

**TOWNSHIP OF LITTLE EGG HARBOR**

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



**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, 2017**

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

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

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

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

the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## **Opinions**

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

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

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

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

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township, as of December 31, 2017 and 2016, or the results of its operations and changes in fund balance for the years then ended.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Township, as of December 31, 2017 and 2016, and the results of its operations and changes in fund balance - regulatory basis of such funds for the years then ended, and the statements of revenues - regulatory basis, statements of expenditures - regulatory basis of the various funds, and general fixed assets group of accounts – regulatory basis, for the year ended December 31, 2017 in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

## **Other Matters**

### **Other Information**

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

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

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

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 June 8, 2018 on our consideration of the Township's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Township's internal control over financial reporting and compliance.

Respectfully submitted,

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

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

Medford, New Jersey  
June 8, 2018

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

Honorable Mayor and Members  
of the Township Committee  
Township of Little Egg Harbor  
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, 2017, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements, and have issued our report thereon dated June 8, 2018. Our report indicated that the Township's financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America but rather prepared in accordance with the regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

**Internal Control Over Financial Reporting**

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses as Finding No. 2017-001.

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be significant deficiencies as Finding No. 2017-001.

### **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.

### **Township of Little Egg Harbor's Response to Findings**

The Township of Little Egg Harbor's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Township's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Purpose of this Report**

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

Respectfully Submitted,

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

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

Medford, New Jersey  
June 8, 2018

## **BASIC FINANCIAL STATEMENTS**

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**TOWNSHIP OF LITTLE EGG HARBOR  
CURRENT FUND  
STATEMENT OF ASSETS, LIABILITIES, RESERVES  
AND FUND BALANCE - REGULATORY BASIS  
DECEMBER 31, 2017 AND 2016**

ASSETS	REFERENCE	2017	2016
Operating Fund:			
Cash:			
Treasurer	A-4	\$ 9,887,440.97	\$ 9,329,755.70
Change Fund	A	<u>1,870.00</u>	<u>1,870.00</u>
Total Cash		<u>9,889,310.97</u>	<u>9,331,625.70</u>
Other Receivables:			
Due From State of New Jersey	A	<u>244,124.89</u>	<u>206,236.51</u>
Total Other Receivables		<u>244,124.89</u>	<u>206,236.51</u>
Receivables & Other Assets With Full Reserves:			
Delinquent Property Taxes Receivable	A-5	63,632.17	79,043.96
Tax Title Liens Receivable	A-6	647,630.63	612,368.40
Property Acquired/Assessed Valuation	A-7	5,757,700.00	5,757,700.00
Revenue Accounts Receivable	A-8	14,024.06	13,176.33
Due from Trust Other	B	79,307.25	102,757.37
Due from Payroll	D	<u>25,736.64</u>	<u>4,376.62</u>
Total Receivables		<u>6,588,030.75</u>	<u>6,569,422.68</u>
Special Emergency Appropriations:			
Community Disaster Loan	A	<u>4,348,463.18</u>	<u>4,321,900.68</u>
Total Deferred Charges		<u>4,348,463.18</u>	<u>4,321,900.68</u>
Total Operating Fund Assets		<u>21,069,929.79</u>	<u>20,429,185.57</u>
Federal & State Grant Fund:			
Cash - Treasurer	A-4	977,541.95	501,833.69
Grants Receivable	A-14	1,985,939.57	2,832,513.40
Due from Current Fund	A	<u>229,846.77</u>	<u>204,889.70</u>
Total Federal & State Grant Fund Assets		<u>3,193,328.29</u>	<u>3,539,236.79</u>
Total Assets		<u>\$ 24,263,258.08</u>	<u>\$ 23,968,422.36</u>

**TOWNSHIP OF LITTLE EGG HARBOR  
CURRENT FUND  
STATEMENT OF ASSETS, LIABILITIES, RESERVES  
AND FUND BALANCE - REGULATORY BASIS  
DECEMBER 31, 2017 AND 2016**

LIABILITIES RESERVES & FUND BALANCE	REFERENCE	2017	2016
Operating Fund:			
Appropriation Reserve:			
Encumbered	A-3/A-9	\$ 56,691.20	\$ 101,414.73
Unencumbered	A-3	1,323,988.34	2,391,002.56
Prepaid Taxes	A-4	1,765,588.34	618,861.18
Tax Overpayments	A	165,325.29	56,920.22
Due County for Added & Omitted Taxes	A	128,995.83	156,026.11
Due Municipal Open Space Tax Fund	B	-	112,229.83
Local School Taxes Payable	A-10	1,033,336.00	785,174.00
Regional School Taxes Payable	A-11	185,423.00	250,490.00
Special District Taxes Payable	A	20,740.00	20,840.00
Due Bass River - UCC Fees	A	3,110.20	1,953.70
Due to State - DCA Training Fees	A	17,828.83	23,781.83
Due General Capital Fund	C	198,995.86	32,260.01
Due to Grant Fund	A	229,846.77	204,889.70
Reserve for Insurance Proceeds	A-13	2,419.00	32,000.00
Reserve for Reassessment	A-13	100,047.00	100,047.00
Reserve for Closed Escrow Accounts	A-13	54,291.00	54,291.00
Reserve for FEMA Proceeds	A	50,000.00	-
CDL - Loan Payable	A	4,250,000.00	4,250,000.00
CDL - Interest Payable	A	98,463.18	71,900.68
Total Operating Liabilities		<u>9,685,089.84</u>	<u>9,264,082.55</u>
Reserve for Receivables	A	6,588,030.75	6,569,422.68
Fund Balance	A-1	<u>4,796,809.20</u>	<u>4,595,680.34</u>
Total Operating Fund		<u>21,069,929.79</u>	<u>20,429,185.57</u>
Federal & State Grant Fund:			
Reserve for State Grants:			
Appropriated Reserves	A-15	2,726,886.33	3,471,457.36
Unappropriated Reserves	A-16	13,986.42	13,986.42
Encumbrances Payable	A-15	7,927.40	53,793.01
Due to General Capital Fund	C	444,528.14	-
Total Federal & State Grant Fund		<u>3,193,328.29</u>	<u>3,539,236.79</u>
Total Liabilities Reserve & Fund Balance		<u>\$ 24,263,258.08</u>	<u>\$ 23,968,422.36</u>

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

**TOWNSHIP OF LITTLE EGG HARBOR  
CURRENT FUND  
STATEMENT OF OPERATIONS AND CHANGES  
IN FUND BALANCE - REGULATORY BASIS  
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

	2017	2016
Revenue & Other Income Realized:		
Fund Balance Utilized	\$ 2,850,000.00	\$ 2,950,000.00
Miscellaneous Revenues Anticipated	3,903,222.51	6,160,088.97
Receipts From Delinquent Taxes	137,618.41	42,194.74
Receipts From Current Taxes	54,748,254.81	54,217,629.37
Nonbudget Revenues	792,584.27	238,167.82
Other Credits to Income:		
Prior Year Accounts Payable Cancelled	-	15,381.00
Unexpended Balance of Appropriation Reserves	<u>1,533,417.41</u>	<u>1,212,218.03</u>
 Total Revenue & Other Income	 <u>63,965,097.41</u>	 <u>64,835,679.93</u>
Expenditures:		
Budget & Emergency Appropriations:		
Appropriations Within "CAPS":		
Operations:		
Salaries and Wages	9,014,855.00	9,129,400.00
Other Expenses	7,235,617.23	7,803,559.36
Deferred Charges & Statutory Expenditures	2,158,862.32	2,156,536.00
Appropriations Excluded From "CAPS":		
Operations:		
Salaries and Wages	425,000.00	450,000.00
Other Expenses	599,263.43	578,461.33
Capital Improvement Fund	100,000.00	-
Municipal Debt Service	1,733,048.86	1,483,275.94
Deferred Charges	-	1,737,194.00
County Taxes	9,798,551.88	9,789,039.36
Local District School Tax	13,152,713.00	12,789,659.00
Regional High School Tax	14,764,513.00	14,727,765.00
Special District Taxes	1,673,951.00	1,597,452.00
Municipal Open Space	23,349.96	57,066.22
Tax Overpayment Adjustment	68,965.00	92,157.00
Interfund Advances	<u>165,277.87</u>	<u>147,170.38</u>
 Total Expenditures	 <u>60,913,968.55</u>	 <u>62,538,735.59</u>
 Excess/(Deficit) in Revenue	 3,051,128.86	 2,296,944.34
Adjustments to Income before Fund Balance		
Expenditures Included Above Which Are by Statute Deferred Charges to Budget of Succeeding Years	 <u>-</u>	 <u>-</u>
 Statutory Excess to Fund Balance	 3,051,128.86	 2,296,944.34
 Fund Balance January 1,	 <u>4,595,680.34</u>	 <u>5,248,736.00</u>
 Total	 7,646,809.20	 7,545,680.34
Decreased by: Utilized as Anticipated Revenue	<u>2,850,000.00</u>	<u>2,950,000.00</u>
 Fund Balance December 31, 2016	 <u><u>\$ 4,796,809.20</u></u>	 <u><u>\$ 4,595,680.34</u></u>

The accompanying Notes to the 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, 2017**

	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	10,564.00	-	10,376.00	(188.00)
Other	105,000.00	-	93,915.55	(11,084.45)
Municipal Court	240,000.00	-	231,965.44	(8,034.56)
Interest & Cost on Taxes	80,000.00	-	101,943.18	21,943.18
Payments in Lieu of Taxes	65,000.00	-	68,316.48	3,316.48
Energy Receipts Tax	1,299,939.00	-	1,299,939.00	-
Uniform Construction Code Fees	733,000.00	-	754,201.00	21,201.00
Garden State Trust	149,117.00	-	149,117.00	-
Tower Rental	192,500.00	-	183,987.39	(8,512.61)
SRO Reimbursement	185,000.00	-	327,474.10	142,474.10
CATV Franchise Fees	80,000.00	-	92,458.94	12,458.94
Additional Revenues Offset With Appropriations:				
Clean Communities Program	-	53,425.51	53,425.51	-
Recycling Revenue and Residue	-	21,676.40	21,676.40	-
Ocean County Recycling Revenue and Residue	-	9,849.02	9,849.02	-
Body Armor Replacement	-	3,794.15	3,794.15	-
Recycling Tonnage Grant	31,060.86	-	31,060.86	-
Safe and Secure Communities	60,000.00	-	60,000.00	-
Alcohol Education and Rehabilitation	782.00	64.34	846.34	-
Policy and Planning CZM	-	153.75	153.75	-
National Fish and Wildlife	-	2,540.00	2,540.00	-
NJDEP Living Shore Grant	-	400,000.00	400,000.00	-
OEM Reimbursement Grant	-	6,182.40	6,182.40	-
Total Miscellaneous	3,231,962.86	497,685.57	3,903,222.51	173,574.08
Receipts from Delinquent Taxes	40,000.00	-	137,618.41	97,618.41
Subtotal General Revenues	6,121,962.86	497,685.57	6,890,840.92	271,192.49
Amount to be Raised by Taxes for Support to Municipal				
Budget - Local Tax for Municipal Purposes	15,000,655.81	-	15,688,832.23	688,176.42
Budget Totals	21,122,618.67	497,685.57	22,579,673.15	959,368.91
Nonbudget Revenues	-	-	792,584.27	792,584.27
Total	\$ 21,122,618.67	\$ 497,685.57	\$ 23,372,257.42	\$ 1,751,953.18

**TOWNSHIP OF LITTLE EGG HARBOR**  
**CURRENT FUND**  
**STATEMENT OF REVENUES - REGULATORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**  
**ANALYSIS OF REALIZED REVENUE**

**Allocation of Current Tax Collections:**

Revenue From Collections	\$ 54,748,254.81
Allocated to - School, County & Special District Taxes	<u>39,413,078.84</u>
Balance for Support of Municipal Budget Revenues	15,335,175.97
Add: Appropriation - "Reserve for Uncollected Taxes"	<u>353,656.26</u>
Amount for Support of Municipal Budget Appropriations	<u><u>\$ 15,688,832.23</u></u>

**Receipts From Delinquent Taxes:**

Delinquent Tax Collections	\$ 26,381.30
Tax Title Lien Collections	<u>111,237.11</u>
Total Receipts From Delinquent Taxes	<u><u>\$ 137,618.41</u></u>

**Analysis of Nonbudget Revenue:**

Treasurer:	
Insurance Reimbursements	\$ 45,455.49
Trash Cans	16,020.00
Restitution	352.50
Senior & Vet Admin Fee	6,675.92
FEMA Reimbursement	648,308.63
Other	<u>75,771.73</u>
Total Analysis of Nonbudget Revenue	<u><u>\$ 792,584.27</u></u>

