

TOWNSHIP OF CARNEYS POINT

COUNTY OF SALEM

REPORT OF AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2016

TOWNSHIP OF CARNEYS POINT
TABLE OF CONTENTS

<u>Exhibit No.</u>		<u>Page No.</u>
<u>PART 1</u>		
	Independent Auditor's Report	2
	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	5
<u>CURRENT FUND</u>		
A	Statements of Assets, Liabilities, Reserves and Fund Balance-- Regulatory Basis	7
A-1	Statements of Operations and Changes in Fund Balance-- Regulatory Basis	9
A-2	Statement of Revenues--Regulatory Basis	10
A-3	Statement of Expenditures--Regulatory Basis	14
<u>TRUST FUNDS</u>		
B	Statements of Assets, Liabilities, Reserves, and Fund Balance-- Regulatory Basis	20
B-1	Municipal Open Space --Statement of Revenues--Regulatory Basis	22
B-2	Municipal Open Space --Statement of Expenditures--Regulatory Basis	23
<u>GENERAL CAPITAL FUND</u>		
C	Statements of Assets, Liabilities, Reserves, and Fund Balance-- Regulatory Basis	24
C-1	Statement of Fund Balance – Regulatory Basis	25
<u>GENERAL FIXED ASSETS GROUP OF ACCOUNTS</u>		
E	Statement of General Fixed Assets Group of Accounts -- Regulatory Basis	26
<u>INDUSTRIAL COMMISSION</u>		
F	Statements of Assets, Liabilities, Reserves, and Fund Balance-- Regulatory Basis	27
F-1	Statements of Operations and Changes in Fund Balance -- Regulatory Basis	28
F-2	Statement of Expenditures--Regulatory Basis	29
	Notes to Financial Statements	30

TOWNSHIP OF CARNEYS POINT
TABLE OF CONTENTS (CONT'D)

Exhibit No.**Page No.****SUPPLEMENTAL EXHIBITS****CURRENT FUND**

SA-1	Statement of Cash	62
SA-2	Schedule of Change Funds	63
SA-3	Statement of Taxes Receivable and Analysis of Property Tax Levy	64
SA-4	Statement of Tax Title Liens Receivable	65
SA-5	Statement of Revenue Accounts Receivable	66
SA-6	Statement of Appropriation Reserves	67
SA-7	Statement of Statement of Tax Overpayments	70
SA-8	Statement of Reserve for Matching Funds	70
SA-9	Statement of Due to State of New Jersey Senior Citizens and Veterans' Deductions	71
SA-10	Statement of Prepaid Taxes	71
SA-11	Statement of County Taxes Payable	72
SA-12	Statement of Regional School District Taxes Payable	72
SA-13	Statement of Municipal Open Space Taxes Payable Due to Trust Fund	73
SA-14	Statement of Due State of New Jersey - DCA Training Fees	73
SA-15	Federal and State Grant Fund--Statement of Federal and State Grants Receivable	74
SA-16	Federal and State Grant Fund--Statement of Reserve for Federal and State Grants – Appropriated	75
SA-17	Federal and State Grant Fund--Statement of Reserve for Federal and State Grants - Unappropriated	76

TRUST FUNDS

SB-1	Statement of Trust Funds Cash	78
SB-2	Trust Other Fund--Statement of Investments – Length of Service Awards Program	79
SB-3	Animal Control Fund--Statement of Reserve for Animal Control Fund Expenditures	80
SB-4	Animal Control Fund--Statement Due State of New Jersey – Department of Health	80
SB-5	Trust Other Fund--Statement of Changes in Reserve for Developers Escrow	81
SB-6	Trust Other Fund--Statement of Changes in Reserve for Miscellaneous	82
SB-7	Trust Other Fund--Statement of Due To (From) Current Fund	83
SB-8	Municipal Open Space Fund--Statement of Due from Current Fund	84
SB-9	Municipal Open Space Fund--Reserve for Future Use	84

TOWNSHIP OF CARNEYS POINT
TABLE OF CONTENTS (CONT'D)

<u>Exhibit No.</u>		<u>Page No.</u>
 <u>SUPPLEMENTAL EXHIBITS (Cont'd)</u>		
<u>GENERAL CAPITAL FUND</u>		
SC-1	Statement of Cash	86
SC-2	Statement of Capital Cash and Investments	87
SC-3	Statement of Deferred Charges to Future Taxation--Funded	88
SC-4	Statement of Capital Improvement Fund	88
SC-5	Statement of Grants Receivable	89
SC-6	Statement of Deferred Charges to Future Taxation--Unfunded	90
SC-7	Statement of Improvement Authorizations	91
SC-8	Statement of General Serial Bonds	92
SC-9	Statement of Green Acres Trust Loan Payable	92
SC-10	Statement of Bond Anticipation Note Payable	93
SC-11	Statement of New Jersey Environmental Infrastructure Trust Loan Payable	94
SC-12	Statement of Bonds and Notes Authorized But Not Issued	95
 <u>INDUSTRIAL COMMISSION</u>		
SF-1	Statement of Cash	97
 <u>PART 2</u>		
<u>SCHEDULE OF FINDINGS AND RECOMMENDATIONS</u>		
	Schedule of Financial Statement Findings	99
	Summary Schedule of Prior Year Audit Findings and Recommendations as Prepared by Management	100
	<u>OFFICIALS IN OFFICE AND SURETY BONDS</u>	101
	<u>APPRECIATION</u>	102

TOWNSHIP OF CARNEYS POINT
PART 1
REPORT OF AUDIT OF FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Township Committee
Township of Carneys Point
Carneys Point, NJ 08069

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

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

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

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

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

Opinion on Regulatory Basis of Accounting

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

Other Matters

Other Information

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

The supplemental statements and schedules presented for the various funds are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental statements and schedules described in the previous paragraph are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2017 on our consideration of the Township of Carneys Point, in the County of Salem, State of New Jersey, internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township of Carneys Point's internal control over financial reporting and compliance.

Respectfully submitted,

Bowman & Company LLP

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Fred S. Caltabiano

Fred S. Caltabiano
Certified Public Accountant
Registered Municipal Accountant

Woodbury, New Jersey
June 30, 2017

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

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Township Committee
Township of Carneys Point
Carneys Point, NJ 08069

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, of the Township of Carneys Point, in the County of Salem, State of New Jersey, as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements, and have issued our report thereon dated June 30, 2017. That report indicated that the Township of Carneys Point's financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America, but were prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Township of Carneys Point'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 of Carneys Point's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township of Carneys Point's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township of Carneys Point's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Purpose of this Report

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

Respectfully submitted,

Bowman & Company LLP

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Fred S. Caltabiano

Fred S. Caltabiano
Certified Public Accountant
Registered Municipal Accountant

Woodbury, New Jersey
June 30, 2017

TOWNSHIP OF CARNEYS POINT

CURRENT FUND

Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis

As of December 31, 2016 and 2015

	<u>Ref.</u>	<u>2016</u>	<u>2015</u>
<u>ASSETS:</u>			
Regular Fund:			
Cash - Chief Financial Officer	SA-1	\$ 1,784,106.81	\$ 2,319,230.04
Cash - Tax Collector	SA-1	277,138.03	3,368.66
Cash - Change Funds	SA-2	775.00	775.00
		<u>2,062,019.84</u>	<u>2,323,373.70</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	SA-3	568,388.43	564,284.43
Tax Title Liens Receivable	SA-4	1,185,218.29	1,048,922.44
Revenue Accounts Receivable	SA-5	8,616.96	9,453.55
Solid Waste Fee Liens	A	1,426.70	1,426.70
Due from Trust Other Fund	SB-7	274.04	143.66
		<u>1,763,924.42</u>	<u>1,624,230.78</u>
Deferred Charges:			
Emergency Authorization	A-3	225,000.00	
Total Regular Fund		<u>4,050,944.26</u>	<u>3,947,604.48</u>
Federal and State Grant Fund:			
Cash	SA-1	173,432.93	226,216.03
Grants Receivable	SA-15	33,986.03	51,219.77
Total Federal and State Grant Fund		<u>207,418.96</u>	<u>277,435.80</u>
		<u>\$ 4,258,363.22</u>	<u>\$ 4,225,040.28</u>

(Continued)

TOWNSHIP OF CARNEYS POINT

CURRENT FUND

Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis

As of December 31, 2016 and 2015

	<u>Ref.</u>	<u>2016</u>	<u>2015</u>
<u>LIABILITIES, RESERVES, AND FUND BALANCE:</u>			
Regular Fund:			
Appropriation Reserves	A-3;SA-6	\$ 592,388.55	\$ 399,744.77
Reserve for Encumbrances	A-3;SA-6	60,403.10	88,337.10
Tax Overpayments	SA-7	102,935.12	63,299.17
Prepaid Taxes	SA-10	148,884.39	134,825.96
County Taxes Payable	SA-11	26,816.45	9,094.00
Due to Trust -- Municipal Open Space	SA-13	7,074.27	60.59
Due State of New Jersey:			
Senior Citizens and Veterans Deductions	SA-9	22,958.30	29,447.34
DCA Training Fees	SA-14	4,606.00	2,271.00
Reserve for:			
Property Registration Fee	SA-1	1,000.00	
Fire Fighting Equipment and Training	A	1,200.00	1,200.00
		<u>968,266.18</u>	<u>728,279.93</u>
Reserves for Receivables and Other Assets	A	1,763,924.42	1,624,230.78
Fund Balance	A-1	<u>1,318,753.66</u>	<u>1,595,093.77</u>
Total Regular Fund		<u>4,050,944.26</u>	<u>3,947,604.48</u>
Federal and State Grant Fund:			
Reserve for Encumbrances	SA-16	9,533.43	8,445.06
Reserve for Grants - Appropriated	SA-16	192,885.53	248,990.74
Reserve for Grants - Unappropriated	SA-17	5,000.00	
Reserve for Matching Funds	SA-8		20,000.00
Total Federal and State Grant Fund		<u>207,418.96</u>	<u>277,435.80</u>
		<u>\$ 4,258,363.22</u>	<u>\$ 4,225,040.28</u>

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

TOWNSHIP OF CARNEYS POINT
CURRENT FUND

Statements of Operations and Changes in Fund Balance -- Regulatory Basis
For the Years Ended December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
<u>REVENUE AND OTHER INCOME REALIZED:</u>		
Fund Balance Utilized	\$ 835,000.00	\$ 825,000.00
Miscellaneous Revenues Anticipated	5,053,200.62	4,910,838.00
Receipts from Delinquent Taxes and Tax Title Liens	589,437.57	799,686.11
Receipts from Current Taxes	18,871,198.24	18,829,346.37
Non-Budget Revenue	95,211.89	93,582.95
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	282,759.79	719,306.24
Reserve for Matching Funds	20,000.00	
	<hr/>	<hr/>
Total Income	25,746,808.11	26,177,759.67
	<hr/>	<hr/>
<u>EXPENDITURES:</u>		
Budget Appropriations:		
Within "CAPS":		
Operations:		
Salaries and Wages	3,031,174.00	2,922,121.00
Other Expenses	3,544,104.00	3,225,025.00
Deferred Charges and Statutory Expenditures	627,426.50	656,054.25
Excluded from "CAPS":		
Operations:		
Salaries and Wages	240,626.00	248,359.00
Other Expenses	647,262.32	543,911.18
Capital Improvements	115,000.00	60,000.00
Debt Service	736,088.13	726,105.67
Deferred Charges	70,000.00	60,000.00
County Taxes	6,535,407.21	7,033,822.72
Regional School Tax	9,855,916.00	9,511,374.30
Municipal Open Space Tax	7,013.68	7,326.49
Other Debits to Income:		
Prior Year Senior Citizen/Veteran Deductions Disallowed	3,000.00	2,000.00
Creation of Interfunds	130.38	237.67
	<hr/>	<hr/>
Total Expenditures	25,413,148.22	24,996,337.28
	<hr/>	<hr/>
Excess Revenue and Other Income Realized Over Expenditures	333,659.89	1,181,422.39
Adjustments to Income Before Fund Balance:		
Expenditures Included Above Which are by Statute Deferred		
Charges to Budget of Succeeding Year	225,000.00	
	<hr/>	<hr/>
Statutory Excess to Fund Balance	558,659.89	1,181,422.39
<u>FUND BALANCE:</u>		
Balance January 1	1,595,093.77	1,238,671.38
	<hr/>	<hr/>
	2,153,753.66	2,420,093.77
Decreased by:		
Utilized as Revenue	835,000.00	825,000.00
	<hr/>	<hr/>
Balance December 31	\$ 1,318,753.66	\$ 1,595,093.77
	<hr/>	<hr/>

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

TOWNSHIP OF CARNEYS POINT
CURRENT FUND
Statement of Revenues -- Regulatory Basis
For the Year Ended December 31, 2016

	<u>Anticipated</u>			<u>Excess or</u>
	<u>Budget</u>	<u>Special N.J.S. 40A: 4-87</u>	<u>Realized</u>	<u>(Deficit)</u>
Fund Balance Anticipated	\$ 835,000.00		\$ 835,000.00	
Miscellaneous Revenues:				
Local Revenues:				
Alcoholic Beverages	8,000.00		8,198.50	\$ 198.50
Fees and Permits - Other	35,000.00		41,842.50	6,842.50
Fines and Costs - Municipal Court	150,000.00		121,288.08	(28,711.92)
Interest and Costs on Taxes	100,000.00		93,243.95	(6,756.05)
Interest on Investments and Deposits	1,000.00		4,176.41	3,176.41
Payments in Lieu Of Taxes Pursuant to N.J.S.A. 54:4-3.95				
Chambers Co-Generation Limited Partnership	2,512,120.00		2,628,920.00	116,800.00
Senior Housing	80,000.00		112,798.69	32,798.69
Cable Television Fees	27,266.93		27,266.96	0.03
Contribution from Carneys Point Twp. Sewerage Authority - Health Insurance Premiums	23,000.00		24,289.92	1,289.92
Contribution from Carneys Point Twp. Sewerage Authority - Surplus Anticipated	80,000.00		80,000.00	
Reserve for the Payment of Debt	52,310.00		52,310.00	
Hotel/Motel Tax	110,000.00		126,929.20	16,929.20
Police Outside Employment Trust	25,000.00		25,000.00	
Rent - YMCA of Salem County	15,000.00		24,000.00	9,000.00
State Aid Without Offsetting Appropriations:				
Consolidated Municipal Property Tax Relief Aid	67,153.00		67,153.00	
Energy Receipts Tax	740,221.00		740,221.00	
Dedicated Uniform Construction Code Fees Offset with Appropriations (N.J.S.40A:4-36 and N.J.A.C.5:23-4.17):				
Uniform Construction Code Fees	152,000.00		193,629.09	41,629.09
Special Items of General Revenue Anticipated with Prior Written Consent of the Director of Local Government Services - Interlocal Municipal Service Agreements Offset with Appropriations:				
Borough of Penns Grove - Interlocal Services Agreement - Tax Collector	63,406.00		63,405.50	(0.50)
Borough of Penns Grove - Interlocal Services Agreement - Public Works	551,703.00		551,703.00	

(Continued)

TOWNSHIP OF CARNEYS POINT
CURRENT FUND
Statement of Revenues -- Regulatory Basis
For the Year Ended December 31, 2016

	<u>Anticipated</u>			
	<u>Budget</u>	<u>Special N.J.S. 40A: 4-87</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Special Items of General Revenue Anticipated with Prior Written Consent of the Director of Local Government Services - Public and Private Revenues Offset with Appropriations				
Clean Communities Program		\$ 22,796.06	\$ 22,796.06	
Municipal Alliance on Alcoholism and Drug Abuse	\$ 15,463.50		15,463.50	
Body Armor Replacement Program		1,943.57	1,943.57	
Recycling Tonnage Grant	14,441.69		14,441.69	
Drive Sober or Get Pulled Over		10,000.00	10,000.00	
Bulletproof Vest Partnership Grant		2,180.00	2,180.00	
	4,823,085.12	36,919.63	5,053,200.62	\$ 193,195.87
Receipts from Delinquent Taxes	560,000.00		589,437.57	29,437.57
Amount to be Raised by Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purposes including Reserve for Uncollected Taxes	3,391,571.21		3,332,489.99	(59,081.22)
Budget Totals	9,609,656.33	36,919.63	9,810,128.18	163,552.22
Non-Budget Revenues			95,211.89	95,211.89
	\$ 9,609,656.33	\$ 36,919.63	\$ 9,905,340.07	\$ 258,764.11

(Continued)

TOWNSHIP OF CARNEYS POINT
CURRENT FUND
Statement of Revenues -- Regulatory Basis
For the Year Ended December 31, 2016

Analysis of Realized Revenue

Allocation of Current Tax Collections:	
Revenue from Collections	\$ 18,871,198.24
Allocated to:	
County, School and Open Space Taxes	<u>16,398,336.89</u>
Amount for Support of Municipal Budget Appropriations	2,472,861.35
Add: Appropriation "Reserve for Uncollected Taxes"	<u>859,628.64</u>
Amount for Support of Municipal Budget Appropriations	<u><u>\$ 3,332,489.99</u></u>
Receipts from Delinquent Taxes:	
Delinquent Tax Collections	\$ 550,836.37
Tax Title Lien Collections	<u>38,601.20</u>
	<u><u>\$ 589,437.57</u></u>
Fees and Permits - Other	
Trailer Fees	\$ 600.00
Bingo Raffle	1,090.00
Planning and Zoning Board	500.00
Street Opening Permits	5,000.00
Other	<u>34,652.50</u>
	<u><u>\$ 41,842.50</u></u>

Analysis for Non-Budget Revenue

Miscellaneous Revenue not Anticipated:	
Chief Financial Officer:	
Recycling Receipts	\$ 1,595.40
Sewerage Authority Rent	1,200.00
JIF Safety Award	5,425.00
Payment in Lieu of Taxes BL 231 LT 4	732.23
Senior and Veterans Administration Fees	1,802.90
Recreation/Park Fees & Permits	7,284.28
CP Bulk Trash Tag	6,440.00
Election Workers	9,850.00
Bulk Trash Stickers - PG	3,738.00
Carneys Point Sewerage Authority - Fuel Usage	2,965.98
Penns Grove Shared Services - Billable Overtime	3,444.93
Registrar	1,345.00
Miscellaneous - Other	14,099.62
Sale of Assets	<u>5,500.05</u>
Total Chief Financial Officer -- Cash Collections	65,423.39

