

**TOWNSHIP OF EASTAMPTON**  
**COUNTY OF BURLINGTON**

**REPORT OF AUDIT**

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



**TOWNSHIP OF EASTAMPTON**  
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**TOWNSHIP OF EASTAMPTON**

**PART I**

**REPORT OF AUDIT OF FINANCIAL STATEMENTS**

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

## **INDEPENDENT AUDITOR'S REPORT**

The Honorable Mayor and  
Members of the Township Council  
Township of Eastampton  
Eastampton, New Jersey 08060

### **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 Eastampton, in the County of Burlington, State of New Jersey, as of December 31, 2017 and 2016, and the related statements of operations and changes in fund balance - regulatory basis for the years then ended, 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, 2017, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with 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.

**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 Eastampton, in the County of Burlington, State of New Jersey, as of December 31, 2017 and 2016, 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 Eastampton, in the County of Burlington, State of New Jersey, as of December 31, 2017 and 2016, and the results of its operations and changes in fund balance - regulatory basis of such funds for the years then ended, and the 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, 2017, in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, as described in Note 1.

**Other Matters***Other Information*

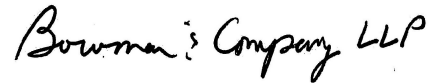
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township's basic financial statements. The supplemental statements and schedules presented for the various funds, as listed in the table of contents, are presented for purposes of additional 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 26, 2018 on our consideration of the Township of Eastampton's, in the County of Burlington, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township of Eastampton's 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 Eastampton's internal control over financial reporting and compliance.

Respectfully submitted,



BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants



Robert S. Marrone  
Certified Public Accountant  
Registered Municipal Accountant

Voorhees, New Jersey  
June 26, 2018



**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 Council  
Township of Eastampton  
Eastampton, New Jersey 08060

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 Eastampton, in the County of Burlington, State of New Jersey, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements, and have issued our report thereon dated June 26, 2018. That report indicated that the Township of Eastampton'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 Eastampton'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 Eastampton's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township of Eastampton'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.

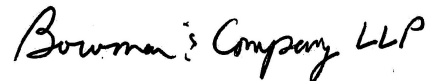
**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Township of Eastampton'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 Township's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,



BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants



Robert S. Marrone  
Certified Public Accountant  
Registered Municipal Accountant

Voorhees, New Jersey  
June 26, 2018

**TOWNSHIP OF EASTAMPTON**  
**CURRENT FUND**

Statements of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis  
As of December 31, 2017 and 2016

<u>ASSETS</u>	<u>Ref.</u>	<u>2017</u>	<u>2016</u>
Regular Fund:			
Cash	SA-1	\$ 1,954,903.63	\$ 1,540,805.72
Cash - Change Fund	SA-3	500.00	500.00
Due State of New Jersey - Senior and Veteran	SA-13	<u>22,208.74</u>	<u>19,406.00</u>
		<u>1,977,612.37</u>	<u>1,560,711.72</u>
Receivables with Full Reserves:			
Delinquent Property Taxes Receivable	SA-5	9,575.21	11,480.07
Tax Title Liens Receivable	SA-6	597,464.20	572,994.85
Revenue Accounts Receivable	SA-8	8,232.02	12,778.16
Due Mount Holly Municipal Utility Authority	SA-9	25.34	764.64
Due Animal Control Trust Fund	B	716.95	716.95
Due Federal, State and Local Grant Fund	SA-1		61,552.78
Due Trust Other Fund	B	39,272.84	16,513.91
Due Trust Other Fund - Payroll	B	<u>43,527.80</u>	<u>41,315.78</u>
		<u>698,814.36</u>	<u>718,117.14</u>
Deferred Charges:			
Overexpenditure of Appropriation	A-3	1,284.66	
Special Emergency Authorizations	SA-22		<u>66,000.00</u>
		<u>1,284.66</u>	<u>66,000.00</u>
		<u>2,677,711.39</u>	<u>2,344,828.86</u>
Federal, State and Local Grant Fund:			
Cash	SA-1	46,664.49	
Grants Receivable	SA-24	<u>785,780.63</u>	<u>372,596.14</u>
		<u>832,445.12</u>	<u>372,596.14</u>
		<u>\$ 3,510,156.51</u>	<u>\$ 2,717,425.00</u>

(Continued)

**TOWNSHIP OF EASTAMPTON**  
**CURRENT FUND**

Statements of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis  
As of December 31, 2017 and 2016

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	<u>2017</u>	<u>2016</u>
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3;SA-14	\$ 83,229.01	\$ 87,982.67
Reserve for Encumbrances	A-3;SA-14	36,799.93	15,625.84
Accounts Payable	SA-14	349.47	
Due Municipal Open Space Trust Fund	B	243,493.09	142,811.16
Due General Capital Fund	C	237,466.40	257,885.40
Special Emergency Note	SA-23		66,000.00
Prepaid Taxes	SA-7	285,910.36	61,031.25
Tax Overpayments	SA-19	17,476.51	31,421.25
Due County for Added/Omitted Taxes	SA-18	10,997.96	3,818.27
Due State of New Jersey:			
Division of Youth and Family Services	SA-16	125.00	275.00
Department of Community Affairs	SA-15	1,763.00	5,344.00
Reserve for Performance Bonds	SA-12	196,621.46	98,582.17
Reserve for Fire Safety Inspections	A	280.00	280.00
Reserve for Reassessment Program	A	1,361.00	1,361.00
Reserve for Uniform Safety Act	A	328.00	328.00
Reserve for Codification of Ordinances	A	53,311.83	53,311.83
		<u>1,169,513.02</u>	<u>826,057.84</u>
Reserves for Receivables	A	698,814.36	718,117.14
Fund Balance	A-1	<u>809,384.01</u>	<u>800,653.88</u>
		<u>2,677,711.39</u>	<u>2,344,828.86</u>
Federal, State and Local Grant Fund:			
Reserve for Encumbrances	SA-27	3,477.38	76,886.70
Due Current Fund	SA-1		61,552.78
Unappropriated Reserves	SA-26	9,731.51	4,783.18
Appropriated Reserves	SA-27	819,236.23	229,373.48
		<u>832,445.12</u>	<u>372,596.14</u>
		<u>\$ 3,510,156.51</u>	<u>\$ 2,717,425.00</u>

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

**TOWNSHIP OF EASTAMPTON**  
**CURRENT FUND**

Statements of Operations and Changes in Fund Balance - Regulatory Basis  
For the Years Ended December 31, 2017 and 2016

<u>Revenue and Other Income Realized</u>	<u>2017</u>	<u>2016</u>
Fund Balance Utilized	\$ 393,775.00	\$ 364,475.00
Miscellaneous Revenues Anticipated	1,677,074.64	1,333,699.85
Receipts from Delinquent Taxes and Tax Title Liens	21,466.34	10,195.98
Receipts from Current Taxes	13,339,235.80	13,080,594.32
Non-Budget Revenue	78,800.32	31,828.83
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	35,168.60	128,244.99
Liquidation of Reserve for:		
Due from Trust Other - Payroll		35,771.61
Due from Federal and State Grant Fund	61,552.78	
Due from Mount Holly Municipal Utility Authority	739.30	
Due from Trust Other		5,360.73
Cancellation of Reserve for 2013 Revaluation		31,126.67
Cancellation of Grants Appropriated		11,262.67
Refund of Prior Year Expenditure		6,871.69
	<hr/>	<hr/>
Total Income	15,607,812.78	15,039,432.34
	<hr/>	<hr/>
<u>Expenditures</u>		
Budget Appropriations:		
Within "CAPS":		
Operations:		
Salaries and Wages	2,356,884.66	2,285,135.00
Other Expenses	1,442,911.94	1,356,745.50
Deferred Charges and Statutory Expenditures	559,174.95	570,245.63
Excluded from "CAPS":		
Operations:		
Salaries and Wages	20,000.00	16,416.69
Other Expenses	851,509.14	545,384.59
Capital Improvements--Excluded from "CAPS"	36,000.00	22,000.00
Municipal Debt Service--Excluded from "CAPS"	280,986.12	291,274.79
Deferred Charges Municipal - Excluded from "CAPS"	66,000.00	48,000.00
Local District School Tax	5,300,535.52	5,148,850.48
Regional District School Tax	1,917,649.02	1,955,083.02
County Taxes	1,834,373.43	1,850,913.52
Due County for Added and Omitted Taxes	10,997.96	3,818.27
Municipal Open Space Tax	223,740.87	222,973.51
Municipal Open Space Tax - Added Taxes	1,317.75	458.43
Fire District Taxes	279,540.00	279,540.00
Creation of Reserve for:		
Due from Animal Control Trust		702.87
Due from Trust Other	22,758.93	
Due from Trust Other - Payroll	2,212.02	
Due from Mount Holly Municipal Utility Authority		764.64
Due from Federal, State and Local Grant Fund		61,552.78
	<hr/>	<hr/>
Total Expenditures	15,206,592.31	14,659,859.72
	<hr/>	<hr/>
Excess in Revenue (Carried Forward)	401,220.47	379,572.62

(Continued)

**TOWNSHIP OF EASTAMPTON**  
**CURRENT FUND**

Statements of Operations and Changes in Fund Balance - Regulatory Basis  
For the Years Ended December 31, 2017 and 2016

<u>Revenue and Other Income Realized</u>	<u>2017</u>	<u>2016</u>
Excess in Revenue (Brought Forward)	\$ 401,220.47	\$ 379,572.62
Adjustments to Income before Fund Balance:		
Expenditures included above which are by Statute Deferred Charges to Budget of Succeeding Year	1,284.66	
Statutory Excess to Fund Balance	402,505.13	379,572.62
 <u>Fund Balance</u>		
Balance Jan. 1	800,653.88	785,556.26
	1,203,159.01	1,165,128.88
Decreased by:		
Utilized as Revenue	393,775.00	364,475.00
Balance Dec. 31	\$ 809,384.01	\$ 800,653.88

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

**TOWNSHIP OF EASTAMPTON**  
**CURRENT FUND**  
Statement of Revenues - Regulatory Basis  
For the Year Ended December 31, 2017

	<u>Budget</u>	<u>Anticipated</u> <u>N.J.S.A. 40A:4-87</u>	<u>Realized</u>	<u>Excess or</u> <u>(Deficit)</u>
Fund Balance Anticipated	\$ 393,775.00	-	\$ 393,775.00	-
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	10,000.00		10,000.00	
Fees and Permits -- Other	4,440.00		455.00	\$ (3,985.00)
Municipal Court Fines and Costs	135,600.00		141,018.62	5,418.62
Interest and Costs on Taxes	33,000.00		34,750.19	1,750.19
Interest on Investments and Deposits	2,990.00		17,746.80	14,756.80
Trailer Camp Licenses	7,500.00		7,500.00	
Housing Resale Certificate	7,000.00		10,600.00	3,600.00
Payment in Lieu of Taxes	87,900.00		84,200.00	(3,700.00)
Police Reports	1,100.00		1,129.75	29.75
Hotel Fees	2,300.00		2,361.93	61.93
Gasoline Reimbursement	1,700.00		1,448.41	(251.59)
Energy Receipts Taxes	426,947.00		426,947.00	
Uniform Construction Code Fees	178,445.00		246,648.00	68,203.00
School Resource Officer - Shared Services	20,000.00		20,000.00	
Special Items of General Revenue Anticipated with Prior Written Consent of the Director of the Division of Local Government Services:				
State and Federal Revenue Off-Set with Appropriations:				
N.J. Transportation Trust Fund Authority Act	429,000.00		429,000.00	
Body Armor Replacement Grant	1,783.18		1,783.18	
Burlington County Municipal Park Development Program		\$ 170,000.00	170,000.00	
Drunk Driving Enforcement Grant	3,000.00		3,000.00	
Recycling Tonnage Grant	6,900.51		6,900.51	
Edward Byrne Justice Assistance Grant	9,000.00		9,000.00	
Distracted Driving Incentive		5,500.00	5,500.00	
Clean Communities Grant		12,126.45	12,126.45	
Other Special Items:				
Verizon Fios	6,348.91		6,348.91	
Cable Television	20,457.55		20,457.55	
Land Use Review Fees/Planning Board	50,000.00		2,150.00	(47,850.00)
Rental of Property	3,750.00		6,002.34	2,252.34
Miscellaneous Revenues	<u>1,449,162.15</u>	<u>187,626.45</u>	<u>1,677,074.64</u>	<u>40,286.04</u>
Receipts from Delinquent Taxes	<u>11,000.00</u>	<u>-</u>	<u>21,466.34</u>	<u>10,466.34</u>
Amount to be Raised by Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purposes including Reserve for Uncollected Taxes	<u>3,662,108.60</u>	<u>-</u>	<u>3,778,601.82</u>	<u>116,493.22</u>
Budget Totals	5,516,045.75	187,626.45	5,870,917.80	167,245.60
Non-Budget Revenue	<u>-</u>	<u>-</u>	<u>78,800.32</u>	<u>78,800.32</u>
	<u>\$ 5,516,045.75</u>	<u>\$ 187,626.45</u>	<u>\$ 5,949,718.12</u>	<u>\$ 246,045.92</u>