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

**TOWNSHIP OF LITTLE EGG HARBOR**  
**CURRENT FUND**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

OPERATIONS	APPROPRIATIONS		EXPENDED				CANCELLED
	BUDGET	BUDGET AFTER MODIFICATION	PAID	ENCUMBERED	RESERVED		
<b>General Government:</b>							
General Administration:							
Salaries and Wages	\$ 70,000.00	\$ 65,500.00	\$ 50,171.40	\$ -	\$ 15,328.60	\$ -	
Other Expenses	15,000.00	15,000.00	1,540.00	-	13,460.00	-	
Mayor and Committee:							
Salaries and Wages	83,000.00	83,000.00	82,917.87	-	82.13	-	
Other Expenses	5,000.00	5,000.00	1,628.15	-	3,371.85	-	
Municipal Clerk:							
Salaries and Wages	247,000.00	247,000.00	233,851.92	-	13,148.08	-	
Other Expenses	65,000.00	69,500.00	68,770.84	505.56	223.60	-	
Financial Administration (Treasury):							
Salaries and Wages	254,000.00	247,000.00	245,037.00	-	1,963.00	-	
Other Expenses	45,000.00	40,000.00	31,957.03	239.37	7,803.60	-	
Audit Services:							
Other Expenses	67,500.00	67,500.00	35,161.00	-	32,339.00	-	
Revenue Administration (Tax Collection):							
Salaries and Wages	186,000.00	186,000.00	182,033.03	-	3,966.97	-	
Other Expenses:							
Tax Sale Costs	10,000.00	10,000.00	5,508.42	105.20	4,386.38	-	
Miscellaneous Other Expenses	25,000.00	25,000.00	14,460.61	3,678.45	6,860.94	-	
Tax Assessment Administration:							
Salaries and Wages	238,000.00	238,000.00	235,612.31	-	2,387.69	-	
Other Expenses	7,500.00	7,500.00	2,732.89	-	4,767.11	-	
Liquidation of Tax Title Liens & Foreclosed Property - Other Expenses	5,000.00	5,000.00	-	-	5,000.00	-	
Legal Services (Legal Department):							
Other Expenses	260,000.00	330,000.00	306,335.21	-	23,664.79	-	
Engineering Services:							
Other Expenses	120,000.00	129,500.00	112,352.14	-	17,147.86	-	
Economic Development Agencies:							
Salaries and Wages	1,200.00	1,200.00	-	-	1,200.00	-	
Other Expenses	3,500.00	3,500.00	900.00	-	2,600.00	-	
<b>Land Use Administration:</b>							
Planning Board:							
Salaries and Wages	21,000.00	21,000.00	20,400.00	-	600.00	-	
Other Expenses	10,000.00	9,000.00	959.00	-	8,041.00	-	
Zoning Board of Adjustment:							
Salaries and Wages	13,000.00	13,000.00	12,500.00	-	500.00	-	
Other Expenses	10,000.00	11,000.00	10,139.42	-	860.58	-	
Zoning Officer:							
Salaries and Wages	256,000.00	246,000.00	245,960.11	-	39.89	-	
Other Expenses	5,000.00	5,000.00	2,113.19	160.00	2,726.81	-	
<b>Insurance:</b>							
Liability Insurance	490,000.00	490,000.00	487,670.78	-	2,329.22	-	
Unemployment Insurance	37,000.00	37,000.00	34,229.68	-	2,770.32	-	
Group Insurance for Employees	2,470,666.55	2,470,666.55	2,465,752.90	-	4,913.65	-	
Health Benefit Waiver	177,000.00	177,000.00	176,722.16	-	277.84	-	

**TOWNSHIP OF LITTLE EGG HARBOR  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

OPERATIONS	APPROPRIATIONS		EXPENDED			CANCEL
	BUDGET	BUDGET AFTER MODIFICATION	PAID	ENCUMBERED	RESERVED	
<b>Public Safety Functions:</b>						
Police Department:						
Salaries and Wages	5,420,000.00	5,420,000.00	5,092,476.50	-	327,523.50	-
Other Expenses	204,000.00	204,000.00	173,496.50	13,440.85	17,062.65	-
Office of Emergency Management:						
Salaries and Wages	22,500.00	22,500.00	22,500.00	-	-	-
Other Expenses	5,000.00	1,000.00	920.00	-	80.00	-
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	55,000.00	44,250.00	-	10,750.00	-
<b>Public Works Functions:</b>						
Streets & Roads Maintenance:						
Salaries and Wages	220,000.00	232,000.00	229,634.40	-	2,365.60	-
Other Expenses	110,000.00	98,000.00	67,518.47	3,877.75	26,603.78	-
Solid Waste Sanitation:						
Salaries and Wages	245,000.00	255,000.00	248,111.51	-	6,888.49	-
Other Expenses	175,000.00	165,000.00	108,859.11	7,776.21	48,364.68	-
Bulk Property Maintenance Pick-Up	30,000.00	22,000.00	-	-	22,000.00	-
Solid Waste Recycling:						
Salaries and Wages	312,000.00	320,000.00	319,779.14	-	220.86	-
Other Expenses	35,000.00	27,000.00	24,998.58	88.08	1,913.34	-
Buildings & Grounds:						
Salaries and Wages	270,000.00	270,000.00	264,051.93	-	5,948.07	-
Other Expenses	125,000.00	125,000.00	89,434.94	8,073.08	27,491.98	-
Contracted Custodial Services	-	-	-	-	-	-
Vehicle Maintenance:						
Salaries and Wages	210,000.00	210,000.00	207,917.46	-	2,082.54	-
Other Expenses	150,000.00	150,000.00	128,467.29	3,617.06	17,915.65	-
Municipal Services Act:						
Other Expenses	60,000.00	60,000.00	3,414.12	-	56,585.88	-
County Mosquito Control Agency:						
Salaries and Wages	12,000.00	12,000.00	10,257.09	-	1,742.91	-
Other Expenses	60,000.00	60,000.00	8,637.94	-	51,362.06	-
<b>Health &amp; Human Services:</b>						
Public Health Services (Board of Health):						
Salaries and Wages	12,500.00	7,455.00	200.00	-	7,255.00	-
Other Expenses	7,500.00	7,500.00	3,006.20	200.00	4,293.80	-
Environmental Health Services:						
Salaries and Wages	1,200.00	1,200.00	700.00	-	500.00	-
Other Expenses	200.00	200.00	200.00	-	-	-
Animal Control Services:						
Other Expenses	60,000.00	60,000.00	44,807.00	-	15,193.00	-
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	-

**TOWNSHIP OF LITTLE EGG HARBOR  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

OPERATIONS	APPROPRIATIONS		EXPENDED			CANCEL
	BUDGET	BUDGET AFTER MODIFICATION	PAID	ENCUMBERED	RESERVED	
<b>Park &amp; Recreation Functions:</b>						
Recreation Services & Programs:						
Salaries and Wages	102,000.00	118,500.00	114,374.09	-	4,125.91	-
Other Expenses	40,000.00	23,500.00	18,871.32	333.67	4,295.01	-
Senior Center/Community Activities:						
Salaries and Wages	2,500.00	2,500.00	2,100.00	-	400.00	-
Other Expenses	2,500.00	-	-	-	-	-
<b>Utility Expenses &amp; Bulk Purchases:</b>						
Electricity	190,000.00	190,000.00	162,851.22	-	27,148.78	-
Street Lighting	395,000.00	395,000.00	365,109.76	-	29,890.24	-
Telephone	190,000.00	190,000.00	161,104.10	1,378.00	27,517.90	-
Fuel Oil/Natural Gas	40,000.00	40,000.00	26,089.07	-	13,910.93	-
Gasoline	205,000.00	205,000.00	183,539.82	9,682.20	11,777.98	-
<b>Landfill/Solid Waste Disposal Costs:</b>						
Sanitary Landfill	750,000.00	750,000.00	750,000.00	-	-	-
<b>Uniform Construction Code Enforcement Functions:</b>						
Construction Code Official:						
Salaries and Wages	500,000.00	465,000.00	426,248.63	-	38,751.37	-
Other Expenses	15,000.00	15,000.00	7,167.68	308.86	7,523.46	-
<b>Municipal Court:</b>						
Salaries and Wages	331,000.00	331,000.00	298,757.04	-	32,242.96	-
Other Expenses	25,000.00	25,000.00	13,791.01	3,127.29	8,081.70	-
Public Defender:						
Other Expenses	50,000.00	50,000.00	34,860.50	-	15,139.50	-
<b>Other Common Operating Functions (Unclassified):</b>						
Municipal Alliance Council	25,000.00	15,850.68	15,850.02	-	0.66	-
Celebration of Public Events:						
Other Expenses	8,000.00	8,000.00	6,000.00	-	2,000.00	-
Relocation Assistance:						
Other Expenses	500.00	500.00	-	-	500.00	-
Schedule "C":						
Other Expenses	135,000.00	135,000.00	-	-	135,000.00	-
Accumulated Sick & Vacation Fund	100,000.00	100,000.00	100,000.00	-	-	-
Reserve for Disputed Contracts	75,000.00	75,000.00	61,105.74	-	13,894.26	-
Total Operations Within "CAPS"	16,256,666.55	16,250,472.23	14,911,275.24	56,591.63	1,282,605.36	-
Detail:						
Salaries and Wages	9,029,900.00	9,014,855.00	8,545,591.43	-	469,263.57	-
Other Expenses	7,226,766.55	7,235,617.23	6,365,683.81	56,591.63	813,341.79	-
Deferred Charges & Statutory Expenditures - Municipal Within "CAPS":						
Statutory Expenditures:						
Social Security System (O.A.S.I.)	685,000.00	685,000.00	672,582.54	-	12,417.46	-
Defined Contribution Retirement Program	3,000.00	3,000.00	1,632.42	-	1,367.58	-
Consolidated Police & Firemen's Pension	1,016,075.00	1,019,526.32	1,019,526.32	-	-	-
Public Employees Retirement System	448,593.00	451,336.00	451,336.00	-	-	-
Total Deferred Charges & Statutory Expenditures Within "CAPS"	2,152,668.00	2,158,862.32	2,145,077.28	-	13,785.04	-
Total General Appropriations for Municipal Purposes Within "CAPS"	18,409,334.55	18,409,334.55	17,056,352.52	56,591.63	1,296,390.40	-



**TOWNSHIP OF LITTLE EGG HARBOR  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

OPERATIONS	APPROPRIATIONS		EXPENDED			CANCEL
	BUDGET	BUDGET AFTER MODIFICATION	PAID	ENCUMBERED	RESERVED	
Operations Excluded From "CAPS": Public & Private Programs Offset by Revenues:						
Clean Communities Program Grant	-	53,425.51	53,425.51	-	-	-
Recycling Revenue and Residue	-	21,676.40	21,676.40	-	-	-
Ocean County Recycling Revenue Share	-	9,849.02	9,849.02	-	-	-
Body Armor Replacement	-	3,794.15	3,794.15	-	-	-
Recycling Tonnage Grant	31,060.86	31,060.86	31,060.86	-	-	-
Safe & Secure Communities	60,000.00	60,000.00	60,000.00	-	-	-
Policy and Planning CZM	-	153.75	153.75	-	-	-
National Fish and Wildlife	-	2,540.00	2,540.00	-	-	-
NJDEP Living Shore Grant	-	400,000.00	400,000.00	-	-	-
OEM Reimbursement Grant	-	6,182.40	6,182.40	-	-	-
Alcohol Education Rehab Enforcement	782.00	846.34	846.34	-	-	-
<b>Police Dispatch/911:</b>						
Salaries and Wages	425,000.00	425,000.00	405,673.35	-	19,326.65	-
Other Expenses	4,500.00	4,500.00	1,364.14	99.57	3,036.29	-
Supplemental Aid to Fire Districts	5,235.00	5,235.00	-	-	5,235.00	-
<b>Total Operations Excluded from "CAPS"</b>	<b>526,577.86</b>	<b>1,024,263.43</b>	<b>996,565.92</b>	<b>99.57</b>	<b>27,597.94</b>	<b>-</b>
Detail:						
Salaries and Wages	425,000.00	425,000.00	405,673.35	-	19,326.65	-
Other Expenses	101,577.86	599,263.43	590,892.57	99.57	8,271.29	-
<b>Capital Improvements - Excluded from "CAPS":</b>						
Capital Improvement Fund	100,000.00	100,000.00	100,000.00	-	-	-
<b>Total Capital Improvements - Excluded from CAPS</b>	<b>100,000.00</b>	<b>100,000.00</b>	<b>100,000.00</b>	<b>-</b>	<b>-</b>	<b>-</b>
Municipal Debt Service - Excluded From "CAPS":						
Payment of Bond Principal	840,000.00	840,000.00	840,000.00	-	-	-
Payment of Bond Anticipation Notes & Capital Notes	500,445.00	500,445.00	500,445.00	-	-	-
Interest on Bonds	218,327.00	218,327.00	218,327.00	-	-	-
Interest on Notes	96,224.00	96,224.00	96,223.26	-	-	0.74
Green Acres Trust Loan Program: Principal & Interest	78,054.00	78,054.00	78,053.60	-	-	0.40
<b>Total Municipal Debt Service Excluded From "CAPS"</b>	<b>1,733,050.00</b>	<b>1,733,050.00</b>	<b>1,733,048.86</b>	<b>-</b>	<b>-</b>	<b>1.14</b>
<b>Total General Appropriations Excluded From "CAPS"</b>	<b>2,359,627.86</b>	<b>2,857,313.43</b>	<b>2,829,614.78</b>	<b>99.57</b>	<b>27,597.94</b>	<b>1.14</b>
Subtotal General Appropriations	20,768,962.41	21,266,647.98	19,885,967.30	56,691.20	1,323,988.34	1.14
Reserve For Uncollected Taxes	353,656.26	353,656.26	353,656.26	-	-	-
<b>Total General Appropriations</b>	<b>\$ 21,122,618.67</b>	<b>\$ 21,620,304.24</b>	<b>\$ 20,239,623.56</b>	<b>\$ 56,691.20</b>	<b>\$ 1,323,988.34</b>	<b>\$ 1.14</b>

Adopted Budget	\$ 21,122,618.67
Added by N.J.S.40A:4-87	497,685.57
<b>Total</b>	<b>\$ 21,620,304.24</b>
Federal & State Grants	\$ 589,528.43
Reserve for Uncollected Taxes	353,656.26
Refunds	(459,658.90)
Due to General Capital - Capital Improvement Fund	100,000.00
Disbursed	19,656,097.77
<b>Total</b>	<b>\$ 20,239,623.56</b>

