWNSHIP OF LITTLE EGG HARBOR
TRUST FUND
SCHEDULE OF RESERVE FOR PLANNING BOARD
FOR THE YEAR ENDED DECEMBER 31, 2018**

Balance December 31, 2017	\$ 80,011.94
Decreased by:	
Escrow Fees	<u>52,296.38</u>
Balance December 31, 2018	<u><u>\$ 27,715.56</u></u>

**SCHEDULE OF RESERVE FOR RECREATION
FOR THE YEAR ENDED DECEMBER 31, 2018**

Balance December 31, 2017	\$ 2,057.00
Increased by:	
Interest Earnings	<u>0.05</u>
Balance December 31, 2018	<u><u>\$ 2,057.05</u></u>

**TOWNSHIP OF LITTLE EGG HARBOR
SCHEDULE OF RESERVE FOR OPEN SPACE
FOR THE YEAR ENDED DECEMBER 31, 2018**

Balance December 31, 2017			\$ 2,239,689.26
Increased by:			
Tax Levy - Due from Current Fund	\$	23,376.71	
Cash Receipts		<u>3,779.01</u>	<u>27,155.72</u>
Subtotal			2,266,844.98
Decreased by:			
Disbursements			<u>543,859.79</u>
Balance December 31, 2018			<u><u>\$ 1,722,985.19</u></u>

**SCHEDULE OF RESERVE FOR COMMUNITY CENTER
FOR THE YEAR ENDED DECEMBER 31, 2018**

Balance December 31, 2018 and 2017			<u><u>\$ 3,582.88</u></u>
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TOWNSHIP OF LITTLE EGG HARBOR
SCHEDULE OF RESERVE FOR FEDERAL FORFEITURE LAW ENFORCEMENT FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018

Balance December 31, 2017	\$ 5,853.05
Increased by:	
Receipts	<u>12.61</u>
Subtotal	5,865.66
Decreased by:	
Disbursements	<u>1,600.00</u>
Balance December 31, 2018	<u><u>\$ 4,265.66</u></u>

SCHEDULE OF RESERVE FOR SICK AND VACATION TIME TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

Balance December 31, 2017	\$ 46,294.81
Increased by:	
Receipts	<u>150,000.00</u>
Subtotal	196,294.81
Decreased by:	
Disbursements	<u>146,166.94</u>
Balance December 31, 2018	<u><u>\$ 50,127.87</u></u>

**TOWNSHIP OF LITTLE EGG HARBOR
SCHEDULE OF RESERVE FOR COAH TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2018**

Balance December 31, 2017	\$ 260,600.72
Increased by:	
Receipts	<u>74,133.43</u>
Subtotal	334,734.15
Decreased by:	
Disbursements	<u>33,175.00</u>
Balance December 31, 2018	<u><u>\$ 301,559.15</u></u>

**SCHEDULE OF RESERVE FOR POLICE COMMUNITY ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018**

Balance December 31, 2018 and 2017	<u><u>\$ 1,100.00</u></u>
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TOWNSHIP OF LITTLE EGG HARBOR
SCHEDULE OF RESERVE FOR POLICE K-9 EQUIPMENT DONATIONS
FOR THE YEAR ENDED DECEMBER 31, 2018

Balance December 31, 2017	\$ -
Increased by:	
Receipts	<u>1,872.00</u>
Subtotal	1,872.00
Decreased by:	
Disbursements	<u>135.92</u>
Balance December 31, 2018	<u><u>\$ 1,736.08</u></u>

SCHEDULE OF RESERVE FOR POLICE EVIDENCE DEPOSITS
FOR THE YEAR ENDED DECEMBER 31, 2018

Balance December 31, 2017	\$ -
Increased by:	
Receipts	<u>3,352.80</u>
Balance December 31, 2018	<u><u>\$ 3,352.80</u></u>

GENERAL CAPITAL FUND

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**TOWNSHIP OF LITTLE EGG HARBOR
GENERAL CAPITAL FUND
SCHEDULE OF FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2018**

Balance December 31, 2018 and 2017	<u><u>\$ 73,777.92</u></u>
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**SCHEDULE OF CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2018**

Balance December 31, 2017	\$ 190,867.85
Increased by Receipts:	
Received from Grant Fund	\$ 476,528.14
Received from Current Fund	1,298,995.86
Received from NJEIT	1,024,368.00
Grant Receipts	132,178.46
Premiums on BANs	63,987.00
BAN Issued	6,440,000.00
	9,436,057.46
Subtotal	9,626,925.31
Decreased by Disbursements:	
Improvement Authorizations	5,237,463.21
Transferred to Open Space Fund	1,000,000.00
Transfer to Current Fund	1,000,000.00
	7,237,463.21
Balance December 31, 2018	<u><u>\$ 2,389,462.10</u></u>