(Continued)

**TOWNSHIP OF EASTAMPTON**  
**CURRENT FUND**  
Statement of Revenues - Regulatory Basis  
For the Year Ended December 31, 2017

Analysis of Realized Revenue

Allocation of Current Tax Collections:		
Revenue from Collections		\$ 13,339,235.80
Allocated to:		
County and School Taxes		9,652,124.01
Amount for Support of Municipal Budget Appropriations		3,687,111.79
Add: Appropriation "Reserve for Uncollected Taxes"		91,490.03
		<u>3,778,601.82</u>
Amount for Support of Municipal Budget Appropriations		<u>\$ 3,778,601.82</u>
Collection of Delinquent Taxes:		
Prior Years Taxes		\$ 7,755.70
Tax Title Liens		13,710.64
		<u>21,466.34</u>
		<u>\$ 21,466.34</u>
Interest on Investments and Deposits:		
Current	\$ 11,480.58	
Animal Control	18.31	
Trust Other	2,266.61	
Trust Other - Payroll	604.85	
General Capital	3,376.45	
		<u>17,746.80</u>
		<u>\$ 17,746.80</u>

Analysis of Non-Budget Revenues

Miscellaneous Revenue not Anticipated:		
Cash:		
Other Licenses	\$ 2,905.00	
Certified Marriage Licenses	1,690.00	
Photocopies	1.01	
Certified Lists	80.00	
Zoning	3,800.00	
Off Duty Police Administrative Fees	21,375.41	
Payment in Lieu of Taxes	16,993.29	
Inspection Fines	2,200.00	
Tow License	400.00	
Marriage Ceremonies	170.00	
Federal Emergency Management	12,197.49	
Sale of Assets	11,322.00	
Lien Maintenance Fees	77.16	
Municipal Lien Redemption Fees	155.32	
Seniors & Veterans Administrative Fee	970.00	
Miscellaneous	2,251.62	
		<u>76,588.30</u>
Miscellaenous Due from Trust Other - Payroll		<u>2,212.02</u>
		<u>\$ 78,800.32</u>

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



**TOWNSHIP OF EASTAMPTON**  
**CURRENT FUND**  
Statement of Expenditures - Regulatory Basis  
For the Year Ended December 31, 2017

	Appropriations		Expended			Unexpended Balance Canceled	Overexpended
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved		
<b><u>OPERATIONS--WITHIN "CAPS"</u></b>							
<b><u>General Government</u></b>							
General Administration							
Salaries and Wages	\$ 161,000.00	\$ 170,510.00	\$ 170,504.91		\$ 5.09		
Other Expenses	8,000.00	10,000.00	9,184.37	\$ 531.88	283.75		
Information Technology	24,000.00	23,400.00	20,243.57	3,150.00	6.43		
Mayor and Council							
Salaries and Wages	11,500.00	11,400.00	11,373.18		26.82		
Other Expenses	500.00	350.00	320.00		30.00		
Municipal Clerk							
Salaries and Wages	103,520.00	94,238.00	94,234.93		3.07		
Other Expenses	11,000.00	9,500.00	9,285.94	54.00	160.06		
Elections	2,500.00	2,595.00	2,594.38		0.62		
Codification of Ordinances	2,500.00	1,622.00	1,621.01		0.99		
Financial Administration (Treasury)							
Salaries and Wages	107,000.00	109,500.00	108,723.20		776.80		
Other Expenses	8,500.00	9,030.00	7,979.49	676.51	374.00		
Audit Services							
Miscellaneous Other Expenses	27,000.00	27,500.00	27,500.00				
Revenue Administration (Tax Collections)							
Salaries and Wages	23,562.00	23,317.00	23,315.79		1.21		
Other Expenses	4,800.00	7,700.00	6,904.80	794.70	0.50		
Assessment of Taxes:							
Salaries and Wages	10,000.00	10,500.00	10,499.97		0.03		
Other Expenses	1,000.00	1,000.00	483.52	148.02	368.46		
Legal Services							
Other Expenses	150,000.00	140,735.00	105,476.80	9,482.54	25,775.66		
Architect							
Other Expenses	3,000.00						
Engineering Services and Costs							
Other Expenses	25,000.00	42,200.00	29,693.50	288.75	12,217.75		
<b><u>Land Use Administration</u></b>							
Planning Board							
Salaries and Wages	6,775.00	6,775.00	6,766.07		8.93		
Other Expenses	100.00	100.00	32.17	28.80	39.03		
Engineering Services & Costs	1,000.00						
Legal Services & Costs	9,000.00	8,000.00	7,055.00		945.00		
<b><u>Insurance</u></b>							
Unemployment Insurance	8,900.00	10,400.00	10,372.30		27.70		
Other Insurance Premiums	1,500.00	1,432.00	1,432.00				
General Liability	77,501.00	77,501.00	77,501.00				
Workers' Compensation Insurance	132,645.00	129,745.00	129,718.42		26.58		
Employee Group Insurance	407,252.00	400,872.00	400,872.00				
Health Benefits Waiver	14,265.94	13,290.94	13,290.32		0.62		
Cafeteria Plan	100.00						

(Continued)

**TOWNSHIP OF EASTAMPTON**  
**CURRENT FUND**  
Statement of Expenditures - Regulatory Basis  
For the Year Ended December 31, 2017

	Appropriations		Expended			Unexpended Balance Canceled	Overexpended
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved		
<b>OPERATIONS--WITHIN "CAPS" (CONT'D)</b>							
<u>Public Safety Functions</u>							
Police							
Salaries and Wages	\$ 1,601,000.00	\$ 1,615,000.00	\$ 1,616,279.67				\$ 1,279.67
Other Expenses	105,000.00	105,000.00	84,118.68	\$ 4,718.78	\$ 16,162.54		
Office of Emergency Management							
Other Expenses	500.00						
<u>Public Works Functions</u>							
Environmental Commission							
Other Expenses	1,000.00	336.00	335.76		0.24		
Other Public Works Functions							
Salaries and Wages	240,027.00	230,027.00	229,128.06		898.94		
Other Expenses	44,000.00	47,000.00	42,758.60	2,511.63	1,729.77		
Vehicle Maintenance							
Other Expenses	21,000.00	26,500.00	23,413.66	1,719.81	1,366.53		
Buildings and Grounds							
Salaries and Wages	7,000.00	11,463.00	11,462.52		0.48		
Other Expenses	1,000.00	521.00	443.91		77.09		
Animal Control Services							
Salaries and Wages	1,000.00	1,100.00	1,104.99				4.99
Other Expenses	2,000.00						
Parks and Recreation Functions							
Recreation Services & Programs							
Salaries and Wages	1,000.00						
Other Expenses	4,000.00	4,300.00	4,287.89	6.44	5.67		
<u>Utility Expense and Bulk Purchases</u>							
Electricity	36,000.00	32,000.00	29,623.44	1,779.59	596.97		
Street Lighting	84,000.00	61,500.00	48,570.45	6,518.08	6,411.47		
Telephone	40,000.00	41,951.00	41,225.81	396.14	329.05		
Fuel Oil	7,000.00	7,400.00	6,157.70	1,039.48	202.82		
Gasoline	39,000.00	38,400.00	35,712.58	2,677.59	9.83		
Sewer	1,300.00	1,100.00	1,014.74		85.26		
Water	2,600.00	2,790.00	2,542.40	245.79	1.81		
Landfill Waste Disposal							
Disposal Costs	145,000.00	151,381.00	151,066.19		314.81		
State Uniform Construction Code							
Construction Official							
Salaries and Wages	71,770.00	71,770.00	71,769.88		0.12		
Other Expenses	1,000.00	1,400.00	1,301.79	31.40	66.81		
<u>Unclassified</u>							
Prior Year - Professional Costs	1,500.00	2,152.00	2,151.18		0.82		
Celebration of Public Events	100.00	8.00	7.47		0.53		
Matching Funds for Grants - Drug Alliance	2,200.00	2,200.00			2,200.00		
<b>Total Operations --within "CAPS"</b>	<b>3,803,417.94</b>	<b>3,798,511.94</b>	<b>3,691,456.01</b>	<b>\$ 36,799.93</b>	<b>71,540.66</b>	<b>-</b>	<b>1,284.66</b>
Detail:							
Salaries and Wages	2,345,154.00	2,355,600.00	2,355,163.17	-	1,721.49	-	1,284.66
Other Expenses (Including Contingent)	1,458,263.94	1,442,911.94	1,336,292.84	36,799.93	69,819.17		

(Continued)

**TOWNSHIP OF EASTAMPTON**  
**CURRENT FUND**  
Statement of Expenditures - Regulatory Basis  
For the Year Ended December 31, 2017

	Appropriations		Expended			Unexpended Balance Canceled	Overexpended
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved		
<b><u>DEFERRED CHARGES AND STATUTORY EXPENDITURES--MUNICIPAL--WITHIN "CAPS"</u></b>							
Deferred Charges:							
Deficit in Animal Control Fund	\$ 911.48	\$ 911.48	\$ 911.48				
Statutory Expenditures:							
Contribution to:							
Public Employees Retirement System	62,669.00	62,669.00	62,669.00				
Social Security System (O.A.S.I.)	169,149.47	169,149.47	169,140.57		\$ 8.90		
Police and Firemen's Retirement System of N.J.	324,870.00	324,870.00	324,870.00				
Defined Contribution Retirement Program	1,575.00	1,575.00	547.98		1,027.02		
Total Deferred Charges and Statutory Expenditures--Municipal--Within "CAPS"	559,174.95	559,174.95	558,139.03	-	1,035.92	-	-
Total General Appropriations for Municipal Purposes Within--"CAPS"	4,362,592.89	4,357,686.89	4,249,595.04	\$ 36,799.93	72,576.58	-	\$ 1,284.66
<b><u>OPERATIONS-- EXCLUDED FROM "CAPS"</u></b>							
Other							
Recycling Tax	5,455.00	5,455.00	5,455.00				
Total Other Operations - Excluded from "CAPS"	5,455.00	5,455.00	5,455.00	-	-	-	-
<b><u>Interlocal Municipal Service Agreements</u></b>							
MACCS Interlocal Services Agreement	94,000.00	97,950.00	89,912.38		8,037.62		
Tax Assessor Interlocal Services Agreement	22,000.00	22,956.00	22,955.49		0.51		
Municipal Court	83,000.00	83,000.00	82,760.70		239.30		
School Resource Officer Shared Services Agreement	20,000.00	20,000.00	20,000.00				
Brine Solution - Medford Township	3,000.00	3,000.00	625.00		2,375.00		
<b><u>Additional Appropriations Offset by Revenues</u></b>							
Supplemental Fire Services Program	1,838.00	1,838.00	1,838.00				
<b><u>Public and Private Programs Offset by Revenues</u></b>							
Drunk Driving Enforcement Grant	3,000.00	3,000.00	3,000.00				
Recycling Tonnage Grant	6,900.51	6,900.51	6,900.51				
Body Armor Replacement Fund	1,783.18	1,783.18	1,783.18				
N.J. Transportation Trust Fund Authority Act	429,000.00	429,000.00	429,000.00				
Burlington County Municipal Park Development Program (40A:4-87 \$170,000.00)		170,000.00	170,000.00				
Distracted Driving Crackdown Grant (40A:4-87 \$5,500.00)		5,500.00	5,500.00				
Edward Byrne Justice Assistance Grant	9,000.00	9,000.00	9,000.00				
Clean Communities Grant (40A:4-87 \$12,126.45)		12,126.45	12,126.45				
Total Operations Excluded from "CAPS"	678,976.69	871,509.14	860,856.71	-	10,652.43	-	-
Detail:							
Salaries and Wages	20,000.00	20,000.00	20,000.00				
Other Expenses	658,976.69	851,509.14	840,856.71		10,652.43		

(Continued)

**TOWNSHIP OF EASTAMPTON**  
**CURRENT FUND**  
 Statement of Expenditures - Regulatory Basis  
 For the Year Ended December 31, 2017