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

**TOWNSHIP OF LITTLE EGG HARBOR  
TRUST FUND  
STATEMENT OF ASSETS, LIABILITIES, RESERVES  
AND FUND BALANCE - REGULATORY BASIS  
DECEMBER 31, 2017 AND 2016**

ASSETS	REFERENCE	2017	2016
Assessment Fund:			
Cash	B-1	<u>\$ 54,096.41</u>	<u>\$ 54,096.41</u>
Total Assessment Fund		<u>54,096.41</u>	<u>54,096.41</u>
Other Funds:			
Cash - Treasurer	B-1	3,095,391.65	3,906,618.01
Cash - Collector	B-2	1,706,969.93	2,297,094.93
CDBG Receivable	B	3,600.00	3,600.00
Due from General Capital Fund	C	1,000,000.00	-
Due from Current Fund	A	<u>-</u>	<u>112,229.83</u>
Total Other Funds		<u>5,805,961.58</u>	<u>6,319,542.77</u>
Total Assets		<u><u>\$ 5,860,057.99</u></u>	<u><u>\$ 6,373,639.18</u></u>
LIABILITIES, RESERVES & FUND BALANCE			
Assessment Fund:			
Fund Balance	B	<u>\$ 54,096.41</u>	<u>\$ 54,096.41</u>
Total Assessment Fund		<u>54,096.41</u>	<u>54,096.41</u>
Other Funds:			
Reserves for:			
Deposits for Tax Title Redemptions	B-5	1,706,969.93	2,297,094.93
Escrow Deposits	B-6	1,351,109.86	1,328,428.45
Forfeited Property	B-7	28,798.88	23,474.19
Planning Board	B-8	80,011.94	103,800.76
Recreation Trust	B-9	2,057.00	2,057.00
COAH Funds	B-14	260,600.72	213,308.50
Open Space	B-10	2,239,689.26	2,214,290.58
Community Center	B-11	3,582.88	3,582.88
Federal Forfeiture Law Enforcement Funds	B-12	5,853.05	7,106.23
Sick/Vacation Funds	B-13	46,294.81	22,055.88
Police Community Activities	B-15	1,100.00	1,000.00
POAA Funds	B	586.00	586.00
Due to Current Fund	A	<u>79,307.25</u>	<u>102,757.37</u>
Total Other Funds		<u>5,805,961.58</u>	<u>6,319,542.77</u>
Total Liabilities, Reserves & Fund Balance		<u><u>\$ 5,860,057.99</u></u>	<u><u>\$ 6,373,639.18</u></u>

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

**TOWNSHIP OF LITTLE EGG HARBOR**  
**GENERAL CAPITAL FUND**  
**STATEMENT OF ASSETS, LIABILITIES, RESERVES**  
**AND FUND BALANCE - REGULATORY BASIS**  
**DECEMBER 31, 2017 AND 2016**

ASSETS	REFERENCE	2017	2016
Cash & Cash Equivalents	C-2	\$ 190,867.85	\$ 1,562,008.97
State Road Aid Allotments Receivable	C-12	396,690.16	170,498.16
Interfund Receivable - Current	A	198,995.86	32,260.01
Due from Grant Fund	A	444,528.14	-
Deferred Charges to Future Taxation:			
Funded	C-4	9,313,554.31	5,721,712.57
Unfunded	C-5	<u>12,625,629.00</u>	<u>16,006,324.00</u>
Total Assets		<u>\$ 23,170,265.32</u>	<u>\$ 23,492,803.71</u>
LIABILITIES, RESERVES & FUND BALANCE			
Bond Anticipation Notes Payable	C-8	\$ 4,354,000.00	\$ 9,354,445.00
General Serial Bond	C-9	8,870,000.00	5,210,000.00
Green Trust Loan Payable	C-10	443,554.31	511,712.57
Capital Improvement Fund	C-6	32,394.00	17,644.00
Encumbrances Payable	C-7	314,388.20	420,884.93
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	961,670.57	98,386.19
Unfunded	C-7	6,720,068.16	7,698,468.79
Reserve for Receivable-State Road Aid Receivable	C	396,690.16	170,498.16
Fund Balance	C-1	<u>73,777.92</u>	<u>7,042.07</u>
Total Liabilities, Reserves & Fund Balance		<u>\$ 23,170,265.32</u>	<u>\$ 23,492,803.71</u>

There were bonds and notes authorized but not issued on December 31, 2017 of \$8,271,629 and on December 31, 2016 of \$6,651,879.

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

**TOWNSHIP OF LITTLE EGG HARBOR  
PAYROLL FUND  
STATEMENT OF ASSETS, LIABILITIES, RESERVES  
AND FUND BALANCE - REGULATORY BASIS  
DECEMBER 31, 2017 AND 2016**

ASSETS	REFERENCE	2017	2016
Cash - Treasurer	D-1	<u>\$ 228,900.14</u>	<u>\$ 196,472.06</u>
Total		<u><u>\$ 228,900.14</u></u>	<u><u>\$ 196,472.06</u></u>
LIABILITIES			
Payroll Taxes Payable	D-2	\$ 203,163.50	\$ 192,095.44
Due to Current Fund	A	<u>25,736.64</u>	<u>4,376.62</u>
Total		<u><u>\$ 228,900.14</u></u>	<u><u>\$ 196,472.06</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  
STATEMENT OF FIXED ASSETS AND  
FUND BALANCE - REGULATORY BASIS  
DECEMBER 31, 2017 AND 2016**

ASSETS	2017	2016
Land and Improvements	\$ 7,789,600.00	\$ 7,789,600.00
Building	10,473,776.00	10,473,776.00
Equipment	<u>11,877,971.97</u>	<u>11,842,682.00</u>
Total	<u><u>\$ 30,141,347.97</u></u>	<u><u>\$ 30,106,058.00</u></u>
FUND BALANCE		
Investment in Fixed Assets	<u><u>\$ 30,141,347.97</u></u>	<u><u>\$ 30,106,058.00</u></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, 2017**

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**TOWNSHIP OF LITTLE EGG HARBOR  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**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, 2017**

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

An extension of the statutory dates for introduction, approval and adoption of the municipal budget may be granted by the Director of Local Government Services, with the permission of the Local Finance Board. 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, 2017**

**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, 2017**

**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 10<sup>th</sup> of the current year. In addition, operations is charged for the County share of Added and Omitted Taxes certified to the County Board of Taxation by October 10<sup>th</sup> of the current year and due to be paid to the County by February 15<sup>th</sup> of the following year.

**School Taxes** – The municipality is responsible for levying, collecting and remitting school taxes for the 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 1<sup>st</sup> to June 30<sup>th</sup>.

**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, 2017**

**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 31<sup>st</sup> 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 has recently adopted accounting statements to be used by governmental units when reporting financial position and results of operations in accordance with accounting principles generally accepted in the United States of America. (GAAP). The municipalities in the State of New Jersey do not prepare financial statements in accordance with GAAP and thus do not comply with all of the GASB pronouncements; and there have been no GASB pronouncements effective for the current year that have a significant impact of the Township’s financial statements.

**Note 2. 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 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

**TOWNSHIP OF LITTLE EGG HARBOR  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**Note 2. Deposits and Investments (continued):**

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, 2017, the Township's bank balance of \$16,380,868.67 was insured or collateralized as follows:

Insured under FDIC and GUDPA	\$ 12,434,309.96
Uninsured and Uncollateralized	<u>3,946,558.71</u>
	<u>\$ 16,380,868.67</u>

**Investments**

The Township had no investments as of December 31, 2017.

**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.

**Comparison Schedule of Tax Rates**

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Tax Rate	<u>\$ 2.300</u>	<u>\$ 2.319</u>	<u>\$ 2.349</u>
Apportionment of Tax Rate:			
Municipal	0.657	0.661	0.695
County General	0.423	0.430	0.420
Local School	0.575	0.571	0.578
Regional School	0.645	0.657	0.656

**Assessed Valuation**

<u>Year</u>	<u>Amount</u>
2017	\$ 2,287,472,584.00
2016	2,240,445,490.00
2015	2,206,556,290.00

**Comparison of Tax Levies and Collections**

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage Of Collection</u>
2017	\$ 55,027,332.99	\$ 54,748,254.82	99.49%
2016	54,442,150.23	54,217,629.37	99.58%
2015	53,930,406.00	53,756,015.00	99.67%

**TOWNSHIP OF LITTLE EGG HARBOR  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**Note 3. Property Taxes (continued):**

**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>
2017	\$ 647,630.63	\$ 63,632.17	\$ 711,262.80	1.29%
2016	612,368.40	79,043.96	691,412.36	1.27%
2015	526,052.00	32,587.00	558,639.00	1.04%

**Number of Tax Title Liens**

<u>Year</u>	<u>Number</u>
2017	135
2016	135
2015	135

The last tax sale was held on November 13, 2017.

**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>
2017	\$ 5,757,700.00
2016	5,757,700.00
2015	5,757,700.00

**Note 5. Fund Balances Appropriated**

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

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
<b>Current Fund:</b>			
2017	\$ 4,796,809.20	\$ 2,850,000.00	59.41%
2016	4,595,680.34	2,850,000.00	62.01%
2015	5,248,736.00	2,950,000.00	56.20%

**TOWNSHIP OF LITTLE EGG HARBOR  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**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, 2017:

<b>Fund</b>	<b>Interfund Receivable</b>	<b>Interfund Payable</b>
Current Fund	\$ 105,043.89	\$ 428,842.63
State and Federal Grant Fund	229,846.77	444,528.14
Trust Other Fund	1,000,000.00	79,307.25
Payroll Fund	-	25,736.64
Capital Fund	<u>643,524.00</u>	<u>1,000,000.00</u>
	<u><u>\$ 1,978,414.66</u></u>	<u><u>\$ 1,978,414.66</u></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:

<b>Fund</b>	<b>Transfers In</b>	<b>Transfers Out</b>
Current Fund	\$ 292,738.60	\$ 145,229.83
State and Federal Grant Fund	477,528.14	292,638.44
Trust Other Fund	112,229.83	1,000,100.16
Capital Fund	<u>1,033,000.00</u>	<u>477,528.14</u>
	<u><u>\$ 1,915,496.57</u></u>	<u><u>\$ 1,915,496.57</u></u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them (i.e. interest 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.



**TOWNSHIP OF LITTLE EGG HARBOR  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**Note 8. Fixed Assets**

The following is a summary of changes in the General Fixed Assets Account Group for the year ended December 31, 2017.

	Balance December 31, <u>2016</u>	<u>Additions</u>	<u>Deletions</u>	Balance December 31, <u>2017</u>
Land and Improvements	\$ 7,789,600.00	\$ -	\$ -	\$ 7,789,600.00
Buildings	10,473,776.00	-	-	10,473,776.00
Machinery & Equipment	11,842,682.00	819,483.97	(784,194.00)	11,877,971.97
	<u>\$ 30,106,058.00</u>	<u>\$ 819,483.97</u>	<u>\$ (784,194.00)</u>	<u>\$ 30,141,347.97</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 1/55<sup>th</sup> of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60<sup>th</sup> 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.

**TOWNSHIP OF LITTLE EGG HARBOR  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**Note 9. Pension Obligations (continued):**

**A. Public Employees' Retirement System (PERS)**

**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 2017, 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, 2017, the Township's contractually required contribution to PERS plan was \$443,904.

**Components of Net Pension Liability** - At December 31, 2017, the Township's proportionate share of the PERS net pension liability was \$11,154,416. The net pension liability was measured as of June 30, 2017. 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, 2016, which was rolled forward to June 30, 2017. 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, 2017. The Township's proportion measured as of June 30, 2017, was 0.04792% which was a decrease of 0.00258% from its proportion measured as of June 30, 2016.

**Collective Balances at December 31, 2017 and December 31, 2016**

	<u>12/31/2017</u>	<u>12/30/2016</u>
Actuarial valuation date (including roll forward)	June 30, 2017	June 30, 2016
Deferred Outflows of Resources	\$ 2,987,085	\$ 4,497,904
Deferred Inflows of Resources	2,698,454	-
Net Pension Liability	11,154,416	14,955,258
Township's portion of the Plan's total net pension Liabi	0.04792%	0.05050%

**TOWNSHIP OF LITTLE EGG HARBOR  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**Note 9. Pension Obligations (continued):**

**A. Public Employees' Retirement System (PERS)**

**Pension Expense and Deferred Outflows/Inflows of Resources** - At December 31, 2017, the Township's proportionate share of the PERS expense, calculated by the plan as of the June 30, 2017 measurement date is \$804,548. 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 \$443,904 to the plan in 2017.