**TOWNSHIP OF LITTLE EGG HARBOR
GENERAL CAPITAL FUND
ANALYSIS OF CASH
AT DECEMBER 31, 2018**

	BALANCE (OVERDRAFT) DECEMBER 31, 2017	BOND ANTICIPATION NOTES/BONDS	DISBURSEMENTS			TRANSFERS		BALANCE (OVERDRAFT) DECEMBER 31, 2018
			RECEIPTS MISCELLANEOUS	IMPROVEMENT AUTHORIZATIONS	MISCELLANEOUS	FROM TO		
Fund Balance	\$ 73,777.92	\$ -	\$ -	-	\$ -	-	\$ -	\$ 73,777.92
Due Grant Fund	(444,528.14)	-	476,528.14	-	-	-	32,000.00	-
Capital Improvement Fund	32,394.00	-	100,000.00	-	-	-	103,850.00	67,500.00
Reserve for Repayment of Debt	-	-	-	-	-	-	-	780,233.44
Reserve for Debt Service - BAN Premiums	-	-	63,987.00	-	-	-	-	63,987.00
Due Current Fund	(198,995.86)	-	1,198,995.86	-	-	-	-	-
Due Open Space Trust Fund	1,000,000.00	-	-	-	-	-	480,000.00	(480,000.00)
Due to County - CDBG	3,722.00	-	-	-	-	-	-	3,722.00
Excess BAN Funding		-	-	-	-	-	-	657,597.83
IMPROVEMENT AUTHORIZATIONS:								
ORDINANCE								
NUMBER								
96-10	Satellite Repeaters & Logging Recorders	-	-	-	-	-	-	(250.00)
99-23	Municipal Complex	-	-	-	-	-	-	(2,230.00)
00-05	Sewer Line Extension - Atlantis	-	-	-	-	-	-	(4,571.00)
00-06	Water Line Extension - Atlantis	-	-	-	-	-	5,561.74	-
02-22	Purchase of Street Sweeper	-	-	-	-	-	-	(80.00)
02-23	Acquisition of Land - Parker Run	-	-	-	-	-	-	-
02-41	Construction of Municipal Complex	-	-	-	-	-	18,566.64	-
03-06	Acquisition of Trash Trucks & Cans	-	-	-	-	-	4,593.86	-
		-	-	-	-	-	16.06	-
Subtotal	487,977.22	-	1,839,511.00	-	-	2,000,000.00	644,588.30	1,188,231.19

**TOWNSHIP OF LITTLE EGG HARBOR
GENERAL CAPITAL FUND
ANALYSIS OF CASH
AT DECEMBER 31, 2018**

ORDINANCE NUMBER		BALANCE (OVERDRAFT) DECEMBER 31, 2017	BOND ANTICIPATION NOTES/BONDS	RECEIPTS		DISBURSEMENTS		TRANSFERS		BALANCE (OVERDRAFT) DECEMBER 31, 2018
				MISCELLANEOUS	BOND	IMPROVEMENT	MISCELLANEOUS	FROM	TO	
04-04	Acquisition of Trash Trucks	2,465.67	-	-	-	2,465.67	-	-	-	-
04-15	Acquisition of Fuel Depot	2,265.45	-	-	-	-	-	2,265.45	-	-
05-05	Bulkhead Construction at Parkertown Dock	13,837.33	-	-	-	-	-	13,837.33	-	-
05-16	Acquisition of a Tractor	924.60	-	-	-	-	-	924.60	-	-
05-22	Construction of Recreation Trail	1,221.48	-	-	-	-	-	1,221.48	-	-
06-07	Various Road Improvements	243,048.00	-	-	-	-	-	243,048.00	-	-
06-15	Construction of Softball Field & Tot Lot	131.10	-	-	-	-	-	131.10	-	-
07-04	Construction of North Burgee Drive	32,446.08	-	-	-	-	-	32,446.08	-	-
07-10	Acquisition of Garbage Truck	15,498.00	-	-	-	10,401.93	-	5,096.07	-	-
07-25	Acquisition of Land	67,500.00	-	-	-	-	-	67,500.00	-	-
08-03	Acquisition & Installation of Automatic Doors	14,890.26	-	-	-	-	-	14,890.26	-	-
08-04	Improvements to Lexington Drive	161,439.07	-	-	-	-	-	161,439.07	-	-
09-05	Improvements to Forest Edge Drive	92,617.32	-	-	-	-	-	92,617.32	-	-
09-06	Improvements to Frog Pond Road	59,026.54	-	-	-	(111,471.46)	-	170,498.00	-	-
09-13	Various Capital Improvements	322,878.61	-	-	-	111,471.46	-	211,407.15	-	-
11-15	Various Capital Improvements	168,363.93	-	-	-	-	-	168,363.93	-	-
12-12	Various Capital Improvements	126,728.67	-	-	-	-	-	126,728.67	-	-
13-14	Various Capital Improvements	423,950.06	-	-	-	500.00	-	-	-	423,450.06
14-10	Various Capital Improvements	(669,301.66)	-	-	-	(142,777.56)	-	-	-	(526,524.10)
16-05	Various Capital Improvements	(832,377.80)	3,320,250.00	-	-	1,641,088.80	-	132,178.46	-	714,604.94
17-08	Various Capital Improvements	(544,662.08)	1,619,750.00	132,178.46	-	658,174.37	-	32,000.00	32,000.00	549,092.01
18-08	Twin Lakes Blvd Drainage	-	-	1,024,368.00	-	2,086,159.95	-	-	-	(1,061,791.95)
18-12	Dredging Osborn Island	-	1,500,000.00	-	-	787,472.24	-	-	-	712,527.76
18-13	Various General Improvements	-	-	-	-	193,977.81	-	-	103,850.00	(90,127.81)
18-14	Improvements Veterans Park	-	-	-	-	-	-	-	480,000.00	480,000.00
Subtotal		(297,109.37)	6,440,000.00	1,156,546.46	-	5,237,463.21	-	1,476,592.97	615,850.00	1,201,230.91
\$	Total Analysis of Cash	190,867.85	\$ 6,440,000.00	\$ 2,996,057.46	\$ 5,237,463.21	\$ 2,000,000.00	\$ 2,121,181.27	\$ 2,121,181.27	\$	2,389,462.10