	Appropriations		Expended		Unexpended Balance Canceled	Overexpended
	Budget	Budget After Modification	Paid or Charged	Encumbered		
<b><u>CAPITAL IMPROVEMENTS--EXCLUDED FROM "CAPS"</u></b>						
Capital Improvement Fund	\$ 36,000.00	\$ 36,000.00	\$ 36,000.00			
Total Capital Improvements	36,000.00	36,000.00	36,000.00	-	-	-
<b><u>MUNICIPAL DEBT SERVICE--EXCLUDED FROM "CAPS"</u></b>						
Payment of Bond Principal	29,506.50	29,506.50	29,506.50			
Payment of Bond Anticipation Notes and Capital Notes	225,233.00	225,233.00	225,233.00			
Interest on Bonds	11,619.52	11,619.52	11,619.52			
Interest on Notes	14,105.72	14,105.72	14,105.70			\$ 0.02
Interest on Emergency Note	521.40	521.40	521.40			
Total Municipal Debt Service-- Excluded from "CAPS"	280,986.14	280,986.14	280,986.12	-	-	0.02
<b><u>DEFERRED CHARGES--EXCLUDED FROM "CAPS"</u></b>						
Special Emergency	66,000.00	66,000.00	66,000.00			
Total Deferred Charges	66,000.00	66,000.00	66,000.00	-	-	-
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	1,061,962.83	1,254,495.28	1,243,842.83	-	\$ 10,652.43	0.02
Subtotal General Appropriations	5,424,555.72	5,612,182.17	5,493,437.87	\$ 36,799.93	83,229.01	0.02
Reserve for Uncollected Taxes	91,490.03	91,490.03	91,490.03			
Total General Appropriations	<u>\$ 5,516,045.75</u>	<u>\$ 5,703,672.20</u>	<u>\$ 5,584,927.90</u>	<u>\$ 36,799.93</u>	<u>\$ 83,229.01</u>	<u>\$ 0.02</u>
Adopted Budget		\$ 5,516,045.75				
Appropriations by N.J.S.A. 40A:4-87		187,626.45				
		<u>\$5,703,672.20</u>				
Disbursed			\$ 5,169,287.95			
Refunds			(379,160.22)			
Reserve for Uncollected Taxes			91,490.03			
Special Emergency Authorization			66,000.00			
Reserve for Federal and State Grant Funds - Appropriated			637,310.14			
			<u>\$ 5,584,927.90</u>			

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

**TOWNSHIP OF EASTAMPTON**  
**TRUST FUNDS**  
 Statements of Assets, Liabilities and Reserves - Regulatory Basis  
 As of December 31, 2017 and 2016

<u>ASSETS</u>	<u>Ref.</u>	<u>2017</u>	<u>2016</u>
Animal Control Fund:			
Cash	SB-1	\$ 2,299.64	\$ 186.87
Deferred Charge - Deficit	SB-1		911.48
		<u>2,299.64</u>	<u>1,098.35</u>
Municipal Open Space Trust Fund:			
Cash	SB-1	1,486,050.78	1,861,696.05
Due Current Fund	SB-5	243,493.09	142,811.16
		<u>1,729,543.87</u>	<u>2,004,507.21</u>
Other Funds:			
Cash	SB-1	575,940.73	454,571.72
Due General Capital Fund	SB-1		1,195.95
		<u>575,940.73</u>	<u>455,767.67</u>
		<u>\$ 2,307,784.24</u>	<u>\$ 2,461,373.23</u>
 <u>LIABILITIES AND RESERVES</u>			
Animal Control Fund:			
Due State of New Jersey	SB-3	\$ 3.60	
Due Current Fund	SB-4	716.95	\$ 716.95
Reserve for Animal Control Fund Expenditures	SB-2	1,579.09	381.40
		<u>2,299.64</u>	<u>1,098.35</u>
Municipal Open Space Trust Fund:			
Reserve for Open Space	B-1	1,725,442.37	2,000,608.21
Reserve for Encumbrances	B-1	4,101.50	3,899.00
		<u>1,729,543.87</u>	<u>2,004,507.21</u>

(Continued)

**TOWNSHIP OF EASTAMPTON**  
**TRUST FUNDS**  
 Statements of Assets, Liabilities and Reserves - Regulatory Basis  
 As of December 31, 2017 and 2016

<u>LIABILITIES AND RESERVES (CONT'D)</u>	<u>Ref.</u>	<u>2017</u>	<u>2016</u>
Other Funds:			
Payroll Deductions Payable	SB-6	\$ 6,497.94	\$ 22,396.04
Due Current Fund - Payroll	SB-7	43,527.80	41,315.78
Due Current Fund	SB-8	39,272.84	16,513.91
Due General Capital Fund	SB-1	8.00	
Reserve for Encumbrances	SB-9	1,438.73	11,544.31
Reserve for Parks and Recreation	SB-9	7,535.93	5,717.47
Reserve for Redemption of Tax Title Liens	SB-9	1,434.39	11,738.88
Reserve for Storm Water Management	SB-9	898.57	898.57
Reserve for Parks and Recreation Building	SB-9	1,237.82	1,237.82
Reserve for Community Development Block Grant	SB-9	8.54	8.54
Reserve for Special Law Enforcement Fund	SB-9	8,771.82	
Reserve for Off Duty Police	SB-9	36,866.76	24,126.85
Reserve for Escrow Deposits	SB-9	38,270.04	20,715.36
Reserve for Developer Escrow	SB-9	112,090.74	151,244.12
Reserve for Tax Sale Premiums	SB-9	186,000.00	148,300.00
Reserve for School Driveway	SB-9	10.02	10.02
Reserve for COAH	SB-9	92,070.79	
		<u>575,940.73</u>	<u>455,767.67</u>
		<u>\$ 2,307,784.24</u>	<u>\$ 2,461,373.23</u>

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

**TOWNSHIP OF EASTAMPTON**  
**MUNICIPAL OPEN SPACE TRUST FUND**  
 Statements of Operations and Changes in Reserve for Future Use - Regulatory Basis  
 For the Years Ended December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
<b>REVENUE REALIZED:</b>		
Reserve Funds Anticipated	\$ 275,697.11	\$ 328,688.81
Amount to be Raised by Taxation	225,058.62	223,431.94
Burlington County Open Space	126,880.00	129,320.00
Interest Income	<u>11,982.52</u>	<u>5,237.75</u>
 Total Income	 <u>639,618.25</u>	 <u>686,678.50</u>
<b>EXPENDITURES:</b>		
Budget Appropriations:		
Maintenance of Lands for Recreation & Conservation	93,019.00	136,046.00
Debt Service	<u>537,298.98</u>	<u>546,936.32</u>
	630,317.98	682,982.32
Other Deductions:		
Open Space Expenditures	<u>8,769.00</u>	<u>10,375.00</u>
Total Expenditures	<u>639,086.98</u>	<u>693,357.32</u>
Excess (Deficit) to Reserve For Future Use	531.27	(6,678.82)
<b>RESERVE FOR FUTURE USE:</b>		
Balance January 1	<u>2,000,608.21</u>	<u>2,335,975.84</u>
Decreased by:	2,001,139.48	2,329,297.02
Utilized as Revenue	<u>275,697.11</u>	<u>328,688.81</u>
Balance December 31	<u><u>\$ 1,725,442.37</u></u>	<u><u>\$ 2,000,608.21</u></u>

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

**TOWNSHIP OF EASTAMPTON**  
**MUNICIPAL OPEN SPACE TRUST FUND**  
**Statement of Revenues - Regulatory Basis**  
**For the Year Ended December 31, 2017**

	<u>Anticipated Budget</u>	<u>Realized</u>	<u>Excess</u>
Amount to be Raised by Taxation	\$ 223,740.87	\$ 225,058.62	\$ 1,317.75
Burlington County Open Space	126,880.00	126,880.00	
Interest Income	4,000.00	11,982.52	7,982.52
Reserve Funds	<u>275,697.11</u>	<u>275,697.11</u>	
	<u>\$ 630,317.98</u>	<u>\$ 639,618.25</u>	<u>\$ 9,300.27</u>
Recap:			
Cash Received		\$ 138,862.52	
Due Current Fund		225,058.62	
Reserve Funds		<u>275,697.11</u>	
		<u>\$ 639,618.25</u>	

Analysis of Realized Revenues

Amount to be Raised by Taxation:	
Current Year Levy	\$ 223,740.87
Added and Omitted Taxes	<u>1,317.75</u>
	<u>\$ 225,058.62</u>

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



**TOWNSHIP OF EASTAMPTON**  
**MUNICIPAL OPEN SPACE TRUST FUND**  
Statement of Expenditures - Regulatory Basis  
For the Year Ended December 31, 2017

	Appropriations		Expended	Unexpended
	<u>Original Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Balance Canceled</u>
Maintenance of Lands for Recreation & Conservation:				
Salaries and Wages	\$ 45,106.00	\$ 45,106.00	\$ 45,106.00	
Other Expenses	47,913.00	47,913.00	47,913.00	
Debt Service:				
Payment of Bond Principal	385,493.50	385,493.50	385,493.50	
Interest on Bonds	151,805.48	151,805.48	151,805.48	
	<u>\$ 630,317.98</u>	<u>\$ 630,317.98</u>	<u>\$ 630,317.98</u>	<u>\$ -</u>
Disbursed			\$ 554,415.24	
Due Current Fund			75,902.74	
			<u>\$ 630,317.98</u>	

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

**TOWNSHIP OF EASTAMPTON**  
**GENERAL CAPITAL FUND**

Statements of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis  
As of December 31, 2017 and 2016

<u>ASSETS</u>	<u>Ref.</u>	<u>2017</u>	<u>2016</u>
Cash	SC-1	\$ 297,870.83	\$ 463,761.18
Due Current Fund	SC-7	237,466.40	257,885.40
Due Trust Other Fund	SC-5	8.00	
Deferred Charges to Future Taxation:			
Funded	SC-4	4,610,000.00	5,025,000.00
Unfunded	SC-3	<u>2,437,075.00</u>	<u>1,978,308.00</u>
		<u>\$ 7,582,420.23</u>	<u>\$ 7,724,954.58</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
General Serial Bonds	SC-10	\$ 4,610,000.00	\$ 5,025,000.00
Bond Anticipation Notes	SC-11	2,436,922.00	1,978,155.00
Improvement Authorizations:			
Funded	SC-6	1,087.00	1,087.00
Unfunded	SC-6	129,780.97	291,379.03
Capital Improvement Fund	SC-9	33.00	33.00
Reserve for Encumbrances	SC-8	402,978.76	428,067.10
Due Trust Other Fund	SC-5		1,195.95
Fund Balance	C-1	<u>1,618.50</u>	<u>37.50</u>
		<u>\$ 7,582,420.23</u>	<u>\$ 7,724,954.58</u>

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

**TOWNSHIP OF EASTAMPTON**  
**GENERAL CAPITAL FUND**  
Statement of Changes in Fund Balance - Regulatory Basis  
For the Year Ended December 31, 2017

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Balance Dec. 31, 2016	\$ 37.50
Increased By:	
Premium from Bond Anticipation Note	<u>1,581.00</u>
Balance Dec. 31, 2017	<u><u>\$ 1,618.50</u></u>

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

**TOWNSHIP OF EASTAMPTON**  
**GENERAL FIXED ASSET ACCOUNT GROUP**  
Statement of General Fixed Asset Group of Accounts - Regulatory Basis  
For the Year Ended December 31, 2017

	Balance <u>Dec. 31, 2016</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>Dec. 31, 2017</u>
General Fixed Assets:				
Land and Improvements	\$ 9,843,323.95			\$ 9,843,323.95
Buildings	217,001.05			217,001.05
Machinery and Equipment	<u>1,935,370.00</u>	\$ 111,388.10	\$ 108,202.00	<u>1,938,556.10</u>
	<u>\$ 11,995,695.00</u>	<u>\$ 111,388.10</u>	<u>\$ 108,202.00</u>	<u>\$ 11,998,881.10</u>
Investment in General Fixed Assets:				
General Capital Fund	<u>\$ 11,995,695.00</u>	<u>\$ 111,388.10</u>	<u>\$ 108,202.00</u>	<u>\$ 11,998,881.10</u>

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

**TOWNSHIP OF EASTAMPTON**  
Notes to Financial Statements  
For the Year Ended December 31, 2017

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**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Description of Financial Reporting Entity** - The Township of Eastampton (hereafter referred to as the "Township") was incorporated as a township by an act of the New Jersey legislature on February 11, 1880 from portions of Westampton Township. The Township, located in Burlington County, New Jersey, has a total area of approximately five square miles, and is located approximately twenty-three miles from the City of Philadelphia. The Township borders Mount Holly, Westampton, Springfield, Pemberton, Southampton, and Lumberton Townships. According to the 2010 census, the population is 6,069.

The Township is governed under the Faulkner Act System using Council-Manager form of government, with a five-member Council. The Council is elected directly by the voters in partisan elections to serve four-year terms of office on a staggered basis in even years as part of the November general election. At an annual reorganization meeting, the Council selects one of its members to serve as Mayor and another as Deputy Mayor. The Township Manager oversees the daily functions of the Township.

**Component Units** - The Township had no component units as defined by Governmental Accounting Standards Board Statement No. 14, as amended by GASB Statements No. 39, No. 61 and No. 80.

**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* (the "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 and an account group 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.

**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.

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

**Budgets and Budgetary Accounting** - The Township must adopt an annual budget for its current and municipal open space 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.

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.

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.