(Continued)

TOWNSHIP OF CARNEYS POINT
CURRENT FUND
Statement of Revenues -- Regulatory Basis
For the Year Ended December 31, 2016

Analysis for Non-Budget Revenue (Cont'd)

Miscellaneous Revenue not Anticipated (Cont'd):

Chief Financial Officer (Cont'd):

Journal Entries:

Interest on Investments and Deposits -- Trust Other Funds	\$ 182.38
---	-----------

Total Chief Financial Officer MRNA	65,605.77
------------------------------------	-----------

Tax Collector:

Grass Cut Liens	5,181.16
-----------------	----------

Advertising Fee / Tax Sale Costs	22,430.95
----------------------------------	-----------

Recording Fee	420.00
---------------	--------

Duplicate Bill / Redemption Request Fee	235.00
---	--------

Interest on Investments and Deposits	1,339.01
--------------------------------------	----------

	29,606.12
--	-----------

	\$ 95,211.89
--	--------------

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

TOWNSHIP OF CARNEYS POINT
CURRENT FUND
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2016

	Appropriations		Expended			Unexpended
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	Balance Cancelled
OPERATIONS -- WITHIN "CAPS"						
GENERAL GOVERNMENT FUNCTIONS						
Administrative and Executive						
Salaries and Wages						
Governing Body	\$ 29,200.00	\$ 29,200.00	\$ 29,172.05		\$ 27.95	
Municipal Clerk's Office	67,943.00	67,943.00	67,795.40		147.60	
Other Expenses						
Computer Consultant	7,500.00	7,500.00	6,515.00	\$ 967.72	17.28	
Miscellaneous Other Expenses	21,175.00	19,250.00	16,403.53	11.88	2,834.59	
Governing Body	1,950.00	1,950.00	1,496.00	395.00	59.00	
Financial Administration						
Salaries and Wages	146,800.00	147,320.00	147,051.80		268.20	
Other Expenses						
Annual Audit / Consulting	50,000.00	50,000.00	49,660.00		340.00	
Fixed Asset Accounting	50.00	50.00			50.00	
Miscellaneous Other Expenses	31,075.00	20,930.00	17,346.55	566.54	3,016.91	
Grants Consultant						
Other Expenses	10,000.00	1,000.00	712.50		287.50	
Registrar of Vital Statistics						
Salaries and Wages	4,891.00	4,891.00	4,794.72		96.28	
Other Expenses	1,550.00	450.00	72.95		377.05	
Assessment of Taxes						
Salaries and Wages	27,500.00	28,400.00	27,919.71		480.29	
Other Expenses	57,750.00	57,650.00	26,672.96	749.91	30,227.13	
Collection of Taxes						
Salaries and Wages	18,100.00	18,700.00	17,879.81		820.19	
Other Expenses	26,350.00	23,200.00	17,753.11	1,091.00	4,355.89	
Foreclosure of TTL	10,000.00	5,000.00	1,270.71		3,729.29	
Legal Services and Costs						
Other Expenses	200,000.00	684,150.00	662,741.04		21,408.96	
Engineering Services and Costs						
Other Expenses	40,000.00	20,000.00	8,225.50		11,774.50	
Industrial Commission						
Other Expenses	2,558.00	2,558.00	2,558.00			
Land Use Administration						
Municipal Land Use Law (NJSA 40:55 D-1 et seq.)						
Planning Board						
Salaries and Wages	7,100.00	7,250.00	7,076.02		173.98	
Other Expenses	13,850.00	12,650.00	11,262.00	720.00	668.00	
(Continued)						

(Continued)

TOWNSHIP OF CARNEYS POINT
CURRENT FUND
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2016

	Appropriations		Expended			Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	
<u>OPERATIONS -- WITHIN "CAPS" (CONT'D)</u>						
<u>GENERAL GOVERNMENT FUNCTIONS (CONT'D)</u>						
Insurance						
Salaries and Wages - Insurance Administration	\$ 10,200.00	\$ 10,200.00	\$ 9,936.00		\$ 264.00	
General Liability	100,125.00	100,125.00	95,805.00		4,320.00	
Workers Compensation	152,900.00	152,900.00	152,900.00			
Employee Group Health	1,250,000.00	1,250,000.00	1,174,190.47		75,809.53	
New Jersey Disability	5,700.00	8,200.00	7,166.42		1,033.58	
JIF - Other Expenses	6,450.00	6,450.00	3,165.09		3,284.91	
Unemployment Compensation	5,000.00	5,000.00			5,000.00	
PUBLIC SAFETY						
Volunteer Fire Co.						
Fire Hydrant Service	77,200.00	77,200.00	70,072.95		7,127.05	
Miscellaneous Other Expenses	51,950.00	47,650.00	17,596.90	\$ 11,585.00	18,468.10	
Police						
Salaries and Wages	1,872,750.00	1,872,750.00	1,768,802.00		103,948.00	
Miscellaneous Other Expenses	84,325.00	76,125.00	66,409.49	3,734.94	5,980.57	
Purchase Police Car	35,000.00	34,500.00	34,441.48		58.52	
First Aid Organization						
Other Expenses - Rescue	40,500.00	38,500.00	32,508.71	952.48	5,038.81	
Ambulance Services	70,000.00	70,000.00	68,989.56		1,010.44	
Emergency Management Services						
Salaries and Wages	800.00	800.00	799.99		0.01	
Other Expenses	3,300.00	3,300.00	1,162.22		2,137.78	
Fire Business	4,085.00	4,085.00	3,059.32		1,025.68	
Municipal Prosecutor						
Other Expenses	12,500.00	12,500.00	12,500.00			
Municipal Court						
Salaries and Wages	145,900.00	145,900.00	132,245.52		13,654.48	
Other Expenses	22,260.00	22,260.00	16,387.82	532.61	5,339.57	
Public Defender						
Other Expenses	7,500.00	7,500.00	6,999.96		500.04	

(Continued)

TOWNSHIP OF CARNEYS POINT
CURRENT FUND
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2016

	Appropriations		Expended			Unexpended Balance
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Cancelled</u>
OPERATIONS -- WITHIN "CAPS" (CONT'D)						
PUBLIC WORKS FUNCTIONS						
Sanitation						
Garbage and Trash Removal						
Salaries and Wages	\$ 183,000.00	\$ 183,000.00	\$ 182,466.17		\$ 533.83	
Other Expenses	11,700.00	7,700.00	5,438.12		2,261.88	
Sanitary Landfill						
Other Expenses	177,480.00	177,480.00	166,782.57		10,697.43	
Streets and Roads Maintenance						
Salaries and Wages	177,900.00	177,900.00	173,522.14		4,377.86	
Other Expenses:						
Miscellaneous	28,600.00	27,400.00	16,007.38		11,392.62	
Snow Removal	7,000.00	7,000.00	7,000.00			
Recycling						
Salaries and Wages	190,500.00	188,500.00	174,500.79		13,999.21	
Other Expenses	19,100.00	10,500.00	4,959.00		5,541.00	
Public Buildings and Grounds						
Salaries and Wages	15,000.00	7,000.00	5,875.56		1,124.44	
Other Expenses	75,300.00	69,800.00	66,683.63		3,116.37	
HEALTH AND HUMAN SERVICES FUNCTIONS						
Board of Health						
Salaries and Wages	3,342.00	3,442.00	3,403.55		38.45	
Other Expenses	12,200.00	6,200.00	3,088.69		3,111.31	
Dog Regulation						
Salaries and Wages	4,112.00	4,112.00	3,684.24		427.76	
Other Expenses	18,025.00	5,025.00	1,468.56		3,556.44	
PARK AND RECREATION FUNCTIONS						
Maintenance of Parks						
Other Expenses	8,900.00	5,900.00	4,360.62		1,539.38	
Recreation Services and Programs						
Salaries and Wages	2,412.00	2,412.00	2,364.00		48.00	
Other Expenses	4,950.00	4,950.00	1,414.53	\$ 433.78	3,101.69	
UTILITY EXPENSES AND BULK PURCHASES						
Electricity	130,000.00	95,000.00	80,353.79		14,646.21	
Street Lighting	148,000.00	158,000.00	142,402.94	2,664.16	12,932.90	
Telephone	47,000.00	40,000.00	34,868.34	574.89	4,556.77	
Sewerage Processing and Disposal	1,760.00	1,760.00	1,320.00		440.00	
Gas (Natural or Propane)	19,000.00	14,000.00	9,087.46	678.37	4,234.17	
Gasoline & Diesel	135,000.00	59,000.00	48,564.24	6,169.52	4,266.24	

(Continued)

TOWNSHIP OF CARNEYS POINT
CURRENT FUND
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2016

	Appropriations		Expended			Unexpended
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	Balance Cancelled
OPERATIONS -- WITHIN "CAPS" (CONT'D)						
UNIFORM CONSTRUCTION CODE						
Code Enforcement and Administrator						
Salaries and Wages	\$ 102,261.00	\$ 103,261.00	\$ 103,020.73		\$ 240.27	
Other Expenses	16,388.00	9,488.00	8,062.98	\$ 139.81	1,285.21	
Other Code Enforcement Functions						
Housing						
Salaries and Wages	19,093.00	19,093.00	18,104.11		988.89	
Other Expenses	2,618.00	2,618.00	1,776.58	35.73	805.69	
COAH						
Salaries and Wages	1,500.00	1,500.00	1,498.42		1.58	
Other Expenses	9,000.00	9,000.00	6,848.88		2,151.12	
Zoning						
Salaries and Wages	6,200.00	7,500.00	7,399.36		100.64	
Other Expenses	650.00	650.00	338.86		311.14	
UNCLASSIFIED						
Salary Adjustment	5,000.00	100.00			100.00	
Compensated Absences						
Salaries and Wages	10,000.00	10,000.00	10,000.00			
Total Operations -- Within "CAPS"	6,326,778.00	6,575,278.00	6,096,184.50	32,003.34	447,090.16	
Detail:						
Salaries and Wages	3,041,504.00	3,031,174.00	2,889,312.09		141,861.91	
Other Expenses	3,285,274.00	3,544,104.00	3,206,872.41	32,003.34	305,228.25	
DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL						
Deferred Charges:						
Prior Year Bills						
Planning Board Escrow	785.00	785.00	780.50			\$ 4.50
Statutory Expenditures						
Contribution to:						
Public Employees Retirement System	146,464.00	146,464.00	146,464.00			
Social Security System (O.A.S.I.)	155,000.00	130,500.00	121,611.64		8,888.36	
Police & Fireman's Retirement System	344,604.00	344,604.00	344,604.00			
Defined Contribution Retirement Plan	2,800.00	3,800.00	3,341.12		458.88	
PERS Retroactive Contributions-1st & 2nd Qtr 2009	1,278.00	1,278.00	1,277.21		0.79	
Total Deferred Charges and Statutory Expenditures -- Within "CAPS"	650,931.00	627,431.00	618,078.47		9,348.03	4.50
Total General Appropriations for Municipal Purposes Within -- "CAPS"	6,977,709.00	7,202,709.00	6,714,262.97	32,003.34	456,438.19	4.50
						(Continued)

(Continued)

TOWNSHIP OF CARNEYS POINT
CURRENT FUND
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2016

	Appropriations		Expended			Unexpended
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	Balance Cancelled
<u>OPERATIONS -- EXCLUDED FROM "CAPS"</u>						
OTHER OPERATIONS						
Solid Waste Recycling Tax	\$ 13,235.00	\$ 13,235.00	\$ 9,051.72		\$ 4,183.28	
LOSAP	30,000.00	30,000.00	27,600.00		2,400.00	
Reserve for Tax Appeals	120,000.00	120,000.00	68,830.00		51,170.00	
Total Other Operations -- Excluded from "CAPS"	163,235.00	163,235.00	105,481.72		57,753.28	
SHARED SERVICE AGREEMENTS						
Tax Collector						
Salary and Wages	63,406.00	63,406.00	62,946.80		459.20	
Police Dispatching						
Other Expenses	106,000.00	106,000.00	105,771.00		229.00	
Public Works						
Salary and Wages	177,220.00	177,220.00	152,100.30		25,119.70	
Other Expenses	309,483.00	309,483.00	228,694.06	\$ 28,399.76	52,389.18	
Total Shared Service Agreements -- Excluded from "CAPS"	656,109.00	656,109.00	549,512.16	28,399.76	78,197.08	
PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES						
Clean Communities Program (NJSA 40A:4-87 \$22,796.06)		22,796.06	22,796.06			
Municipal Alliance on Alcoholism & Drug Abuse	17,183.00	17,183.00	17,183.00			
Body Armor Replacement Program (NJSA 40A:4-87 \$1,943.57)		1,943.57	1,943.57			
Recycling Tonnage Grant	14,441.69	14,441.69	14,441.69			
Drive Sober or Get Pulled Over (NJSA 40A:4-87 \$10,000.00)		10,000.00	10,000.00			
Bulletproof Vest Partnership Grant (NJSA 40A:4-87 \$2,180.00)		2,180.00	2,180.00			
Total Public and Private Programs Offset by Revenues -- Excluded from "CAPS"	31,624.69	68,544.32	68,544.32			
Total Operations -- Excluded from "CAPS"	850,968.69	887,888.32	723,538.20	28,399.76	135,950.36	
Detail:						
Salaries and Wages	240,626.00	240,626.00	215,047.10		25,578.90	
Other Expenses	610,342.69	647,262.32	508,491.10	28,399.76	110,371.46	

(Continued)

TOWNSHIP OF CARNEYS POINT
CURRENT FUND
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2016

	Appropriations		Expended			Unexpended
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Balance Cancelled</u>
OPERATIONS -- EXCLUDED FROM "CAPS"						
CAPITAL IMPROVEMENT FUND -- EXCLUDED FROM "CAPS"						
Capital Improvement Fund	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00			
Capital Improvement Fund - Penns Grove Interlocal	65,000.00	65,000.00	65,000.00			
Total Capital Improvements -- Excluded from "CAPS"	115,000.00	115,000.00	115,000.00			
MUNICIPAL DEBT SERVICE -- EXCLUDED FROM "CAPS"						
Payment of Bond Principal	560,000.00	560,000.00	560,000.00			
Payment of Bond Anticipation Notes	63,500.00	63,500.00	63,500.00			
Interest on Bonds	59,250.00	59,250.00	59,250.00			
Interest on Notes	12,400.00	12,400.00	12,283.47			\$ 116.53
Green Trust Loan Program	14,000.00	14,000.00	13,912.11			87.89
NJEIT Loans						
Loan Payment	24,900.00	24,900.00	24,867.17			32.83
Interest on Loan	2,300.00	2,300.00	2,275.38			24.62
Total Municipal Debt Service -- Excluded from "CAPS"	736,350.00	736,350.00	736,088.13			261.87
DEFERRED CHARGES -- EXCLUDED FROM "CAPS"						
Deferred Charges to Future Taxation - Unfunded Ordinance No. 601	70,000.00	70,000.00	70,000.00			
Total Deferred Charges -- Excluded from "CAPS"	70,000.00	70,000.00	70,000.00			
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	1,772,318.69	1,809,238.32	1,644,626.33	\$ 28,399.76	\$ 135,950.36	261.87
Subtotal General Appropriations	8,750,027.69	9,011,947.32	8,358,889.30	60,403.10	592,388.55	266.37
Reserve for Uncollected Taxes	859,628.64	859,628.64	859,628.64			
Total General Appropriations	\$ 9,609,656.33	\$ 9,871,575.96	\$ 9,218,517.94	\$ 60,403.10	\$ 592,388.55	\$ 266.37
Adopted Budget		\$ 9,609,656.33				
Appropriation by 40A:4-87		36,919.63				
Emergency Appropriation		225,000.00				
Reserve for Federal and State Grant Funds Appropriated			\$ 68,544.32			
Reserve for Uncollected Taxes			859,628.64			
Disbursed			8,290,344.98			
		<u>\$ 9,871,575.96</u>	<u>\$ 9,218,517.94</u>			

TOWNSHIP OF CARNEYS POINT
TRUST FUNDS
 Statements of Assets, Liabilities and Reserves -- Regulatory Basis
 As of December 31, 2016 and 2015

	<u>Ref.</u>	<u>2016</u>	(Restated) <u>2015</u>
<u>ASSETS:</u>			
Animal Control Fund:			
Cash	SB-1	\$ -	\$ 853.20
		-	853.20
Other Funds:			
Cash - CFO	SB-1	562,107.65	490,490.55
Cash - Tax Collector	SB-1	384,217.77	228,426.23
Investments - Length of Service Awards Program	SB-2	516,016.78	484,188.00
		1,462,342.20	1,203,104.78
Municipal Open Space Fund:			
Cash	SB-1	301,636.40	301,184.33
Due from Current Fund	SB-8	7,074.27	60.59
		308,710.67	301,244.92
Total Trust Funds		\$ 1,771,052.87	\$ 1,505,202.90

(Continued)

TOWNSHIP OF CARNEYS POINT
TRUST FUNDS
 Statements of Assets, Liabilities and Reserves -- Regulatory Basis
 As of December 31, 2016 and 2015

	<u>Ref.</u>	<u>2016</u>	(Restated) <u>2015</u>
<u>LIABILITIES, RESERVES, AND FUND BALANCE:</u>			
Animal Control Fund:			
Reserve for Animal Control Expenditures	SB-3	\$ -	\$ 842.40
Due State of New Jersey - Department of Health	SB-4	-	10.80
		<u>-</u>	<u>853.20</u>
Trust Other Funds:			
Due to Current Fund	SB-7	274.04	143.66
Reserve for:			
Developers Escrow	SB-5	169,333.18	136,082.34
Accumulated Absences	SB-6	10,073.74	48,010.93
Payroll Deductions Payable	SB-6	10,885.99	4,498.94
Street Opening Deposits Escrow	SB-6	51,951.62	48,051.62
Recreation	SB-6	61,032.91	58,233.44
Unemployment	SB-6	50,347.40	62,110.41
Public Defender	SB-6	2,461.72	461.72
Municipal Alliance	SB-6	2,102.24	3,700.79
Police Outside Employment	SB-6	47,884.16	33,603.96
Forfeiture Trust	SB-6	1,302.96	1,300.98
House Revitalization Loan Account	SB-6	20,170.09	5,959.28
COAH	SB-6	87,684.31	51,434.59
Tax Title Liens Redemption	SB-6	9,611.82	13,819.39
Tax Title Liens Premiums	SB-6	374,600.00	214,600.00
Confiscated Funds	SB-6	7,314.48	7,303.50
Snow Removal	SB-6	21,050.17	14,024.42
Fire/Rescue	SB-6	3,467.33	3,462.12
Recreation Facility Improvement	SB-6	14,202.59	11,702.59
POAA	SB-6	574.67	412.10
Length of Service Awards Program	SB-6	516,016.78	484,188.00
		<u>1,462,342.20</u>	<u>1,203,104.78</u>
Municipal Open Space Fund:			
Reserve for Future Use	SB-9	308,710.67	301,244.92
		<u>308,710.67</u>	<u>301,244.92</u>
Total Trust Funds		<u>\$ 1,771,052.87</u>	<u>\$ 1,505,202.90</u>