**TOWNSHIP OF LITTLE EGG HARBOR
GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED
FOR THE YEAR ENDED DECEMBER 31, 2018**

Balance December 31, 2017			\$ 9,313,554.31
Increased by:			
NJEIT Loans issued			<u>4,050,329.00</u>
Subtotal			13,363,883.31
Decreased by:			
2018 Budget Appropriation to Pay General Serial Bonds	\$ 1,120,000.00		
Green Trust Loan Bonds	<u>69,528.06</u>	1,189,528.06	
Balance December 31, 2018			<u><u>\$ 12,174,355.25</u></u>

**TOWNSHIP OF LITTLE EGG HARBOR
GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED
FOR THE YEAR ENDED DECEMBER 31, 2018**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2017	2018 AUTHORIZATIONS	BAN'S PAID	LOANS ISSUED/ AID RECEIVED	CANCELLED RESOLUTION	BALANCE DECEMBER 31, 2018	ANALYSIS OF BALANCE DECEMBER 31, 2018					BOND ANTICIPATION NOTES
								UNEXPENDED IMPROVEMENT AUTHORIZATION	ENCUMBERED	EXPENDED	EXCESS FINANCING		
96-1099-09	Satellite Repeaters & Logging Recorders	\$ 250.00	\$ -	\$ -	\$ -	-	250.00	\$ -	\$ -	250.00	\$ -	\$ -	
99-23	Municipal Complex	2,230.00	-	-	-	-	2,230.00	-	-	2,230.00	-	-	
00-05	Sewer Line Extension - Atlantis	4,571.00	-	-	-	-	4,571.00	-	-	4,571.00	-	-	
02-08	Improvements to Cherrywood Drive	29,052.00	-	1,614.00	-	-	27,438.00	-	-	-	-	-	27,438.00
02-14-36	Construction of Recreation Facilities	39,325.00	-	1,405.00	-	-	37,920.00	-	-	-	-	-	37,920.00
02-22	Purchase of Street Sweeper	80.00	-	-	-	-	80.00	-	-	-	-	-	
02-23	Acquisition of Land - Parker Run	45,960.00	-	590.00	-	18,566.64	26,803.36	-	-	80.00	(18,566.64)	-	45,370.00
03-07	Acquisition of Sport Utility Vehicles	649.00	-	649.00	-	-	-	-	-	-	-	-	
05-19	Road Improvements - Various	111,315.00	-	12,370.00	-	-	98,945.00	-	-	-	-	-	98,945.00
07-04	Construction of North Bugee Drive	161,052.00	-	17,925.00	-	32,446.08	110,680.92	-	-	-	(32,446.08)	-	143,127.00
07-10	Acquisition of Garbage Truck	152,000.00	-	38,000.00	-	5,096.07	108,903.93	-	-	-	(5,096.07)	-	114,000.00
07-25	Acquisition of Land	1,282,500.00	-	-	-	1,282,500.00	-	-	-	-	-	-	-
08-03	Acquisition & Installation of Automatic Doors	23,297.00	-	2,297.00	-	14,890.26	6,109.74	-	-	-	(14,890.26)	-	21,000.00
08-04	Improvements to Lexington Drive	374,850.00	-	41,650.00	-	161,439.07	171,760.93	-	-	-	(161,439.07)	-	333,200.00
09-05	Improvements to Forest Edge Drive	193,500.00	-	21,500.00	-	92,617.32	79,382.68	-	-	-	(92,617.32)	-	172,000.00
09-06	Improvements to Frog Pond Road	398,458.00	-	22,000.00	-	200,458.00	176,000.00	-	-	-	-	-	176,000.00
09-13	Various Capital Improvements	(29,960.00)	-	-	-	(29,960.00)	-	-	-	-	-	-	-
11-15	Various Capital Improvements	1,100,171.00	-	-	-	168,363.93	931,807.07	-	-	-	(168,363.93)	-	1,100,171.00
12-12	Various Capital Improvements	-	-	-	-	-	-	-	-	-	-	-	-
13-14	Various Capital Improvements	1,924,829.00	-	114,000.00	-	-	1,810,829.00	-	-	-	-	-	1,810,829.00
14-10	Various Capital Improvements	1,871,500.00	-	-	-	-	1,871,500.00	1,033,886.90	311,089.00	526,524.10	-	-	-
16-05	Various Capital Improvements	3,320,250.00	-	-	132,178.46	-	3,188,071.54	-	-	-	(132,178.46)	-	3,320,250.00
17-08	Various Capital Improvements	1,619,750.00	-	-	32,000.00	-	1,587,750.00	-	-	-	(32,000.00)	-	1,619,750.00
18-08	Twin Lakes Blvd Drainage	-	4,250,000.00	-	4,050,329.00	-	199,671.00	199,671.00	-	-	-	-	-
18-12	Dredging Osborn Island	-	4,000,000.00	-	-	-	4,000,000.00	2,483,330.00	16,670.00	-	-	-	1,500,000.00
18-13	Various General Improvements	-	1,973,150.00	-	-	-	1,973,150.00	1,682,183.19	200,839.00	90,127.81	-	-	-
Total		\$ 12,625,629.00	\$ 10,223,150.00	\$ 274,000.00	\$ 4,214,507.46	\$ 1,946,417.37	\$ 16,413,854.17	\$ 5,399,071.09	\$ 528,598.00	\$ 623,782.91	\$ (657,597.83)	\$	10,520,000.00