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

**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 \$3,000.00. 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.

**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 balances included in the current fund represent 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 to the Township which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenue when received.

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

**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 Burlington, the Township of Eastampton School District, the Rancocas Valley Regional High School District, the Township of Eastampton Open Space Trust Fund, and the Township of Eastampton Fire 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 Township of Eastampton School District and the Rancocas Valley Regional High School District. Operations is charged for the full amount required to be raised from taxation to operate the local and regional school districts for the period from July 1 to June 30, increased by the amount deferred at December 31, 2016 and decreased by the amount deferred at December 31, 2017.

**County Taxes** - The Township is responsible for levying, collecting, and remitting county taxes for the County of Burlington. 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.

**Open Space Taxes** - Currently, the Township is authorized to assess by referendum, all taxable property between 3 and 23 cents per \$100.00 of assessed value for the purchase and limited maintenance of open space property. For the year 2017, the open space tax was 5.2 cents.

**Fire District Taxes** - The Township is responsible for levying, collecting, and remitting fire district taxes for the Township of Eastampton Fire District. Operations is charged for the full amount required to be raised from taxation to operate the Fire District for the period from January 1 to December 31.

**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.

**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.



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

**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.

**Pensions** - 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 fiduciary net position of the Police and Firemen's Retirement System (PFRS) and the Public Employees' Retirement System (PERS), and additions to/deductions from PFRS' and PERS' fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, 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.

**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, 2017, the Township's bank balances of \$4,483,536.62 were exposed to custodial credit risk as follows:

Insured by FDIC and GUDPA	\$ 4,217,727.24
Uninsured and Uncollateralized	<u>265,809.38</u>
Total	<u>\$ 4,483,536.62</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>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014*</u>	<u>2013</u>
Tax Rate	<u>\$ 3.092</u>	<u>\$ 3.065</u>	<u>\$ 3.071</u>	<u>\$ 2.996</u>	<u>\$ 2.447</u>
Apportionment of Tax Rate:					
Municipal	\$ 0.851	\$ 0.851	\$ 0.851	\$ 0.851	\$ 0.711
Municipal Open Space	0.052	0.052	0.051	0.052	0.035
Fire District	0.065	0.066	0.066	0.070	0.058
County	0.352	0.357	0.371	0.370	0.307
County Open Space	0.042	0.042	0.044	0.017	0.013
County Library	0.033	0.034	0.035	0.034	0.028
Local School	1.244	1.224	1.180	1.145	0.916
Regional High School District	0.453	0.439	0.473	0.457	0.379

**Assessed Valuation**

<u>Year</u>	<u>Amount</u>
2017	\$ 430,270,904.00
2016	428,795,214.00
2015	428,042,701.00
2014*	428,423,586.00
2013	519,113,497.00

\*Revaluation

**Comparison of Tax Levies and Collections**

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2017	\$ 13,380,719.26	\$ 13,339,235.80	99.69%
2016	13,168,378.29	13,080,594.32	99.33%
2015	13,162,556.52	13,104,872.76	99.56%
2014	12,858,385.74	12,811,030.22	99.63%
2013	12,805,432.49	12,706,199.13	99.23%

**Note 3: PROPERTY TAXES (CONT'D)**

Five-year comparison of certain statistical information relative to property taxes and property tax collections for the current and previous four calendar years (cont'd):

**Delinquent Taxes and Tax Title Liens**

<u>Year</u>	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2017	\$ 597,464.20	\$ 9,575.21	\$ 607,039.41	4.54%
2016	572,994.85	11,480.07	584,474.92	4.44%
2015	543,363.17	6,753.75	550,116.92	4.18%
2014	510,534.77	3,382.26	513,917.03	4.00%
2013	473,560.31	13,566.99	487,127.30	3.80%

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>
2017	36
2016	31
2015	31
2014	30
2013	29

**Note 4: FUND BALANCES APPROPRIATED**

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

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
2017	\$ 809,384.01	\$ 421,125.00	52.03%
2016	800,653.88	393,775.00	49.18%
2015	785,556.26	364,475.00	46.40%
2014	476,190.02	252,511.00	53.03%
2013	373,396.12	155,000.00	41.51%

**Note 5: 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, 2017:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
Current	\$ 83,517.59	\$ 480,959.49
Trust - Animal Control		716.95
Trust - Open Space	243,493.09	
Trust - Other		82,808.64
General Capital	<u>237,474.40</u>	
Totals	<u>\$ 564,485.08</u>	<u>\$ 564,485.08</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 2018, the Township expects to liquidate such interfunds, depending upon the availability of cash flow.

**Note 6: 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.state.nj.us/treasury/pensions/financial-reports.shtml>

**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.

**Note 6: PENSION PLANS (CONT'D)****General Information about the Pension Plans (Cont'd)****Plan Descriptions (Cont'd)**

**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 PFRS 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.

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

**Note 6: 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 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 7.20% in State fiscal year 2017. 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) was 10% in State fiscal year 2017. Employers' contribution are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability.

The Township's contractually required contribution rate for the year ended December 31, 2017 was 13.24% 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 6: 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, 2017, the Township's contractually required contribution to the pension plan for the year ended December 31, 2017 is \$97,213.00, and is payable by April 1, 2018. 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, 2016, the Township's contractually required contribution to the pension plan for the year ended December 31, 2016 was \$68,340.00, which was paid on April 1, 2017. Employee contributions to the Plan during the year ended December 31, 2017 were \$54,092.64.

**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 was 10% in State fiscal year 2017. 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, 2017 was 26.80% 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, 2017, the Township's contractually required contribution to the pension plan for the year ended December 31, 2017 is \$348,949.00, and is payable by April 1, 2018. 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, 2016, the Township's contractually required contribution to the pension plan for the year ended December 31, 2016 was \$302,895.00, which was paid on April 1, 2017. Employee contributions to the Plan during the year ended December 31, 2017 were \$130,676.80.

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, 2017 was 2.62% of the Township's covered payroll.

**Note 6: 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, 2017, the State's contractually required contribution, on-behalf of the Township, to the pension plan for the year ended December 31, 2017 is \$34,093.00, and is payable by April 1, 2018. Based on the 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 was \$22,834.00, which was paid on April 1, 2017.

**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, 2017, employee contributions totaled \$835.32, and the Township's contributions were \$455.70. 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, 2017, the Township's proportionate share of the PERS net pension liability was \$2,442,768.00. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016. 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, 2017. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2017 measurement date, the Township's proportion was 0.0104937083%, which was an increase of 0.0028011038% from its proportion measured as of June 30, 2016.

At December 31, 2017, the Township's proportionate share of the PERS pension expense, calculated by the Plan as of the June 30, 2017 measurement date is \$283,249.00. 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, 2017, the Township's contribution to PERS was \$68,340.00, and was paid on April 1, 2017.

**Police and Firemen's Retirement System** - At December 31, 2017, the Township's and State of New Jersey's proportionate share of the PFRS net pension liability were as follows:

Township's Proportionate Share of Net Pension Liability	\$ 6,086,989.00
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Township	681,794.00
	\$ 6,768,783.00



**Note 6: 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, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016. 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, 2017. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State of New Jersey, actuarially determined. For the June 30, 2017 measurement date, the Township's proportion was 0.0394284432%, which was an increase of 0.0022789375% from its proportion measured as of June 30, 2016. Likewise, at June 30, 2017, the State of New Jersey's proportion, on-behalf of the Township, was 0.0394284432%, which was an increase of 0.0022789375% from its proportion, on-behalf of the Township, measured as of June 30, 2016.

At December 31, 2017, the Township's proportionate share of the PFRS pension expense, calculated by the Plan as of the June 30, 2017 measurement date is \$714,184.00. 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, 2017, the Township's contribution to PFRS was \$302,895.00, and was paid on April 1, 2017.

At December 31, 2017, the State's proportionate share of the PFRS pension expense, associated with the Township, calculated by the Plan as of the June 30, 2017 measurement date is \$83,399.00. 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, 2017, 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		
	PERS	PFRS	Total	PERS	PFRS	Total
Differences between Expected and Actual Experience	\$ 57,519.00	\$ 39,489.00	\$ 97,008.00	\$ -	\$ 35,726.00	\$ 35,726.00
Changes of Assumptions	492,133.00	750,594.00	1,242,727.00	490,329.00	996,871.00	1,487,200.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	16,634.00	116,154.00	132,788.00	-	-	-
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions	636,791.00	539,550.00	1,176,341.00	211,805.00	26,183.00	237,988.00
Township Contributions Subsequent to the Measurement Date	48,607.00	174,475.00	223,082.00	-	-	-
	<u>\$ 1,251,684.00</u>	<u>\$ 1,620,262.00</u>	<u>\$ 2,871,946.00</u>	<u>\$ 702,134.00</u>	<u>\$ 1,058,780.00</u>	<u>\$ 1,760,914.00</u>

\$48,607.00 and \$174,475.00 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, 2018. These amounts were based on an estimated April 1, 2019 contractually required contribution, prorated from the pension plans' measurement date of June 30, 2017 to the Township's year end of December 31, 2017.

**Note 6: 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:

	<u>PERS</u>		<u>PFRS</u>	
	<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
June 30, 2017	5.48	-	5.59	-
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	-
June 30, 2017	-	5.48	-	5.59
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	-
June 30, 2017	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
June 30, 2017	5.48	5.48	5.59	5.59

**Note 6: 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:

<b>Year Ending</b>				
<b><u>Dec 31,</u></b>	<b><u>PERS</u></b>	<b><u>PFRS</u></b>	<b><u>Total</u></b>	
2018	\$ 164,559.00	\$ 236,203.00	\$ 400,762.00	
2019	193,831.00	362,734.00	556,565.00	
2020	129,747.00	94,568.00	224,315.00	
2021	10,287.00	(220,102.00)	(209,815.00)	
2022	2,519.00	(86,396.00)	(83,877.00)	
	<u>\$ 500,943.00</u>	<u>\$ 387,007.00</u>	<u>\$ 887,950.00</u>	

**Actuarial Assumptions**

The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016. 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, 2017. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	<b><u>PERS</u></b>	<b><u>PFRS</u></b>
Inflation Rate	2.25%	2.25%
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	7.00%	7.00%
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 6: PENSION PLANS (CONT'D)****Actuarial Assumptions (Cont'd)**

For PERS, preretirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the Plan actuary's modified MP-2014 projection scale. Postretirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on mortality 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, preretirement mortality rates were based on the RP-2000 Preretirement 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 three years using the Plan actuary's modified 2014 projection scales and 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 on the RP-2000 Combined Healthy Mortality Tables projected thirteen years using Projection Scale BB and then three years using the Plan actuary's modified 2014 projection scales and 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 (7.00% at June 30, 2017) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension Plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's and PFRS's target asset allocation as of June 30, 2017 are summarized in the following table:

**Note 6: 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>
Absolute Return/Risk Mitigation	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
Public High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Estate	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. Developed Markets Equity	11.50%	9.00%
Emerging Markets Equity	6.50%	11.64%
Buyouts/Venture Capital	8.25%	13.08%
	<u>100.00%</u>	

**Discount Rate** - The discount rate used to measure the total pension liability at June 30, 2017 was 5.00% for PERS and 6.14% 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 7.00%, and a municipal bond rate of 3.58% as of June 30, 2017, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation 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 40% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make projected future benefit payments of current Plan members through 2040 for PERS and through 2057 for PFRS; therefore, the long-term expected rate of return on Plan investments was applied to projected benefit payments through 2040 for PERS and through 2057 for PFRS, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liabilities.