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

TOWNSHIP OF CARNEYS POINT
TRUST FUND - MUNICIPAL OPEN SPACE
Statement of Revenues -- Regulatory Basis
For the Year Ended December 31, 2016

	Anticipated <u>Budget</u>	<u>Realized</u>	Excess (Deficit)
Amount to be Raised by Taxation	\$ 6,985.00	\$ 7,013.68	\$ 28.68
Miscellaneous		<u>452.07</u>	<u>452.07</u>
Total Open Space Revenues	<u>\$ 6,985.00</u>	<u>\$ 7,465.75</u>	<u>\$ 480.75</u>

Analysis of Realized Revenues

Amount to be Raised by Taxation:

Receipts:

Municipal Open Space Tax Levy
 Added & Omitted Taxes

\$ 6,985.00	
<u>28.68</u>	
	<u>\$ 7,013.68</u>

Miscellaneous:

Receipts:

Interest Earned on Deposits

<u>\$ 452.07</u>

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

TOWNSHIP OF CARNEYS POINT
TRUST FUND - MUNICIPAL OPEN SPACE
Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2016

	<u>Appropriations</u>		<u>Expended</u>			<u>Unexpended Balance Cancelled</u>
	<u>Original Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbrances Payable</u>	<u>Reserved</u>	
Reserve for Future Use	\$ 6,985.00	\$ 6,985.00	\$ 6,985.00			
Total Open Space Appropriations	<u>\$ 6,985.00</u>	<u>\$ 6,985.00</u>	<u>\$ 6,985.00</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

TOWNSHIP OF CARNEYS POINT**GENERAL CAPITAL FUND**

Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis

As of December 31, 2016 and 2015

	<u>Ref.</u>	<u>2016</u>	<u>2015</u>
<u>ASSETS:</u>			
Cash	SC-1	\$ 1,360,070.96	\$ 1,262,543.75
Grants Receivable	SC-5	153,000.00	191,250.00
Deferred Charges to Future Taxation:			
Funded	SC-3	939,179.24	1,535,852.22
Unfunded	SC-6	2,849,259.02	2,198,967.00
		<u>\$ 5,301,509.22</u>	<u>\$ 5,188,612.97</u>
<u>LIABILITIES, RESERVES, AND FUND BALANCE:</u>			
Bonds Payable	SC-8	\$ 625,000.00	\$ 1,185,000.00
Green Acres Trust Loan Payable	SC-9	96,446.05	108,251.86
Bond Anticipation Note Payable	SC-10	1,942,400.00	1,519,500.00
NJEIT Loan Payable	SC-11	217,733.19	242,600.36
Improvement Authorizations:			
Funded	SC-7	823.72	170,018.96
Unfunded	SC-7	1,178,747.85	1,563,874.16
Encumbrances Payable	SC-7	1,039,437.16	34,461.38
Reserves for:			
Improvements to Recreation Sites	C	61,374.60	61,374.60
Purchase of Recycling Truck	C-1		32,777.00
Purchase of Public Works Equipment	SC-4		25,000.00
Acquisition of Equipment for Buildings and Grounds	C-1		9,000.00
Construction of Addition to Public Building and Fire Building	C-1		12,711.90
Payment of Debt	SC-1		52,310.00
Capital Improvement Fund	SC-4	46,035.39	132,710.39
Fund Balance	C-1	93,511.26	39,022.36
		<u>\$ 5,301,509.22</u>	<u>\$ 5,188,612.97</u>

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

TOWNSHIP OF CARNEYS POINT
GENERAL CAPITAL FUND
Statement of Fund Balance -- Regulatory Basis
For the Year Ended December 31, 2016

Balance December 31, 2015			\$	39,022.36
Increased by:				
Cancellation of Reserves				
Purchase of Recycling Truck	\$	32,777.00		
Acquisition of Equipment for Buildings and Grounds		9,000.00		
Construction of Addition to Public Building and Fire Building		12,711.90		
				<u>54,488.90</u>
Balance December 31, 2016			\$	<u><u>93,511.26</u></u>

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

TOWNSHIP OF CARNEYS POINT
GENERAL FIXED ASSETS GROUP OF ACCOUNTS
Statement of General Fixed Assets Group of Accounts - Regulatory Basis
For the Year Ended December 31, 2016

ASSETS:	Balance Dec. 31, 2015	Additions	Deletions	Balance Dec. 31, 2016
Land	\$ 1,331,000.00			\$ 1,331,000.00
Building	5,125,852.80			5,125,852.80
Machinery and Equipment	1,068,307.31			1,068,307.31
Vehicles	2,323,605.33	\$ 130,957.00	\$ 12,600.00	2,441,962.33
	<u>\$ 9,848,765.44</u>	<u>\$ 130,957.00</u>	<u>\$ 12,600.00</u>	<u>\$ 9,967,122.44</u>
 FUND BALANCE:				
Investment in General Fixed Assets	<u>\$ 9,848,765.44</u>	<u>\$ 130,957.00</u>	<u>\$ 12,600.00</u>	<u>\$ 9,967,122.44</u>

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

TOWNSHIP OF CARNEYS POINT
INDUSTRIAL COMMISSION

Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis
As of December 31, 2016 and 2015

	<u>Ref.</u>	<u>2016</u>	<u>2015</u>
ASSETS:			
Cash	SF-1	\$ 6,973.64	\$ 7,442.74
Land	F	<u>318,650.00</u>	<u>318,650.00</u>
		<u>\$ 325,623.64</u>	<u>\$ 326,092.74</u>
LIABILITIES, RESERVES AND FUND BALANCE:			
Fund Balance	F-1	<u>\$ 325,623.64</u>	<u>\$ 326,092.74</u>

TOWNSHIP OF CARNEYS POINT**INDUSTRIAL COMMISSION**

Statements of Operations and Changes in Fund Balance -- Regulatory Basis
For the Years Ended December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
REVENUE AND OTHER INCOME REALIZED		
Budget Appropriation	\$ 2,522.13	\$ 6,000.00
Interest Earned on Deposits	<u>11.68</u>	<u>10.52</u>
Total Income	<u>2,533.81</u>	<u>6,010.52</u>
EXPENDITURES		
Administration	<u>3,002.91</u>	<u>3,605.00</u>
Excess (Loss) Revenue	(469.10)	2,405.52
FUND BALANCE		
Balance January 1	<u>326,092.74</u>	<u>323,687.22</u>
Balance December 31	<u><u>\$ 325,623.64</u></u>	<u><u>\$ 326,092.74</u></u>

TOWNSHIP OF CARNEYS POINT
INDUSTRIAL COMMISSION
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2016

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Administration	<u>\$ 3,450.00</u>	<u>\$ 3,002.91</u>	<u>\$ 447.09</u>
Total	<u><u>\$ 3,450.00</u></u>	<u><u>\$ 3,002.91</u></u>	<u><u>\$ 447.09</u></u>

TOWNSHIP OF CARNEYS POINT
Notes to Financial Statements
For the Year Ended December 31, 2016

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Financial Reporting Entity - The Township of Carneys Point (hereafter referred to as the "Township") was originally incorporated as Upper Penns Neck Township on February 21, 1798. The voters approved a referendum on November 8, 1976 and on November 10, 1976 the Township Committee changed the name. The Township is located in Salem County, New Jersey approximately twenty-three miles southeast of the City of Philadelphia. The population according to the 2010 census is 8,049.

There are five Committee Members each elected to three-year terms on a staggered basis, with one or two seats coming up for election each year. Annually the Committee elects one of themselves to serve as Mayor. Executive and administrative responsibilities rest with the Mayor, who is assisted by the Township Administrator.

Component Units - The financial statements of the component unit of the Township are not presented in accordance with Governmental Accounting Standards Board GASB Statements No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34*. If the provisions of GASBS No. 14, as amended by GASBS No. 39 and GASBS No. 61, 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:

Carneys Point Township Sewerage Authority
303 Harding Highway
Carneys Point, New Jersey 08069

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

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

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

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

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Measurement Focus, Basis of Accounting and Financial Statement Presentation (Cont'd)**

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

General Fixed Asset Group of Accounts - The general fixed asset group of accounts is utilized to account for property, land, buildings, and equipment that have been acquired by other governmental funds.

Industrial Commission – Provides assistance to new businesses and helps existing business expand. The seven-member board is appointed by the mayor under authority of New Jersey State law and Township ordinance.

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

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

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

Cash, Cash Equivalents and Investments - Cash and cash equivalents include petty cash, change funds and cash on deposit with public depositories. All certificates of deposit are recorded as cash regardless of the date of maturity. Investments are stated at cost; therefore, unrealized gains or losses on investments have not been recorded. Investments recorded in the trust fund for the Township's length of service awards program, however, are stated at fair value.

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

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Cash, Cash Equivalents and Investments (Cont'd)**

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

General Fixed Assets - Accounting for governmental fixed assets, as required by N.J.A.C. 5:30-5.6, differs in certain respects from accounting principles generally accepted in the United States of America. In accordance with the regulations, all local units, including municipalities, must maintain a general fixed assets reporting system that establishes and maintains a physical inventory of nonexpendable, tangible property as defined and limited by the U.S. Office of Management and *Budget's Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Part 200, §200.12), except that the useful life of such property is at least five years. The Township has adopted a capitalization threshold of \$5,000.00, the maximum amount allowed by the Circular. Generally, assets are valued at historical cost; however, assets acquired prior to December 31, 1985 are valued at actual historical cost or estimated historical cost. No depreciation of general fixed assets is recorded. Donated general fixed assets are recorded at 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 asset group of accounts, 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 include accurate records indicating asset description, source, ownership, acquisition cost and date, the percentage of Federal participation (if any), and the location, use, and condition of the asset. Periodically, physical inventories must be taken and reconciled with these records. Lastly, all fixed assets must be adequately controlled to safeguard against loss, damage, or theft.

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

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.

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

Liens Sold for Other Governmental Units - Liens sold on behalf of other governmental units are not recorded on the records of the tax collector until such liens are collected. Upon their collection, such liens are recorded as a liability due to the governmental unit net of the costs of the initial sale. The related costs of sale are recognized as revenue when received.

Fund Balance - Fund Balance included in the current fund represents amounts available for anticipation as revenue in future years' budgets, with certain restrictions.

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

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

School Taxes - The Township is responsible for levying, collecting and remitting school taxes for the Penns Grove-Carneys Point Regional School District. Operations is charged for the full amount required to be raised from taxation to operate the regional school district for the period from January 1 to December 31.

County Taxes - The municipality is responsible for levying, collecting, and remitting county taxes for the County of Salem. County taxes are determined on a calendar year by the County Board of Taxation based upon the ratables required to be certified to them on January 10 of each year. Operations is charged for the amount due to the County for the year, based upon the ratables required to be certified to the County Board of Taxation by January 10 of the current year. In addition, operations is charged for the County share of added and omitted taxes certified to the County Board of Taxation by October 10 of the current year, and due to be paid to the County by February 15 of the following year.

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

Expenditures - Expenditures are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when paid. However, for charges to amounts appropriated for "other expenses", an amount is encumbered through the issuance of a numerically controlled purchase order or when a contract is executed in accordance with N.J.A.C. 5:30-5.2. When encumbered charges are paid, the amount encumbered is simultaneously liquidated in its original amount. Encumbrances are offset by an account entitled reserve for encumbrances. The reserve is classified as a cash liability under New Jersey municipal accounting. At December 31, this reserve represents the portion of appropriation reserves that has been encumbered and is subject to the same statutory provisions as appropriation reserves.

Appropriations for principal payments on outstanding general capital bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis.

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

Appropriation Reserves - Appropriation reserves covering unexpended appropriation balances are automatically created at year-end and recorded as liabilities, except for amounts which may be canceled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments, or contracts incurred during the preceding year. Lapsed appropriation reserves are recorded as income.

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

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

Note 2: CASH AND CASH EQUIVALENTS

Custodial Credit Risk Related to Deposits - Custodial credit risk is the risk that, in the event of a bank failure, the Township's deposits might not be recovered. Although the Township does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). Under the Act, the first \$250,000.00 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the municipality in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled agency funds such as salary withholdings, bail funds, or funds that may pass to the municipality relative to the happening of a future condition. Such funds are classified as uninsured and uncollateralized.

As of December 31, 2016, the Township's bank balances of \$4,919,460.12 were exposed to custodial credit risk as follows:

Insured by FDIC and GUDPA	\$ 4,536,794.81
Uninsured and Uncollateralized	<u>382,665.31</u>
Total	<u><u>\$ 4,919,460.12</u></u>

Note 3: PROPERTY TAXES

The following is a five-year comparison of certain statistical information relative to property taxes and property tax collections for the current and previous four calendar years:

Comparative Schedule of Tax Rates

	<u>Year Ended</u>				
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Tax Rate	<u>\$ 2.829</u>	<u>\$ 2.697</u>	<u>\$ 2.553</u>	<u>\$ 2.506</u>	<u>\$ 2.423</u>
Apportionment of Tax Rate:					
Municipal	.484	.435	.412	.392	.378
Municipal Open Space	.001	.001	.001	.001	.001
County	.915	.941	.888	.916	.897
County Open Space	.018	.020	.019	.020	.020
Regional School	1.411	1.300	1.233	1.177	1.127

Assessed Valuation

<u>Year</u>	<u>Amount</u>
2016	\$ 698,621,900.00
2015	731,705,372.00
2014	728,341,231.00
2013	728,265,196.00
2012	724,574,673.00

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2016	\$ 19,851,554.53	\$ 18,871,198.24	95.06%
2015	19,759,620.39	18,829,346.37	95.29%
2014	18,681,239.95	17,952,281.54	96.10%
2013	18,292,072.23	17,534,855.51	95.86%
2012	17,640,574.15	16,810,734.72	95.30%

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>
2016	\$ 1,185,218.29	\$ 568,388.43	\$ 1,753,606.72	8.83%
2015	1,048,922.44	564,284.43	1,613,206.87	8.16%
2014	1,140,040.61	459,175.31	1,599,215.92	8.56%
2013	860,162.44	593,322.78	1,453,485.22	7.95%
2012	741,631.51	718,265.71	1,459,897.22	8.28%

Note 3: PROPERTY TAXES (CONT'D)

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

<u>Year</u>	<u>Number</u>
2016	106
2015	178
2014	155
2013	88
2012	75

Note 4: PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

The value of property acquired by liquidation of tax title liens on December 31, on the basis of the last assessed valuation of such properties, for the current and previous four years was as follows:

<u>Year</u>	<u>Amount</u>
2016	None
2015	None
2014	None
2013	None
2012	None

Note 5: FUND BALANCES APPROPRIATED

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

Current Fund

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
2016	\$ 1,318,753.66	\$ 901,595.00	68.37%
2015	1,595,093.77	835,000.00	52.35%
2014	1,238,671.38	825,000.00	66.60%
2013	1,744,726.40	1,177,000.00	67.46%
2012	1,500,229.31	1,096,526.00	73.09%

Note 6: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances were recorded on the various statements of assets, liabilities, reserves and fund balance as of December 31, 2016:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
Current	\$ 274.04	\$ 7,074.27
Trust - Municipal Open Space	7,074.27	
Trust - Other		274.04
	<u>\$ 7,348.31</u>	<u>\$ 7,348.31</u>

The interfund receivables and payables above predominately resulted from collections and payments made by certain funds on behalf of other funds. During the year 2017, the Township expects to liquidate such interfunds, depending upon the availability of cash flow.

Note 7: PENSION PLANS

A substantial number of the Township's employees participate in one of the following defined benefit pension plans: the Public Employees' Retirement System ("PERS") and the Police and Firemen's Retirement System ("PFRS"), which are administered by the New Jersey Division of Pensions and Benefits. In addition, several Township employees participate in the Defined Contribution Retirement Program ("DCRP"), which is a defined contribution pension plan. This plan is administered by Prudential Financial for the New Jersey Division of Pensions and Benefits. Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to:

State of New Jersey
Division of Pensions and Benefits
P.O. Box 295
Trenton, New Jersey 08625-0295
<http://www.nj.gov/treasury/pensions>

General Information about the Pension Plans**Plan Descriptions**

Public Employees' Retirement System - The Public Employees' Retirement System is a cost-sharing multiple-employer defined benefit pension plan which was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A. The PERS's designated purpose is to provide retirement, death, disability and medical benefits to certain qualified members. Membership in the PERS is mandatory for substantially all full-time employees of the Township, provided the employee is not required to be a member of another state-administered retirement system or other state pensions fund or local jurisdiction's pension fund. The PERS's Board of Trustees is primarily responsible for the administration of the PERS.

Police and Firemen's Retirement System - The Police and Firemen's Retirement System is a cost-sharing multiple-employer defined benefit pension plan which was established as of July 1, 1944, under the provisions of N.J.S.A. 43:16A. The PFRS's designated purpose is to provide retirement, death, disability and medical benefits to certain qualified members. Membership in the FRS is mandatory for substantially all full-time police and firemen of the Township. The PFRS's Board of Trustees is primarily responsible for the administration of the PFRS.

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

Defined Contribution Retirement Program - The Defined Contribution Retirement Program is a multiple-employer defined contribution pension fund established on July 1, 2007 under the provisions of Chapter 92, P.L. 2007, and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et. seq.). The DCRP is a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) § 401(a) et seq., and is a "governmental plan" within the meaning of IRC § 414(d). The DCRP provides retirement benefits for eligible employees and their beneficiaries. Individuals covered under DCRP are employees enrolled in PERS on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits; employees enrolled in PFRS after May 21, 2010, who earn salary in excess of established "maximum compensation" limits; employees otherwise eligible to enroll in PERS on or after November 2, 2008, who do not earn the minimum annual salary for tier 3 enrollment but who earn salary of at least \$5,000.00 annually; and employees otherwise eligible to enroll in PERS after May 21, 2010 who do not work the minimum number of hours per week required for tiers 4 or 5 enrollment, but who earn salary of at least \$5,000.00 annually.