At December 31, 2017, 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	\$ 262,648	\$ -
Changes of Assumptions	2,247,231	2,238,992
Net Difference between Projected and Actual Earnings on Pension Plan Investments	75,954	-
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions	<u>401,252</u>	<u>459,462</u>
	<u>\$ 2,987,085</u>	<u>\$ 2,698,454</u>

**TOWNSHIP OF LITTLE EGG HARBOR  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**Note 9. Pension Obligations (continued):**

**A. Public Employees' Retirement System (PERS)**

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

	<b><u>Deferred Outflow of Resources</u></b>	<b><u>Deferred Inflow of Resources</u></b>
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	-
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
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	-
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

**TOWNSHIP OF LITTLE EGG HARBOR  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**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:

<b>Year Ending <u>Dec 31,</u></b>	<b><u>Amount</u></b>
2018	\$ 351,378
2019	483,915
2020	267,781
2021	(522,540)
2022	<u>(291,901)</u>
	<u><u>\$ 288,633</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 base year of 2013 using a generational approach based on the plan actuary's modified MP-2014

**TOWNSHIP OF LITTLE EGG HARBOR  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**Note 9. Pension Obligations (continued):**

**A. Public Employees' Retirement System (PERS)**

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, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

**Long-Term Expected Rate of Return** - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2017) 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, 2017 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Absolute Return/Risk Mitigation	5.00%	5.51%
Cash	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment grade credit	10.00%	3.78%
Public High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real 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, 2017**

**Note 9. Pension Obligations (continued):**

**A. Public Employees' Retirement System (PERS)**

**Discount Rate** - The discount rate used to measure the total pension liability was 5.00% as of June 30, 2017. 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 3.58% as of June 30, 2017 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 2040. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2040 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**Sensitivity of the 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 (4.00%) or 1-percentage-point higher (6.00%) than the current rate:

	<b>1% Decrease (4.00%)</b>	<b>Current Discount Rate (5.00%)</b>	<b>1% Increase (6.00%)</b>
Township's Proportionate Share of the Net Pension Liability	<u>\$ 13,837,811</u>	<u>\$ 11,154,416</u>	<u>\$ 8,918,817</u>

**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, 2017**

**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 2017, 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, 2017, the Township's contractually required contributions to PFRS plan was \$1,162,371.

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

**Net Pension Liability and Pension Expense** - At December 31, 2017 the Township's proportionate share of the PFRS net pension liability was \$20,276,143. The net pension liability was measured as of June 30, 2017. 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, 2016, to the measurement date of June 30, 2017. 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, 2017. The Township's proportion measured as of June 30, 2017, was 0.13134%, which was an increase of 0.0067% from its proportion measured as of June 30, 2016.



**TOWNSHIP OF LITTLE EGG HARBOR  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**Note 9. Pension Obligations (continued):**

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

**Collective Balances at December 31, 2017 and December 31, 2016**

	<u>12/31/2017</u>	<u>12/31/2016</u>
Actuarial valuation date (including roll forward)	June 30, 2017	June 30, 2016
Deferred Outflows of Resources	\$ 4,545,177	\$ 5,946,164
Deferred Inflows of Resources	3,696,307	484,407
Net Pension Liability	20,276,143	23,805,550
Township's portion of the Plan's total net pension Liabi	0.13134%	0.12462%

**Pension Expense and Deferred Outflows/Inflows of Resources** – At December 31, 2017, the Township's proportionate share of the PFRS expense, calculated by the plan as of the June 30, 2017 measurement date was \$1,838,905. 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 \$1,162,371 to the plan in 2017.

At December 31, 2017, 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	\$ 131,540	\$ 119,004
Changes of Assumptions	2,500,274	3,320,639
Net Difference between Projected and Actual Earnings on Pension Plan Investments	386,916	-
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions	<u>1,526,447</u>	<u>256,664</u>
	<u>\$ 4,545,177</u>	<u>\$ 3,696,307</u>

**TOWNSHIP OF LITTLE EGG HARBOR  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**Note 9. Pension Obligations (continued):**

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

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

	<b><u>Deferred Outflow of Resources</u></b>	<b><u>Deferred Inflow of Resources</u></b>
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	-
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
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	-
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

**TOWNSHIP OF LITTLE EGG HARBOR  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**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:

<b>Year Ending</b>	
<b><u>Dec 31,</u></b>	<b><u>Amount</u></b>
2018	\$ 632,272
2019	1,025,005
2020	179,654
2021	(686,234)
2022	<u>(301,827)</u>
	<u>\$ 848,870</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 \$2,271,099 as of December 31, 2017. The net pension liability was measured as of June 30, 2017. 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, 2016, to the measurement date of June 30, 2017. 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, 2017 was 0.13134%, which was an increase of 0.0067% from its proportion measured as of June 30, 2016, which is the same proportion as the Township's. At December 31, 2017, 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	\$ 20,276,143
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Township	<u>2,271,099</u>
	<u>\$ 22,547,242</u>

**TOWNSHIP OF LITTLE EGG HARBOR  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**Note 9. Pension Obligations (continued):**

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

At December 31, 2017, the State's proportionate share of the PFRS expense, associated with the Township, calculated by the plan as of the June 30, 2017 measurement date was \$277,807.

**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 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 base year of 2013 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, 2016 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, 2017) 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, 2017**

**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, 2017 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Absolute Return/Risk Mitigation	5.00%	5.51%
Cash	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment grade credit	10.00%	3.78%
Public High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real 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 6.14% as of June 30, 2017. 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 3.58% as of June 30, 2017 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, 2017**

**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 (5.14%) or 1-percentage-point higher (7.14%) than the current rate:

	<b>1% Decrease <u>(5.14%)</u></b>	<b>Current Discount Rate <u>(6.14%)</u></b>	<b>1% Increase <u>(7.14%)</u></b>
Township's Proportionate Share of the Net Pension Liability	\$ 26,715,488	\$ 20,276,143	\$ 14,985,489
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Township	<u>2,992,360</u>	<u>2,271,099</u>	<u>1,678,501</u>
	<u><u>\$ 29,707,848</u></u>	<u><u>\$ 22,547,242</u></u>	<u><u>\$ 16,663,990</u></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, 2017**

**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>2017</u>	<u>2016</u>	<u>2015</u>
<b>Issued:</b>			
General:			
Bonds, Notes and Loans	\$ 13,667,554.31	\$ 15,076,157.57	\$ 16,293,065.00
Total Debt Issued	<u>13,667,554.31</u>	<u>15,076,157.57</u>	<u>16,293,065.00</u>
<b>Authorized but not issued:</b>			
General:			
Bonds, Notes and Loans	8,271,629.00	6,651,879.00	3,331,629.00
Total Authorized But Not Issued	<u>8,271,629.00</u>	<u>6,651,879.00</u>	<u>3,331,629.00</u>
<b>Total Gross Debt</b>	<u>\$ 21,939,183.31</u>	<u>\$ 21,728,036.57</u>	<u>\$ 19,624,694.00</u>
<b>Deductions:</b>			
General:			
Funds on Hand For Payment of Bonds and Notes:			
Reserve for Debt Service	-	-	484,913.00
Total Deductions	<u>-</u>	<u>-</u>	<u>484,913.00</u>
<b>Total Net Debt</b>	<u>\$ 21,939,183.31</u>	<u>\$ 21,728,036.57</u>	<u>\$ 19,139,781.00</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	\$ 21,000,000.00	\$ 21,000,000.00	\$ -
Regional School Debt	43,740,801.25	43,740,801.25	-
General Debt	21,939,183.31	-	21,939,183.31
	<u>\$ 86,679,984.56</u>	<u>\$ 64,740,801.25</u>	<u>\$ 21,939,183.31</u>

Net Debt \$21,939,183.31 divided by the average Equalized Valuation Basis per N.J.S.A 40A:2-2 as amended, \$2,297,030,254.33, equals 0.955%. 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, 2017 is calculated as follows:

**TOWNSHIP OF LITTLE EGG HARBOR  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**Note 10. Municipal Debt (continued):**

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 80,396,058.90
Net Debt	<u>21,939,183.31</u>
Remaining Borrowing Power	<u><u>\$ 58,456,875.59</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>
2018	1,120,000.00	249,487.50	1,369,487.50
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
2023-2027	3,260,000.00	217,525.00	3,477,525.00
	<u>\$ 8,870,000.00</u>	<u>\$ 1,118,862.50</u>	<u>\$ 9,988,862.50</u>



**TOWNSHIP OF LITTLE EGG HARBOR  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**Note 10. Municipal Debt (continued):**

**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, 2017:

<u>Description</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Rate</u>	<u>Balance December 31, 2017</u>
Series 2017 A	2/2/2017	2/2/2018	1.306%	\$ 3,025,000.00
Series 2017 B	2/2/2017	2/2/2018	1.306%	<u>\$ 1,329,000.00</u>
				<u>\$ 4,354,000.00</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, 2017, the Township had \$8,271,629.00 in various General Capital bonds and notes authorized but not issued.

**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>	<u>Balance, December 31,</u>	
	<u>2017</u>	<u>2016</u>
Total Balance of Local Tax	\$ 6,269,633.00	\$ 6,021,471.00
Deferred Taxes	<u>5,236,297.00</u>	<u>5,236,297.00</u>
Local Tax Payable	<u>\$ 1,033,336.00</u>	<u>\$ 785,174.00</u>

**TOWNSHIP OF LITTLE EGG HARBOR  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**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.

**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 \$2,003,389.44 at December 31, 2017.

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, 2017, the Township has reserved in the Other Trust Fund \$46,294.81 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, 2017 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.

**TOWNSHIP OF LITTLE EGG HARBOR  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**Note 14. Contingencies (continued):**

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, 2017.

**Note 15. Post-Retirement Health Benefits – GASB 45**

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.

The Township of Little Egg Harbor's annual Other Post-Employment Benefit cost is calculated based on the Annual Required Contribution. The actuarial cost method used to determine the Plan's funding requirements is the "Unit Credit" method. Under this method, an actuarial accrued liability is determined as the present value of the earned benefits, which is allocated to service before the current plan year. The Plan is currently unfunded. The unfunded actuarial liability is amortized over thirty years. The following table shows the changes in the Township of Little Egg Harbor's annual Other Post-Employment Benefit cost for the year, the amount actually contributed to the Plan and changes in their net Other Post-Employment Benefit obligation to the plan:

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Annual Required Contribution (ARC)	\$ 1,420,000	\$ 1,420,000	\$ 1,250,000
Interest on the Net OPEB Obligation	-	-	-
Adjustment to the ARC	-	-	-
	<hr/>	<hr/>	<hr/>
Annual OPEB Cost	1,420,000	1,420,000	1,250,000
Contributions Made	(860,000)	(860,000)	(610,000)
	<hr/>	<hr/>	<hr/>
Increase in Net OPEB Obligation	560,000	560,000	640,000
Net OPEB, Beginning of Year	8,890,000	8,330,000	7,690,000
	<hr/>	<hr/>	<hr/>
Net OPEB, End of Year	\$ 9,450,000	\$ 8,890,000	\$ 8,330,000
	<hr/>	<hr/>	<hr/>
Percentage of Annual OPEB Cost Contributed	60.6%	60.6%	48.8%

**TOWNSHIP OF LITTLE EGG HARBOR  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**Note 15. Post-Retirement Health Benefits – GASB 45 (continued):**

The funded status of the plan as of June 30, 2016 was as follows:

Acuarial Accrued Liability (AAL)	\$ 15,770,000
Actuarial Value of Plan Assets	<u>-</u>
Unfunded Actuarial Accrued Liability	<u><u>\$ 15,770,000</u></u>
Funded Ration	0.0%
Covered Payroll	N/A
UAAL as a Percentage of Covered Payroll	N/A

Actuarial assumptions were used to value the post-retirement medical liabilities. Actuarial assumptions were based on the actual experience of the covered group, to the extent that creditable experience data was available, with an emphases on expected long-term future trends rather than giving undue weight to recent past experience. The reasonableness of each actuarial assumption was considered independently based on its own merits, its consistency with each other assumption, and the combined impact of all assumptions.

Two economic assumptions used in the valuation are the discount rate and the health care cost trend rates. The economic assumptions are used to account for changes in the cost of benefits over time and to discount future benefit payments for the time value of money.

The investment return assumption (discount rate) should be the estimated long-term investment yield on the investments that are expected to be used to finance the payments of benefits. The investments expected to be used to finance the payments of benefits would be plan assets for funded plans, assets of the employer for pay-as-you-go plans, or a proportionate combination of the two for plans that being partially funded. We assumed a discount rate of 4.5 percent for purposes of developing the liabilities and Annual Required Contribution on the basis that the Plan would not be funded. We based medical claims cost for retirees on an annual average claims cost of approximately \$22,700 per covered retiree for family coverage and \$10,500 for single coverage. The average claims cost was based on an equitable blending of the Traditional and Direct Access benefit costs. We assumed health care costs would increase annually at a rate of 9.5% the first year, decrease by 0.5% per year through year 10 to 5% thereafter.

The Township of Little Egg Harbor currently has twelve eligible retired employees receiving retirement benefits. The net Other Post-Employment Benefit obligation to the Township of Little Egg Harbor to provide benefits to the retiree for the year ended December 31, 2016, was \$8,890,000.

**TOWNSHIP OF LITTLE EGG HARBOR  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**Note 16. Hurricane Sandy and FEMA Aid**

On October 29<sup>th</sup> of 2012, Hurricane Sandy made landfall on the New Jersey coast and caused significant damage to coastal towns including Little Egg Harbor Township. The extensive damage caused the Township to issue a Special Emergency in their 2012 budget in the amount of \$12 million in order to pay for all storm related costs. In addition, the Township issued a \$3 million special emergency note on December 19, 2012 and an additional \$9 million special emergency note on January 11, 2013 to provide necessary cash flow related to storm costs. The total cost of the storm is estimated to be \$6 million with the anticipation of seventy-five percent to be reimbursed by the federal government through FEMA aid. As of December 2017, \$7.1 million in FEMA aid has been received by the Township. In addition, during 2013, \$6 million of the \$12 million special emergency was cancelled by the Township.

**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, 2017 the Current Fund has recorded a loan payable in the amount of \$4,250,000.00 with \$98,463.18 of accrued interest. The loan comes to maturity on May 1, 2018.