**Note 6: 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, 2017, the Plan's measurement date, calculated using a discount rate of 5.00%, 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:

	<b>PERS</b>		
	<b>1% Decrease (4.00%)</b>	<b>Current Discount Rate (5.00%)</b>	<b>1% Increase (6.00%)</b>
Township's Proportionate Share of the Net Pension Liability	\$ 3,030,419.00	\$ 2,442,768.00	\$ 1,953,181.00

**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, 2017, the Plan's measurement date, for the Township and the State of New Jersey, calculated using a discount rate of 6.14%, as well as using a discount rate that is 1% lower or 1% higher than the current rates used is as follows:

	<b>PFRS</b>		
	<b>1% Decrease (5.14%)</b>	<b>Current Discount Rate (6.14%)</b>	<b>1% Increase (7.14%)</b>
Township's Proportionate Share of the Net Pension Liability	\$ 8,020,109.00	\$ 6,086,989.00	\$ 4,498,711.00
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Township	898,319.74	681,794.00	503,893.48
	<u>\$ 8,918,428.74</u>	<u>\$ 6,768,783.00</u>	<u>\$ 5,002,604.48</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 <http://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

**Note 6: PENSION PLANS (CONT'D)****Supplementary Pension Information**

In accordance with GASBS 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 Five Years)***

	<u>Measurement Date Ended June 30,</u>		
	<u>2017</u>	<u>2016</u>	<u>2015</u>
Township's Proportion of the Net Pension Liability	0.0104937083%	0.0076926045%	0.0092285757%
Township's Proportionate Share of the Net Pension Liability	\$ 2,442,768.00	\$ 2,278,329.00	\$ 2,071,630.00
Township's Covered Payroll (Plan Measurement Period)	\$ 687,768.00	\$ 494,196.00	\$ 636,596.00
Township's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	355.17%	461.02%	325.42%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	48.10%	40.14%	47.93%
	<u>Measurement Date Ended June 30,</u>		
	<u>2014</u>	<u>2013</u>	
Township's Proportion of the Net Pension Liability	0.0094062781%	0.0075069055%	
Township's Proportionate Share of the Net Pension Liability	\$ 1,761,113.00	\$ 1,434,719.00	
Township's Covered Payroll (Plan Measurement Period)	\$ 650,504.00	\$ 517,836.00	
Township's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	270.73%	277.06%	
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	52.08%	48.72%	

**Note 6: PENSION PLANS (CONT'D)****Supplementary Pension Information (Cont'd)*****Schedule of the Township's Contributions - Public Employees' Retirement System (PERS) (Last Five Years)***

	<u>Year Ended December 31,</u>		
	<u>2017</u>	<u>2016</u>	<u>2015</u>
Township's Contractually Required Contribution	\$ 97,213.00	\$ 68,340.00	\$ 79,341.00
Township's Contribution in Relation to the Contractually Required Contribution	<u>(97,213.00)</u>	<u>(68,340.00)</u>	<u>(79,341.00)</u>
Township's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Township's Covered Payroll (Calendar Year)	\$ 734,307.00	\$ 689,447.00	\$ 551,887.00
Township's Contributions as a Percentage of Covered Payroll	13.24%	9.91%	14.38%
	<u>Year Ended December 31,</u>		
	<u>2014</u>	<u>2013</u>	
Township's Contractually Required Contribution	\$ 77,544.00	\$ 56,563.00	
Township's Contribution in Relation to the Contractually Required Contribution	<u>(77,544.00)</u>	<u>(56,563.00)</u>	
Township's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	
Township's Covered Payroll (Calendar Year)	\$ 596,113.00	\$ 630,137.00	
Township's Contributions as a Percentage of Covered Payroll	13.01%	8.98%	



**Note 6: 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 Five Years)***

	<u>Measurement Date Ended June 30,</u>		
	<u>2017</u>	<u>2016</u>	<u>2015</u>
Township's Proportion of the Net Pension Liability	0.0394284432%	0.0371495057%	0.0374406943%
Township's Proportionate Share of the Net Pension Liability	\$ 6,086,989.00	\$ 7,096,506.00	\$ 6,236,315.00
State's Proportionate Share of the Net Pension Liability associated with the Township	681,794.00	595,930.00	546,904.00
Total	<u>\$ 6,768,783.00</u>	<u>\$ 7,692,436.00</u>	<u>\$ 6,783,219.00</u>
Township's Covered Payroll (Plan Measurement Period)	\$ 1,276,288.00	\$ 1,155,936.00	\$ 1,185,676.00
Township's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	476.93%	613.92%	525.97%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	58.60%	52.01%	56.31%
	<u>Measurement Date Ended June 30,</u>		
	<u>2014</u>	<u>2013</u>	
Township's Proportion of the Net Pension Liability	0.0349794064%	0.0327652538%	
Township's Proportionate Share of the Net Pension Liability	\$ 4,400,085.00	\$ 4,355,845.00	
State's Proportionate Share of the Net Pension Liability associated with the Township	473,815.00	406,018.00	
Total	<u>\$ 4,873,900.00</u>	<u>\$ 4,761,863.00</u>	
Township's Covered Payroll (Plan Measurement Period)	\$ 1,104,820.00	\$ 1,028,420.00	

**Note 6: PENSION PLANS (CONT'D)****Supplementary Pension Information (Cont'd)*****Schedule of the Township's Contributions - Police and Firemen's Retirement System (PFRS)  
(Last Five Years)***

	<u>Year Ended December 31,</u>		
	<u>2017</u>	<u>2016</u>	<u>2015</u>
Township's Contractually Required Contribution	\$ 348,949.00	\$ 302,895.00	\$ 304,337.00
Township's Contribution in Relation to the Contractually Required Contribution	<u>(348,949.00)</u>	<u>(302,895.00)</u>	<u>(304,337.00)</u>
Township's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Township's Covered Payroll (Calendar Year)	\$ 1,301,945.00	\$ 1,277,557.00	\$ 1,192,196.00
Township's Contributions as a Percentage of Covered Payroll	26.80%	23.71%	25.53%
	<u>Year Ended December 31,</u>		
	<u>2014</u>	<u>2013</u>	
Township's Contractually Required Contribution	\$ 268,666.00	\$ 239,048.00	
Township's Contribution in Relation to the Contractually Required Contribution	<u>(268,666.00)</u>	<u>(239,048.00)</u>	
Township's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	
Township's Covered Payroll (Calendar Year)	\$ 1,171,763.00	\$ 1,118,871.00	
Township's Contributions as a Percentage of Covered Payroll	22.93%	21.37%	

**Note 6: PENSION PLANS (CONT'D)****Other Notes to Supplementary Pension Information*****Public Employees' Retirement System (PERS)***

Changes in Benefit Terms - None

Changes in Assumptions - For 2017, the discount rate changed to 5.00% and the long-term rate of return changed to 7.00%. For 2016, the discount rate changed to 3.98%, the long-term expected rate of return changed to 7.65% from 7.90%, 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 \$118,500.00 for 2015, increasing 4.00% per annum, compounded annually and the 401(a)(17) pay limit was set at \$265,000.00 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 - In 2017, Chapter 26, P.L. 2016 increased the accidental death benefit payable to children if there is no surviving spouse to 70% of final compensation.

Changes in Assumptions - For 2017, the discount rate changed to 6.14% and the long-term rate of return changed to 7.00%. For 2016, the discount rate changed to 5.55%, the long-term expected rate of return changed to 7.65% from 7.90%, 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 7: POSTEMPLOYMENT HEALTHCARE BENEFITS PLAN**

**Plan Description** - The Township contributes to the State Health Benefits Program ("SHBP"), a cost-sharing, multiple-employer defined benefit post-employment healthcare plan, administered by the State of New Jersey Division of Pensions and Benefits. SHBP was established in 1961 under N.J.S.A. 52:14-17.25 et seq., to provide health benefits to State employees, retirees, and their dependents. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents.

The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the SHBP. The Township authorized participation in the SHBP's post-retirement benefit program through resolution.

The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295 or by visiting their website at [www.state.nj.us/treasury/pensions/](http://www.state.nj.us/treasury/pensions/).

**Note 7: POSTEMPLOYMENT HEALTHCARE BENEFITS PLAN (CONT'D)**

**Funding Policy** - Participating employers are contractually required to contribute based on the amount of premiums attributable to their retirees. Post-retirement medical benefits under the plan have been funded on a pay-as-you-go basis since 1994. Prior to 1994, medical benefits were funded on an actuarial basis.

Contributions to pay for the health premiums of participating retirees in the SHBP are billed to the Township on a monthly basis. The Township funds these benefits on a pay-as-you-go basis and, therefore, does not record accrued expenses related to these benefits. The Township's contributions to SHBP for the years ended December 31, 2017, 2016, and 2015, were \$7,556.16, \$10,789.74, and \$13,630.92, respectively, which equaled the required contributions each year. There was one retired participant eligible at December 31, 2017.

**Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS**

**Plan Description** - The Township provides postretirement dental coverage to eligible retired employees and their families until Medicare age is attained. The Township's plan provides an agent multiple-employer post-employment healthcare plan which covers the following retiree population: eligible retirees who retire from active employment with the Township who have at least twenty (25) years of service with the Township and are at least 55 years of age. Currently, one (1) retiree meets these eligibility requirements. The plan is administered by the Township; therefore, premium payments are made directly to the insurance carriers. Reimbursements by the retiree are paid in semi-yearly installments after the Township provides the retiree with a detailed accounting of the costs.

**Funding Policy** - The contribution requirements of plan members and the Township are established and may be amended by the Township's governing body. Plan members receiving benefits contribute twenty percent (20%) of the total cost of the medical benefits, per retiree, spouse, and family per year.

**Retirees** - The Township presently funds its current retiree postemployment benefit costs on a "pay-as-you-go" basis and as shown above, receives monthly contributions from retirees to offset a portion of the cost. The Township's contributions to the plan for the years ended December 31, 2017, 2016, and 2015 were \$1,995.36, \$462.86, and \$2,121.52, respectively.

**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 \$5,798.00 at an unfunded discount rate of 5.0%. As stated above, the Township has funded the cost of existing retirees in the amount of \$1,995.36, and has incurred the benefit costs for future eligible employees, but has not yet begun funding this outstanding liability.

**Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**

**Annual OPEB Cost** - For year ended December 31, 2017, the Township's annual OPEB cost (expense) of \$5,783.88 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 2017, 2016, and 2015 are as follows:

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Annual Required Contribution (ARC)	\$ 5,798.00	\$ 1,241.00	\$ 1,241.00
Interest on the Net OPEB Obligation	59.10	20.43	65.24
Adjustment to the ARC	<u>(73.22)</u>	<u>(25.34)</u>	<u>(80.90)</u>
Annual OPEB Cost	5,783.88	1,236.09	1,225.34
Pay-as-You Go Cost (Existing Retirees)	<u>(1,995.36)</u>	<u>(462.86)</u>	<u>(2,121.52)</u>
Increase (Decrease) in the Net OPEB Obligation	3,788.52	773.23	(896.18)
Net OPEB Obligation, January 1	<u>1,181.88</u>	<u>408.65</u>	<u>1,304.83</u>
Net OPEB Obligation, December 31	<u>\$ 4,970.40</u>	<u>\$ 1,181.88</u>	<u>\$ 408.65</u>
Percentage of Annual OPEB Cost Contributed	34.5%	37.4%	173.1%

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

	<u>2017</u>	<u>2014</u>	<u>2008</u>
Actuarial Accrued Liability (AAL)	\$ 44,322.00	\$ 9,645.00	\$ 16,802.00
Actuarial Value of Plan Assets	<u>-</u>	<u>-</u>	<u>-</u>
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$ 44,322.00</u>	<u>\$ 9,645.00</u>	<u>\$ 16,802.00</u>
Funded Ratio (Actuarial Value of Plan Assets / AAL)	0.0%	0.0%	0.0%
Covered Payroll (Active Plan Members)	\$ 2,605,768.96	\$ 2,223,240.26	N/A
UAAL as a Percentage of Covered Payroll	1.7%	0.4%	N/A

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 above, 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.

**Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**

**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 2017 actuarial valuation, the projected unit credit actuarial cost 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.* 1994 sex distinct Group Annuity Mortality Table.
- *Turnover.* The U.S. Office of Personnel Management - employee group covered by the Federal Employees Retirement System.
- *Assumed Retirement Age.* at first eligibility after completing 25 years of service but no earlier than 55.
- *Full Attribution Period.* service to assumed retirement age.
- *Annual Discount Rate.* Future costs have been discounted at the rate of 5.0% compounded annually for GASB 45 purposes.
- *Rates of Retirement, Rates of Withdrawal, and Rates of Disability.* The same table used to value the Federal Employees Retirement System.
- *Medical Trend.* 5%.
- *Medical Cost Aging Factor.* N/A
- *Retiree Contributions.* 20% of the annual premium coverage is required from eligible retirees.

**Note 9: COMPENSATED ABSENCES**

Under the existing policy of the Township, full-time employees are entitled to accumulate annual unused sick leave and vacation days. Unused sick leave may be accumulated and carried forward to the subsequent year. Vacation days not used during the year may not be accumulated and carried forward.

The Township compensates employees for unused sick leave upon termination or retirement. The current policy provides one compensated day for every two days accumulated and is paid at the average of the last three years rate of pay upon termination or retirement for police officers and at the last year's rate of pay for all other employee.

The Township does not record accrued expenses related to compensated absences. However, it is estimated that, at December 31, 2017, accrued benefits for compensated absences are valued at \$247,008.96.

**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.

**Note 10: DEFERRED COMPENSATION SALARY ACCOUNT (CONT'D)**

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: LEASE OBLIGATIONS**

At December 31, 2017, the Township had lease agreements in effect for the following:

Capital:  
 One (1) 2016 Ford Interceptor  
 Two (2) 2017 Ford Interceptor

Operating:  
 Two (2) Mailing Systems

**Capital Leases** - The following is an analysis of the Township's capital leases:

<u>Description</u>	<u>Balance at December 31,</u>	
	<u>2017</u>	<u>2016</u>
Vehicles	\$ 89,662.43	\$ 33,425.88

The following schedule represents the remaining principal and interest payments, through maturity, for capital leases:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 34,780.53	\$ 3,891.39	\$ 38,671.92
2019	35,636.68	1,997.12	37,633.80
2020	19,245.22	415.64	19,660.86
Total	<u>\$ 89,662.43</u>	<u>\$ 6,304.15</u>	<u>\$ 95,966.58</u>

**Operating Leases** - Future minimum lease payments under operating lease agreements are as follows:

<u>Year</u>	<u>Amount</u>
2018	\$ 1,036.05
2019	300.00

Rental payments under operating leases for the year 2017 were \$1,181.40.