Vesting and Benefit Provisions

Public Employees' Retirement System - The vesting and benefit provisions are set by N.J.S.A. 43:15A and 43:3B. The PERS provides retirement, death and disability benefits. All benefits vest after 10 years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of the PERS.

The following represents the membership tiers for PERS:

Tier Definition

- 1 Members who were enrolled prior to July 1, 2007
- 2 Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
- 3 Members who were eligible to enroll on or after November 2, 2008 and prior to May 21, 2010
- 4 Members who were eligible to enroll after May 21, 2010 and prior to June 28, 2011
- 5 Members who were eligible to enroll on or after June 28, 2011

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

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

Police and Firemen's Retirement System - The vesting and benefit provisions are set by N.J.S.A. 43:16A. The PFRS provides retirement, death and disability benefits. All benefits vest after 10 years of service, except disability benefits, which vest after four years of service.

The following represents the membership tiers for PFRS:

Tier Definition

- 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

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 of 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.

Defined Contribution Retirement Program - Eligible members are provided with a defined contribution retirement plan intended to qualify for favorable Federal income tax treatment under IRC Section 401(a), a noncontributory group life insurance plan and a noncontributory group disability benefit plan. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employee contributions shall immediately become and shall at all times remain fully vested and non-forfeitable. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employer contributions shall be vested and non-forfeitable on the date the participant commences the second year of employment or upon his or her attainment of age 65, while employed by an employer, whichever occurs first.

Contributions

Public Employees' Retirement System - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Members contribute at a uniform rate. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in July 2012. The member contribution rate was 7.06% in State fiscal year 2016. The phase-in of the additional incremental member contribution rate takes place in July of each subsequent State fiscal year. The rate for members who are eligible for the Prosecutors Part of PERS (Chapter 366, P.L. 2001) increased from 8.5% of base salary to 10%. Employers' contribution amounts are based on an actuarially determined rate. The Township's contribution amounts are based on an actuarially determined rate which included the normal cost and unfunded accrued liability.

The Township's contractually required contribution rate for the year ended December 31, 2016 was 14.35% of the Township's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

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

Public Employees' Retirement System (Cont'd) – Based on the most recent PERS measurement date of June 30, 2016, the Township's contractually required contribution to the pension plan for the year ended December 31, 2016 is \$157,761.00, and is payable by April 1, 2017. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. Based on the PERS measurement date of June 30, 2015, the Township's contractually required contribution to the pension plan for the year ended December 31, 2015 was \$146,464.00, which was paid on April 1, 2016. Employee contributions to the plan during the year ended December 31, 2016 were \$79,445.78.

Police and Firemen's Retirement System - The contribution policy is set by N.J.S.A. 43:16A and requires contributions by active members and contributing employers. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 8.5% to 10.0% in October 2011. Employers' contributions are based on an actuarially determined amount which includes the normal cost and unfunded accrued liability.

Special Funding Situation Component - 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 nonemployer 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 or deferred outflows or inflows to disclose in the notes to the financial statements of the local participating employers related to this legislation.

The Township's contractually required contribution rate for the year ended December 31, 2016 was 8.47% of the Township's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Based on the most recent PFRS measurement date of June 30, 2016, the Township's contractually required contribution to the pension plan for the year ended December 31, 2016 is \$381,062.00, and is payable by April 1, 2017. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. Based on the PFRS measurement date of June 30, 2015, the Township's contractually required contribution to the pension plan for the year ended December 31, 2015 was \$344,604.00, which was paid on April 1, 2016. Employee contributions to the plan during the year ended December 31, 2016 were \$150,023.00.

The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the Township, for the year ended December 31, 2016 was 0.64% of the Township's covered payroll.

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

Police and Firemen's Retirement System (Cont'd) - Based on the most recent PFRS measurement date of June 30, 2016, the State's contractually required contribution, on-behalf of the Township, to the pension plan for the year ended December 31, 2016 is \$28,727.00, and is payable by April 1, 2017. Based on the PFRS measurement date of June 30, 2015, the State's contractually required contribution, on-behalf of the Township, to the pension plan for the year ended December 31, 2015 was \$32,236.00, which was paid on April 1, 2016.

Defined Contribution Retirement Program - The contribution policy is set by N.J.S.A. 43:15C-3 and requires contributions by active members and contributing employers. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the Township contributes 3% of the employees' base salary, for each pay period, to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period.

For the year ended December 31, 2016, employee contributions totaled \$4,749.84, and the Township's contributions were \$3,408.93. There were no forfeitures during the year.

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

Public Employees' Retirement System - At December 31, 2016, the Township's proportionate share of the PERS net pension liability was \$5,259,459.00. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2016. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2016 measurement date, the Township's proportion was 0.0177581648%, which was an increase of 0.0007221543% from its proportion measured as of June 30, 2015.

At December 31, 2016, the Township's proportionate share of the PERS pension expense, calculated by the plan as of the June 30, 2016 measurement date is \$481,511.00. This expense is not recognized by the Township because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2016, the Township's contribution to PERS was \$146,464.00, and was paid on April 1, 2016.

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

Township's Proportionate Share of Net Pension Liability	\$ 8,927,875.00
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Township	749,720.00
	<u>\$ 9,677,595.00</u>

Note 7: PENSION PLANS (CONT'D)**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

Police and Firemen's Retirement System (Cont'd) - The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2016. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State of New Jersey, actuarially determined. For the June 30, 2016 measurement date, the Township's proportion was 0.0467365422%, which was an increase of 0.0043420485% from its proportion measured as of June 30, 2015. Likewise, at June 30, 2016, the State of New Jersey's proportion, on-behalf of the Township, was 0.0467365422%, which was an increase of 0.0043420485% from its proportion, on-behalf of the Township, measured as of June 30, 2015.

At December 31, 2016, the Township's proportionate share of the PFRS pension expense, calculated by the plan as of the June 30, 2016 measurement date is \$995,739.00. This expense is not recognized by the Township because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2016, the Township's contribution to PFRS was \$344,604.00, and was paid on April 1, 2016.

At December 31, 2016, the State's proportionate share of the PFRS pension expense, associated with the Township, calculated by the plan as of the June 30, 2016 measurement date is \$95,757.00. This on-behalf expense is not recognized by the Township because of the regulatory basis of accounting as described in note 1.

Deferred Outflows of Resources and Deferred Inflows of Resources - At December 31, 2016, the Township had deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources			Deferred Inflows of Resources		
	<u>PERS</u>	<u>PFRS</u>	<u>Total</u>	<u>PERS</u>	<u>PFRS</u>	<u>Total</u>
Differences between Expected and Actual Experience	\$ 97,810.00	\$ -	\$ 97,810.00	\$ -	\$ 58,524.00	\$ 58,524.00
Changes of Assumptions	1,089,479.00	1,236,584.00	2,326,063.00	-	-	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	200,548.00	625,558.00	826,106.00	-	-	-
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions	117,687.00	712,356.00	830,043.00	162,557.00	479,114.00	641,671.00
Township Contributions Subsequent to the Measurement Date	78,881.00	190,531.00	269,412.00	-	-	-
	<u>\$ 1,584,405.00</u>	<u>\$ 2,765,029.00</u>	<u>\$ 4,349,434.00</u>	<u>\$ 162,557.00</u>	<u>\$ 537,638.00</u>	<u>\$ 700,195.00</u>

\$78,881.00 and \$190,531.00 for PERS and PFRS, respectively, included in deferred outflows of resources, will be included as a reduction of the net pension liability in the year ending December 31, 2017. These amounts were based on an estimated April 1, 2018 contractually required contribution, prorated from the pension plans measurement date of June 30, 2016 to the Township's year end of December 31, 2016.

Note 7: PENSION PLANS (CONT'D)**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd) - The Township will amortize the above other deferred outflow of resources and deferred inflows of resources related to pensions over the following number of years:

	PERS		PFRS	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience				
Year of Pension Plan Deferral:				
June 30, 2014	-	-	-	-
June 30, 2015	5.72	-	-	5.53
June 30, 2016	5.57	-	-	5.58
Changes of Assumptions				
Year of Pension Plan Deferral:				
June 30, 2014	6.44	-	6.17	-
June 30, 2015	5.72	-	5.53	-
June 30, 2016	5.57	-	5.58	
Net Difference between Projected and Actual Earnings on Pension Plan Investments				
Year of Pension Plan Deferral:				
June 30, 2014	-	5.00	-	5.00
June 30, 2015	-	5.00	-	5.00
June 30, 2016	5.00	-	5.00	-
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions				
Year of Pension Plan Deferral:				
June 30, 2014	6.44	6.44	6.17	6.17
June 30, 2015	5.72	5.72	5.53	5.53
June 30, 2016	5.57	5.57	5.58	5.58

Note 7: PENSION PLANS (CONT'D)**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd) - Other amounts included as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in future periods as follows:

<u>Year Ending Dec 31,</u>	<u>PERS</u>	<u>PFRS</u>	<u>Total</u>
2017	\$ 291,838.00	\$ 472,228.00	\$ 764,066.00
2018	291,838.00	472,228.00	764,066.00
2019	341,373.00	622,212.00	963,585.00
2020	306,442.00	392,531.00	698,973.00
2021	111,476.00	77,661.00	189,137.00
	<u>\$ 1,342,967.00</u>	<u>\$ 2,036,860.00</u>	<u>\$ 3,379,827.00</u>

Actuarial Assumptions

The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2016. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	<u>PERS</u>	<u>PFRS</u>
Inflation	3.08%	3.08%
Salary Increases:		
Through 2026	1.65% - 4.15% Based on Age	2.10% - 8.98% Based on Age
Thereafter	2.65% - 5.15% Based on Age	3.10% - 9.98% Based on Age
Investment Rate of Return	7.65%	7.65%
Mortality Rate Table	RP-2000	RP-2000
Period of Actuarial Experience		
Study upon which Actuarial		
Assumptions were Based	July 1, 2011 - June 30, 2014	July 1, 2010 - June 30, 2013

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

For PERS, pre-retirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. Mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

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

For PERS and PFRS, in accordance with State statute, the long-term expected rate of return on plan investments (7.65% at June 30, 2016) is determined by the State Treasurer, after consultation with the Directors of the Division of 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 and PFRS's target asset allocation as of June 30, 2016 are summarized in the following table:

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

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

Discount Rate - The discount rate used to measure the total pension liability at June 30, 2016 was 3.98% for PERS and 5.55% for PFRS. For both PERS and PFRS, the respective single blended discount rates were based on the long-term expected rate of return on pension plan investments of 7.65%, and a municipal bond rate of 2.85% as of June 30, 2016, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rates assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 30% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2034 for PERS and through 2050 for PFRS. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2034 for PERS and through 2050 for PFRS, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liabilities.

Note 7: PENSION PLANS (CONT'D)**Sensitivity of Township's Proportionate Share of Net Pension Liability to Changes in the Discount Rate**

Public Employees' Retirement System (PERS) - The following presents the Township's proportionate share of the net pension liability at June 30, 2016, the plans measurement date, calculated using a discount rate of 3.98%, as well as what the Township's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

	PERS		
	1% Decrease (2.98%)	Current Discount Rate (3.98%)	1% Increase (4.98%)
Township's Proportionate Share of the Net Pension Liability	\$ 6,444,853.00	\$ 5,259,459.00	\$ 4,280,813.00

Police and Firemen's Retirement System (PFRS) - As previously mentioned, PFRS has a special funding situation, where the State of New Jersey pays a portion of the Township's annual required contribution. As such, the net pension liability as of June 30, 2016, the plans measurement date, for the Township and the State of New Jersey, calculated using a discount rate of 5.55%, as well as using a discount rate that is 1% lower or 1% higher than the current rates used is as follows:

	PFRS		
	1% Decrease (4.55%)	Current Discount Rate (5.55%)	1% Increase (6.55%)
Township's Proportionate Share of the Net Pension Liability	\$ 11,511,840.00	\$ 8,927,875.00	\$ 6,820,807.00
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Township	966,708.97	749,720.00	572,778.55
	<u>\$ 12,478,548.97</u>	<u>\$ 9,677,595.00</u>	<u>\$ 7,393,585.55</u>

Pension Plan Fiduciary Net Position

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the respective fiduciary net position of the PERS and PFRS and additions to/deductions from PERS and PFRS' respective fiduciary net position have been determined on the same basis as they are reported by PERS and PFRS. Accordingly, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. For additional information about PERS and PFRS, please refer to the plan's Comprehensive Annual Financial Report (CAFR) which can be found at www.nj.gov/treasury/pensions.

Note 7: PENSION PLANS (CONT'D)**Supplementary Pension Information**

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

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

	<u>Measurement Date Ended June 30,</u>			
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Township's Proportion of the Net Pension Liability	0.0177581648%	0.0170360105%	0.0173577758%	0.0185555129%
Township's Proportionate Share of the Net Pension Liability	\$ 5,259,459.00	\$ 3,824,243.00	\$ 3,249,850.00	\$ 3,546,327.00
Township's Covered Payroll (Plan Measurement Period)	\$ 1,221,648.00	\$ 1,099,852.00	\$ 1,242,164.00	\$ 1,207,172.00
Township's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	430.52%	347.71%	261.63%	293.77%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	40.14%	47.93%	52.08%	48.72%

Schedule of the Township's Contributions - Public Employees' Retirement System (PERS) (Last Four Years)

	<u>Year Ended December 31,</u>			
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Township's Contractually Required Contribution	\$ 157,761.00	\$ 146,464.00	\$ 143,095.00	\$ 139,812.00
Township's Contribution in Relation to the Contractually Required Contribution	<u>(157,761.00)</u>	<u>(146,464.00)</u>	<u>(143,095.00)</u>	<u>(139,812.00)</u>
Township's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Township's Covered Payroll (Calendar Year)	\$ 1,099,629.00	\$ 1,153,054.00	\$ 1,149,959.00	\$ 1,215,299.00
Township's Contributions as a Percentage of its Covered Payroll	14.35%	12.70%	12.44%	11.50%

Note 7: PENSION PLANS (CONT'D)**Supplementary Pension Information (Cont'd)*****Schedule of the Township's Proportionate Share of the Net Pension Liability - Police and Firemen's Retirement System (PFRS) (Last Four Years)***

	Measurement Date Ended June 30,			
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Township's Proportion of the Net Pension Liability	0.0467365422%	0.0423944937%	0.0479997198%	0.0448829480%
Township's Proportionate Share of the Net Pension Liability	\$ 8,927,875.00	\$ 7,061,445.00	\$ 6,037,920.00	\$ 5,966,783.00
State's Proportionate Share of the Net Pension Liability associated with the Township	<u>749,720.00</u>	<u>619,265.00</u>	<u>650,182.00</u>	<u>556,177.00</u>
Total	<u>\$ 9,677,595.00</u>	<u>\$ 7,680,710.00</u>	<u>\$ 6,688,102.00</u>	<u>\$ 6,522,960.00</u>
Township's Covered Payroll (Plan Measurement Period)	\$ 1,493,812.00	\$ 1,408,004.00	\$ 1,516,064.00	\$ 1,520,764.00
Township's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	597.66%	501.52%	398.26%	392.35%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	52.01%	56.31%	62.41%	58.70%

Schedule of the Township's Contributions - Police and Firemen's Retirement System (PFRS) (Last Four Years)

	Year Ended December 31,			
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Township's Contractually Required Contribution	\$ 381,062.00	\$ 344,604.00	\$ 368,671.00	\$ 327,456.00
Township's Contribution in Relation to the Contractually Required Contribution	<u>(381,062.00)</u>	<u>(344,604.00)</u>	<u>(368,671.00)</u>	<u>(327,456.00)</u>
Township's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Township's Covered Payroll (Calendar Year)	\$ 1,500,230.00	\$ 1,536,779.00	\$ 1,403,738.00	\$ 1,522,824.00
Township's Contributions as a Percentage of its Covered Payroll	25.40%	22.42%	26.26%	21.50%

Note 7: PENSION PLANS (CONT'D)**Other Notes to Supplementary Pension Information*****Public Employees' Retirement System (PERS)***

Changes in Benefit Terms - None

Changes in Assumptions - For 2016, the discount rate changed to 3.98%, the long-term expected rate of return changed to 7.65%, demographic assumptions were revised in accordance with the results of the July 1, 2011 - June 30, 2014 experience study and the mortality improvement scale incorporated the plan actuary's modified MP-2014 projection scale. Further, salary increases were assumed to increase between 1.65% and 4.15% (based on age) through fiscal year 2026 and 2.65% and 5.15% (based on age) for each fiscal year thereafter. For 2015, the discount rate changed to 4.90%. In addition, the social security wage base was set at \$118,500 for 2015, increasing 4.00% per annum, compounded annually and the 401(a)(17) pay limit was set at \$265,000 for 2015, increasing 3.00% per annum, compounded annually. For 2014, the discount rate was 5.39%.

Police and Firemen's Retirement System (PFRS)

Changes in Benefit Terms - None

Changes in Assumptions - For 2016, the discount rate changed to 5.55%, the long-term expected rate of return changed to 7.65%, and the mortality improvement scale incorporated the plan actuary's modified 2014 projection scale. Further, salary increases were assumed to increase between 2.10% and 8.98% (based on age) through fiscal year 2026 and 3.10% and 9.98% (based on age) for each fiscal year thereafter. For 2015, the discount rate changed to 5.79% and demographic assumptions were revised in accordance with the results of the July 1, 2010 - June 30, 2013 experience study. For 2014, the discount rate was 6.32%.

Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

Plan Description - The Township's single-employer defined benefit postemployment healthcare plan, allows certain police officers and non-contractual active employees who are age sixty (60) or older and who retire from the Township with at least twenty-five (25) years of full-time service with the Township and who are already covered by health insurance through the Township to receive fully paid health and prescription benefits. This entitlement requires that police officers retire from service with the Township, be covered by any collective bargaining agreement between the Township and the Fraternal Order of Police, Labor Council Lodge No. 6 and have served at least twenty-five years. The continuation of benefits to the members of the employee's family will be, as the family exists as of the date of retirement and only to those family members who exist as of the date of retirement. The plan is administered by the Township and does not issue a separate financial report.

Funding Policy - The contribution requirement of the plan members and the Township are established and may be amended by the Township's governing body.