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**SUPPLEMENTARY EXHIBITS**

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<b>CURRENT FUND</b>
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**TOWNSHIP OF LITTLE EGG HARBOR**  
**CURRENT FUND**  
**SCHEDULE OF CASH - TREASURER**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>CURRENT FUND</u>	<u>STATE &amp; FEDERAL GRANT FUND</u>
Balance December 31, 2016	\$ 9,329,755.70	\$ 501,833.69
Increased by Receipts:		
Taxes Receivable	\$ 53,790,474.97	
Tax Title Liens Receivable	111,237.11	
Due From State - Senior Citizen & Veteran Deductions	319,378.10	
Revenue Accounts Receivable	3,313,694.08	
Miscellaneous Revenue Not Anticipated	792,584.27	
Prepaid Taxes	1,765,588.34	
Tax Sale - Utility	359,182.31	
Refunds of Current Year Appropriations	459,658.90	
Due Bass River	3,717.60	
Construction Fees Due State of New Jersey	45,537.00	
Reserve for Insurance Proceeds	2,419.00	
Reserve for FEMA Proceeds	50,000.00	
Transferred from General Capital Fund	100.16	\$ 477,528.14
Due from State & Federal Grant Fund	292,638.44	-
Federal & State Grants Receivable		1,209,910.26
	<u>61,306,210.28</u>	<u>1,687,438.40</u>
Total Receipts		
	<u>61,306,210.28</u>	<u>1,687,438.40</u>
Subtotal	<u>70,635,965.98</u>	<u>2,189,272.09</u>
Decreased by Disbursements:		
2017 Appropriations	19,656,097.77	
Appropriation Reserves	958,231.96	
County Taxes Payable	9,669,556.18	
Due County for Added & Omitted Taxes	156,025.98	
Local District School Tax	12,904,551.00	
Regional High School Tax	14,829,580.00	
Special District Taxes	1,674,051.00	
Construction Fees Due State of NJ	51,490.00	
Refund Tax Overpayments	102,628.35	
Bass River Construction Fees	2,561.10	
Reserve for Insurance Proceeds	29,581.00	
Due to General Capital Fund	33,000.00	
Transferred to Open Space	112,229.83	
Prior Year Refunds	209,758.53	
Due MUA	359,182.31	
Due from Current Fund		292,638.44
Federal & State Grants - Appropriated		919,091.70
	<u>60,748,525.01</u>	<u>1,211,730.14</u>
Total Disbursements		
	<u>60,748,525.01</u>	<u>1,211,730.14</u>
Balance December 31, 2017	<u>\$ 9,887,440.97</u>	<u>\$ 977,541.95</u>

**TOWNSHIP OF LITTLE EGG HARBOR**  
**CURRENT FUND**  
**SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

BALANCE DECEMBER 31, YEAR	2017 LEVY	ADDED TAXES	COLLECTED	SENIOR CITIZENS & VETERANS	OVERPAYMENT APPLIED	OVERPAYMENT CREATED	CANCELED	TRANSFERRED TO TAX TITLE LIENS	BALANCE DECEMBER 31, 2017
		2016	2017						
2009 \$	1,625.85	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,625.85
2010	1,760.61	-	-	-	1,788.68	1,788.68	-	-	1,760.61
2011	1,802.76	-	-	250.00	2,132.08	11,841.71	9,709.63	-	1,802.76
2012	3,124.73	-	-	250.00	12,722.60	24,632.20	11,909.60	-	3,124.73
2013	4,458.05	-	-	250.00	23,876.67	41,032.84	17,156.17	-	4,458.05
2014	5,626.29	-	-	1,000.00	40,637.66	110,653.67	70,016.01	-	5,626.29
2015	7,889.47	-	-	3,095.27	94,875.86	107,681.42	12,805.53	-	7,044.23
2016	52,756.20	-	-	21,536.03	169,192.46	185,029.37	38,284.62	-	17,440.27
Total	79,043.96	-	-	26,381.30	345,226.01	482,659.89	159,881.56	-	42,882.79
2017	-	54,327,574.21	-	53,764,093.67	157,268.10	161,902.44	137,300.54	121,028.26	20,749.38
Total	\$ 79,043.96	\$ 54,327,574.21	\$ 53,790,474.97	\$ 357,266.49	\$ 502,494.11	\$ 644,562.33	\$ 297,182.10	\$ 121,028.26	\$ 63,632.17

**ANALYSIS OF 2017 PROPERTY TAX LEVY:**

<b>Tax Yield:</b>	
General Property Tax	\$ 52,653,623.21
Special District	1,673,951.00
Added Taxes (54-4-63.1 et. seq.)	\$ 55,027,332.99
Total Tax Yield	<u>\$ 55,027,332.99</u>
<b>Tax Levy:</b>	
Local School District Tax (Abstract)	\$ 13,152,713.00
Regional High School Tax (Abstract)	14,764,513.00
Municipal Open Space (Abstract)	22,874.73
Municipal Open Space (Added)	475.23
County Taxes:	
County Tax (Abstract)	8,188,749.33
County Library Tax (Abstract)	882,122.95
County Health Services (Abstract)	319,645.79
County Open Space	279,038.11
Due County for Added Taxes (54-4-63.1 et. seq.)	128,995.70
Total County Taxes	9,798,551.88
Fire District #1 (Amount Certified)	593,266.00
Fire District #2 (Amount Certified)	647,685.00
Fire District #3 (Amount Certified)	433,000.00
Total Special District Taxes	1,673,951.00
Local Tax for Municipal Purposes	15,000,655.81
Add: Additional Tax Levied	15,614,254.15
Total Tax Levy	<u>\$ 55,027,332.99</u>

**TOWNSHIP OF LITTLE EGG HARBOR  
CURRENT FUND  
SCHEDULE OF TAX TITLE LIENS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance December 31, 2016		\$	612,368.40
Increased by:			
Transfers from Taxes Receivable	\$	121,028.26	
Interest & Costs Accrued by Sale		25,471.08	146,499.34
			<hr/>
Subtotal			758,867.74
Decreased by:			
Collections			<hr/>
			111,237.11
Balance December 31, 2017		\$	<hr/> <hr/> 647,630.63

**SCHEDULE OF PROPERTY ACQUIRED FOR TAXES  
(AT ASSESSED VALUATION)  
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance December 31, 2017 and 2016	\$	<hr/> <hr/> 5,757,700
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**TOWNSHIP OF LITTLE EGG HARBOR**  
**CURRENT FUND**  
**STATEMENT OF REVENUE ACCOUNTS RECEIVABLE**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

	BALANCE DECEMBER 31, 2016	ACCRUED IN 2017	TREASURER	BALANCE DECEMBER 31, 2017
Miscellaneous Revenue Anticipated:				
Licenses - Alcoholic Beverages	\$ -	\$ 10,376.00	\$ 10,376.00	\$ -
Fees & Permits	-	93,915.55	93,915.55	-
Municipal Court	13,176.33	232,813.17	231,965.44	14,024.06
Interest & Costs on Taxes	-	101,943.18	101,943.18	-
Payments in Lieu of Taxes	-	68,316.48	68,316.48	-
Energy Receipts Tax	-	1,299,939.00	1,299,939.00	-
Garden State Trust	-	149,117.00	149,117.00	-
Uniform Construction Code Fees	-	754,201.00	754,201.00	-
Tower Rental	-	183,987.39	183,987.39	-
SRO Officer	-	327,474.10	327,474.10	-
Cable TV	-	92,458.94	92,458.94	-
Total	<u>\$ 13,176.33</u>	<u>\$ 3,314,541.81</u>	<u>\$ 3,313,694.08</u>	<u>\$ 14,024.06</u>
Cash Receipts			<u>\$ 3,313,694.08</u>	
Total			<u><u>\$ 3,313,694.08</u></u>	

**TOWNSHIP OF LITTLE EGG HARBOR  
CURRENT FUND  
SCHEDULE OF 2016 APPROPRIATION RESERVES  
FOR THE YEAR ENDED DECEMBER 31, 2017**

	BALANCE DECEMBER 31, 2016	BALANCE AFTER TRANSFERS	PAID OR CHARGED	BALANCE LAPSED
<b>General Government:</b>				
Mayor and Committee				
Salaries and Wages	\$ 720.35	\$ 720.35	\$ 720.35	\$ -
Other Expenses	1,965.03	1,965.03	20.00	1,945.03
Municipal Clerk				
Salaries and Wages	316.34	316.34	316.34	-
Other Expenses	12,585.90	12,585.90	11,068.39	1,517.51
Financial Administration (Treasury)				
Other Expenses	24,997.74	24,997.74	4,717.90	20,279.84
Audit Services:				
Other Expenses	26,692.75	26,692.75	19,100.00	7,592.75
Revenue Administration (Tax Collection)				
Salaries and Wages	190.31	190.31	190.31	-
Other Expenses:				
Tax Sale Costs	9,319.50	9,319.50	5,287.66	4,031.84
Miscellaneous Other Expenses:	10,619.05	10,619.05	1,458.30	9,160.75
Tax Assessment Administration				
Salaries and Wages	6,116.66	6,116.66	5,110.88	1,005.78
Other Expenses	5,150.45	5,150.45	285.25	4,865.20
Legal Services (Legal Department)				
Other Expenses	17,151.90	17,151.90	17,151.90	-
Engineering Services				
Other Expenses	74,179.92	74,179.92	11,386.00	62,793.92
Economic Development Agencies				
Other Expenses	3,200.00	3,200.00	100.00	3,100.00
<b>Land Use Administration:</b>				
Zoning Board of Adjustment				
Other Expenses	3,363.29	3,363.29	747.77	2,615.52
Zoning Officer				
Salaries and Wages	28,605.76	28,605.76	1,828.19	26,777.57
Other Expenses	4,301.41	4,301.41	90.00	4,211.41
<b>Insurance:</b>				
Group Insurance for Employees:	384,283.37	384,283.37	275,113.19	109,170.18
<b>Public Safety Functions:</b>				
Police Department:				
Salaries and Wages	339,112.72	339,112.72	151,615.21	187,497.51
Other Expenses	15,550.99	15,550.99	14,409.14	1,141.85
Police Dispatchers:				
Salaries and Wages	54,198.36	54,198.36	10,310.84	43,887.52
Other Expenses	103.65	103.65	-	103.65
First Aid Squad Contributor	70,000.00	70,000.00	70,000.00	-
Municipal Prosecutor:				
Other Expenses	13,750.00	13,750.00	3,750.00	10,000.00
<b>Public Works Functions:</b>				
Streets & Roads Maintenance				
Salaries and Wages	2,872.67	2,872.67	2,872.67	-
Other Expenses	87,374.70	87,374.70	8,535.02	78,839.68
Solid Waste Sanitation				
Salaries and Wages	13,901.05	13,901.05	13,901.05	-
Other Expenses	13,404.27	13,404.27	9,862.88	3,541.39
Solid Waste Recycling				
Salaries and Wages	71,336.90	71,336.90	51,177.96	20,158.94
Other Expenses	10,255.32	10,255.32	5,740.10	4,515.22
Buildings & Grounds:				
Salaries and Wages	58,594.44	58,594.44	13,314.26	45,280.18
Other Expenses	14,632.97	14,632.97	6,985.64	7,647.33
Vehicle Maintenance				
Other Expenses	29,214.62	29,214.62	12,824.96	16,389.66
Municipal Services Act				
Other Expenses	22,224.41	22,224.41	18,442.92	3,781.49
<b>Health &amp; Human Services:</b>				
Public Health Services (Board of Health)				
Other Expenses	8,400.00	8,400.00	425.00	7,975.00
Animal Control Services				
Other Expenses	14,015.00	14,015.00	1,223.00	12,792.00
<b>Park &amp; Recreation Functions:</b>				
Recreation Services & Programs				
Salaries and Wages	32,038.25	32,038.25	4,652.86	27,385.39
Other Expenses	26,238.44	26,238.44	1,145.88	25,092.56
<b>Utility Expenses &amp; Bulk Purchases:</b>				
Electricity	13,099.56	13,099.56	13,099.56	-
Street Lighting	20,953.21	20,953.21	20,953.21	-
Telephone	40,036.95	40,036.95	26,709.95	13,327.00
Gasoline	121,256.61	121,256.61	24,229.49	97,027.12
Natural Gas	10,201.18	10,201.18	9,093.74	1,107.44
<b>Landfill/Solid Waste Disposal Costs:</b>				
Sanitary Landfill	41,882.98	41,882.98	3,699.43	38,183.55
<b>Uniform Construction Code Enforcement Functions:</b>				
Construction Code Official				
Salaries and Wages	64,334.22	64,334.22	8,541.21	55,793.01
Other Expenses	6,507.75	6,507.75	739.98	5,767.77
<b>Municipal Court:</b>				
Salaries and Wages	63,583.85	63,583.85	7,783.50	55,800.35
Other Expenses	8,280.24	8,280.24	4,019.27	4,260.97
Public Defender:				
Other Expenses	7,712.50	7,712.50	3,325.00	4,387.50
<b>Other Common Operating Functions (Unclassified):</b>				
Schedule "C":				
Other Expenses	135,936.84	135,936.84	57,496.37	78,440.47
Reserve for Disputed Contracts	13,300.00	13,300.00	9,904.35	3,395.65
<b>Deferred Charges &amp; Statutory Expenditures -</b>				
<b>Municipal Within "CAPS":</b>				
Social Security System (O.A.S.I.)	15,167.71	15,167.71	13,523.00	1,644.71
All Others	419,185.20	419,185.20	-	419,185.20
<b>Total</b>	<b>\$ 2,492,417.29</b>	<b>\$ 2,492,417.29</b>	<b>\$ 958,999.88</b>	<b>\$ 1,533,417.41</b>
2016 Appropriation Reserves	\$ 2,391,002.56	Accounts Payable	\$ 767.92	
2016 Encumbrances	101,414.73	Cash Disbursements	958,231.96	
<b>Total</b>	<b>\$ 2,492,417.29</b>		<b>\$ 958,999.88</b>	