Improvement Authorizations Unfunded

Less Unexpended Proceeds Of Bond

Anticipation notes Issued :

7,673,708.27

423,450.06

726,783.40

411,875.96

712,527.76

5,399,071.09

**TOWNSHIP OF LITTLE EGG HARBOR
GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2018**

Balance December 31, 2017		\$	32,394.00
Increased By:			
Authorization Cancelled	\$	67,500.00	
Transfer from Current Fund Budget		100,000.00	167,500.00
			<hr/>
Subtotal			199,894.00
Decreased By:			
Appropriated to Finance Improvement Authorizations			103,850.00
			<hr/>
Balance December 31, 2018		\$	<u>96,044.00</u>

TOWNSHIP OF LITTLE EGG HARBOR
GENERAL CAPITAL FUND
STATEMENT OF IMPROVEMENT AUTHORIZATIONS
FOR THE YEAR ENDED DECEMBER 31, 2018

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	ORDINANCE		BALANCE DECEMBER 31, 2017		RECLASSIFICATION 2018		PRIOR YEAR		AUTHORIZATION		CURRENT YEAR ENCUMBRANCES		BALANCE DECEMBER 31, 2018	
		DATE	AMOUNT	FUNDED	UNFUNDED	AUTHORIZATIONS	PAYABLES	EXPENDED	CANCELLED	PAYABLE	FUNDED	UNFUNDED			
00-06	Water Line Extension - Atlantis	5/11/00	\$ 177,800.00	\$ 5,561.74		\$ -	\$ -	\$ -		\$ 5,561.74	\$ -				
02-23	Acquisition of Land - Parker Run	5/23/02	49,000.00	-	18,566.64	-	-	-		18,566.64	-				-
02-41	Construction of Municipal Complex	11/25/02	6,550,000.00	4,593.86	-		-	-		4,593.86	-				-
03-06	Acquisition of Trash Trucks & Cans	4/10/03	800,000.00	16.06	-		-	-		16.06	-				-
04-04	Acquisition of Trash Trucks			2,465.67	-		-	-		2,465.67	-				-
04-15	Acquisition of Fuel Depot			2,265.45	-		-	-		2,265.45	-				-
05-05	Bulkhead Construction at Parkertown Dock	2/24/05	225,150.00	13,837.33	-		-	-		13,837.33	-				-
05-16	Acquisition of a Tractor	6/23/05	56,000.00	924.60	-		-	-		924.60	-				-
05-22	Construction of Recreation Trail	9/22/05	60,000.00	1,221.48	-		-	-		1,221.48	-				-
06-07	Various Road Improvements	6/22/06	1,170,000.00	243,048.00	-		-	-		243,048.00	-				-
06-15	Construction of Softball Field & Tot Lot	8/10/06	470,000.00	131.10	-		-	-		131.10	-				-
07-04	Construction of North Burgee Drive	3/08/07	325,000.00	-	32,446.08	-	-	-		32,446.08	-				-
07-10	Acquisition of Garbage Truck	6/14/07	180,000.00	-	15,498.00	-	-	-		15,498.00	-				-
07-25	Acquisition of Land	12/13/07	1,350,000.00	67,500.00	1,282,500.00	-	-	-		10,401.93	5,096.07	-			-
08-03	Acquisition & Installation of Automatic Doors	3/13/08	60,400.00	-	14,890.26	-	-	-		14,890.26	-				-
08-04	Improvements to Lexington Drive	3/13/08	566,500.00	-	161,439.07	-	-	-		161,439.07	-				-
09-05	Improvements to Forest Edge Drive	4/9/09	440,000.00	-	92,617.32	-	-	-		92,617.32	-				-
09-06	Improvements for Frog Pond Road	4/9/09	520,000.00	-	59,026.54	-	-	-		(111,471.46)	170,498.00	-			-
09-13	Various Capital Improvements	12/10/09	1,730,000.00	493,376.61	-		-	-		111,471.46	381,905.15	-			-
11-15	Various Capital Improvements	12/22/11	1,820,000.00	-	168,363.93	-	-	-		168,363.93	-				-
12-12	Various Capital Improvements	12/13/12	1,700,000.00	126,728.67	-		-	-		126,728.67	-				-
13-14	Various Capital Improvements	9/12/13	2,149,850.00	-	423,950.06	-	-	-		500.00	-				423,450.06
14-10	Various Capital Improvements	7/10/14	1,970,000.00	-	1,202,198.34	-	-	-		(142,777.56)	-		311,089.00	-	1,033,886.90
16-05	Various Capital Improvements	9/08/16	3,495,000.00	-	2,487,872.20	-	-	-		1,641,088.80	-		120,000.00	-	726,783.40
17-08	Various Capital Improvements	7/13/17	1,705,000.00	-	760,699.72	-	-	-		658,174.37	-		5,037.59	-	411,875.96
18-08	Twin Lakes Blvd Drainage		4,250,000.00	-	-	4,250,000.00	-	-		2,086,159.95	-		34,315.75	-	1,929,853.30
18-12	Dredging Osborn Island		4,000,000.00	-	-	4,000,000.00	-	-		787,472.24	-		16,670.00	-	3,195,857.76
18-13	Various General Improvements		2,077,000.00	-	-	2,077,000.00	-	-		193,977.81	-		200,839.00	-	1,682,183.19
18-14	Improvements Veterans Park		480,000.00	-	-	480,000.00	-	-		-	-		-	480,000.00	-
Total			\$ 961,670.57	\$ 6,720,068.16	\$ 10,807,000.00	\$ 314,388.20	\$ 5,237,463.21	\$ 2,794,150.81	\$ 687,951.34	\$ 2,409,853.30	\$ 7,673,708.27				