Retirees - The Township presently funds its current retiree postemployment benefit costs on a "pay-as-you-go" basis. The Township's estimated contributions to the plan for the years ended December 31, 2016, 2015, and 2014 were \$332,665.00, \$319,872.00, and \$290,734.00, respectively. There are no contributions required from eligible retirees.

Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**Funding Policy (Cont'd)**

Future Retirees - In accordance with Statement No. 45 of the Governmental Accounting Standards Board, the Township is required to disclose the *annual required contribution of the employer (ARC)*, an amount actuarially determined in accordance with the parameters of Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty (30) years. The ARC includes the costs of both current and future retirees. The current ARC was determined to be \$495,798.00 at an unfunded discount rate of 4.50%. As stated above, the Township has funded the cost of existing retirees in the amount of \$332,665.00, and has incurred the benefit costs for future eligible employees, but has not yet begun funding this outstanding liability.

Annual OPEB Cost - For year ended December 31, 2016, the Township's annual OPEB cost (expense) of \$501,123.42 for the plan was equal to the ARC plus certain adjustments because the Township's actual contributions in prior years differed from the ARC. The Township's annual required contribution (ARC), the interest on the net OPEB obligation, the adjustment to the ARC, the increase or decrease in the net OPEB obligation, the net OPEB obligation, and the percentage of annual OPEB cost contributed to the plan for years 2016, 2015, and 2014 are as follows:

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Annual Required Contribution (ARC)	\$ 495,798.00	\$ 495,798.00	\$ 340,956.00
Interest on the Net OPEB Obligation	20,540.89	12,478.63	10,100.80
Adjustment to the ARC	<u>(15,215.47)</u>	<u>(9,243.43)</u>	<u>(7,482.07)</u>
Annual OPEB Cost	501,123.42	499,033.20	343,574.73
Pay-as-You Go Cost (Existing Retirees)	<u>(332,665.00)</u>	<u>(319,872.00)</u>	<u>(290,734.00)</u>
Increase (Decrease) in the Net OPEB Obligation	168,458.42	179,161.20	52,840.73
Net OPEB Obligation, January 1	<u>456,464.16</u>	<u>277,302.96</u>	<u>224,462.23</u>
Net OPEB Obligation, December 31	<u>\$ 624,922.58</u>	<u>\$ 456,464.16</u>	<u>\$ 277,302.96</u>
Percentage of Annual OPEB Cost Contributed	66%	64%	85%

Funded Status and Funding Progress - The funded status of the plan as of the three past actuarial valuation dates is as follows:

	<u>2015</u>	<u>2012</u>	<u>2009</u>
Actuarial Accrued Liability (AAL)	\$ 5,560,763.00	\$ 3,882,268.00	\$ 3,665,162.00
Actuarial Value of Plan Assets	<u>-</u>	<u>-</u>	<u>-</u>
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$ 5,560,763.00</u>	<u>\$ 3,882,268.00</u>	<u>\$ 3,665,162.00</u>
Funded Ratio (Actuarial Value of Plan Assets / AAL)	0.0%	0.0%	0.0%
Covered Payroll (Active Plan Members)	\$ 3,130,000.00	\$ 2,968,000.00	\$ 3,268,000.00
UAAL as a Percentage of Covered Payroll	177.7%	130.8%	112.2%

Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**Funded Status and Funding Progress (Cont'd)**

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, as shown on the previous page, presents multiyear trend information that shows whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions - The projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the December 31, 2015 actuarial valuation, the projected unit credit funding method was used. Under this method, an actuarial accrued liability is determined as the actuarial present value of the portion of projected benefits which is allocated to service before the current plan year. In addition, a normal cost is determined as the actuarial present value of the portion of projected benefits which is allocated to service in the current plan year for each active participant under the assumed retirement age. The UAAL is being amortized (straight-line) for thirty (30) years on an open basis. The actuarial assumptions included the following:

- *Mortality.* RP 2000 Combined Healthy Male Mortality Rates set forward three years.
- *Turnover.* NJ State Pensions Ultimate Withdrawal Rates - prior to benefits eligibility.
- *Assumed Retirement Age.* at first eligibility after completing 25 years of service and attainment of age 60.
- *Full Attribution Period.* service to assumed retirement age.
- *Annual Discount Rate.* 4.50%
- *Medical Trend.* 7% in 2016, reducing by .5% per annum, leveling at 5% per annum in 2010.
- *Medical Cost Aging Factor.* NJSHBP Medical Morbidity Rates

Note 9: COMPENSATED ABSENCES

Non-contractual full-time Township employees are entitled to paid vacation days based upon their length of service. Upon approval by the Township Committee, up to ten unused vacation days may be accumulated and carried forward to the next succeeding year. Vacation days carried forward must be used in the next succeeding year or be forfeited. Employees are compensated for unused vacation days upon retirement or resignation with Committee approval.

Full-time employees are entitled to 96 hours of paid sick leave each year. Unused sick leave may be accumulated and carried forward to the subsequent year. Employees are not compensated for unused sick days upon retirement or resignation with Committee approval.

The Township has established a Compensated Absences Trust Fund to set aside funds for future payments of compensated absences. At December 31, 2016 the balance of the fund was \$10,073.74. It is estimated that, at December 31, 2016, accrued benefits for compensated absences are valued at \$106,098.99.

Note 10: DEFERRED COMPENSATION SALARY ACCOUNT

The Township offers its employees a deferred compensation plan in accordance with Internal Revenue Code Section 457, which has been approved by the Director of the Division of Local Government Services. The Plan, available to all full time employees at their option, permits employees to defer a portion of their salary to future years. The deferred compensation is not available to participants until termination, retirement, death, or unforeseeable emergency.

Amounts deferred under Section 457 plans must be held in trust for the exclusive benefit of participating employees and not be accessible by the Township or its creditors. Since the Township does not have a fiduciary relationship with the Plan, the balances and activities of the Plan are not reported in the Township's financial statements.

Note 11: LENGTH OF SERVICE AWARDS PROGRAM

The Township's length of service awards program ("LOSAP"), which is reported in the Township's trust fund, was created by a Township Ordinance adopted on August 30, 1999 pursuant to Section 457 (e)(11)(B) of the Internal Service Code of 1986, as amended, except for provisions added by reason of the length of service award program as enacted into federal law in 1997. The voters of the Township approved the adoption of the LOSAP at the general election held on November 2, 1999, and the first year of eligibility for entrance into the LOSAP by qualified volunteers was calendar year 2000. The LOSAP provides tax deferred income benefits to active volunteer firefighters and emergency medical personnel.

The first year of eligibility for entrance into the Plan was calendar year 2000. The tax deferred income benefits for emergency service volunteers of the volunteer fire department and the first aid organization come from contributions made solely by the governing body of the Township, on behalf of those volunteers who meet the criteria of a plan created by that governing body. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

Contributions - If an active member meets the year of active service requirement, a length of service awards program must provide a benefit between the minimum contribution of \$100.00 and a maximum contribution of \$1,150.00 per year. While the maximum amount is established by statute, it is subject to periodic increases that are related to the consumer price index (N.J.S.A. 40A:14-185(f)). The Division of Local Government Services of the State of New Jersey will issue the permitted maximum annually.

Participants direct the investment of the contributions into various investment options offered by the Plan. The Township has no authorization to direct investment contributions on behalf of eligible volunteers nor has the ability to purchase or sell investment options offered by the Plan. The types of investment options, and the administering of such investments, rests solely with the plan administrator.

Participant Accounts - Each participant's account is credited with the Township's contribution and Plan earnings, and charged with administrative expenses. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account. The Township has placed the amounts deferred, including earnings, in a trust maintained by a third-party administrator for the exclusive benefit of the plan participants and their beneficiaries. Such funds, although subject to the claims of the Township's creditors until distributed as benefit payments, are not available for funding the operations of the Township.

Lincoln National Life Insurance Company ("Plan Administrator"), an approved Length of Service Awards Program provider, is the administrator of the Plan. The Township's practical involvement in administering the Plan is essentially limited to verifying the eligibility of each participant and remitting the funds to the Plan Administrator.

Note 11: LENGTH OF SERVICE AWARDS PROGRAM (CONT'D)

Vesting - Benefits, plus actual earnings thereon, are one hundred percent (100%) vested after five (5) years of service.

Payment of Benefits - Upon retirement or disability, participants may select various payout options, which include lump sum, periodic, or annuity payments. In the case of death, with certain exceptions, any amount invested under the participant's account is paid to the beneficiary or the participant's estate.

In the event of an unforeseeable emergency, as outlined in the Plan document, a participant or a beneficiary entitled to vested accumulated deferrals may request the local plan administrator to payout a portion of vested accumulated deferrals.

Forfeited Accounts - For the years ended December 31, 2016 and 2015, no accounts were forfeited.

Investments - The investments of the length of service awards program reported in the trust - other funds on the statements of assets, liabilities, reserves, and fund balance - regulatory basis are recorded at fair value.

Plan Information - Additional information about the Township's length of service awards program can be obtained by contacting the Plan Administrator.

Other - The 2015 Trust Funds Statement of Assets, Liabilities and Reserves – Regulatory Basis has been restated to include the LOSAP.

Note 12: CAPITAL DEBT**General Improvement Bonds**

On January 15, 2005, the Township issued \$4,905,000.00 of general improvement refunding bonds, with a net interest cost of 3.74%. The bonds were issued for the purpose of funding various capital projects in the Township. The final maturity of the bonds is July 1, 2017.

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 625,000.00	\$ 31,250.00	\$ 656,250.00
	<u>\$ 625,000.00</u>	<u>\$ 31,250.00</u>	<u>\$ 656,250.00</u>

General Debt - New Jersey Environmental Infrastructure Loans

On February 19, 2010, the Township entered into a loan agreement with the New Jersey Environmental Infrastructure Trust to provide \$373,316.00, at no interest, from the fund loan, and \$124,439.00 at interest rates ranging from 0.61% to 3.92% from the trust loan. The proceeds were used to fund improvements to the Plant Road Pump Station. Semiannual debt payments are due February 1st and August 1st through 2026. On November 14, 2011 the loan was decreased to the final allowable costs of the project. The final loan agreement provided \$280,033.00, at no interest, from the fund loan, and \$93,344.00 from the trust loan.

Note 12: CAPITAL DEBT (CONT'D)**General Debt - New Jersey Environmental Infrastructure Loans (Cont'd)**

The following schedule represents the remaining debt service, through maturity, for the New Jersey Environmental Infrastructure loans:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 25,002.52	\$ 2,140.02	\$ 27,142.54
2018	25,158.45	1,984.10	27,142.55
2019	25,329.53	1,813.02	27,142.55
2020	25,518.05	1,624.50	27,142.55
2021	25,724.59	1,417.96	27,142.55
2022-2026	91,000.05	3,377.16	94,377.21
	<u>\$ 217,733.19</u>	<u>\$ 12,356.76</u>	<u>\$ 230,089.95</u>

General Debt - New Jersey Green Acres Loans

On October 13, 2006, the Township entered into a loan agreement with the New Jersey Department of Environmental Protection to provide \$199,657.29, at an interest rate of 2.0%. The proceeds were used to fund the improvements of the Township's sports facility. Semiannual debt payments are due January 13th and July 13th through 2024.

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 12,043.10	\$ 1,869.00	\$ 13,912.10
2018	12,285.16	1,626.94	13,912.10
2019	12,532.10	1,380.01	13,912.11
2020	12,784.00	1,128.11	13,912.11
2021	13,040.96	871.16	13,912.12
2022-2024	33,760.73	1,019.54	34,780.27
	<u>\$ 96,446.05</u>	<u>\$ 7,894.76</u>	<u>\$ 104,340.81</u>

Note 12: CAPITAL DEBT (CONT'D)

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>
<u>Issued</u>			
General:			
Bonds, Loans and Notes	\$ 2,881,579.24	\$ 3,055,352.22	\$ 2,922,680.01
<u>Authorized but not Issued</u>			
General:			
Bonds, Loans and Notes	906,859.02	679,467.00	193,067.00
Total Issued and Authorized but not Issued	3,788,438.26	3,734,819.22	3,115,747.01
<u>Deductions</u>			
General:			
Reserve for Payment of Debt	-	52,310.00	52,310.00
<u>Net Debt</u>	<u>\$ 3,788,438.26</u>	<u>\$ 3,682,509.22</u>	<u>\$ 3,063,437.01</u>

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the annual debt statement and indicated a statutory net debt of .602%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
School Purposes	\$ 7,359,006.01	\$ 7,359,006.01	
General	3,788,438.26		\$ 3,788,438.26
	<u>\$ 11,147,444.27</u>	<u>\$ 7,359,006.01</u>	<u>\$ 3,788,438.26</u>

Net debt \$3,788,438.26 divided by the equalized valuation basis per N.J.S.A.40A:2-2, as amended, \$629,010,585.00, equals .602%.

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 22,015,370.48
Less: Net Debt	<u>3,788,438.26</u>
Remaining Borrowing Power	<u>\$ 18,226,932.22</u>

Note 13: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2016, the following deferred charges are shown on the statement of assets, liabilities, reserves and fund balance of the following fund(s):

<u>Description</u>	<u>Balance December 31, 2016</u>	<u>2017 Budget Appropriation</u>
Current Fund:		
Emergency Authorization	\$ 225,000.00	\$ 225,000.00

The appropriations in the 2017 Budget as adopted are not less than that required by the statutes.

Note 14: RISK MANAGEMENT

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

New Jersey Unemployment Compensation Insurance - The Township has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the Township is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The Township is billed quarterly for amounts due to the State.

The following is a summary of Township contributions, reimbursements to the State for benefits paid and the ending balance of the Township's trust fund for the current and previous two years:

<u>Year</u>	<u>Township Contributions</u>	<u>Employee Contributions</u>	<u>Interest Earnings</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2016	\$ -	\$ -	\$ 65.08	\$ 11,828.09	\$ 50,347.40
2015	5,000.00	5,444.55	75.75	4,158.51	62,110.41
2014	-	5,429.75	80.26	6,506.43	55,748.62

Joint Insurance Pool - The Township is a member of the Gloucester, Salem and Cumberland Counties Municipal Joint Insurance Fund. The Fund provides its members with the following coverage:

Workers' Compensation and Employer's Liability
General Liability other than motor vehicles
Property Damage other than motor vehicles
Automobile Liability and Damage
Public Employees Blanket Bond

Contributions to the Fund, including a reserve for contingencies, are based on actuarial assumptions determined by the Fund's actuary. The Commissioner of Insurance may order additional assessments to supplement the Fund's claim, loss retention, or administrative accounts to assure the payment of the Fund's obligations.

Note 14: RISK MANAGEMENT (CONT'D)**Joint Insurance Pool (Cont'd)**

Coverage in excess of the Fund's self-insured retention limits is provided through the Fund's membership in the Municipal Excess Liability Joint Insurance Fund.

The Fund publishes its own financial report for the year ended December 31, 2016, which can be obtained from:

Gloucester, Salem, Cumberland Counties Municipal Joint Insurance Fund
P.O. Box 490
Marlton, New Jersey 08053

Self-Insurance Plan - The Township has adopted a plan of self-insurance for medical, dental and prescription insurance. The UHY Advisors of Insurance Design Administrators act as administrator of the plan. The Township purchases commercial insurance for claims in excess of \$40,000.00.

At December 31, 2016, there is an estimated \$34,659.57 of claims payable. At December 31, 2016, the Township had a reserve of \$75,809.53.

At December 31, 2015, there was an estimated \$122,970.35 of claims payable. At December 31, 2015, the Township had a reserve of \$14,569.93. The additional funds required for claims in excess of the amounts reserved, were charged to the 2016 budget.

Note 15: OPEN SPACE, RECREATION AND FARMLAND PRESERVATION TRUST

On November 7, 2006 pursuant to P.L. 1997, c. 24 (N.J.S.A. 40:12-15.1 et seq.), the voters of the Township authorized the establishment of a Township Open Space, Recreation and Farmland Preservation Trust Fund effective January 1, 2007, for the purpose of raising revenue for the acquisition of lands and interests in lands for the conservation of farmland and open space. The Township proposed to levy a tax not to exceed two cents per one hundred dollars of equalized valuation. Amounts raised by taxation are assessed, levied and collected in the same manner and at the same time as other taxes. Future increases in the tax rate or to extend the authorization must be authorized by referendum. All revenue received is accounted for in a Trust Fund dedicated by rider (N.J.S.A. 40A:4-39) for the purposed stated. Interest earned on the investment of these funds is credited to the Township Open Space, Recreation and Farmland Preservation Trust Fund.

Note 16: CONCENTRATIONS

The Township depends on financial resources flowing from, or associated with, both the federal government and the State of New Jersey. As a result of this dependency, the Township is subject to changes in specific flows of intergovernmental revenues based on modifications to federal and State laws and federal and State appropriations.

Note 17: CARNEYS POINT TOWNSHIP SEWERAGE AUTHORITY

Under Section 403 of a service agreement between Carneys Point Township Sewerage Authority and Township, the Township is required to pay a sum of money equal to the excess (if any) of:

(1) Operating expenses, interest on bonds, principal or redemption premium on bonds, any deficits of the Authority resulting from failure to receive sums payable to the Authority by the Township, to maintain such reserves or sinking funds to provide for expenses of operations and maintenance of the system or for any interest on or principal on redemption premium of bonds or for any such deficits as may be required by the terms of any contract of the Authority or agreement with or for the benefit of holders of bonds or be deemed necessary or desirable by the Authority, over

(2) The sum of such parts (if any) of the several amounts of service charges collected, the proceeds of bond received by or for account of the authority, the proceeds of insurance received, interest received on investments of funds held for benefit or security of the Authority, contributions received by or for the account of the Authority and not repayable by the Authority, reserves on hand and available, therefore, at the beginning of such fiscal year.

The computation for the Sewerage Authority's Fiscal Year November 30, 2016 showed no amount due under this agreement.

Note 18: CONTINGENCIES

Grantor Agencies - Amounts received or receivable from grantor agencies could be subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the Township expects such amount, if any, to be immaterial.

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

In addition to the above, the Township is in litigation with a major industrial taxpayer concerning the validity of a host community benefit agreement. The Township has been successful in the litigation to date and all required payments have been made by the taxpayer to the Township. The taxpayer has appealed the Judge's decisions in State court and also has filed an additional lawsuit in Federal court. Should the Township be unsuccessful in defending the lawsuits, the loss of the host community benefit payments will be material to the financial statements.