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

General Improvement Bonds, Series 2012 - On August 15, 2012, the Township issued \$6,335,000.00 of general improvement bonds, with interest rates ranging from 2.0% to 4.0%. The purpose of the bonds is to fund various capital ordinances. The final maturity of the bonds is July 1, 2028.

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

<b><u>Year</u></b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>	<b><u>Total</u></b>
2018	\$ 415,000.00	\$ 153,050.00	\$ 568,050.00
2019	415,000.00	140,600.00	555,600.00
2020	410,000.00	128,150.00	538,150.00
2021	415,000.00	115,850.00	530,850.00
2022	425,000.00	103,400.00	528,400.00
2023-2027	2,115,000.00	291,325.00	2,406,325.00
2028	415,000.00	14,525.00	429,525.00
Totals	<u>\$ 4,610,000.00</u>	<u>\$ 946,900.00</u>	<u>\$ 5,556,900.00</u>

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

	<b><u>2017</u></b>	<b><u>2016</u></b>	<b><u>2015</u></b>
<b><u>Issued</u></b>			
General:			
Bonds and Notes	\$ 7,046,922.00	\$ 7,003,155.00	\$ 7,210,401.00
Total Issued	<u>7,046,922.00</u>	<u>7,003,155.00</u>	<u>7,210,401.00</u>
<b><u>Authorized but not Issued</u></b>			
General:			
Bonds and Notes	153.00	153.00	153.00
Total Authorized but not Issued	<u>153.00</u>	<u>153.00</u>	<u>153.00</u>
Total Issued and Authorized but not Issued	<u>7,047,075.00</u>	<u>7,003,308.00</u>	<u>7,210,554.00</u>
<b>Net Debt</b>	<u>\$ 7,047,075.00</u>	<u>\$ 7,003,308.00</u>	<u>\$ 7,210,554.00</u>



**Note 12: CAPITAL DEBT (CONT'D)**

**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 1.56%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
School Purposes	\$ 7,870,000.00	\$ 7,870,000.00	
General	7,047,075.00		\$ 7,047,075.00
	<u>\$ 14,917,075.00</u>	<u>\$ 7,870,000.00</u>	<u>\$ 7,047,075.00</u>

Net debt \$7,047,075.00 divided by the equalized valuation basis per N.J.S.A.40A:2-2, as amended, \$451,661,845.67, equals 1.56%.

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 15,808,164.60
Less: Net Debt	<u>7,047,075.00</u>
Remaining Borrowing Power	<u>\$ 8,761,089.60</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, 2017, the following deferred charge is shown on the statement of assets, liabilities, reserves and fund balance of the following fund:

<u>Description</u>	<u>Balance</u> <u>December 31, 2017</u>	<u>2018</u> <u>Budget</u> <u>Appropriation</u>
Current Fund:		
Overexpenditure of Appropriations	\$ 1,284.66	\$ 1,284.66

The appropriations in the 2018 Budget as adopted are not less than that required by the statutes.

**Note 14: SCHOOL TAXES**

Eastampton Township local school tax has been raised and the liability deferred by statutes as follows:

	<u>Balance December 31,</u> <u>2017</u>	<u>2016</u>
Deferred	<u>\$ 2,675,815.48</u>	<u>\$ 2,624,720.00</u>

**Note 14: SCHOOL TAXES (CONT'D)**

Rancocas Valley Regional High School tax has been raised and the liability deferred by statutes, resulting in the school tax payable set forth in the current fund liabilities as follows:

	<u>Balance December 31,</u>	
	<u>2017</u>	<u>2016</u>
Deferred	\$ 975,261.44	\$ 942,387.46

**Note 15: 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.

**Joint Insurance Pool** - The Township is a member of the Garden State Municipal Joint Insurance Fund. The Fund provides its members with the following coverage:

- Workers' Compensation and Employer's Liability
- Liability other than Motor Vehicles
- Property Damage other than Motor Vehicles
- Motor Vehicles

Contributions to the Fund, including a reserve for contingencies, are payable in two installments and 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.

The Fund provides the Township with the following coverage:

- Property Coverage
- Equipment Breakdown Coverage
- Inland Marine Coverage
- Crime Coverage/Public Officials Bonds
- General Liability Coverage
- Automobile Coverage
- Law Enforcement Liability Coverage
- Workers Compensation Coverage
- Public Officials/Employment Practices Liability
- Non-Owned Aircraft Liability
- Cyber Liability

Contributions to the Fund, are payable in an annual premium and is based on actuarial assumptions determined by the Fund's actuary. The Township's agreement with the Pool provides that the Pool will be self-sustaining through member premiums and will reinsure through the Municipal Excess Liability Joint Insurance Fund for claims in excess of \$50,000.00 to \$200,000.00 based on the line of coverage for each insured event.

The Fund publishes its own financial report for the year ended December 31, 2017, which can be obtained from:

Garden State Municipal Joint Insurance Fund  
 900 Route 9 North, Suite 503  
 Woodbridge, New Jersey 07095-1003

**Note 16: OPEN SPACE, RECREATION AND FARMLAND PRESERVATION TRUST**

On November 3, 1998, and November 6, 2001 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 the Township of Eastampton Open Space, Recreation and Farmland Preservation Trust Fund effective January 1, 1999, for the purpose of raising revenue for the acquisition of lands and interests in lands for the conservation of farmland and open space. Overall, as a result of the two referendums, the Township levies a tax not to exceed twenty three 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 of Eastampton Open Space, Recreation and Farmland Preservation Trust Funds.

**Note 17: 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.

**Note 18: 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 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>
Various Capital Improvements	06/25/18	\$ 475,000.00

## **SUPPLEMENTAL EXHIBITS**

**SUPPLEMENTAL EXHIBITS**

**CURRENT FUND**

## TOWNSHIP OF EASTAMPTON

## CURRENT FUND

Statement of Current Cash Per N.J.S.40A:5-5 - Chief Financial Officer

For the Year Ended December 31, 2017

	<u>Regular</u>	<u>Federal, State and Local Grant Fund</u>
Balance Dec. 31, 2016	\$ 1,540,805.72	
Increased by Receipts:		
Tax Collector	\$ 13,612,013.63	
Revenue Accounts Receivable	1,005,014.31	
Refund of Appropriations	379,160.22	
Due Mount Holly Municipal Utilities Authority	62,989.31	
Miscellaneous Revenue not Anticipated	76,588.30	
Due State of New Jersey:		
Division of Youth and Family Services	750.00	
Department of Community Affairs	11,977.00	
Federal and State Grants Receivable		\$ 229,073.98
Petty Cash	1,200.00	
Due Federal, State and Local Grant Fund	61,552.78	
Due General Capital Fund	151,581.00	
Due Municipal Open Space Trust	400,000.00	
Reserve for Performance Bonds	98,039.29	
	<u>15,860,865.84</u>	<u>\$ 229,073.98</u>
	17,401,671.56	229,073.98
Decreased by Disbursements:		
2017 Appropriations	5,169,287.95	
2016 Appropriation Reserves	68,090.44	
County Taxes Payable	1,834,373.43	
Due County - Added/Omitted Taxes	3,818.27	
Local District School Taxes Payable	5,300,535.52	
Regional District School Taxes Payable	1,917,649.02	
Fire District Taxes	279,540.00	
Due Mount Holly Municipal Utilities Authority	62,250.01	
Due State of New Jersey:		
Division of Youth and Family Services	900.00	
Department of Community Affairs	15,558.00	
Petty Cash	1,200.00	
Special Emergency Note	66,000.00	
Due Current Fund		61,552.78
Due Municipal Open Space Fund	524,376.69	
Due General Capital Fund	172,000.00	
Due Trust Other	22,758.93	
Refund Tax Overpayments	8,429.67	
Appropriated Reserves		120,856.71
	<u>15,446,767.93</u>	<u>182,409.49</u>
Balance Dec. 31, 2017	<u>\$ 1,954,903.63</u>	<u>\$ 46,664.49</u>

**TOWNSHIP OF EASTAMPTON**  
**CURRENT FUND**  
Statement of Current Cash Per N.J.S.40A:5-5 - Collector  
For the Year Ended December 31, 2017

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Receipts:			
Taxes Receivable	\$	13,208,924.82	
Tax Overpayments		20,217.62	
Tax Title Liens Receivable		13,710.64	
Due State of New Jersey - Seniors and Veterans		48,500.00	
Prepaid Taxes		285,910.36	
Interest and Cost on Taxes		34,750.19	
			\$ 13,612,013.63
Decreased by:			
Disbursed to Chief Financial Officer			\$ 13,612,013.63

## Exhibit SA-3

**CURRENT FUND**  
Schedule of Change Funds  
As of December 31, 2017

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<u>Office</u>		Balance Dec. 31, 2017
Collector - Treasurer	\$	100.00
Parks & Recreation		250.00
Police Department		50.00
Municipal Clerk		50.00
Animal Control		50.00
	\$	500.00

## Exhibit SA-4

**CURRENT FUND**  
Statement of Petty Cash Funds  
For the Year Ended December 31, 2017

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<u>Office</u>	Received from <u>Treasurer</u>	Disbursed to <u>Treasurer</u>
Collector - Treasurer	\$ 150.00	\$ 150.00
Parks & Recreation	400.00	400.00
Police Department	650.00	650.00
	\$ 1,200.00	\$ 1,200.00

**TOWNSHIP OF EASTAMPTON**  
**CURRENT FUND**  
 Statement of Taxes Receivable and Analysis of Property Tax Levy  
 For the Year Ended December 31, 2017

Year	Balance Dec. 31, 2016	2017 Levy	Added	2016 Collections	2017 Collections	Due from State of New Jersey	Overpayments Applied	Appeals/ Canceled	Transferred to Tax Title Liens	Balance Dec. 31, 2017
2015	\$ 1,547.29									\$ 1,547.29
2016	9,932.78		\$ 1,000.00		\$ 7,755.70			\$ 250.00		2,927.08
	11,480.07		1,000.00		7,755.70			250.00		4,474.37
2017		\$ 13,380,719.26		\$ 61,031.25	13,201,169.12	\$ 51,302.74	\$ 25,732.69		\$ 36,382.62	5,100.84
	<u>\$ 11,480.07</u>	<u>\$ 13,380,719.26</u>	<u>\$ 1,000.00</u>	<u>\$ 61,031.25</u>	<u>\$ 13,208,924.82</u>	<u>\$ 51,302.74</u>	<u>\$ 25,732.69</u>	<u>\$ 250.00</u>	<u>\$ 36,382.62</u>	<u>\$ 9,575.21</u>

Analysis of 2017 Tax Levy

Tax Yield

General Purpose Tax  
 Added Taxes (54:4-63.1 et seq.)