**TOWNSHIP OF LITTLE EGG HARBOR
GENERAL CAPITAL FUND
STATEMENT OF BOND ANTICIPATION NOTES
AT DECEMBER 31, 2018**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	DATE OF ORIGINAL ISSUE	AMOUNT OF ORIGINAL ISSUE	DATE OF ISSUE	DATE OF MATURITY	INTEREST RATE	BALANCE DECEMBER 31, 2017	INCREASED	DECREASED	BALANCE DECEMBER 31, 2018
02-08	Improvements to Cherrywood Drive	2/04/14	\$ 30,666	2/2/2017 2/2/2018	2/2/2018 2/1/2019	1.306% 1.246%	\$ 29,052.00 -	\$ - 27,438.00	\$ 29,052.00 -	\$ - 27,438.00
02-14/36	Construction of Recreation Facilities	2/04/14	40,730	2/2/2017 2/2/2018	2/2/2018 2/1/2019	1.306% 1.246%	39,325.00 -	- 37,920.00	39,325.00 -	- 37,920.00
02-23	Acquisition of Land - Parker Run	2/04/14	46,550	2/2/2017 2/2/2018	2/2/2018 2/1/2019	1.306% 1.246%	45,960.00 -	- 45,370.00	45,960.00 -	- 45,370.00
03-07	Acquisition of Sport Utility Vehicles	2/04/14	730	2/2/2017	2/2/2018	1.306%	649.00	-	649.00	-
05-19	Road Improvements - Various	2/04/14	117,500	2/2/2017 2/2/2018	2/2/2018 2/1/2019	1.306% 1.246%	111,315.00 -	- 98,945.00	111,315.00 -	- 98,945.00
43,650	Road & Drainage Improvements North Burgee Drive	2/04/14	170,000	2/2/2017 2/2/2018	2/2/2018 2/1/2019	1.306% 1.246%	161,052.00 -	- 143,127.00	161,052.00 -	- 143,127.00
07-10	Acquisition of Garbage Truck	2/04/14	171,000	2/2/2017 2/2/2018	2/2/2018 2/1/2019	1.306% 1.246%	152,000.00 -	- 114,000.00	152,000.00 -	- 114,000.00
08-03	Acquisition & Installation of Automatic Doors for Handicap Access	2/04/14	24,130	2/2/2017 2/2/2018	2/2/2018 2/1/2019	1.306% 1.246%	23,297.00 -	- 21,000.00	23,297.00 -	- 21,000.00
08-04	Improvements to Lexington Drive	2/04/14	395,675	2/2/2017 2/2/2018	2/2/2018 2/1/2019	1.306% 1.246%	374,850.00 -	- 333,200.00	374,850.00 -	- 333,200.00
09-05	Improvements to Forest Edge Drive	2/04/14	204,250	2/2/2017 2/2/2018	2/2/2018 2/1/2019	1.306% 1.246%	193,500.00 -	- 172,000.00	193,500.00 -	- 172,000.00
09-06	Improvements to Frog Pond Road	2/04/14	209,000	2/2/2017 2/2/2018	2/2/2018 2/1/2019	1.306% 1.246%	198,000.00 -	- 176,000.00	198,000.00 -	- 176,000.00
11-15	Various Capital Improvements	2/10/12	1,610,250	2/2/2017 2/2/2018	2/2/2018 2/1/2019	1.306% 2.500%	1,100,171.00 -	- 1,100,171.00	1,100,171.00 -	- 1,100,171.00
13-14	Various Capital Improvements	2/04/14	2,042,360	2/2/2017 2/2/2018	2/2/2018 2/1/2019	1.306% 2.500%	1,924,829.00 -	- 1,810,829.00	1,924,829.00 -	- 1,810,829.00
16-05	Various Capital Improvements	2/2/2018	3,320,250	2/2/2018	2/1/2019	2.500%	-	3,320,250.00	-	3,320,250.00
17-08	Various Capital Improvements	2/2/2018	1,619,750	2/2/2018	2/1/2019	2.500%	-	1,619,750.00	-	1,619,750.00
18-12	Dredging Osborn Island	11/20/2018	1,500,000	11/20/2018	8/20/2019	2.250%	-	1,500,000.00	-	1,500,000.00
Total							\$ 4,354,000.00	\$ 10,520,000.00	\$ 4,354,000.00	\$ 10,520,000.00
Bond Anticipation Note Renewal									\$ 4,080,000.00	
Paid Down by Current Fund									274,000.00	
									<u>\$ 4,354,000.00</u>	