Tax Appeals - As of December 31, 2016, several tax appeals were on file against the Township. Based upon information provided by the tax assessor, if such appeals are not settled in favor of the Township, the estimated impact of the tax refunds could be material.

Note 19: SUBSEQUENT EVENTS

Authorization of Debt - Subsequent to December 31, the Township authorized additional bonds and notes as follows:

<u>Purpose</u>	<u>Adoption</u>	<u>Authorization</u>
General Improvements		
Various Capital Improvements	3/1/2017	\$ 2,435,819.00

SUPPLEMENTAL EXHIBITS

SUPPLEMENTAL EXHIBITS

CURRENT FUND

TOWNSHIP OF CARNEYS POINT
CURRENT FUND
Statement of Cash
For the Year Ended December 31, 2016

	Regular Fund		Federal and State Grant Fund
	<u>Chief Financial Officer</u>	<u>Tax Collector</u>	
Balance December 31, 2015	\$ 2,319,230.04	\$ 3,368.66	\$ 226,216.03
Increased by Receipts:			
Received from Tax Collector	\$ 19,025,593.25		
Taxes Receivable	263,489.79	\$ 18,886,091.84	
Tax Title Liens		38,601.20	
Tax Overpayments		102,935.12	
Prepaid Taxes		148,884.39	
Miscellaneous Revenue Anticipated	4,893,131.85	93,243.95	
Miscellaneous Revenue Not Anticipated	65,423.39	29,606.12	
Due State of New Jersey - State Training Fees	12,568.00		
Due State of New Jersey - Senior Cit & Vet Deductions	80,645.21		
Due Federal and State Grant Fund	18,280.50		
Due Trust -- Other Funds	52.00		
Reserve for Property Registration Fees	1,000.00		
Reserve for Grants - Unappropriated			\$ 5,000.00
Federal and State Grants Receivable			65,868.41
	<u>24,360,183.99</u>	<u>19,299,362.62</u>	<u>70,868.41</u>
	26,679,414.03	19,302,731.28	297,084.44
Decreased by Disbursements:			
Disbursed to Chief Financial Officer		19,025,593.25	
Appropriations	8,290,344.98		
Appropriation Reserves	205,322.08		
Regional School District Taxes Payable	9,855,916.00		
County Taxes Payable	6,517,684.76		
Refund of Tax Overpayments	15,806.40		
Due State of New Jersey - State Training Fees	10,233.00		
Due Current Fund			18,280.50
Reserve for Federal & State Grants - Appropriated			105,371.01
	<u>24,895,307.22</u>	<u>19,025,593.25</u>	<u>123,651.51</u>
Balance December 31, 2016	<u>\$ 1,784,106.81</u>	<u>\$ 277,138.03</u>	<u>\$ 173,432.93</u>

TOWNSHIP OF CARNEYS POINT
CURRENT FUND
Schedule of Change Funds
As of December 31, 2016

<u>Office</u>	Balance <u>Dec. 31, 2016</u>
Tax Collector	\$ 225.00
Clerk of Municipal Court	350.00
Dog Registrar	25.00
Municipal Clerk	75.00
Construction Code Office	<u>100.00</u>
	<u><u>\$ 775.00</u></u>

TOWNSHIP OF CARNEYS POINT
CURRENT FUND
Statement of Taxes Receivable and Analysis of Property Tax Levy
For the Year Ended December 31, 2016

	Balance Dec. 31, 2015	Levy	Added Taxes	2015	Collected 2016	Due from State of New Jersey	Overpayments Applied	Transferred to Tax Title Liens	Adjustments/ Canceled	Balance Dec. 31, 2016
Prior	\$ 3,372.29				\$ 255.87				\$ (1,014.08)	\$ 4,130.50
2014	2.04									2.04
2015	560,910.10				550,580.50	\$ (3,000.00)		\$ 11,991.50	1,192.07	146.03
	564,284.43	-	-	-	550,836.37	(3,000.00)	-	11,991.50	177.99	4,278.57
2016		\$ 19,770,586.63	\$ 80,967.90	\$ 134,825.96	18,598,745.26	90,134.25	\$ 47,492.77	159,203.12	257,043.31	564,109.86
	<u>\$ 564,284.43</u>	<u>\$ 19,770,586.63</u>	<u>\$ 80,967.90</u>	<u>\$ 134,825.96</u>	<u>\$ 19,149,581.63</u>	<u>\$ 87,134.25</u>	<u>\$ 47,492.77</u>	<u>\$ 171,194.62</u>	<u>\$ 257,221.30</u>	<u>\$ 568,388.43</u>

Analysis of Property Tax Levy

Tax Yield:

General Purpose Tax	\$ 19,770,586.63
Added and Omitted Tax (54:4-63 et. seq.)	80,967.90
	<u>\$ 19,851,554.53</u>

Tax Levy:

Regional School Tax (Abstract)	\$ 9,855,916.00
County Taxes:	
County Tax (Abstract)	\$ 6,386,423.31
County Open Space Tax (Duplicate)	122,167.45
Due County for Added and Omitted Taxes (54:4-63.1 et.seq.)	
County Tax	26,296.80
Open Space	519.65
Total County Tax	<u>6,535,407.21</u>

Municipal Open Space Tax:	
Municipal Open Space (Abstract)	6,985.00
Municipal Open Space for Added and Omitted Tax	28.68
Total Municipal Open Space Tax	<u>7,013.68</u>

Local Tax For Municipal Purposes Levied (Abstract)	3,391,571.21
Added and Omitted Tax	54,122.77
Rounding	7,523.66
Total Local Tax for Municipal Purposes Levied	<u>3,453,217.64</u>

\$ 19,851,554.53

TOWNSHIP OF CARNEYS POINT
CURRENT FUND
Statement of Tax Title Liens Receivable
For the Year Ended December 31, 2016

Balance December 31, 2015			\$ 1,048,922.44
Increased by:			
Transfers from Taxes Receivable	\$	171,194.62	
Interest & Costs		<u>3,702.43</u>	
			<u>174,897.05</u>
			1,223,819.49
Decreased by:			
Collections			<u>38,601.20</u>
Balance December 31, 2016			<u><u>\$ 1,185,218.29</u></u>

TOWNSHIP OF CARNEYS POINT
CURRENT FUND
Statement of Revenue Accounts Receivable
For the Year Ended December 31, 2016

	Balance Dec. 31, 2015	Accrued	Realized	Balance Dec. 31, 2016
Miscellaneous Revenues:				
Local Revenues:				
Alcoholic Beverages		\$ 8,198.50	\$ 8,198.50	
Fees and Permits - Other		41,842.50	41,842.50	
Fines and Costs - Municipal Court	\$ 9,453.55	120,451.49	121,288.08	\$ 8,616.96
Interest and Costs on Taxes		93,243.95	93,243.95	
Interest on Investments and Deposits		4,176.41	4,176.41	
Payments in Lieu Of Taxes Pursuant to N.J.S.A. 54:4-3.95				
Chambers Co-Generation Limited Partnership		2,628,920.00	2,628,920.00	
Senior Housing		112,798.69	112,798.69	
Cable Television Fees		27,266.96	27,266.96	
Contribution from Carneys Point Twp. Sewerage Authority - Health Insurance Premiums		24,289.92	24,289.92	
Contribution from Carneys Point Twp. Sewerage Authority - Surplus Anticipated		80,000.00	80,000.00	
Reserve for the Payment of Debt		52,310.00	52,310.00	
Hotel/Motel Tax		126,929.20	126,929.20	
Police Outside Employment Trust		25,000.00	25,000.00	
Rent - YMCA of Salem County		24,000.00	24,000.00	
State Aid Without Offsetting Appropriations:				
Consolidated Municipal Property Tax Relief Aid		67,153.00	67,153.00	
Energy Receipts Tax		740,221.00	740,221.00	
Dedicated Uniform Construction Code Fees Offset with Appropriations (N.J.S.40A:4-36 and N.J.A.C.5:23-4.17)				
Uniform Construction Code Fees		193,629.09	193,629.09	
Special Items of General Revenue Anticipated with Prior Written Consent of the Director of Local Government Services - Public and Private Revenues Offset with Appropriations		66,824.82	66,824.82	
Special Items of General Revenue Anticipated with Prior Written Consent Government Services - Interlocal Municipal Service Agreements				
Borough of Penns Grove - Interlocal Services Agreement Tax Collector		63,405.50	63,405.50	
Borough of Penns Grove - Interlocal Services Agreement Public Works		551,703.00	551,703.00	
Total	\$ 9,453.55	\$ 5,052,364.03	\$ 5,053,200.62	\$ 8,616.96
Applied		\$ 66,824.82	\$ 66,824.82	
Cash Receipts				
Tax Collector		93,243.95	93,243.95	
Treasurer		4,892,295.26	4,893,131.85	
		\$ 5,052,364.03	\$ 5,053,200.62	

TOWNSHIP OF CARNEYS POINT
CURRENT FUND
Statement of Appropriation Reserves
For the Year Ended December 31, 2016

	<u>Balance December 31, 2015</u>		<u>Balance After</u>	<u>Paid or</u>	<u>Lapsed to</u>
	<u>Encumbered</u>	<u>Reserved</u>	<u>Modification</u>	<u>Charged</u>	<u>Fund Balance</u>
Administrative and Executive					
Salaries and Wages					
Municipal Clerk's Office		\$ 3,756.58	\$ 3,756.58		\$ 3,756.58
Other Expenses					
Computer Consultant		1,212.50	1,212.50		1,212.50
Miscellaneous	\$ 805.75	11,859.06	12,664.81	\$ 1,032.42	11,632.39
Governing Body		567.00	567.00		567.00
Financial Administration					
Salaries and Wages		3,133.88	3,133.88		3,133.88
Other Expenses					
Audit	4,420.00	4,980.00	9,400.00	4,420.00	4,980.00
Fixed Asset Account		50.00	50.00		50.00
Miscellaneous	4,127.0	4,535.35	8,662.35	4,777.00	3,885.35
Grants Consultant					
Other Expenses		750.00	750.00		750.00
Registrar of Vital Statistics					
Salaries and Wages		55.26	55.26		55.26
Other Expenses	440.78	1,090.29	1,531.07	440.78	1,090.29
Assessment of Taxes					
Salaries and Wages		2,829.34	2,829.34		2,829.34
Other Expenses	2,933.26	11,983.25	14,916.51	4,042.83	10,873.68
Collection of Taxes					
Salaries and Wages		75.67	75.67		75.67
Other Expenses	2,765.00	11,490.62	14,255.62	2,765.00	11,490.62
Foreclosure of TTL		8,860.00	8,860.00		8,860.00
Legal Services and Costs					
Other Expenses		22,198.90	42,198.90	42,108.28	90.62
Engineering Services and Costs					
Other Expenses	6,917.20	4,817.53	11,734.73	8,470.92	3,263.81
Land Use Administration					
Municipal Land Use Law (NJSA 40:55D-1 et seq.)					
Planning Board					
Salaries & Wages		541.90	541.90		541.90
Other Expenses		6,483.09	6,483.09	2,447.75	4,035.34
Insurance					
Salaries and Wages		100.00	100.00		100.00
Employee Group Health		14,569.93	14,569.93		14,569.93
New Jersey Disability		792.34	792.34		792.34
JIF - Other Expenses	3,957.00	40.60	3,997.60	3,957.00	40.60
Volunteer Fire Co.					
Fire Hydrant Service		377.69	6,377.69	6,375.34	2.35
Other Expenses	18,002.91	3,444.13	21,447.04	18,149.93	3,297.11
Police					
Salaries and Wages		4,447.54	4,447.54	4,191.00	256.54
Other Expenses	2,058.12	11,972.16	14,030.28	2,168.12	11,862.16
Purchase Police Car		30.14	30.14		30.14
Police Radio and Communications					
Salaries and Wages		38.51	38.51		38.51
Other Expenses		3,059.45	3,059.45		3,059.45
First Aid Organization					
Other Expenses - Rescue	2,367.60	7,070.62	9,438.22	2,924.60	6,513.62
Ambulance Service		8,648.46	8,648.46		8,648.46
Emergency Management Services					
Salaries and Wages		62.20	62.20		62.20
Other Expenses		2,066.10	2,066.10		2,066.10

(Continued)

TOWNSHIP OF CARNEYS POINT
CURRENT FUND
Statement of Appropriation Reserves
For the Year Ended December 31, 2016

	<u>Balance December 31, 2015</u>		<u>Balance After</u>	<u>Paid or</u>	<u>Lapsed to</u>
	<u>Encumbered</u>	<u>Reserved</u>	<u>Modification</u>	<u>Charged</u>	<u>Fund Balance</u>
Fire Business	\$ 100.00	\$ 4,481.88	\$ 4,581.88	\$ 100.00	\$ 4,481.88
Municipal Prosecutor					
Other Expenses		0.08	0.08		0.08
Municipal Court					
Salaries and Wages		10,185.99	10,185.99		10,185.99
Other Expenses	1,168.86	7,212.96	8,381.82	1,168.86	7,212.96
Public Defender					
Other Expenses		2,833.36	2,833.36		2,833.36
Sanitation					
Garbage and Trash Removal					
Salaries and Wages		8,105.42	8,105.42		8,105.42
Other Expenses		1,477.12	1,477.12		1,477.12
Sanitary Landfill					
Other Expenses		21,090.03	21,090.03	20,903.36	186.67
Streets and Roads Maintenance					
Salaries and Wages		2,491.89	2,491.89		2,491.89
Other Expenses					
Miscellaneous	439.25	1,512.58	1,951.83	128.21	1,823.62
Recycling					
Salaries and Wages		20.72	20.72		20.72
Other Expenses	798.39	7,002.02	7,800.41	3,526.27	4,274.14
Public Buildings and Grounds					
Salaries and Wages		100.00	100.00		100.00
Other Expenses	1,369.51	18,674.07	5,043.58	1,802.76	3,240.82
Board of Health					
Salaries and Wages		119.46	119.46		119.46
Other Expenses	7,038.00	1,502.87	8,540.87	7,038.00	1,502.87
Dog Regulation					
Salaries and Wages		632.08	632.08		632.08
Other Expenses		2,561.92	2,561.92		2,561.92
Maintenance of Parks					
Other Expenses		3,518.15	3,518.15		3,518.15
Recreation Services and Programs					
Salaries and Wages		24.00	24.00		24.00
Other Expenses	320.83	1,710.41	2,031.24	320.83	1,710.41
Electricity		21,957.53	10,957.53	7,716.38	3,241.15
Street Lighting	2,762.17	17,933.56	20,695.73	16,127.64	4,568.09
Telephone	2,343.50	1,553.73	3,897.23	3,103.92	793.31
Sewerage Processing and Disposal		440.00	440.00	440.00	
Gas (Natural or Propane)	390.74	2,216.52	2,607.26	1,249.82	1,357.44
Gasoline & Diesel	2,507.80	52,933.05	55,440.85	7,485.92	47,954.93
Code Enforcement and Administrator					
Salaries and Wages		1,517.01	1,017.01		1,017.01
Other Expenses	2,983.50	1,926.95	5,410.45	5,150.30	260.15
Other Code Enforcement Functions					
Housing					
Salaries and Wages		329.11	329.11		329.11
Other Expenses		454.47	454.47		454.47
COAH					
Salaries and Wages		61.11	61.11		61.11
Other Expenses	1,737.29	1,952.59	3,689.88	3,689.88	

(Continued)

TOWNSHIP OF CARNEYS POINT
CURRENT FUND
Statement of Appropriation Reserves
For the Year Ended December 31, 2016

	<u>Balance December 31, 2015</u>		<u>Balance After</u>	<u>Paid or</u>	<u>Lapsed to</u>
	<u>Encumbered</u>	<u>Reserved</u>	<u>Modification</u>	<u>Charged</u>	<u>Fund Balance</u>
Zoning					
Salaries and Wages		\$ 240.00	\$ 240.00		\$ 240.00
Other Expenses		235.92	235.92		235.92
Salary Adjustment		500.00	500.00		500.00
Statutory Expenditures					
Contribution to:					
Social Security System (O.A.S.I.)		10,257.52	10,257.52	\$ 147.41	\$ 10,110.11
Defined Contribution Retirement Plan		435.34	435.34	67.81	367.53
Solid Waste Recycling Tax		4,251.86	4,251.86	1,191.30	3,060.56
Length of Services Awards Program		4,700.00	4,700.00		4,700.00
Shared Services Agreements:					
Tax Collector		22.96	22.96		22.96
Police Dispatching		399.06	399.06		399.06
Public Works					
Salaries and Wages		394.50	394.50	237.50	157.00
Other Expenses	\$ 15,582.64	16,784.88	32,367.52	15,454.94	16,912.58
Matching Funds for Grants		5,000.00	5,000.00		5,000.00
	<u>\$ 88,337.10</u>	<u>\$ 399,744.77</u>	<u>488,081.87</u>	<u>\$ 205,322.08</u>	<u>\$ 282,759.79</u>

TOWNSHIP OF CARNEYS POINT
CURRENT FUND
Statement of Tax Overpayments
For the Year Ended December 31, 2016

Balance December 31, 2015		\$ 63,299.17
Increased by:		
Overpayments Received in 2016		<u>102,935.12</u>
		166,234.29
Decreased by:		
Applied	\$ 47,492.77	
Cash Disbursements - CFO	<u>15,806.40</u>	
		<u>63,299.17</u>
Balance December 31, 2016		<u><u>\$ 102,935.12</u></u>

Exhibit SA-8

FEDERAL AND STATE GRANT FUND
Statement of Reserve for Matching Funds
For the Year Ended December 31, 2016

Balance December 31, 2015	\$ 25,000.00
Decreased by:	
Canceled to Current Fund - Fund Balance	<u><u>\$ 25,000.00</u></u>

TOWNSHIP OF CARNEYS POINT

CURRENT FUND

Statement of Due to State of New Jersey Senior Citizens and Veterans' Deductions

For the Year Ended December 31, 2016

Balance December 31, 2015		\$	29,447.34
Increased by:			
Received from State of New Jersey			<u>80,645.21</u>
			110,092.55
Decreased by:			
Deductions per Tax Billings:			
Senior Citizens	\$	20,500.00	
Veterans		<u>72,500.00</u>	
		\$	93,000.00
Deduction Allowed by Tax Collector:			
2016 Taxes			<u>(2,865.75)</u>
			90,134.25
Less Deductions Disallowed by Tax Collector:			
2015 Taxes			<u>3,000.00</u>
Total State Share Applied to Taxes Receivable			<u>87,134.25</u>
Balance December 31, 2016		\$	<u><u>22,958.30</u></u>