**TOWNSHIP OF LITTLE EGG HARBOR  
CURRENT FUND  
SCHEDULE OF LOCAL DISTRICT TAX  
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance December 31, 2016:		
School Tax Deferred	\$ 5,236,297.00	
School Tax Payable	<u>785,174.00</u>	6,021,471.00
Increased by Levy:		
School Year July 1, 2017 - June 30, 2018		<u>13,152,713.00</u>
Subtotal		19,174,184.00
Decreased by:		
Payments		<u>12,904,551.00</u>
Subtotal		6,269,633.00
Balance December 31, 2017:		
School Tax Deferred	5,236,297.00	
School Tax Payable	<u>1,033,336.00</u>	
Balance December 31, 2017		<u><u>\$ 6,269,633.00</u></u>

**ANALYSIS OF AMOUNT CHARGED TO OPERATIONS**

2017 Payments	\$ 12,904,551.00
Less School Taxes Payable at December 31, 2016	785,174.00
Plus School Taxes Payable at December 31, 2017	<u>1,033,336.00</u>
Amount Charged to 2016 Operations	<u><u>\$ 13,152,713.00</u></u>

**SCHEDULE OF REGIONAL HIGH SCHOOL TAX PAYABLE  
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance December 31, 2016	\$ 250,490.00
Increased by:	
Levy - July 1, 2017 to June 30, 2018	<u>14,764,513.00</u>
Subtotal	15,015,003.00
Decreased by:	
Payments	<u>14,829,580.00</u>
Balance December 31, 2017	<u><u>\$ 185,423.00</u></u>



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

	BALANCE DECEMBER 31, <u>2016</u>	<u>INCREASED</u>	<u>DECREASED</u>	BALANCE DECEMBER 31, <u>2017</u>
Reserve for Sandy Insurance Proceeds	\$ 32,000.00	\$ -	\$ 29,581.00	\$ 2,419.00
Reserve for Closed Escrow Accounts	54,291.00	-	-	54,291.00
Reserve for Reassessment	<u>100,047.00</u>	<u>-</u>	<u>-</u>	<u>100,047.00</u>
	<u>\$ 186,338.00</u>	<u>\$ -</u>	<u>\$ 29,581.00</u>	<u>\$ 156,757.00</u>

**TOWNSHIP OF LITTLE EGG HARBOR**  
**CURRENT FUND**  
**SCHEDULE OF STATE AND FEDERAL GRANTS RECEIVABLE**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

GRANT	BALANCE DECEMBER 31, 2016	ANTICIPATED REVENUE	RECEIVED	TRANSFERRED FROM UNAPPROPRIATED	ADJUSTMENT	BALANCE DECEMBER 31, 2017
NJOEM Grant	\$ 20.95	\$ 6,182.40	\$ -	\$ -	-	\$ 6,203.35
Safe & Secure Communities Program	10,000.00	60,000.00	45,000.00	-	-	25,000.00
CDBG - 2015	19,226.71	-	-	-	-	19,226.71
966 Reimbursement Grant	44,025.87	-	28,832.45	-	-	15,193.42
Recycling Tonnage Grant	-	31,060.86	31,060.86	-	-	-
Neighborhood Community Revitalization Grant	391,653.76	-	389,189.54	-	-	2,464.22
Child Restraint Grant	2,500.00	-	-	-	-	2,500.00
Municipal Aid Road Program - Oak Lane	288,267.00	-	158,850.00	-	(129,417.00)	-
Municipal Aid Road Program - Otis Bog Road	325,000.00	-	228,225.00	-	(96,775.00)	-
National Fish & Wildlife	1,599,632.00	2,540.00	197,717.67	-	-	1,404,454.33
Alcohol Education and Rehabilitation Program	-	846.34	64.34	-	-	782.00
Recycling Revenue and Residue	-	21,676.40	21,676.40	-	-	-
Ocean County Recycling Revenue Share	10,053.55	9,849.02	9,849.02	-	-	10,053.55
Bulletproof Vest Partnership Grant	6,207.81	-	-	-	-	6,207.81
Clean Communities Program	-	53,425.51	53,425.51	-	-	-
Post Sandy Planning Assistance	135,925.75	-	42,071.57	-	-	93,854.18
Policy and Planning CZM	-	153.75	153.75	-	-	-
NJDEP Living Shore Grant	-	400,000.00	-	-	-	400,000.00
Body Armor Grant	-	3,794.15	3,794.15	-	-	-
Total	\$ 2,832,513.40	\$ 589,528.43	\$ 1,209,910.26	\$ -	\$ (226,192.00)	\$ 1,985,939.57

**TOWNSHIP OF LITTLE EGG HARBOR**  
**CURRENT FUND**  
**SCHEDULE OF RESERVES FOR STATE AND FEDERAL GRANTS - APPROPRIATED**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

APPROPRIATION	BALANCE DECEMBER 31, 2016	2017 BUDGET APPROPRIATION	ENCUMBRANCES RECLASSIFIED	EXPENDED	ADJUSTED	BALANCE DECEMBER 31, 2017
<b>State:</b>						
Safe and Secure Communities - 2016	\$ 60,000.00	\$ -	\$ -	\$ -	\$ -	\$ 60,000.00
Safe and Secure Communities - 2017	-	60,000.00	-	-	-	60,000.00
Body Armor Replacement Fund	3,948.69	3,794.15	-	3,948.54	-	3,794.30
Alcohol Education & Rehabilitation	7,240.52	846.34	-	6,454.91	-	1,631.95
Safe and Secure Communities	45,000.00	-	-	-	-	45,000.00
Bulletproof Vest Program	8,800.00	-	-	8,800.00	-	-
NJOEM Grant	20.95	6,182.40	-	6,182.40	-	20.95
Drunk Driving Enforcement Fund	3,000.00	-	-	(102.91)	-	3,102.91
Clean Communities Program - Prior	63,973.66	-	-	47,087.88	-	16,885.78
Clean Communities Program - 2017	-	53,425.51	-	-	-	53,425.51
Safe and Secure Communities - 2015	60,000.00	-	-	-	-	60,000.00
NJDOT Municipal Aid Program - 2014	188,119.25	-	-	-	-	188,119.25
Recycling Tonnage Grant - Prior	18,326.58	-	-	8,000.00	-	10,326.58
Recycling Tonnage Grant - 2017	-	31,060.86	-	-	-	31,060.86
Recycling Revenue and Residue	-	21,676.40	-	-	-	25,377.56
Municipal Road Program - Otis Bog Road	3,701.16	-	-	85,337.29	(239,662.71)	0.00
Child Restraint Grant	325,000.00	-	-	-	-	2,500.00
Safe and Secure Communities	2,500.00	-	-	-	-	120,000.00
Municipal Road Program - Oak Lane	120,000.00	-	-	56,305.09	(221,210.66)	-
966 Reimbursement	277,515.75	-	-	28,832.50	-	15,217.37
Coastal Zone Management	44,049.87	-	-	-	-	153.75
Municipal Access Plan	-	153.75	-	-	-	15,000.00
Refuge Revenue Sharing Act	15,000.00	-	-	-	-	2,240.00
Post Sandy Planning Assistance	2,240.00	-	-	-	-	64,004.19
Total State	1,312,440.62	177,139.41	-	250,845.70	(460,873.37)	777,860.96
<b>Federal:</b>						
National Fish & Wildlife	1,656,141.86	2,540.00	30,673.16	249,729.46	-	1,439,625.56
CDBG 2015	32,929.00	-	71.00	2,506.58	-	30,493.42
NJDEP Living Shoreline	-	400,000.00	-	-	-	400,000.00
National Wildlife Refuge	2,130.00	-	-	2,000.00	-	130.00
CDBG 2014	31,062.15	-	-	-	-	31,062.15
NJ EDA - Neighborhood Community Revitalization Grant	364,840.63	-	9,447.35	374,287.98	-	0.00
Total Federal	2,087,103.64	402,540.00	40,191.51	628,524.02	-	1,901,311.13
<b>Local:</b>						
Recycling Tonnage Grant - County	13,496.76	-	-	-	-	13,496.76
Recycling Tonnage Grant - 2015	29,723.22	-	3,926.76	33,649.98	-	-
Ocean County Recycling Revenue and Residue	9,371.49	-	-	-	-	9,371.49
Ocean County Recycling Revenue Sharing - 2015	9,707.08	-	-	4,324.66	-	5,382.42
Ocean County Recycling Revenue Sharing - 2017	-	9,849.02	-	-	-	9,849.02
Ocean County Recycling Revenue Sharing	9,614.55	-	9,674.74	9,674.74	-	9,614.55
Total Local	71,913.10	9,849.02	13,601.50	47,649.38	-	47,714.24
Total	\$ 3,471,457.36	\$ 589,528.43	\$ 53,793.01	\$ 927,019.10	\$ (460,873.37)	\$ 2,726,886.33
Cash Disbursements				\$ 919,091.70		
Encumbrances				7,927.40		
Total				\$ 927,019.10		

**TOWNSHIP OF LITTLE EGG HARBOR**  
**FEDERAL AND STATE GRANT FUND**  
**SCHEDULE OF RESERVES FOR STATE GRANTS - UNAPPROPRIATED**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

GRANT	TRANSFERRED			
	BALANCE DECEMBER 31, 2016	TO 2017 GRANT APPROPRIATED	RECEIVED	BALANCE DECEMBER 31, 2017
State Grants:				
Recycling Revenue - Ocean County	\$ 10,054.00	\$ -	\$ -	\$ 10,054.00
Department of Justice Grant	1,488.00	-	-	1,488.00
Coastal Zone Management	2,444.42	-	-	2,444.42
Total Grants	\$ 13,986.42	\$ -	\$ -	\$ 13,986.42

**TRUST FUND**

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**TOWNSHIP OF LITTLE EGG HARBOR  
TRUST FUND  
SCHEDULE OF CASH - TREASURER  
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>TRUST OTHER</u>	<u>TRUST ASSESSMENT</u>
Balance December 31, 2016	\$ 3,906,618.01	\$ 54,096.41
Increased by Receipts:		
Escrow Fees	\$ 598,576.90	\$ -
Open Space	2,448.72	-
Forfeited Funds	10,358.89	-
COAH Fees	144,614.21	-
Sick/Vacation Funds	187,020.40	-
Federal Forfeiture	9.32	-
Police Community Activities	100.00	
Interfunds Received	112,229.83	
	<u>1,055,358.27</u>	
Subtotal	<u>4,961,976.28</u>	<u>54,096.41</u>
Decreased by Disbursements:		
Escrow Fees	575,895.49	-
Planning Board	23,788.82	-
Open Space	400.00	-
COAH Fees	97,321.99	-
Sick/Vacation Funds	162,781.47	-
Federal Forfeiture	1,262.50	-
Forfeited Funds	5,034.20	-
Interfunds Disbursed	1,000,100.16	
	<u>1,866,584.63</u>	
Balance December 31, 2017	<u><u>\$ 3,095,391.65</u></u>	<u><u>\$ 54,096.41</u></u>

**SCHEDULE OF CASH - COLLECTOR - TAX TITLE LIEN REDEMPTION  
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance December 31, 2016	\$ 2,297,094.93
Increased by Receipts:	
Deposits for Redemption of Tax Sale Certificates	<u>3,870,842.00</u>
Subtotal	6,167,936.93
Decreased by Disbursements:	
Refunds - Tax Sale Certificates Redeemed	<u>4,460,967.00</u>
Balance December 31, 2017	<u><u>\$ 1,706,969.93</u></u>

## EXHIBIT B-3

**TOWNSHIP OF LITTLE EGG HARBOR  
TRUST FUND  
SCHEDULE OF CASH - DOG WARDEN  
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance December 31, 2016		\$ -
Increased by Receipts:		
Dog License Fees	7,683.00	
State Dog License Fees	1,629.00	9,312.00
		<hr/>
Subtotal		9,312.00
Decreased by Disbursements:		
Disbursements to State of New Jersey	1,629.00	
Disbursements for Dog License Expenses	7,683.00	9,312.00
		<hr/>
Balance December 31, 2017		<u><u>\$ -</u></u>

## EXHIBIT B-4

**SCHEDULE OF RESERVE FOR DOG FUND EXPENDITURES  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**LICENSE FEES COLLECTED**

YEAR	AMOUNT
2016	8,645.40
2015	7,797.00
	<hr/>
Total	<u><u>\$ 16,442.40</u></u>

## EXHIBIT B-5

**SCHEDULE OF DEPOSITS FOR REDEMPTION OF TAX SALE CERTIFICATES  
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance December 31, 2016	\$ 2,297,094.93
Increased by Receipts:	
Deposits Received - Collector	3,870,842.00
	<hr/>
Subtotal	6,167,936.93
Decreased by Disbursements:	
Refunds - Tax Sale Certificates	4,460,967.00
	<hr/>
Balance December 31, 2017	<u><u>\$ 1,706,969.93</u></u>



**TOWNSHIP OF LITTLE EGG HARBOR  
TRUST FUND  
SCHEDULE OF RESERVE FOR ESCROW DEPOSITS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance December 31, 2016	\$ 1,328,428.45
Increased by:	
Escrow Deposits Received	<u>598,576.90</u>
Subtotal	1,927,005.35
Decreased by:	
Disbursements	<u>575,895.49</u>
Balance December 31, 2017	<u><u>\$ 1,351,109.86</u></u>