TOWNSHIP OF LITTLE EGG HARBOR
GENERAL CAPITAL FUND
SCHEDULE OF GENERAL SERIAL BONDS
AT DECEMBER 31, 2018

PURPOSE	DATE OF ISSUE	AMOUNT OF ORIGINAL ISSUE	MATURITIES OF				INTEREST RATE	BALANCE DECEMBER 31, 2017	DECREASED	BALANCE DECEMBER 31, 2018
			BONDS OUTSTANDING		DATE	AMOUNT				
			DECEMBER 31, 2018	DECEMBER 31, 2018						
General Obligation Refunding Bonds	2/1/2010	\$ 3,275,000		\$ 300,000	08/01/19		4.000%	\$ 1,190,000.00	\$ 300,000.00	\$ 890,000.00
				295,000	08/01/20		5.000%			
				295,000	08/01/21		5.000%			
General Obligation Refunding Bonds	5/2/2012	5,260,000		545,000	11/15/19		2.000%	3,180,000.00	545,000.00	2,635,000.00
				535,000	11/15/20		2.250%			
				525,000	11/15/21		2.500%			
				520,000	11/15/22		3.000%			
				510,000	11/15/23		2.750%			
General Obligation Bonds	2/2/2017	4,500,000		325,000	2/01/19		2.000%	4,500,000.00	275,000.00	4,225,000.00
				325,000	2/01/20		2.000%			
				275,000	2/01/21		2.000%			
				550,000	2/01/22		2.000%			
				550,000	2/01/23		2.000%			
				550,000	2/01/24		3.000%			
				550,000	2/01/25		3.000%			
				550,000	2/01/26		3.000%			
				550,000	2/01/27		3.000%			
			Totals		\$ 8,870,000.00		\$ 1,120,000.00	\$ 7,750,000.00		
			Paid from Current Fund				\$ 1,120,000.00			
			Total				\$ 1,120,000.00			

**TOWNSHIP OF LITTLE EGG HARBOR
GENERAL CAPITAL FUND
SCHEDULE OF GREEN TRUST LOAN PAYABLE
AT DECEMBER 31, 2018**

PURPOSE	DATE OF ISSUE	AMOUNT OF ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING DECEMBER 31, 2017		INTEREST RATE	BALANCE DECEMBER 31, 2017	DECREASED	BALANCE DECEMBER 31, 2018		
			DATE	AMOUNT						
Open Space Acquisition	10/22/02	\$ 255,220.00	2019	\$ 14,729.32	2.00%	\$ 75,156.68	\$ 14,439.10	\$ 60,717.58		
			2020	15,025.39						
			2021	15,327.40						
			2022	15,635.47						
Recreation Complex	7/18/02	500,000.00	2019	29,144.69	2.00%	133,165.57	28,570.42	104,595.15		
			2020	29,730.50						
			2021	30,328.08						
			2022	15,392.88						
Municipal Complex	9/7/05	250,000.00	2019	13,727.00	2.00%	107,770.00	13,457.00	94,313.00		
			2020	14,004.00						
			2021	14,285.00						
			2022	14,572.00						
			2023	14,865.00						
			2024	15,164.00						
Construction of Softball Field & Tot Lot	11/27/06	250,000.00	2025	7,696.00	2.00%	127,462.06	13,061.54	114,400.52		
			2019	13,324.07						
			2020	13,591.89						
			2021	13,865.08						
			2022	14,143.77						
			2023	14,428.06						
			2024	14,718.07						
			2025	15,013.90						
			2026	15,315.68						
Total					\$	443,554.31	\$	69,528.06	\$	374,026.25

**TOWNSHIP OF LITTLE EGG HARBOR
GENERAL CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
AT DECEMBER 31, 2018**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2017	2018 AUTHORIZATIONS /INCREASES	2018 REDUCTIONS	NOTES/LOANS ISSUED	BALANCE DECEMBER 31, 2018
96-10/99-09	Satellite Repeaters & Logging Recorders	\$ 250.00	\$ -	\$ -	\$ -	250.00
99-23	Municipal Complex	2,230.00	-	-	-	2,230.00
00-05	Sewer Line Extension - Atlantis	4,571.00	-	-	-	4,571.00
02-22	Purchase of Street Sweeper	80.00	-	-	-	80.00
07-25	Acquisition of Land	1,282,500.00	-	1,282,500.00	-	-
09-06	Improvements to Frog Pond Road	170,498.00	-	170,498.00	-	-
14-10	Various Capital Improvements	1,871,500.00	-	-	-	1,871,500.00
16-05	Various Capital Improvements	3,320,250.00	-	-	3,320,250.00	-
17-08	Various Capital Improvements	1,619,750.00	-	-	1,619,750.00	-
18-08	Twin Lakes Blvd Drainage	-	4,250,000.00	-	4,050,329.00	199,671.00
18-12	Dredging Osborn Island	-	4,000,000.00	-	1,500,000.00	2,500,000.00
18-13	Various Capital Improvements	-	1,973,150.00	-	-	1,973,150.00
Total		\$ 8,271,629.00	\$ 10,223,150.00	\$ 1,452,998.00	\$ 10,490,329.00	\$ 6,551,452.00

**TOWNSHIP OF LITTLE EGG HARBOR
GENERAL CAPITAL FUND
SCHEDULE OF STATE ROAD AID ALLOTMENTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2018**

Balance December 31, 2017	\$ 396,690.16
Decreased By:	
Grants previously received State & Federal Grant Fund	<u>396,690.16</u>
Balance December 31, 2018	<u><u>\$ -</u></u>