Exhibit SA-10

CURRENT FUND

Statement of Prepaid Taxes

For the Year Ended December 31, 2016

Balance December 31, 2015		\$	134,825.96
Increased by:			
Collections - 2017 Taxes			<u>148,884.39</u>
			283,710.35
Decreased by:			
Applied to 2016 Taxes Receivable			<u>134,825.96</u>
Balance December 31, 2016		\$	<u><u>148,884.39</u></u>

TOWNSHIP OF CARNEYS POINT
CURRENT FUND
Statement of County Taxes Payable
For the Year Ended December 31, 2016

Balance December 31, 2015		\$ 9,094.00
Increased by:		
General County Tax	\$ 6,386,423.31	
Open Space Tax	122,167.45	
General County Added and Omitted Taxes	26,296.80	
Open Space Tax Added and Omitted Taxes	<u>519.65</u>	
		<u>6,535,407.21</u>
		6,544,501.21
Decreased by:		
Disbursements		<u>6,517,684.76</u>
Balance December 31, 2016		<u><u>\$ 26,816.45</u></u>

Exhibit SA-12

CURRENT FUND
Statement of Regional School District Taxes Payable
For the Year Ended December 31, 2016

Increased by:		
Levy -- Calendar Year 2016		\$ 9,855,916.00
Decreased by:		
Disbursements		<u><u>\$ 9,855,916.00</u></u>

TOWNSHIP OF CARNEYS POINT
CURRENT FUND
Statement of Municipal Open Space Taxes Payable Due to Trust Fund
For the Year Ended December 31, 2016

Balance December 31, 2015		\$ 60.59
Increased by:		
2016 Municipal Open Space Tax Levy	\$ 6,985.00	
2016 Added/Omitted Taxes	<u>28.68</u>	
		<u>7,013.68</u>
Balance December 31, 2016		<u><u>\$ 7,074.27</u></u>

Exhibit SA-14

CURRENT FUND
Statement of Due State of New Jersey - DCA Training Fees
For the Year Ended December 31, 2016

Balance December 31, 2015	\$ 2,271.00
Increased by:	
State Fees Collected	<u>12,568.00</u>
	14,839.00
Decreased by:	
Disbursed to State	<u>10,233.00</u>
Balance December 31, 2016	<u><u>\$ 4,606.00</u></u>

TOWNSHIP OF CARNEYS POINT
FEDERAL AND STATE GRANT FUND
Statement of Federal and State Grants Receivable
For the Year Ended December 31, 2016

	<u>Balance Dec. 31, 2015</u>	<u>Anticipated as Revenue</u>	<u>Cash Receipts</u>	<u>Canceled</u>	<u>Balance Dec. 31, 2016</u>
Federal Grants:					
Bulletproof Vest Partnership Grant	\$ 2,007.55	\$ 2,180.00	\$ 2,007.55		\$ 2,180.00
Drive Sober or Get Pulled Over		10,000.00	4,200.00	\$ 800.00	5,000.00
Click It or Ticket					
Planning for Water Quality	13,000.00		3,905.00	9,095.00	
Total Federal Grants	15,007.55	12,180.00	10,112.55	9,895.00	7,180.00
State Grants:					
Municipal Alliance on Alcoholism and Drug Abuse	19,766.92	15,463.50	13,027.54	2,852.85	19,350.03
Municipal Alliance on Alcoholism and Drug Abuse					
Co-match - Penns Grove Borough	5,442.30			5,442.30	
Clean Communities Program		22,796.06	22,796.06		
Recycling Tonnage Grant		14,441.69	14,441.69		
Hazardous Discharge Site Remediation Fund					
Clemente Vacant Land - P12671	7,456.00				7,456.00
Body Armor Replacement Program		1,943.57	1,943.57		
Total State Grants	32,665.22	54,644.82	52,208.86	8,295.15	26,806.03
Local Grants:					
Municipal Recycling Enhanc. Program (SCIA) - Penns Grove	3,547.00		3,547.00		
Total Local Grants	3,547.00	-	3,547.00	-	-
Total Grants	\$ 51,219.77	\$ 66,824.82	\$ 65,868.41	\$ 18,190.15	\$ 33,986.03

TOWNSHIP OF CARNEYS POINT
FEDERAL AND STATE GRANT FUND
Statement of Reserve for Federal and State Grants -- Appropriated
For the Year Ended December 31, 2016

	<u>Balance Dec. 31, 2015</u>	<u>Prior Year Encumbrances</u>	<u>Transferred from Budget Appropriation</u>	<u>Cash Disbursed</u>	<u>Current Year Encumbrances</u>	<u>Canceled</u>	<u>Balance Dec. 31, 2016</u>
Federal Grants:							
Bulletproof Vest Partnership Grant			\$ 2,180.00		\$ 2,180.00		
Drive Sober or Get Pulled Over			10,000.00	\$ 5,700.00		\$ 800.00	\$ 3,500.00
Click It or Ticket							
Planning for Water Quality	\$ 9,975.00			880.00		9,095.00	
Total Federal Grants	9,975.00	-	12,180.00	6,580.00	2,180.00	9,895.00	3,500.00
State Grants:							
Clean Communities Program	11,633.02	\$ 105.30	22,796.06	21,841.15	533.00		12,160.23
Municipal Court Alcohol Education/Rehab. Program	12,301.84						12,301.84
Over the Limit Under Arrest	3,400.00						3,400.00
Drunk Driving Enforcement Fund	5,162.34			3,777.02			1,385.32
Recycling Tonnage Grant	49,444.90	3,800.02	14,441.69	41,186.61			26,500.00
Municipal Alliance on Alcoholism and Drug Abuse	22,846.91	4,539.74	17,183.00	22,048.96	1,110.52	8,295.15	13,115.02
Hazardous Discharge Site Remediation Fund							
Landfill	10,846.09						10,846.09
Clemente Asphalt Plant - P12671	914.57						914.57
Clemente Vacant Land - P12672	14,450.96						14,450.96
Clemente Vacant Land - P12673	18,337.42						18,337.42
Clemente Vacant Land - P12677	7,885.72						7,885.72
Clemente Vacant Land - P12678	16,886.50						16,886.50
East Hoover & Madison Street - P13017	11,185.57						11,185.57
Ash Street Site - P13019	13,565.02						13,565.02
Clemente Vacant Land - P13658 - Shell Rd.	1,528.00						1,528.00
Body Armor Replacement Program	2,638.24		1,943.57	872.00	3,220.00		489.81
Municipal Stormwater Regulation	1,956.39						1,956.39
Emergency Management Grant	23,585.04			4,894.97			18,690.07
Total State Grants	228,568.53	8,445.06	56,364.32	94,620.71	4,863.52	8,295.15	185,598.53
Local Grants:							
Municipal Recycling Enhancement Program - SCIA	4,894.00			3,500.00	1,347.00		47.00
Comcast Technology Grant	1,813.21			670.30	1,142.91		
Heritage Land Group - Stormwater Drainage Maintenance	3,740.00						3,740.00
Total Local Grants	10,447.21	-	-	4,170.30	2,489.91	-	3,787.00
Total Grants	\$ 248,990.74	\$ 8,445.06	\$ 68,544.32	\$ 105,371.01	\$ 9,533.43	\$ 18,190.15	\$ 192,885.53

TOWNSHIP OF CARNEYS POINT
FEDERAL AND STATE GRANT FUND
Statement of Reserve for Federal and State Grants -- Unappropriated
For the Year Ended December 31, 2016

	Balance <u>Dec. 31, 2015</u>	2016 Budget Revenue <u>Realized</u>	<u>Received</u>	Balance <u>Dec. 31, 2016</u>
Federal Grants:				
Emergency Management	\$ -	\$ -	\$ 5,000.00	\$ 5,000.00

SUPPLEMENTAL EXHIBITS

TRUST FUNDS

TOWNSHIP OF CARNEYS POINT
TRUST FUNDS
Statement of Trust Funds Cash
For the Year Ended December 31, 2016

	<u>Animal Control</u>	<u>CFO</u>	<u>Trust Other</u> <u>Tax Collector</u>	<u>Municipal Open Space</u>
Balance December 31, 2015	\$ 853.20	\$ 490,490.55	\$ 228,426.23	\$ 301,184.33
Increased by Receipts:				
Animal Control License Fees	\$ 13,695.00			
Interest Earned on Deposits				\$ 452.07
Due Current Fund - Interest Earnings		\$ 196.23	\$ 98.57	
Reserves - Developers Escrow		83,482.81		
Reserves - Miscellaneous		3,654,645.87	892,964.69	
	<u>13,695.00</u>	<u>3,738,324.91</u>	<u>893,063.26</u>	<u>452.07</u>
	14,548.20	4,228,815.46	1,121,489.49	301,636.40
Decreased by Disbursements:				
Expenditures Under R.S. 4:19-15.11	13,444.20			
Disbursed to State of New Jersey	1,104.00			
Due Current Fund - Disbursed to as MRA		12.96	99.46	
Reserves - Developers Escrow		50,231.97		
Reserves - Miscellaneous		3,616,462.88	737,172.26	
	<u>14,548.20</u>	<u>3,666,707.81</u>	<u>737,271.72</u>	<u>-</u>
Balance December 31, 2016	<u>\$ -</u>	<u>\$ 562,107.65</u>	<u>\$ 384,217.77</u>	<u>\$ 301,636.40</u>

TOWNSHIP OF CARNEYS POINT
TRUST -- OTHER FUNDS
Statement of Investments - Length of Service Awards Program
For the Year Ended December 31, 2016

Balance December 31, 2015		\$ 484,188.00
Increased by:		
Township Contributions	\$ 27,600.00	
Unrealized Gain on Investments	35,288.22	
	<u>62,888.22</u>	<u>62,888.22</u>
		547,076.22
Decreased by:		
Benefits Paid to Participants	30,084.44	
Administration Expenses	975.00	
	<u>31,059.44</u>	<u>31,059.44</u>
Balance December 31, 2016		<u><u>\$ 516,016.78</u></u>

Schedule of Investments, December 31, 2016

<u>Description</u>	<u>Amount</u>
Mutual Funds	<u><u>\$ 516,016.78</u></u>

TOWNSHIP OF CARNEYS POINT
TRUST FUND - ANIMAL CONTROL FUND
Statement of Reserve for Animal Control Fund Expenditures
For the Year Ended December 31, 2016

Balance December 31, 2015		\$ 842.40
Increased by:		
License Fees Collected		<u>13,695.00</u>
		14,537.40
Decreased by:		
Transferred to Due to State of New Jersey	\$ 1,093.20	
Expenditures Under R.S. 4:19-15.11	<u>13,444.20</u>	
		<u>14,537.40</u>
Balance December 31, 2016		<u><u>\$ -</u></u>

License Fees Collected

<u>Year</u>	<u>Amount</u>
2015	\$ 8,745.00
2014	<u>10,239.00</u>
	<u><u>\$ 18,984.00</u></u>

Exhibit SB-4

TRUST FUND - ANIMAL CONTROL FUND
Statement of Due State of New Jersey - Department of Health
For the Year Ended December 31, 2016

Balance December 31, 2015	\$ 10.80
Increased by:	
State Registration Fees Received	<u>1,093.20</u>
	1,104.00
Decreased by:	
Disbursements to State of New Jersey	<u>1,104.00</u>
Balance December 31, 2016	<u><u>\$ -</u></u>

TOWNSHIP OF CARNEYS POINT
TRUST FUND - OTHER FUNDS
Statement of Changes in Reserve for Developers Escrow
For the Year Ended December 31, 2016

	Balance	Increased by	Decreased by	Balance
	<u>Dec. 31, 2015</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Dec. 31, 2016</u>
Planning Board / Developers Escrow	\$ 14,208.63	\$ 19,145.26	\$ 18,097.71	\$ 15,256.18
Abandoned Property Escrow		51,337.55	1,792.27	49,545.28
Heritage Construction Escrow	10,887.12			10,887.12
Schlimme/Bauman Escrow	7,146.19			7,146.19
Point One Investments - Cornerstone Inspection	4,440.38	13,000.00	15,913.88	1,526.50
Heritage Corpus Christi #2	3,249.77			3,249.77
G&B Highland Ave. Inspections	6,808.77		362.50	6,446.27
McLane Escrow	6,898.01		6,898.01	
Drimones Escrow	3,455.65			3,455.65
Affordable Salem Escrow	337.18			337.18
Ranney Station Water Treatment Plant Escrow	2,321.54			2,321.54
Heritage / Layton Lake Maintenance Escrow	25,000.00			25,000.00
Lakeview Woods Basin Maintenance Escrow	42,000.00			42,000.00
MTM Associates LLC	9,329.10		7,167.60	2,161.50
	<u>\$ 136,082.34</u>	<u>\$ 83,482.81</u>	<u>\$ 50,231.97</u>	<u>\$ 169,333.18</u>

TOWNSHIP OF CARNEYS POINT
TRUST FUND - OTHER FUNDS
Statement of Changes in Reserve for Miscellaneous
For the Year Ended December 31, 2016

	Balance	Increased by				Decreased by	Balance
	<u>Dec. 31, 2015</u>	<u>Receipts</u>	<u>Interest</u>	<u>Unrealized Gain</u>	<u>Collected by</u>	<u>Disbursements</u>	<u>Dec. 31, 2016</u>
			<u>Earnings</u>	<u>on Investments</u>	<u>Current Fund</u>		
Accumulated Absences	\$ 48,010.93	\$ 10,000.00	\$ 33.59			\$ 47,970.78	\$ 10,073.74
Payroll Deductions Payable	4,498.94	3,418,278.98				3,411,891.93	10,885.99
Street Opening Deposits Escrow	48,051.62	7,500.00				3,600.00	51,951.62
Recreation	58,233.44	15,540.00				12,740.53	61,032.91
Unemployment	62,110.41		65.08			11,828.09	50,347.40
Public Defender	461.72	2,900.00				900.00	2,461.72
Municipal Alliance	3,700.79	450.00				2,048.55	2,102.24
Police Outside Employment	33,603.96	135,252.92				120,972.72	47,884.16
Forfeiture Trust	1,300.98		1.98				1,302.96
House Revitalization Loan Account	5,959.28	14,200.00	10.81				20,170.09
COAH	51,434.59	40,594.25	116.26			4,460.79	87,684.31
Tax Title Liens Redemptions	13,819.39	463,564.69				467,772.26	9,611.82
Tax Title Liens Premiums	214,600.00	429,400.00				269,400.00	374,600.00
Confiscated Funds	7,303.50		10.98				7,314.48
Snow Removal	14,024.42	7,000.00	25.75				21,050.17
Fire/Rescue	3,462.12		5.21				3,467.33
Recreation Facility Improvement	11,702.59	2,500.00					14,202.59
POAA	412.10	160.00	0.06		\$ 52.00	49.49	574.67
Length of Service Awards Program	484,188.00	27,600.00		\$ 35,288.22		31,059.44	516,016.78
	<u>\$ 1,066,878.78</u>	<u>\$ 4,574,940.84</u>	<u>\$ 269.72</u>	<u>\$ 35,288.22</u>	<u>\$ 52.00</u>	<u>\$ 4,384,694.58</u>	<u>\$ 1,292,734.98</u>
Cash Receipts:							
Tax Collector			\$ 892,964.69			\$ 737,172.26	
CFO			3,654,645.87			3,616,462.88	
Investments			27,600.00			31,059.44	
			<u>\$ 4,575,210.56</u>			<u>\$ 4,384,694.58</u>	

TOWNSHIP OF CARNEYS POINT
TRUST FUND - OTHER FUNDS
Statement of Due To (From) Current Fund
For the Year Ended December 31, 2016

	Balance Dec. 31, 2015	Increased by: Interest Due Current Fund	Decreased by: Disbursed to Current Fund - MRNA	Collected by Current Fund	Balance Dec. 31, 2016
Payroll Deductions Payable	\$ (247.10)				\$ (247.10)
Municipal Alliance Trust	7.48	\$ 4.18			11.66
Tax Title Liens Redemptions	5.12	66.29	\$ 68.73		2.68
Tax Title Liens Premiums	1.72	32.28	30.73		3.27
Recreation Facility Improvement	4.87	20.45			25.32
POAA	(412.10)			\$ 52.00	(464.10)
Public Defender	600.00				600.00
Developers Escrow:					
Heritage Construction Escrow	16.34	16.39			32.73
Schlimme/Bauman Escrow	10.71	10.74			21.45
Point One Investments - Cornerstone Inspection	1.97	3.11			5.08
Heritage Corpus Christi #2	3.61	4.86			8.47
G&B Highland Ave Inspections	11.10	10.15			21.25
Heritage / Layton Lake Inspections	0.74		0.74		
McLane Escrow	11.34	0.88	12.22		
Drimones Escrow	8.13	5.21			13.34
Affordable Salem Escrow	0.96	0.48			1.44
Ranney Station Water Treatment Plant Escrow	6.47	11.96			18.43
Heritage / Layton Lake Maintenance Escrow	40.74	37.57			78.31
Lakeview Woods Basin Maintenance Escrow	68.40	63.15			131.55
MTM Associates LLC	3.16	7.10			10.26
	<u>\$ 143.66</u>	<u>\$ 294.80</u>	<u>\$ 112.42</u>	<u>\$ 52.00</u>	<u>\$ 274.04</u>
Tax Collector		\$ 98.57	\$ 99.46		
CFO		196.23	12.96		
		<u>\$ 294.80</u>	<u>\$ 112.42</u>		

TOWNSHIP OF CARNEYS POINT
TRUST FUND - MUNICIPAL OPEN SPACE
Statement of Due from Current Fund
For the Year Ended December 31, 2016

Balance December 31, 2015		\$ 60.59
Increased by:		
2016 Municipal Open Space Tax Levy	\$ 6,985.00	
2016 Added/Omitted Taxes	<u>28.68</u>	
		<u>7,013.68</u>
Balance December 31, 2016		<u><u>\$ 7,074.27</u></u>

Exhibit SB-9

TRUST FUND - MUNICIPAL OPEN SPACE
Statement of Reserve for Future Use
For the Year Ended December 31, 2016