\$ 13,303,982.00  
76,737.26

\$ 13,380,719.26

Tax Levy

Local District School Tax  
 Regional District School Tax  
 Fire District Tax

\$ 5,351,631.00  
 1,950,523.00  
 279,540.00

County Taxes:

County Tax  
 County Library Tax  
 County Open Space

\$ 1,513,828.63  
 139,887.16  
180,657.64

1,834,373.43  
10,997.96

Due County for Added Taxes

Total County Taxes

1,845,371.39

Municipal Open Space  
 Municipal Open Space - Added Taxes

223,740.87  
1,317.75

225,058.62

Local Tax for Municipal Purposes  
 Add: Additional Tax Levied

3,662,108.60  
66,486.65

Local Tax for Municipal Purposes Levied

3,728,595.25

\$ 13,380,719.26



**TOWNSHIP OF EASTAMPTON**  
**CURRENT FUND**  
Statement of Tax Title Liens Receivable  
For the Year Ended December 31, 2017

---

Balance Dec. 31, 2016		\$ 572,994.85
Increased by:		
Transferred from Taxes Receivable	\$ 36,382.62	
2017 Tax Sale - Interest and Costs	1,797.37	
		38,179.99
		611,174.84
Decreased by:		
Receipts - Collector		13,710.64
Balance Dec. 31, 2017		\$ 597,464.20

Exhibit SA-7

**CURRENT FUND**  
Statement of Prepaid Taxes  
For the Year Ended December 31, 2017

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Balance Dec. 31, 2016		\$ 61,031.25
Increased by:		
Receipts - 2018 Taxes - Collector		285,910.36
		346,941.61
Decreased by:		
Application to 2017 Taxes Receivable		61,031.25
Balance Dec. 31, 2017 (2018 Taxes)		\$ 285,910.36

**TOWNSHIP OF EASTAMPTON**  
**CURRENT FUND**  
Statement of Revenue Accounts Receivable  
For the Year Ended December 31, 2017

	<u>Balance</u> <u>Dec. 31, 2016</u>	<u>Accrued in</u> <u>2017</u>	<u>Realized</u>	<u>Balance</u> <u>Dec. 31, 2017</u>
Clerk:				
Licenses:				
Alcoholic Beverages		\$ 10,000.00	\$ 10,000.00	
Fees and Permits		455.00	455.00	
Municipal Court:				
Fines and Costs	\$ 12,778.16	136,472.48	141,018.62	\$ 8,232.02
Interest on Investments:				
Current		11,480.58	11,480.58	
Animal Control		18.31	18.31	
Trust Other		2,266.61	2,266.61	
Trust Other - Payroll		604.85	604.85	
General Capital		3,376.45	3,376.45	
Trailer Camp Licenses		7,500.00	7,500.00	
Housing Resale Certificate		10,600.00	10,600.00	
Payment in Lieu of Taxes		84,200.00	84,200.00	
Police Reports		1,129.75	1,129.75	
Hotel Fees		2,361.93	2,361.93	
Gasoline Reimbursement		1,448.41	1,448.41	
Energy Receipts Tax		426,947.00	426,947.00	
Uniform Construction Code Fees		246,648.00	246,648.00	
School Resource Officer - Shared Services		20,000.00	20,000.00	
Verizon Fios		6,348.91	6,348.91	
Cable Television		20,457.55	20,457.55	
Land Use Review Fee/Planning Board		2,150.00	2,150.00	
Rental of Property		6,002.34	6,002.34	
	<u>\$ 12,778.16</u>	<u>\$ 1,000,468.17</u>	<u>\$ 1,005,014.31</u>	<u>\$ 8,232.02</u>

**TOWNSHIP OF EASTAMPTON**  
CURRENT FUND  
Statement of Due Mount Holly Municipal Utility Authority  
For the Year Ended December 31, 2017

---

Balance Dec. 31, 2016	\$ 764.64
Increased by:	
Disbursements	<u>62,250.01</u>
	63,014.65
Decreased by:	
Receipts	<u>62,989.31</u>
Balance Dec. 31, 2017	<u><u>\$ 25.34</u></u>

**TOWNSHIP OF EASTAMPTON**  
**CURRENT FUND**  
 Statement of Due Municipal Open Space Trust Fund  
 For the Year Ended December 31, 2017

---

Balance Dec. 31, 2016		\$ 142,811.16
Increased by:		
2017 Tax Levy:		
Municipal Open Space Tax	\$ 223,740.87	
Municipal Open Space Tax - Added Taxes	<u>1,317.75</u>	
		\$ 225,058.62
Received from Open Space Trust Fund		<u>400,000.00</u>
		<u>625,058.62</u>
		767,869.78
Decreased by:		
Disbursed on Behalf of Open Space Trust Fund	75,902.74	
Disbursed to Municipal Open Space Trust Fund	<u>448,473.95</u>	
		<u>524,376.69</u>
Balance Dec. 31, 2017		<u><u>\$ 243,493.09</u></u>

**CURRENT FUND**  
 Statement of Fire District Taxes  
 For the Year Ended December 31, 2017

---

2017 Tax Levy		\$ 279,540.00
Decreased by:		
Payments		<u><u>\$ 279,540.00</u></u>

**TOWNSHIP OF EASTAMPTON**  
**CURRENT FUND**  
Statement of Reserve for Performance Bonds  
For the Year Ended December 31, 2017

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Balance Dec. 31, 2016		\$ 98,582.17
Increased by:		
Receipts		98,039.29
Balance Dec. 31, 2017		\$ 196,621.46

**CURRENT FUND**  
Statement of Due State of New Jersey Veteran's and Senior Citizens' Deductions  
For the Year Ended December 31, 2017

---

Balance Dec. 31, 2016		\$ 19,406.00
Increased by:		
2017 Senior Citizens' Deductions per Tax Billing	\$ 3,250.00	
2017 Veterans' Deductions per Tax Billing	45,500.00	
Veterans' and Senior Citizens' Deductions Allowed by Tax Collector-2017 Taxes	2,552.74	
		51,302.74
		70,708.74
Decreased by:		
Receipts - Collector		48,500.00
Balance Dec. 31, 2017		\$ 22,208.74

**TOWNSHIP OF EASTAMPTON**  
**CURRENT FUND**  
 Statement of 2016 Appropriation Reserves  
 For the Year Ended December 31, 2017

	Balance Dec. 31, 2016		Budget After Modification	Disbursed	Balance Lapsed
	Encumbered	Reserved			
<b>General Government</b>					
General Administrative:					
Salaries and Wages		\$ 44.10	\$ 44.10		\$ 44.10
Other Expenses	\$ 219.03	143.35	362.38	\$ 306.98	55.40
Information Technology	20.00	1,064.44	2,394.44	100.00	2,294.44
Mayor & Council:					
Salaries and Wages		3.59	3.59		3.59
Municipal Clerk:					
Salaries and Wages		125.05	125.05		125.05
Other Expenses	536.97	48.81	685.78	670.47	15.31
Financial Administration:					
Salaries and Wages		980.08	980.08		980.08
Other Expenses	536.24	31.87	1,768.11	1,633.74	134.37
Collection of Taxes:					
Salaries and Wages		890.26	890.26		890.26
Other Expenses	35.00	538.17	573.17	499.56	73.61
Legal Services & Costs:					
Other Expenses	2,177.12	15,409.07	17,186.19	14,022.16	3,164.03
Architect:					
Other Expenses		1,000.00			
Engineering Services:					
Other Expenses	493.71	1,282.86	1,776.57	1,776.46	0.11
Municipal Land Use Law - (N.J.S. 40:55D-1):					
Planning Board					
Salaries and Wages		6.29	6.29		6.29
Other Expenses		85.30	85.30		85.30
Engineering Services & Costs		432.50	432.50	432.00	0.50
Legal Services & Costs		623.15	623.15	264.00	359.15
Municipal Planner					
Insurance:					
Unemployment Insurance		1,362.19	1,362.19		1,362.19
Other Insurance Premiums		75.00	75.00		75.00
Employee Group Insurance		4,967.89	4,967.89	4,036.92	930.97
Health Benefit Waiver		4,792.00	2,682.00		2,682.00
Cafeteria Plan		100.00	100.00		100.00
Environmental Commission - (NJS40:5A-1 et seq):					
Other Expenses		30.00	30.00		30.00
<b>Public Safety</b>					
Police:					
Salaries and Wages		485.32	485.32		485.32
Other Expenses	4,915.48	637.63	7,553.11	6,702.83	850.28
Office of Emergency Management:					
Other Expenses		500.00	500.00		500.00
<b>Public Works Functions:</b>					
Other Public Works Functions:					
Salaries and Wages		56.19	56.19		56.19
Other Expenses	1,451.82	83.63	1,535.45	1,358.70	176.75
Vehicle Maintenance:					
Other Expenses	1,667.28	2,908.97	3,676.25	2,770.23	906.02
Building & Grounds:					
Salaries and Wages		87.76	87.76		87.76
Other Expenses	219.80	112.12	331.92	331.80	0.12
Animal Control Services:					
Other Expenses		10.00	10.00		10.00

(Continued)

**TOWNSHIP OF EASTAMPTON**  
**CURRENT FUND**  
Statement of 2016 Appropriation Reserves  
For the Year Ended December 31, 2017

	Balance Dec. 31, 2016		Budget After Modification	Disbursed	Balance Lapsed
	Encumbered	Reserved			
<u>Utility Expenses &amp; Bulk Purchases:</u>					
Electricity	\$ 88.95	\$ 4,921.15	\$ 5,010.10	\$ 1,710.34	\$ 3,299.76
Street Lighting		7,826.84	7,826.84	6,407.12	1,419.72
Telephone	1,068.42	629.65	1,498.07	1,068.42	429.65
Fuel Oil		2,453.40	2,453.40		2,453.40
Gasoline	1,278.71	3,204.82	4,483.53	2,327.23	2,156.30
Sewer	254.81	256.64	511.45	254.81	256.64
Water		646.86	646.86		646.86
<u>Landfill Waste Disposal:</u>					
Disposal Costs	662.50	30.43	692.93		692.93
<u>Uniform Construction Code Enforcement Functions:</u>					
Construction Official:					
Salaries and Wages		197.18	197.18		197.18
<u>Other Common Operating Functions (Unclassified):</u>					
Prior Year Professional Bills		2,017.96	2,017.96		2,017.96
Celebration of Public Events		14.00	14.00		14.00
<u>Statutory Expenditures:</u>					
Social Security System (O.A.S.I.)		1,352.59	1,352.59		1,352.59
Defined Contribution Retirement Program		345.88	345.88	26.26	319.62
<u>Operations Excluded from "CAPS"</u>					
Interlocal Municipal Service Agreements					
Tax Assessor Interlocal Services Agreement		13,889.46	13,889.46	13,889.46	
MACCS Interlocal Services Agreement		8,276.90	8,276.90	7,850.42	426.48
Brine Solution - Medford Township		3,000.00	3,000.00		3,000.00
Municipal Court		1.32	1.32		1.32
Totals	<u>\$ 15,625.84</u>	<u>\$ 87,982.67</u>	<u>\$ 103,608.51</u>	<u>\$ 68,439.91</u>	<u>\$ 35,168.60</u>
Disbursed				\$ 68,090.44	
Accounts Payable				349.47	
				<u>\$ 68,439.91</u>	

**TOWNSHIP OF EASTAMPTON**  
**CURRENT FUND**  
Statement of Due State of New Jersey Department of Community Affairs  
For the Year Ended December 31, 2017

---

Balance Dec. 31, 2016		\$ 5,344.00
Increased by:		
Fees Collected		11,977.00
		17,321.00
Decreased by:		
Payments		15,558.00
Balance Dec. 31, 2017		\$ 1,763.00

## Exhibit SA-16

**CURRENT FUND**  
Statement of Due State of New Jersey Division of Youth and Family Services  
For the Year Ended December 31, 2017

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Balance Dec. 31, 2016		\$ 275.00
Increased by:		
Fees Collected		750.00
		1,025.00
Decreased by:		
Payments		900.00
Balance Dec. 31, 2017		\$ 125.00

## Exhibit SA-17

**CURRENT FUND**  
Statement of County Taxes Payable  
For the Year Ended December 31, 2017

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2017 Tax Levy:		
County Tax	\$ 1,513,828.63	
County Library Tax	139,887.16	
County Open Space Tax	180,657.64	
		\$ 1,834,373.43
Decreased by:		
Payments		\$ 1,834,373.43



**TOWNSHIP OF EASTAMPTON**  
**CURRENT FUND**  
Statement of Due County for Added and Omitted Taxes  
For the Year Ended December 31, 2017

Balance Dec. 31, 2016		\$ 3,818.27
Increased by:		
2015 Rollback Taxes	\$ 2,110.93	
2016 Rollback Taxes	2,086.34	
2017 Rollback Taxes	2,316.20	
2017 Added Taxes	4,360.06	
2016 Omitted/Added Taxes	124.43	
		10,997.96
		14,816.23
Decreased by:		
Payments		3,818.27
Balance Dec. 31, 2017		\$ 10,997.96

Exhibit SA-19

**CURRENT FUND**  
Statement of Tax Overpayments  
For the Year Ended December 31, 2017

Balance Dec. 31, 2016		\$ 31,421.25
Increased by:		
Collections - Collector		20,217.62
		51,638.87
Decreased by:		
Refunded	\$ 8,429.67	
Applied to Taxes Receivable	25,732.69	
		34,162.36
Balance Dec. 31, 2017		\$ 17,476.51

**TOWNSHIP OF EASTAMPTON**  
**CURRENT FUND**  
Statement of Local District School Tax  
For the Year Ended December 31, 2017

---

Balance Dec. 31, 2016 (Deferred)	\$ 2,624,720.00
Increased by:	
Levy - School Year July 1, 2017 - June 30, 2018	5,351,631.00
	7,976,351.00
Decreased by:	
Payments	5,300,535.52
Balance Dec. 31, 2017 (Deferred)	\$ 2,675,815.48

## Exhibit SA-21

**CURRENT FUND**  
Statement of Regional High School Tax  
For the Year Ended December 31, 2017

---

Balance Dec. 31, 2016 (Deferred)	\$ 942,387.46
Increased by:	
Levy - School Year July 1, 2017 - June 30, 2018	1,950,523.00
	2,892,910.46
Decreased by:	
Payments	1,917,649.02
Balance Dec. 31, 2017 (Deferred)	\$ 975,261.44

**TOWNSHIP OF EASTAMPTON**  
**CURRENT FUND**  
 Statement of Deferred Charges - Special Emergency Authorizations  
 N.J.S. 40A:5-55 Special Emergency  
 For the Year Ended December 31, 2017