PAYROLL FUND

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EXHIBIT D-1

**TOWNSHIP OF LITTLE EGG HARBOR
PAYROLL FUND
STATEMENT OF PAYROLL FUND CASH
FOR THE YEAR ENDED DECEMBER 31, 2018**

Balance December 31, 2017		\$	228,900.14
Increased by:			
Receipts			<u>12,685,020.89</u>
Subtotal			12,913,921.03
Decreased by:			
Disbursements:			
Net Pay	\$	6,298,261.20	
Paid to Current		460,316.51	
Payment to Agencies		<u>5,943,315.55</u>	<u>12,701,893.26</u>
Balance December 31, 2018		\$	<u><u>212,027.77</u></u>

EXHIBIT D-2

**STATEMENT OF PAYROLL TAXES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2018**

Balance December 31, 2017		\$	203,163.50
Increased by:			
Payroll Deductions			<u>6,386,759.69</u>
Subtotal			6,589,923.19
Decreased by:			
Due Current Fund	\$	562,393.59	
Disbursements		<u>5,943,315.55</u>	<u>6,505,709.14</u>
Balance December 31, 2018		\$	<u><u>84,214.05</u></u>

ANALYSIS OF BALANCE

State Tax Liability	\$	3,603.39
PERS		30,432.92
PFRS		<u>50,177.74</u>
Balance December 31, 2018	\$	<u><u>84,214.05</u></u>

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TOWNSHIP OF LITTLE EGG HARBOR

PART II

SINGLE AUDIT SECTION

FOR THE YEAR ENDED DECEMBER 31, 2018

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY
THE UNIFORM GUIDANCE AND NEW JERSEY OMB CIRCULAR 15-08**

Honorable Mayor and Members
of the Township Committee
Township of Little Egg Harbor
County of Ocean
Little Egg Harbor, New Jersey

Report on Compliance for Each Major State Program

We have audited the Township of Little Egg Harbor's compliance with the types of compliance requirements described in the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the Township's major state programs for the year ended December 31, 2018. The Township's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with state statutes, regulations, and the terms and conditions of its state awards applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Township's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*; and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Those standards and New Jersey OMB's Circular 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the Township's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of the Township's compliance.

Opinion on Each Major State Program

In our opinion, the Township of Little Egg Harbor complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended December 31, 2018.

Report on Internal Control Over Compliance

Management of the Township of Little Egg Harbor is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Township's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and New Jersey OMB's Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and New Jersey OMB's Circular 15-08. Accordingly, this report 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
August 5, 2019

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SCHEDULE B

**TOWNSHIP OF LITTLE EGG HARBOR
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR YEAR ENDED DECEMBER 31, 2018**

<u>State Department/Agency Program Title</u>	<u>State Account Number</u>	<u>GRANT PERIOD</u>	<u>Program Expenditures</u>	<u>Passed To Sub-Recipients</u>	<u>Accumulated Expenditures</u>
New Jersey Department of Environmental Protection: Clean Communities Grant	765-042-4900-004	N/A	\$ 70,072.23	\$ -	\$ 70,072.23
Recycling Tonnage Grant	100-042-4910-224	N/A	10,326.58	-	10,326.58
NJEIT Trust Loans: Project #S344060-02 - Twin Lakes Blvd Draining	unavailable	N/A	2,120,475.70	-	2,120,475.70
Total New Jersey Department of Environmental Protection			2,200,874.51	-	2,200,874.51
Department of Transportation: Municipal Aid Program - 2017	480-078-6320-AMQ	N/A	200,000.00	-	200,000.00
Total Department of Transportation			200,000.00	-	200,000.00
Department of Law and Public Safety: Body Armor Replacement	718-066-1020-001	N/A	3,428.90	-	3,428.90
Safe and Secure Communities	100-066-1020-232	N/A	382,460.00	-	382,460.00
Post Sandy Planning Assistance	unavailable	N/A	15,930.93	-	15,930.93
Drunk Driving Enforcement Fund	unavailable	N/A	2,604.96	-	2,604.96
Total Department of Law and Public Safety			404,424.79	-	404,424.79
Total Federal Financial Assistance			\$ 2,805,299.30	\$ -	\$ 2,805,299.30

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TOWNSHIP OF LITTLE EGG HARBOR
NOTES TO SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2018

Note 1. Basis of Presentation

The accompanying schedule of expenditures of state financial assistance present the activity of all state financial assistance programs of the Township of Little Egg Harbor. The Township is defined in Note 1 of the basic financial statements. The information in this schedule is presented in accordance with the requirements of New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. All state awards received directly from state agencies, as well as state financial assistance passed through other government agencies is included on the schedule of expenditures of state financial assistance.

Note 2. Summary of Significant Accounting Policies

The accompanying schedule of state financial assistance is presented using the modified accrual basis of accounting as promulgated by the State of New Jersey, Department of Community Affairs, Division of Local Government Services, which is described in the Notes to the Financial Statements, Note 1.

The amounts shown as current year expenditures represent only the state grant portion of the program costs. Such expenditures are recognized following the cost principles contained in State of New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

The Township did not elect the 10-percent de minimis indirect cost rate as discussed in 2 CFR 200.414.