**SCHEDULE OF RESERVE FOR FORFEITED PROPERTY  
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance December 31, 2016	\$ 23,474.19
Increased by:	
Cash Receipts	<u>10,358.89</u>
Subtotal	33,833.08
Decreased by:	
Disbursements	<u>5,034.20</u>
Balance December 31, 2017	<u><u>\$ 28,798.88</u></u>

**TOWNSHIP OF LITTLE EGG HARBOR  
TRUST FUND  
SCHEDULE OF RESERVE FOR PLANNING BOARD  
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance December 31, 2016	\$ 103,800.76
Decreased by:	
Escrow Fees	<u>23,788.82</u>
Balance December 31, 2017	<u><u>\$ 80,011.94</u></u>

**SCHEDULE OF RESERVE FOR RECREATION  
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance December 31, 2016 and 2017	<u><u>\$ 2,057.00</u></u>
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**TOWNSHIP OF LITTLE EGG HARBOR  
SCHEDULE OF RESERVE FOR OPEN SPACE  
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance December 31, 2016			\$ 2,214,290.58
Increased by:			
Tax Levy - Due from Current Fund	\$	23,349.96	
Cash Receipts		<u>2,448.72</u>	<u>25,798.68</u>
Subtotal			2,240,089.26
Decreased by:			
Disbursements			<u>400.00</u>
Balance December 31, 2017			<u><u>\$ 2,239,689.26</u></u>

**SCHEDULE OF RESERVE FOR COMMUNITY CENTER  
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance December 31, 2016 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, 2017**

Balance December 31, 2016	\$ 7,106.23
Increased by:	
Receipts	<u>9.32</u>
Subtotal	7,115.55
Decreased by:	
Disbursements	<u>1,262.50</u>
Balance December 31, 2017	<u><u>\$ 5,853.05</u></u>

**SCHEDULE OF RESERVE FOR SICK AND VACATION TIME TRUST FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance December 31, 2016	\$ 22,055.88
Increased by:	
Receipts	<u>187,020.40</u>
Subtotal	209,076.28
Decreased by:	
Disbursements	<u>162,781.47</u>
Balance December 31, 2017	<u><u>\$ 46,294.81</u></u>

**TOWNSHIP OF LITTLE EGG HARBOR  
SCHEDULE OF RESERVE FOR COAH TRUST FUND  
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance December 31, 2016	\$ 213,308.50
Increased by:	
Receipts	<u>144,614.21</u>
Subtotal	357,922.71
Decreased by:	
Disbursements	<u>97,321.99</u>
Balance December 31, 2017	<u><u>\$ 260,600.72</u></u>

**SCHEDULE OF RESERVE FOR POLICE COMMUNITY ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance December 31, 2016	\$ 1,000.00
Increased by:	
Receipts	<u>100.00</u>
Balance December 31, 2017	<u><u>\$ 1,100.00</u></u>

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**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, 2017**

Balance December 31, 2016	\$ 7,042.07
Increased by:	
Premium on Sale of Notes	<u>66,735.85</u>
Balance December 31, 2017	<u><u>\$ 73,777.92</u></u>

**SCHEDULE OF CASH - TREASURER  
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance December 31, 2016	\$ 1,562,008.97
Increased by Receipts:	
Received from Open Space Fund	\$ 1,000,000.00
Received from Grant Fund	<u>33,000.00</u>
	1,033,000.00
Subtotal	2,595,008.97
Decreased by Disbursements:	
Improvement Authorizations	\$ 1,926,612.98
Transferred to Grant Fund	<u>477,528.14</u>
	2,404,141.12
Balance December 31, 2017	<u><u>\$ 190,867.85</u></u>

**TOWNSHIP OF LITTLE EGG HARBOR  
GENERAL CAPITAL FUND  
ANALYSIS OF CASH  
AT DECEMBER 31, 2017**

	BALANCE (OVERDRAFT) DECEMBER 31, 2016	BOND ANTICIPATION NOTES/BONDS	DISBURSEMENTS				TRANSFERS		BALANCE (OVERDRAFT) DECEMBER 31, 2017
			RECEIPTS		IMPROVEMENT AUTHORIZATIONS	MISCELLANEOUS	FROM	TO	
			MISCELLANEOUS						
Fund Balance	\$ 7,042.07	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 66,735.85		\$ 73,777.92
Due Grant Fund	-	-	33,000.00	-	477,528.14	-	-		(444,528.14)
Capital Improvement Fund	17,644.00	-	-	-	-	85,250.00	100,000.00		32,394.00
Due Current Fund	(32,260.01)	-	-	-	-	166,735.85	-		(198,995.86)
Due Open Space Trust Fund	-	-	1,000,000.00	-	-	-	-		1,000,000.00
Due to County - CDBG	3,722.00	-	-	-	-	-	-		3,722.00
IMPROVEMENT AUTHORIZATIONS:									
ORDINANCE									
NUMBER									
96-10	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)
00-06	Water Line Extension - Atlantis	5,561.74	-	-	-	-	-		5,561.74
02-22	Purchase of Street Sweeper	(80.00)	-	-	-	-	-		(80.00)
02-23	Acquisition of Land - Parker								
	Run	18,566.64	-	-	-	-	-		18,566.64
02-41	Construction of Municipal								
	Complex	4,593.86	-	-	-	-	-		4,593.86
03-06	Acquisition of Trash Trucks								
	& Cans	16.06	-	-	-	-	-		16.06
Subtotal		17,755.36	-	1,033,000.00	-	477,528.14	251,985.85	166,735.85	487,977.22

**TOWNSHIP OF LITTLE EGG HARBOR  
GENERAL CAPITAL FUND  
ANALYSIS OF CASH  
AT DECEMBER 31, 2017**

ORDINANCE NUMBER	BALANCE (OVERDRAFT) DECEMBER 31, 2016	BOND ANTICIPATION NOTES/BONDS	DISBURSEMENTS				TRANSFERS		BALANCE (OVERDRAFT) DECEMBER 31, 2017
			RECEIPTS MISCELLANEOUS	IMPROVEMENT AUTHORIZATIONS	MISCELLANEOUS	FROM	TO		
04-04									
04-15	2,465.67	-	-	-	-	-	-	-	2,465.67
05-05	2,265.45	-	-	-	-	-	-	-	2,265.45
05-16	13,837.33	-	-	-	-	-	-	-	13,837.33
05-22	924.60	-	-	-	-	-	-	-	924.60
06-07	1,221.48	-	-	-	-	-	-	-	1,221.48
06-15	243,048.00	-	-	-	-	-	-	-	243,048.00
	131.10	-	-	-	-	-	-	-	131.10
07-04	32,446.08	-	-	-	-	-	-	-	32,446.08
07-10	28,000.00	-	-	12,502.00	-	-	-	-	15,498.00
07-25	67,500.00	-	-	-	-	-	-	-	67,500.00
08-03									
	14,890.26	-	-	-	-	-	-	-	14,890.26
08-04	161,439.07	-	-	-	-	-	-	-	161,439.07
09-05	92,617.32	-	-	-	-	-	-	-	92,617.32
09-06	59,026.54	-	-	-	-	-	-	-	59,026.54
09-13	322,878.61	-	-	-	-	-	-	-	322,878.61
11-15	168,363.93	-	-	-	-	-	-	-	168,363.93
12-12	126,728.67	-	-	-	-	-	-	-	126,728.67
13-14	423,950.06	-	-	-	-	-	-	-	423,950.06
14-10	(377,910.56)	-	-	291,391.10	-	-	-	-	(669,301.66)
16-05	160,430.00	-	-	992,807.80	-	-	-	-	(832,377.80)
17-08	-	-	-	629,912.08	-	-	-	85,250.00	(544,662.08)
Subtotal	1,544,253.61	-	-	1,926,612.98	-	-	-	85,250.00	(297,109.37)
Total Analysis of Cash									
	\$ 1,562,008.97	\$ -	\$ 1,033,000.00	\$ 1,926,612.98	\$ 477,528.14	\$ 251,986.00	\$ 251,986.00	\$ -	\$ 190,867.85

**TOWNSHIP OF LITTLE EGG HARBOR  
GENERAL CAPITAL FUND  
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED  
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance December 31, 2016			\$ 5,721,712.57
Increased by:			
2017 Bonds Issued			<u>4,500,000.00</u>
Subtotal			10,221,712.57
Decreased by:			
2017 Budget Appropriation to Pay General Serial Bonds	\$ 840,000.00		
Green Trust Loan Bonds	<u>68,158.26</u>	<u>908,158.26</u>	
Balance December 31, 2017			<u><u>\$ 9,313,554.31</u></u>

**TOWNSHIP OF LITTLE EGG HARBOR**  
**GENERAL CAPITAL FUND**  
**SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2016	2017 AUTHORIZATIONS	BAN'S PAID	BONDS ISSUED	BALANCE DECEMBER 31, 2017	ANALYSIS OF BALANCE DECEMBER 31, 2017				BOND ANTICIPATION NOTES
							UNEXPENDED IMPROVEMENT AUTHORIZATION	EXPENDED	EXCESS FINANCING		
96-10/99-09	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	30,666.00	-	-	-	29,052.00	-	-	-	-	29,052.00
02-14,36	Construction of Recreation Facilities	40,730.00	-	-	-	39,325.00	-	-	-	-	39,325.00
02-22	Purchase of Street Sweeper	80.00	-	-	-	80.00	-	80.00	-	-	-
02-23	Acquisition of Land - Parker Run	46,550.00	-	-	-	45,960.00	-	-	-	-	45,960.00
03-07	Acquisition of Sport Utility Vehicle;	730.00	-	-	-	649.00	-	-	-	-	649.00
05-19	Road Improvements - Various	117,500.00	-	-	-	111,315.00	-	-	-	-	111,315.00
06-07	Various Road Improvements	576,797.00	-	-	-	-	-	-	-	-	-
06-15	Construction of Softball Field & Tot Lot	225,853.00	-	-	-	225,853.00	-	-	-	-	-
07-04	Construction of North Borge Drive	170,000.00	-	-	-	-	-	-	-	-	-
07-10	Acquisition of Garbage Truck	171,000.00	-	-	-	161,052.00	-	-	-	-	161,052.00
07-25	Acquisition of Land	1,282,500.00	-	-	-	152,000.00	-	-	-	-	152,000.00
08-03	Acquisition & Installation of Automatic Doors	24,130.00	-	-	-	1,282,500.00	-	-	-	-	-
08-04	Improvements to Lexington Drive	395,675.00	-	-	-	23,297.00	-	-	-	-	23,297.00
09-05	Improvements to Forest Edge Drive	204,250.00	-	-	-	374,850.00	-	-	-	-	374,850.00
09-06	Improvements to Frog Pond Road	409,458.00	-	-	-	193,500.00	-	-	-	-	193,500.00
09-13	Various Capital Improvements	1,007,530.00	-	-	-	398,458.00	-	-	-	-	198,000.00
10-20	Various Capital Improvements	1,115,200.00	-	-	-	(29,960.00)	59,026.54	141,431.46	(29,960.00)	-	-
11-15	Various Capital Improvements	1,406,222.00	-	-	-	1,100,171.00	-	-	-	-	-
12-12	Various Capital Improvements	1,540,292.00	-	-	-	-	-	-	-	-	1,100,171.00
13-14	Various Capital Improvements	2,042,360.00	-	-	-	1,924,829.00	-	-	-	-	-
14-10	Various Capital Improvements	1,871,500.00	-	-	-	1,871,500.00	1,202,198.34	669,301.66	-	-	1,924,829.00
16-05	Various Capital Improvements	3,320,250.00	-	-	-	3,320,250.00	2,487,872.20	832,377.80	-	-	-
17-08	Various Capital Improvements	-	1,619,750.00	-	-	1,619,750.00	760,699.72	859,050.28	-	-	-
	Total	\$ 16,006,324.00	\$ 1,619,750.00	\$ 500,445.00	\$ 4,500,000.00	\$ 12,625,629.00	\$ 5,792,296.80	\$ 2,509,292.20	\$ (29,960.00)	\$	4,354,000.00

Improvement Authorizations Unfunded \$ 6,720,068.16  
Less - Unexpended Proceeds of Bond Anticipation

Notes Issued:  
Ordinance 2002-23 18,566.64  
Ordinance 2007-04 32,446.08  
Ordinance 2007-10 15,498.00  
Ordinance 2008-03 14,890.26  
Ordinance 2008-04 161,439.07  
Ordinance 2009-05 92,617.32  
Ordinance 2011-15 168,363.93  
Ordinance 2013-14 423,950.06  
\$ 5,792,296.80

**TOWNSHIP OF LITTLE EGG HARBOR  
GENERAL CAPITAL FUND  
SCHEDULE OF CAPITAL IMPROVEMENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance December 31, 2016	\$ 17,644.00
Increased By:	
Transfer from Current Fund Budget	<u>100,000.00</u>
Subtotal	117,644.00
Decreased By:	
Appropriated to Finance Improvement Authorizations	<u>85,250.00</u>
Balance December 31, 2017	<u><u>\$ 32,394.00</u></u>