Balance December 31, 2015		\$ 301,244.92
Increased by:		
2016 Municipal Open Space Tax Levy	\$ 6,985.00	
2016 Added/Omitted Taxes	28.68	
Interest Earned on Deposits	<u>452.07</u>	
		<u>7,465.75</u>
Balance December 31, 2016		<u><u>\$ 308,710.67</u></u>

SUPPLEMENTAL EXHIBITS

GENERAL CAPITAL FUND

TOWNSHIP OF CARNEYS POINT
GENERAL CAPITAL FUND
Statement of Cash
For the Year Ended December 31, 2016

Balance December 31, 2015		\$	1,262,543.75
Increased by Receipts:			
Capital Improvement Fund	\$	115,000.00	
Deferred Charges to Future Taxation - Unfunded		70,000.00	
Grants Receivable		38,250.00	
Bond Anticipation Notes - Issued		486,400.00	
			<u>709,650.00</u>
			1,972,193.75
Decreased by Disbursements:			
Improvement Authorizations		559,812.79	
Payment of Debt - Disbursed to Current Fund as MRA		52,310.00	
			<u>612,122.79</u>
Balance December 31, 2016		\$	<u><u>1,360,070.96</u></u>

TOWNSHIP OF CARNEYS POINT
GENERAL CAPITAL FUND
Statement of Capital Cash and Investments
For the Year Ended December 31, 2016

	Balance	Receipts		Disbursements		Transfers		Balance
	<u>Dec. 31, 2015</u>	<u>Budget</u>	<u>Miscellaneous</u>	<u>Improvement</u>	<u>Miscellaneous</u>	<u>From</u>	<u>To</u>	<u>Dec. 31, 2016</u>
		<u>Appropriation</u>		<u>Authorizations</u>				
General Capital Fund Balance	\$ 39,022.36							\$ 93,511.26
Capital Improvement Fund	132,710.39	\$ 115,000.00				\$ 243,100.00	\$ 54,488.90	\$ 46,035.39
Grants Receivable							41,425.00	
Reserve for:								
Improvements to Recreation Sites	61,374.60							61,374.60
Purchase of Recycling Truck	32,777.00					32,777.00		
Purchase of Public Works Equipment	25,000.00					25,000.00		
Acquisition of Equipment for Buildings and Grounds	9,000.00					9,000.00		
Construction of Addition to Public Building & Fire Building	12,711.90					12,711.90		
Payment of Debt	52,310.00				\$ 52,310.00			
Encumbrances Payable	34,461.38					34,461.38		
Improvement Authorizations:								
Ordinance								
<u>Number:</u>								
601 Various Capital Improvements	(70,000.00)		\$ 70,000.00					
780 Certain Capital Improvements	118,366.19			\$ 28,419.42			5,058.00	95,004.77
831 Improvement to Plant Road Pump Station	(6,333.38)							(6,333.38)
861 Repairs to Boutown Creek & Plant Road								
Stormwater Pump Stations	217,505.19							217,505.19
870 Various Acquisitions	259.00					259.00		
872 Replacement of Municipal Building Roof	20,903.80							20,903.80
893 Acquisition of a Refuse Truck	16,166.00					16,166.00		
894 Acquisition of Various Capital Equipment	(100,625.64)							(100,625.64)
898 Reconstruction of Jefferson Street	(38,250.00)		38,250.00					
905 Acquisition of Various Equipment and								
Capital Improvements	704,591.00			151,787.14			24,336.00	577,139.86
907 Completion of Various Capital Improvements	593.96		486,400.00	332,585.95			5,067.38	159,475.39
915 Completion of Various Capital Improvements				31,857.00			42,100.00	10,243.00
916 Acquisition of Various Capital Equipment				15,163.28			201,000.00	185,836.72
	<u>\$ 1,262,543.75</u>	<u>\$ 115,000.00</u>	<u>\$ 594,650.00</u>	<u>\$ 559,812.79</u>	<u>\$ 52,310.00</u>	<u>\$ 373,475.28</u>	<u>\$ 373,475.28</u>	<u>\$ 1,360,070.96</u>

TOWNSHIP OF CARNEYS POINT
GENERAL CAPITAL FUND
Statement of Deferred Charges to Future Taxation - Funded
For the Year Ended December 31, 2016

Balance December 31, 2015		\$ 1,535,852.22
Decreased by:		
Budget Appropriation:		
Payment of Bonds Payable	\$ 560,000.00	
Payment of Green Acres Trust Loan Payable	11,805.81	
Payment of NJEIT Loan Payable	24,867.17	
	<u>596,672.98</u>	<u>596,672.98</u>
Balance December 31, 2016		<u><u>\$ 939,179.24</u></u>

Exhibit SC-4

GENERAL CAPITAL FUND
Statement of Capital Improvement Fund
For the Year Ended December 31, 2016

Balance December 31, 2015		\$ 132,710.39
Increased by:		
Budget Appropriation	\$ 115,000.00	
Cancellation of Improvement Authorizations	16,425.00	
Cancellation of Reserve for Purchase of Public Works Equipment	25,000.00	
	<u>156,425.00</u>	<u>156,425.00</u>
		289,135.39
Decreased by:		
Appropriation to Finance Improvement Authorization		<u>243,100.00</u>
Balance December 31, 2016		<u><u>\$ 46,035.39</u></u>

TOWNSHIP OF CARNEYS POINT
GENERAL CAPITAL FUND
Statement of Grants Receivable
For the Year Ended December 31, 2016

Balance December 31, 2015	\$ 191,250.00
Decreased by:	
Cash Receipts	<u>38,250.00</u>
Balance December 31, 2016	<u><u>\$ 153,000.00</u></u>
 <u>Analysis of Balance</u>	
Ordinance 907 - Reconstruction of E Street	<u><u>\$ 153,000.00</u></u>

TOWNSHIP OF CARNEYS POINT
GENERAL CAPITAL FUND
Statement of Deferred Charges to Future Taxation - Unfunded
For the Year Ended December 31, 2016

Ordinance Number	Improvement Description	Balance Dec. 31, 2015	Authorizations	Paid by Budget Appropriation	Canceled	Balance Dec. 31, 2016	Analysis of Balance Dec. 31, 2016		
							Financed by Bond Anticipation Notes	Expenditures	Unexpended Improvement Authorization
601	Various Capital Improvements	\$ 70,000.00		\$ 70,000.00					
780	Certain Capital Improvements	165,400.00		44,400.00		\$ 121,000.00	\$ 121,000.00		
831	Improvement to Plant Road Pump Station	12,267.00			\$ 5,933.62	6,333.38		\$ 6,333.38	
861	Repairs to Boutown Creek & Plant Road Stormwater Pump Stations	381,600.00		11,600.00		370,000.00	370,000.00		
872	Replacement of Municipal Building Roof	212,500.00		7,500.00		205,000.00	205,000.00		
894	Various Capital Equipment	110,800.00			10,174.36	100,625.64		100,625.64	
905	Acquisition of Various Equipment and Capital Improvements	760,000.00				760,000.00	760,000.00		
907	Completion of Various Capital Improvements	486,400.00				486,400.00	486,400.00		
915	Acquisition of Various Capital Equipment		\$ 799,900.00			799,900.00		605,840.45	\$ 194,059.55
		<u>\$ 2,198,967.00</u>	<u>\$ 799,900.00</u>	<u>\$ 133,500.00</u>	<u>\$ 16,107.98</u>	<u>\$ 2,849,259.02</u>	<u>\$ 1,942,400.00</u>	<u>\$ 712,799.47</u>	<u>\$ 194,059.55</u>
Budget Appropriation									
Deferred Charges to Future Taxation - Unfunded				\$ 70,000.00					
Bond Anticipation Notes				63,500.00					
				<u>\$ 133,500.00</u>					
Improvement Authorizations - Unfunded									\$ 1,178,747.85
Less: Unexpended Proceeds of Bond Anticipation Notes Issued:									
Ordinance No. 780							\$ 95,004.77		
Ordinance No. 861							217,505.19		
Ordinance No. 872							20,903.80		
Ordinance No. 905							549,679.45		
Ordinance No. 907							101,595.09		
								984,688.30	
									<u>\$ 194,059.55</u>

TOWNSHIP OF CARNEYS POINT
GENERAL CAPITAL FUND
Statement of Improvement Authorizations
For the Year Ended December 31, 2016

Ordinance Number	Improvement Description	Date	Ordinance Amount	Balance Dec. 31, 2015		Increased by:		Decreased by:			Balance Dec. 31, 2016	
				Funded	Unfunded	Prior Year Encumbrances	Authorizations	Paid or Charged	Current Year Encumbrances	Canceled	Funded	Unfunded
780/884	Certain Capital Improvements	6/14/06										
		12/4/13	\$ 1,200,000.00		\$ 118,366.19	\$ 5,058.00		\$ 28,419.42			\$ 95,004.77	
831	Improvements to Plant Road Pump Station	8/19/09	515,000.00		5,933.62					\$ 5,933.62		
861	Repairs to Boutown Creek & Plant Road Stormwater Pump Stations	8/17/11	440,000.00		217,505.19							217,505.19
870	Various Acquisitions	8/1/12	69,000.00	\$ 259.00						259.00		
872	Replacement of Municipal Building Roof	10/3/12	300,000.00		20,903.80							20,903.80
893	Acquisition of a Refuse Truck	6/4/14	183,600.00	16,166.00						16,166.00		
894	Acquisition of Various Capital Equipment	7/16/14	116,800.00		10,174.36					10,174.36		
905	Acquisition of Various Equipment and Capital Improvements	8/19/15	800,000.00		704,591.00	24,336.00		151,787.14	\$ 27,460.41			549,679.45
907	Completion of Various Capital Improvements	11/4/15	665,000.00	153,593.96	486,400.00	5,067.38		332,585.95	210,880.30			101,595.09
915	Completion of Various Capital Improvements	4/20/16	842,000.00				\$ 842,000.00	31,857.00	616,083.45			194,059.55
916	Acquisition of Various Capital Equipment	5/18/16	201,000.00				201,000.00	15,163.28	185,013.00		\$ 823.72	
				<u>\$ 170,018.96</u>	<u>\$ 1,563,874.16</u>	<u>\$ 34,461.38</u>	<u>\$ 1,043,000.00</u>	<u>\$ 559,812.79</u>	<u>\$ 1,039,437.16</u>	<u>\$ 32,532.98</u>	<u>\$ 823.72</u>	<u>\$ 1,178,747.85</u>
Capital Improvement Fund							\$ 243,100.00			\$ 16,425.00		
Deferred Charges to Future Taxation - Unfunded							799,900.00			16,107.98		
Cash Disbursements								<u>\$ 559,812.79</u>				
							<u>\$ 1,043,000.00</u>	<u>\$ 559,812.79</u>		<u>\$ 32,532.98</u>		

TOWNSHIP OF CARNEYS POINT
GENERAL CAPITAL FUND
Statement of General Serial Bonds
For the Year Ended December 31, 2016

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds Outstanding Dec. 31, 2016</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2015</u>	<u>Paid by Budget Appropriation</u>	<u>Balance Dec. 31, 2016</u>
			<u>Date</u>	<u>Amount</u>				
General Improvement Refunding Bonds, 2005	1/15/05	\$ 4,905,000.00	7/1/17	\$625,000.00	5.00%	\$ 1,185,000.00	\$ 560,000.00	\$ 625,000.00

Exhibit SC-9

GENERAL CAPITAL FUND
Statement of Green Acres Trust Loan Payable
For the Year Ended December 31, 2016

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Issue</u>	<u>Amount of Original Loan</u>	<u>Maturities of Loan Outstanding Dec. 31, 2016</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2015</u>	<u>Paid by Budget Appropriation</u>	<u>Balance Dec. 31, 2016</u>
				<u>Year</u>	<u>Amount</u>				
726	Improvements to the Carneys Point Sports Facility	10/13/06	\$ 199,657.29	2017	\$ 12,043.10	2.00%	\$ 108,251.86	\$ 11,805.81	\$ 96,446.05
				2018	12,285.16	2.00%			
				2019	12,532.10	2.00%			
				2020	12,784.00	2.00%			
				2021	13,040.96	2.00%			
				2022	13,303.08	2.00%			
				2023	13,570.47	2.00%			
				2024	6,887.18	2.00%			

TOWNSHIP OF CARNEYS POINT
GENERAL CAPITAL FUND
Statement of Bond Anticipation Note Payable
For the Year Ended December 31, 2016

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Original Issue</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2015</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2016</u>
780	Certain Capital Improvements	06/20/06	05/18/15 05/17/16	05/17/16 04/18/17	0.81% 1.09%	\$ 165,400.00	\$ 121,000.00	\$ 165,400.00	\$ 121,000.00
861	Repairs to Boutown Creek & Plant Road Stormwater Pump Stations	05/22/13	05/18/15 05/17/16	05/17/16 04/18/17	0.81% 1.09%	381,600.00	370,000.00	381,600.00	370,000.00
872	Replacement of Municipal Building Roof	11/15/12	05/18/15 05/17/16	05/17/16 04/18/17	0.81% 1.09%	212,500.00	205,000.00	212,500.00	205,000.00
905	Acquisition of Various Equipment and Capital Improvements	09/24/15	09/24/15 05/17/16	05/17/16 04/18/17	1.25% 1.09%	760,000.00	760,000.00	760,000.00	760,000.00
907	Acquisition of Various Capital Equipment	04/19/16	04/19/16	04/18/17	1.35%		486,400.00		486,400.00
						<u>\$ 1,519,500.00</u>	<u>\$ 1,942,400.00</u>	<u>\$ 1,519,500.00</u>	<u>\$ 1,942,400.00</u>
Paid by Budget Appropriation								\$ 63,500.00	
Issued						\$ 486,400.00			
Renewed						1,456,000.00	1,456,000.00		
						<u>\$ 1,942,400.00</u>	<u>\$ 1,519,500.00</u>		

TOWNSHIP OF CARNEYS POINT
GENERAL CAPITAL FUND
Statement of New Jersey Environmental Infrastructure Trust Loan Payable
For the Year Ended December 31, 2016

Ordinance Number	Improvement Description	Date of Issue	Amount of Original Loan	Maturities of Loans Outstanding Dec. 31, 2016		Interest Rate	Balance Dec. 31, 2015	Paid by Budget Appropriation	Balance Dec. 31, 2016		
				Year	Amount						
831	Improvement to Plant Road Pump Station	2/19/2010	\$ 124,439.00	2017	\$ 6,020.37	0.61% - 3.92%	\$ 70,132.88	\$ 5,885.02	\$ 64,247.86		
				2018	6,176.30						
				2019	6,347.38						
				2020	6,535.90						
				2021	6,742.44						
				2022	6,964.26						
				2023	7,206.62						
				2024	7,467.50						
				2025	7,745.29						
				2026	3,041.80						
				831	Improvement to Plant Road Pump Station					2/19/2010	373,316.00
2018	18,982.15										
2019	18,982.15										
2020	18,982.15										
2021	18,982.15										
2022	18,982.15										
2023	18,982.15										
2024	18,982.15										
2025	1,628.13										
		\$ 242,600.36	\$ 24,867.17			\$ 217,733.19					

TOWNSHIP OF CARNEYS POINT
GENERAL CAPITAL FUND
Statement of Bonds and Notes Authorized But Not Issued
For the Year Ended December 31, 2016

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2015</u>	<u>Authorizations</u>	<u>Funded by Budget Appropriation</u>	<u>Bond Anticipation Notes Issued</u>	<u>Canceled</u>	<u>Balance Dec. 31, 2016</u>
601	Various Capital Improvements	\$ 70,000.00		\$ 70,000.00			
831	Improvements to Plant Road Pump Station	12,267.00				\$ 5,933.62	\$ 6,333.38
894	Acquisition of Various Capital Equipment	110,800.00				10,174.36	100,625.64
907	Completion of Various Capital Improvements	486,400.00			\$ 486,400.00		
915	Acquisition of Various Capital Equipment		\$ 799,900.00				799,900.00
		<u>\$ 679,467.00</u>	<u>\$ 799,900.00</u>	<u>\$ 70,000.00</u>	<u>\$ 486,400.00</u>	<u>\$ 16,107.98</u>	<u>\$ 906,859.02</u>

SUPPLEMENTAL EXHIBITS
INDUSTRIAL COMMISSION

TOWNSHIP OF CARNEYS POINT
INDUSTRIAL COMMISSION
Statement of Cash
For the Year Ended December 31, 2016

Balance December 31, 2015		\$	7,442.74
Increased by:			
Budget Appropriation	\$	2,522.13	
Interest Earned on Deposits		<u>11.68</u>	
			<u>2,533.81</u>
			9,976.55
Decreased by:			
Appropriations			<u>3,002.91</u>
Balance December 31, 2016		\$	<u><u>6,973.64</u></u>

PART 2

SCHEDULE OF FINDINGS AND RECOMMENDATIONS

FOR THE YEAR ENDED DECEMBER 31, 2016

TOWNSHIP OF CARNEYS POINT
Schedule of Findings and Recommendations
For the Year Ended December 31, 2016

Schedule of Financial Statement Findings

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

None

TOWNSHIP OF CARNEYS POINT
Summary Schedule of Prior Year Audit Findings
and Recommendations as Prepared by Management

This section identifies the status of prior year findings related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*.

FINANCIAL STATEMENT FINDINGS

No prior year audit findings.

TOWNSHIP OF CARNEYS POINT
Officials in Office and Surety Bonds

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

<u>Name</u>	<u>Title</u>
Dr. Joseph F. Racite	Mayor
Kenneth Brown	Committee Member
Kenneth R. Dennis	Committee Member
Marcus Dowe, Jr.	Committee Member
Wayne D. Pelura	Committee Member
June M. Proffitt	Township Clerk
Marie A. Stout	Chief Financial Officer
Elizabeth Ruhl	Tax Collector
Kathleen Hill	Tax Assessor
Ann Marie Brown	Court Administrator
Robert Berducci	Construction Code Official
Jason D. Witcher	Judge of Municipal Court
David Avedissian	Solicitor
Ef Frederick Margron / PCI	Engineer

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

APPRECIATION

I express my appreciation for the assistance and courtesies rendered by the Township officials during the course of the audit.

Respectfully submitted,

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

A handwritten signature in black ink that reads "Fred S. Caltabiano". The signature is written in a cursive style with a large, stylized 'F' and 'C'.

Fred S. Caltabiano
Certified Public Accountant
Registered Municipal Accountant