Note 3. Relationship to Basic Financial Statements

Amounts reported in the accompanying schedule agree with amounts reported in the Township's financial statements. Expenditures from awards are reported in the Township's financial statements as follows:

	State	Total
State & Federal Grant Fund	\$ 684,823.60	\$ 684,823.60
General Capital Fund	<u>2,120,475.70</u>	<u>2,120,475.70</u>
Total	<u><u>\$ 2,805,299.30</u></u>	<u><u>\$ 2,805,299.30</u></u>

TOWNSHIP OF LITTLE EGG HARBOR
NOTES TO SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2018

Note 4. Relationship to State Financial Reports

The regulations and guidelines governing the preparation of state financial reports vary by state agency and among programs administered by the same agencies. Accordingly, the amounts reported in the state financial reports do not necessarily agree with the amounts reported in the accompanying Schedule, which is prepared on the modified accrual basis of accounting as explained in Note 2.

Note 5. State Loans Outstanding

The Township had the following loan balances outstanding at December 31, 2018:

	State	Total
NJEIT Loans	<u>\$ 4,050,329.00</u>	<u>\$ 4,050,329.00</u>
Total	<u><u>\$ 4,050,329.00</u></u>	<u><u>\$ 4,050,329.00</u></u>

Note 6. Contingencies

Each of the grantor agencies reserves the right to conduct additional audits of the Township's grant program for economy, efficiency and program results. However, the Township administration does not believe such audits would result in material amounts of disallowed costs.

Note 7. Major Programs

Major programs are identified in the Summary of Auditor's Results section of the Schedule of Findings and Questioned Costs.

Section I - Summary of Auditor's Results

Type of auditor's report issued	<u>Unmodified</u>	
Internal control over financial reporting:		
1) Material weakness(es) identified?	<u> </u> yes	<u> x </u> no
2) Significant deficiency(ies) identified?	<u> </u> yes	<u> x </u> none reported
Noncompliance material to financial statements noted?	<u> </u> yes	<u> x </u> no

Dollar threshold used to determine Type A programs	<u>\$750,000.00</u>
Auditee qualified as low-risk auditee?	<u> </u> yes <u> x </u> no
Internal control over major programs:	
1) Material weakness(es) identified?	<u> </u> yes <u> x </u> no
2) Significant deficiency(ies) identified?	<u> </u> yes <u> x </u> no
Type of auditor's report issued on compliance for major programs	<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance with New Jersey OMB's Circular 15-08?	<u> </u> yes <u> x </u> no
Identification of major programs:	

[illegible]

**TOWNSHIP OF LITTLE EGG HARBOR
SCHEDULE OF FINDINGS & QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

Section II – Financial Statement Findings

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 LITTLE EGG HARBOR
SCHEDULE OF FINDINGS & QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

Section III – State Financial Assistance Findings & Questioned Costs

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance, including questioned costs, related to the audit of major state programs, as required by New Jersey OMB's Circular 15-08.

None

**TOWNSHIP OF LITTLE EGG HARBOR
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE YEAR ENDED DECEMBER 31, 2018**

This section identifies the status of prior year findings related to the financial statements and state financial assistance that are required to be reported in accordance with *Government Auditing Standards* and New Jersey OMB's Circular 15-08.

FINANCIAL STATEMENT FINDINGS

Finding No. 2017-001

Condition:

Tax adjustments and other closing entries are not being properly posted in the Township's general ledger accounting system for the Current Fund and the General Capital Fund.

Current Status:

This finding has been corrected.

STATE FINANCIAL ASSISTANCE

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

TOWNSHIP OF LITTLE EGG HARBOR

PART III

**LETTER OF COMMENTS AND RECOMMENDATIONS – REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2018**

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OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office at December 31, 2018:

<u>Name</u>	<u>Title</u>
Raymond Gormley	Mayor
Barbara Jo Crea	Deputy Mayor
John Kehm, Jr	Committeeman
Dave Schlick	Committeeman
Lisa Stevens	Committeewoman
Rodney Haines	Chief Financial Officer
Matthew Spadaccini	Township Administrator
Diana McCracken	Township Clerk
Dayna Wilson	Tax Collector, Tax Search Officer
Alina Bertram	Court Administrator

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Honorable Mayor and Members
of the Township Committee
Township of Little Egg Harbor
County of Ocean
Little Egg Harbor, New Jersey

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, 2018.

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 \$17,500 for the year ended December 31, 2018.

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 1, 2018 adopted the following resolution authorizing interest to be charged on delinquent taxes:

NOW THEREFORE, BE IT RESOLVED, that if said taxes are deemed to be delinquent for non-payment of taxes, the Tax Collector shall charge eight (8%) percent per annum on the first \$1,500.00 of the delinquency, and eighteen (18%) percent per annum on any amount in excess of \$1,500.00; and

BE IT FURTHER RESOLVED, by the Township Committee of the Township of Little Egg Harbor, that the Tax Collector shall allow that no interest will be charged on payments received and made by the tenth calendar day following the date upon which the same became payable; and

BE IT FURTHER RESOLVED, by the Township Committee of the Township of Little Egg Harbor, that the Tax Collector shall charge, in addition to the interest for delinquent taxes, as noted above, a penalty of six (6%) percent of the amount of the delinquency in taxes in excess of \$10,000.00 to a taxpayer who fails to pay the delinquency prior to the end of the calendar year.

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

OTHER COMMENTS (FINDINGS):

Finding 2018-001 – The Township had an over-expenditure in the appropriation reserve year budget during 2018.

RECOMMENDATIONS:

Finding 2018-001

That the Township transfer funds as needed to avoid over-expenditures in accordance with N.J.S.A. 40A:4-59.

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
August 5, 2019