**TOWNSHIP OF LITTLE EGG HARBOR**  
**GENERAL CAPITAL FUND**  
**STATEMENT OF IMPROVEMENT AUTHORIZATIONS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	ORDINANCE DATE	AMOUNT	BALANCE DECEMBER 31, 2016		2017 AUTHORIZATIONS	RECLASSIFICATION PRIOR YEAR PAYABLES	EXPENDED	CURRENT YEAR ENCUMBRANCES PAYABLE	BALANCE DECEMBER 31, 2017	
				FUNDED	UNFUNDED					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 Parktown 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	-	-	12,502.00	12,502.00	-	67,500.00	-
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	-	-	-	-	-	59,026.54
09-13	Various Capital Improvements	12/10/09	1,730,000.00	-	493,376.61	-	-	-	-	493,376.61	-
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	-	-	-	-	-	423,950.06
14-10	Various Capital Improvements	7/10/14	1,970,000.00	-	1,485,886.44	-	7,703.00	291,391.10	-	-	1,202,198.34
16-05	Various Capital Improvements	9/08/16	3,495,000.00	-	3,080,000.07	-	400,679.93	992,807.80	-	-	2,487,872.20
17-08	Various Capital Improvements	7/13/17	1,705,000.00	-	-	1,705,000.00	-	629,912.08	314,388.20	-	760,699.72
Total			\$ 98,386.19	\$ 7,698,468.79	\$ 1,705,000.00	\$ 420,884.93	\$ 1,926,612.98	\$ 314,388.20	\$ 961,670.57	\$ 6,720,068.16	

**TOWNSHIP OF LITTLE EGG HARBOR**  
**GENERAL CAPITAL FUND**  
**STATEMENT OF BOND ANTICIPATION NOTES**  
**AT DECEMBER 31, 2017**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	DATE OF ORIGINAL ISSUE	AMOUNT OF ORIGINAL ISSUE	DATE OF ISSUE	DATE OF MATURITY	INTEREST RATE	BALANCE DECEMBER 31, 2016	INCREASED	DECREASED	BALANCE DECEMBER 31, 2017
02-08	Improvements to Cherrywood Drive	2/04/14	\$ 30,666	2/02/16 2/02/17	2/02/17 2/02/18	1.190% 1.306%	\$ 30,666.00 -	\$ - 29,052.00	\$ 30,666.00 -	\$ - 29,052.00
02-14/36	Construction of Recreation Facilities	2/04/14	40,730	2/02/16 2/02/17	2/02/17 2/02/18	1.190% 1.306%	40,730.00 -	- 39,325.00	40,730.00 -	- 39,325.00
02-23	Acquisition of Land - Parker Run	2/04/14	46,550	2/02/16 2/02/17	2/02/17 2/02/18	1.190% 1.306%	46,550.00 -	- 45,960.00	46,550.00 -	- 45,960.00
03-07	Acquisition of Sport Utility Vehcles	2/04/14	730	2/02/16 2/02/17	2/02/17 2/02/18	1.190% 1.306%	730.00 -	- 649.00	730.00 -	- 649.00
05-19	Road Improvements - Various	2/04/14	117,500	2/02/16 2/02/17	2/02/17 2/02/18	1.190% 1.306%	117,500.00 -	- 111,315.00	117,500.00 -	- 111,315.00
06-07	Various Road Improvements	4/05/07	1,111,500	2/02/16	2/02/17	1.000%	576,797.00	-	576,797.00	-
06-15	Construction of Softball Field & Tot Lot	4/05/07	446,500	2/02/16	2/02/17	1.000%	225,853.00	-	225,853.00	-
07-04	Road & Drainage Improvemnts North Burgee Drive	2/04/14	170,000	2/02/16 2/02/17	2/02/17 2/02/18	1.190% 1.306%	170,000.00 -	- 161,052.00	170,000.00 -	- 161,052.00
07-10	Acquisition of Garbage Truck	2/04/14	171,000	2/02/16 2/02/17	2/02/17 2/02/18	1.190% 1.306%	171,000.00 -	- 152,000.00	171,000.00 -	- 152,000.00
08-03	Acquisition & Installation of Automatic Doors for Handicap Access	2/04/14	24,130	2/02/16 2/02/17	2/02/17 2/02/18	1.190% 1.306%	24,130.00 -	- 23,297.00	24,130.00 -	- 23,297.00
08-04	Improvements to Lexington Drive	2/04/14	395,675	2/02/16 2/02/17	2/02/17 2/02/18	1.190% 1.306%	395,675.00 -	- 374,850.00	395,675.00 -	- 374,850.00
09-05	Improvements to Forest Edge Drive	2/04/14	204,250	2/02/16 2/02/17	2/02/17 2/02/18	1.190% 1.306%	204,250.00 -	- 193,500.00	204,250.00 -	- 193,500.00
09-06	Improvements to Frog Pond Road	2/04/14	209,000	2/02/16 2/02/17	2/02/17 2/02/18	1.190% 1.306%	209,000.00 -	- 198,000.00	209,000.00 -	- 198,000.00
09-13	Various Capital Improvements	2/18/10	1,358,500	2/02/16	2/02/17	1.00%	1,037,490.00	-	1,037,490.00	-
10-20	Various Capital Improvements	6/14/11	1,324,300	2/02/16	2/02/17	1.00%	1,115,200.00	-	1,115,200.00	-
11-15	Various Capital Improvements	2/10/12	1,610,250	2/02/16 2/02/17	2/02/17 2/02/18	1.00% 1.306%	1,406,222.00 -	- 1,100,171.00	1,406,222.00 -	- 1,100,171.00
12-12	Various Capital Improvements	2/08/13	1,615,000	2/02/16	2/02/17	1.00%	1,540,292.00	-	1,540,292.00	-
13-14	Various Capital Improvements	2/04/14	2,042,360	2/02/16 2/02/17	2/02/17 2/02/18	1.000% 1.306%	2,042,360.00 -	- 1,924,829.00	2,042,360.00 -	- 1,924,829.00
Total							<u>\$9,354,445.00</u>	<u>\$ 4,354,000.00</u>	<u>\$ 9,354,445.00</u>	<u>\$ 4,354,000.00</u>
Bond Anticipation Note Renewal									\$ 4,354,000.00	
Paid Down by Bond Proceeds									4,500,000.00	
Paid Down by Current Fund									500,445.00	
									<u>\$ 9,354,445.00</u>	



**TOWNSHIP OF LITTLE EGG HARBOR  
GENERAL CAPITAL FUND  
SCHEDULE OF GENERAL SERIAL BONDS  
AT DECEMBER 31, 2017**

MATURITIES OF							
PURPOSE	DATE OF ISSUE	AMOUNT OF ORIGINAL ISSUE	BONDS OUTSTANDING DECEMBER 31, 2016		INTEREST RATE	BALANCE DECEMBER 31, 2016	BALANCE DECEMBER 31, 2017
			DATE	AMOUNT			
General Obligation Refunding Bonds	2/1/2010	3,275,000	08/01/18	300,000	3.750%	\$ 1,495,000.00	\$ -
			08/01/19	300,000	4.000%		
			08/01/20	295,000	5.000%		
			08/01/21	295,000	5.000%		
General Obligation Refunding Bonds	5/2/2012	5,260,000	11/15/18	545,000	4.000%	3,715,000.00	-
			11/15/19	545,000	2.000%		
			11/15/20	535,000	2.250%		
			11/15/21	525,000	2.500%		
			11/15/22	520,000	3.000%		
			11/15/23	510,000	2.750%		
General Obligation Bonds	2/2/2017	\$4,500,000	2/01/18	275,000	2.000%	-	4,500,000.00
			2/01/19	325,000	2.000%		
			2/01/20	325,000	2.000%		
			2/01/21	275,000	2.000%		
			2/01/22	550,000	2.000%		
			2/01/23	550,000	2.000%		
			2/01/24	550,000	3.000%		
			2/01/25	550,000	3.000%		
			2/01/26	550,000	3.000%		
			2/01/27	550,000	3.000%		
Totals			\$	5,210,000.00	\$	4,500,000.00	\$ 840,000.00
Paid from Current Fund					\$	840,000.00	
Total					\$	840,000.00	

**TOWNSHIP OF LITTLE EGG HARBOR**  
**GENERAL CAPITAL FUND**  
**SCHEDULE OF GREEN TRUST LOAN PAYABLE**  
**AT DECEMBER 31, 2017**

PURPOSE	DATE OF ISSUE	AMOUNT OF ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING		INTEREST RATE	BALANCE DECEMBER 31, 2016	DECREASED	BALANCE DECEMBER 31, 2017
			DATE	AMOUNT				
Open Space Acquisition	10/22/02	\$ 255,220.00	2018	14,439.10	2.00%	\$ 89,311.28	\$ 14,154.60	\$ 75,156.68
			2019	14,729.32				
			2020	15,025.39				
			2021	15,327.40				
			2022	15,635.47				
Recreation Complex	7/18/02	500,000.00	2018	28,570.42	2.00%	161,173.05	28,007.48	133,165.57
			2019	29,144.69				
			2020	29,730.50				
			2021	30,328.08				
			2022	15,392.88				
Municipal Complex	9/7/05	250,000.00	2018	13,457.00	2.00%	120,962.00	13,192.00	107,770.00
			2019	13,727.00				
			2020	14,004.00				
			2021	14,285.00				
			2022	14,572.00				
			2023	14,865.00				
			2024	15,164.00				
			2025	7,696.00				
Construction of Softball Field & Tot Lot	11/27/06	250,000.00	2018	13,061.54	2.00%	140,266.24	12,804.18	127,462.06
			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						\$ 511,712.57	\$ 68,158.26	\$ 443,554.31

**TOWNSHIP OF LITTLE EGG HARBOR  
GENERAL CAPITAL FUND  
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED  
AT DECEMBER 31, 2017**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2016	2017 AUTHORIZATIONS /INCREASES	2016 REDUCTIONS	NOTES ISSUED	BALANCE DECEMBER 31, 2017
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
Total		\$ 6,651,879.00	\$ 1,619,750.00	\$ -	\$ -	\$ 8,271,629.00

**TOWNSHIP OF LITTLE EGG HARBOR  
GENERAL CAPITAL FUND  
SCHEDULE OF STATE ROAD AID ALLOTMENTS RECEIVABLE  
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance December 31, 2016	\$ 170,498.16
Increased By:	
Grants Previously Awarded	<u>226,192.00</u>
Balance December 31, 2017	<u><u>\$ 396,690.16</u></u>

**ANALYSIS OF BALANCE**

2009-13 Various Capital Improvements - Frog Pond Road Phase 1	\$ 170,498.16
2014-10 Various Capital Improvements	129,417.00
2016-05 Various Capital Improvements	<u>96,775.00</u>
Total	<u><u>\$ 396,690.16</u></u>

<b>PAYROLL FUND</b>
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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, 2017**

Balance December 31, 2016		\$	196,472.06
Increased by:			
Receipts			<u>12,325,406.09</u>
Subtotal			12,521,878.15
Decreased by:			
Disbursements:			
Net Pay	\$	5,907,793.22	
Payment to Agencies		<u>6,385,184.79</u>	<u>12,292,978.01</u>
Balance December 31, 2017		\$	<u><u>228,900.14</u></u>

## EXHIBIT D-2

**STATEMENT OF PAYROLL TAXES PAYABLE  
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance December 31, 2016		\$	192,095.44
Increased by:			
Payroll Deductions			<u>6,417,612.87</u>
Subtotal			6,609,708.31
Decreased by:			
Due Current Fund	\$	21,360.02	
Disbursements		<u>6,385,184.79</u>	<u>6,406,544.81</u>
Balance December 31, 2017		\$	<u><u>203,163.50</u></u>

**ANALYSIS OF BALANCE**

Federal Tax Liability	\$	107,763.82
State Tax Liability		14,707.72
PERS		28,775.22
PFRS		<u>51,916.74</u>
Balance December 31, 2017	\$	<u><u>203,163.50</u></u>

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**TOWNSHIP OF LITTLE EGG HARBOR**

**PART II**

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

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

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**TOWNSHIP OF LITTLE EGG HARBOR  
SCHEDULE OF FINANCIAL STATEMENT FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

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

**Finding 2017-001**

Criteria or specific requirement:

A proper General Ledger should be maintained by the Township.

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.

Cause:

Lack of supporting staff in finance office.

Effect or potential effect:

A delay in timely and accurate year end numbers for Current and General Capital Funds.

Recommendation:

That the Township posts all adjusting and closing entries to the general ledger at year end for all funds.

View of responsible official:

The responsible official agrees with this finding and will address the matter as part of their corrective action plan.

**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, 2017**

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

**Finding No. 2016-001**

**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 not been corrected. See Finding 2017-001

**FEDERAL AWARDS**

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

**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, 2017**

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## OFFICIALS IN OFFICE AND SURETY BONDS

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

<u>Name</u>	<u>Title</u>
Ray Gormley	Mayor
Barbara Jo Crea	Deputy Mayor
John Kehm, Jr	Committeeman
Dave Schlick	Committeeman
Lisa Stevens	Committeewoman
Garrett Loesch	Chief Financial Officer, 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  
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, 2017.

#### **GENERAL COMMENTS:**

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

N.J.S.A.40A:11-4 states every contract or agreement, for the performance of any work or furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only by the Governing Body of the contracting unit after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other Law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate the bid threshold, except by contract or agreement.

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

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

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

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

## Collection of Interest on Delinquent Taxes and Assessments

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

The governing body on January 1, 2017 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 2017-01** (*Finding 2017-001 in the Schedule of Financial Statement Findings section*) – 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.

\*Denotes Prior Year Finding.

## RECOMMENDATIONS:

### Finding 2017-01

That the Township posts all adjusting and closing entries to the general ledger at year end for all funds.

**Appreciation**

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

Respectfully submitted,

HOLMAN FRENIA ALLISON, P. C.

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

Medford, New Jersey  
June 8, 2018