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<u>Date Authorized</u>	<u>Purpose</u>	<u>Net Amount Authorized</u>	<u>1/5 of Net Amount Authorized</u>	<u>Balance Dec. 31, 2016</u>	<u>Raised by Budget Appropriation</u>
03-25-13	Revaluation of Real Estate	\$ 165,000.00	\$ 33,000.00	<u>\$ 66,000.00</u>	<u>\$ 66,000.00</u>
				<u>\$ 66,000.00</u>	<u>\$ 66,000.00</u>

**TOWNSHIP OF EASTAMPTON**  
**CURRENT FUND**  
Statement of Special Emergency Notes  
For the Year Ended December 31, 2017

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<u>Purpose</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2016</u>	<u>Disbursed</u>
Revaluation of Real Estate	01-28-15	01-26-17	0.79%	<u>\$ 66,000.00</u>	<u>\$ 66,000.00</u>
				<u>\$ 66,000.00</u>	<u>\$ 66,000.00</u>

**TOWNSHIP OF EASTAMPTON**  
**FEDERAL, STATE AND LOCAL GRANT FUND**  
**Statement of Federal, State and Local Grants Receivable**  
**For the Year Ended December 31, 2017**

<u>Program</u>	<u>Balance</u> <u>Dec. 31, 2016</u>	<u>Accrued</u>	<u>Received</u>	<u>Balance</u> <u>Dec. 31, 2017</u>
Federal Grant:				
Community Development Block Grant	\$ 2,018.00			\$ 2,018.00
Edward Byrne Justice Assistance Grant		\$ 9,000.00	\$ 9,000.00	
Distracted Driving Incentive		5,500.00	5,500.00	
N.J. Transportation Trust Fund Authority Act	167,000.00	429,000.00		596,000.00
N.J. Department of Transportation - Powell Rd I	1,848.60			1,848.60
N.J. Department of Transportation - Powell Rd II	9,503.00			9,503.00
<b>Total Federal Grants</b>	<u>180,369.60</u>	<u>443,500.00</u>	<u>14,500.00</u>	<u>609,369.60</u>
State Grants:				
Clean Communities Grant	187.94	12,126.45	12,126.45	187.94
Drunk Driving Enforcement Grant	0.02	3,000.00	3,000.00	0.02
Body Armor Replacement Fund		1,865.87	1,865.87	
Recycling Tonnage Grant		11,766.15	11,766.15	
<b>Total State Grants</b>	<u>187.96</u>	<u>28,758.47</u>	<u>28,758.47</u>	<u>187.96</u>
Local Grants:				
Municipal Park Development Grant - 2014	38.58			38.58
Burlington County Municipal Park Development Program	115,000.00	170,000.00	110,815.51	174,184.49
Burlington County Park Improvement Grant	75,000.00		75,000.00	
Walmart Donation	2,000.00			2,000.00
<b>Total Local Grants</b>	<u>192,038.58</u>	<u>170,000.00</u>	<u>185,815.51</u>	<u>176,223.07</u>
<b>Grand Total</b>	<u>\$ 372,596.14</u>	<u>\$ 642,258.47</u>	<u>\$ 229,073.98</u>	<u>\$ 785,780.63</u>

**TOWNSHIP OF EASTAMPTON**  
**FEDERAL, STATE AND LOCAL GRANT FUND**  
**Statement of Reserve for Encumbrances**  
**For the Year Ended December 31, 2017**

Balance Dec. 31, 2016	\$ 76,886.70
Increased by:	
Charged to Reserve for Federal, State and Local Grants - Appropriated	3,477.38
	80,364.08
Decreased by:	
Charged to Reserve for Federal, State and Local Grants - Appropriated	76,886.70
Balance Dec. 31, 2017	\$ 3,477.38

**FEDERAL, STATE AND LOCAL GRANT FUND**  
**Statement of Reserve for Federal, State and Local Grants - Unappropriated**  
**For the Year Ended December 31, 2017**

	<u>Balance</u> <u>Dec. 31, 2016</u>	<u>Grants</u> <u>Receivable</u>	<u>Realized as</u> <u>Miscellaneous</u> <u>Revenue</u> <u>in 2017 Budget</u>	<u>Balance</u> <u>Dec. 31, 2017</u>
Federal Grants:				
Edward Byrne Justice Assistance Grant		\$ 9,000.00	\$ 9,000.00	
Distracted Driving Incentive		5,500.00	5,500.00	
N.J. Transportation Trust Fund Authority Act		429,000.00	429,000.00	
Total Federal Grants	-	443,500.00	443,500.00	-
State Grants:				
Clean Communities Grant		12,126.45	12,126.45	
Drunk Driving Enforcement Grant	\$ 3,000.00	3,000.00	3,000.00	\$ 3,000.00
Body Armor Replacement Fund	1,783.18	1,865.87	1,783.18	1,865.87
Recycling Tonnage Grant		11,766.15	6,900.51	4,865.64
Total State Grants	4,783.18	28,758.47	23,810.14	9,731.51
Local Grants:				
Burlington County Municipal Park Development Program		170,000.00	170,000.00	
	\$ 4,783.18	\$ 642,258.47	\$ 637,310.14	\$ 9,731.51

**TOWNSHIP OF EASTAMPTON**  
**FEDERAL, STATE AND LOCAL GRANT FUND**  
Statement of Reserve for Federal, State and Local Grants - Appropriated  
For the Year Ended December 31, 2017

<u>Program</u>	<u>Balance</u> <u>Dec. 31, 2016</u>	<u>2017 Budget</u> <u>Appropriation</u>	<u>Decreased</u>	<u>Encumbrances</u> <u>Canceled</u>	<u>Balance</u> <u>Dec. 31, 2017</u>
Federal Grants:					
Community Development Block Grant	\$ 3,879.00				\$ 3,879.00
Edward Byrne Justice Assistance Grant		\$ 9,000.00	\$ 9,000.00		
Distracted Driving Incentive		5,500.00	5,500.00		
N.J. Transportation Trust Fund Authority Act	167,000.00	429,000.00	15,406.50		580,593.50
NJ Department of Transportation - Monmouth Rd	3,040.54				3,040.54
NJ Department of Transportation - Powell Rd I	18,564.00				18,564.00
NJ Department of Transportation - Powell Rd II	17,381.75				17,381.75
<b>Total Federal Grants</b>	<u>209,865.29</u>	<u>443,500.00</u>	<u>29,906.50</u>	<u>-</u>	<u>623,458.79</u>
State Grants:					
Transportation Trust Fund					
Clean Communities Grant		12,126.45	12,126.45		
Drunk Driving Enforcement Grant	815.17	3,000.00	331.88		3,483.29
Alcohol Education and Rehabilitation Grant	1,059.47				1,059.47
Body Armor Replacement Fund		1,783.18	1,783.18		
Office Highway Safety - DWI	425.00				425.00
Recycling Tonnage Grant	5,714.69	6,900.51	2,765.38		9,849.82
Emergency Management Grant	405.00				405.00
Municipal Alliance	5,300.00				5,300.00
Sustainable New Jersey	851.78				851.78
<b>Total State Grants</b>	<u>14,571.11</u>	<u>23,810.14</u>	<u>17,006.89</u>	<u>-</u>	<u>21,374.36</u>
Local Grants:					
Municipal Park Development Grant - 2014	38.58				38.58
Burlington County Municipal Park Development Program	3,618.49	170,000.00	76,320.70	\$ 76,886.70	174,184.49
Dunkin Donuts Police Donation	180.01				180.01
Walmart Donation	1,100.00		1,100.00		
<b>Total Local Grants</b>	<u>4,937.08</u>	<u>170,000.00</u>	<u>77,420.70</u>	<u>76,886.70</u>	<u>174,403.08</u>
	<u>\$ 229,373.48</u>	<u>\$ 637,310.14</u>	<u>\$ 124,334.09</u>	<u>\$ 76,886.70</u>	<u>\$ 819,236.23</u>
Budget Appropriations		\$ 449,683.69			
Special N.J.S.A. 40A:4-87		187,626.45			
		<u>\$ 637,310.14</u>			
Disbursed			\$ 120,856.71		
Encumbered			3,477.38		
			<u>\$ 124,334.09</u>		

**SUPPLEMENTAL EXHIBITS**

**TRUST FUND**



**TOWNSHIP OF EASTAMPTON**  
**TRUST FUNDS**  
Statement of Trust Cash Per N.J.S.40A:5-5 - Treasurer  
For the Year Ended December 31, 2017

	<u>Animal Control</u>	<u>Municipal Open Space</u>	<u>Other</u>
Balance Dec. 31, 2016	\$ 186.87	\$ 1,861,696.05	\$ 454,571.72
Increased by Receipts:			
Reserve for Animal Control Expenditures	\$ 3,566.40		
Deferred Charge	911.48		
Due State of New Jersey	549.60		
Reserve for Municipal Open Space		\$ 138,862.52	
Net Payroll			\$ 1,658,538.54
Payroll Deductions			947,230.42
Reserve for Parks and Recreation			14,427.30
Reserve for Redemption of Tax Title Liens			124,824.07
Reserve for Special Law Enforcement			8,944.70
Reserve for Off Duty Police			211,047.33
Reserve for Escrow Deposits			33,818.04
Reserve for Developer Escrow			52,839.26
Reserve for Tax Sale Premiums			129,000.00
Reserve for COAH			103,034.25
Due General Capital Fund			1,203.95
Due Current Fund - Payroll			2,816.87
Due Current Fund	18.31	448,473.95	20,827.25
	<u>5,045.79</u>	<u>587,336.47</u>	<u>3,308,551.98</u>
Carried Forward	5,232.66	2,449,032.52	3,763,123.70

(Continued)

**TOWNSHIP OF EASTAMPTON**  
**TRUST FUNDS**  
Statement of Trust Cash Per N.J.S.40A:5-5 - Treasurer  
For the Year Ended December 31, 2017

	<u>Animal Control</u>	<u>Municipal Open Space</u>	<u>Other</u>
Brought Forward	\$ 5,232.66	\$ 2,449,032.52	\$ 3,763,123.70
Decreased by Disbursements:			
Reserve for Animal Control Expenditures	\$ 2,368.71		
Due State of New Jersey	546.00		
Reserve for Municipal Open Space - Budget		\$ 554,415.24	
Reserve for Municipal Open Space - NonBudget		8,566.50	
Net Payroll			\$ 1,658,538.54
Payroll Deduction Payable			963,128.52
Reserve for Parks and Recreation			12,548.98
Reserve for Redemption of Tax Title Liens			135,128.56
Reserve for Special Law Enforcement Fund			172.88
Reserve for Off Duty Police			198,307.42
Reserve for Escrow Deposits			16,263.36
Reserve for Developer Escrow			91,992.64
Reserve for Tax Sale Premiums			101,900.00
Reserve for COAH			6,330.61
Due Current Fund - Payroll			604.85
Due Current Fund	18.31	400,000.00	2,266.61
	<u>2,933.02</u>	<u>962,981.74</u>	<u>3,187,182.97</u>
Balance Dec. 31, 2017	<u>\$ 2,299.64</u>	<u>\$ 1,486,050.78</u>	<u>\$ 575,940.73</u>
Trust - Other			\$ 525,914.99
Trust - Payroll			<u>50,025.74</u>
			<u>\$ 575,940.73</u>

**TOWNSHIP OF EASTAMPTON**  
**ANIMAL CONTROL TRUST FUND**  
 Statement of Reserve for Animal Control Fund Expenditures  
 For the Year Ended December 31, 2017

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Balance Dec. 31, 2016	\$	381.40
Increased by:		
Receipts:		
Dog License Fees Collected		3,566.40
		3,947.80
Decreased by:		
Expenditures Under R.S.4:19-15.11		2,368.71
Balance Dec. 31, 2017	\$	1,579.09

License Fees Collected

<u>Year</u>		<u>Amount</u>
2016	\$	3,644.00
2015		4,453.60
	\$	8,097.60

**ANIMAL CONTROL TRUST FUND**  
 Statement of Due to State of New Jersey  
 For the Year Ended December 31, 2017

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Receipts:		
Fees Collected	\$	549.60
Decreased by:		
Disbursements:		
Fees Remitted		546.00
Balance Dec. 31, 2017	\$	3.60

**TOWNSHIP OF EASTAMPTON**  
**ANIMAL CONTROL FUND**  
Statement of Due Current Fund  
For the Year Ended December 31, 2017

Balance Dec. 31, 2016		\$ 716.95
Increased by:		
Receipts:		
Interest Received - Revenue Accounts Receivable	18.31	<u>18.31</u>
		735.26
Decreased by:		
Disbursements:		
Interest Turned Over - Revenue Accounts Receivable	18.31	<u>18.31</u>
Balance Dec. 31, 2017		<u><u>\$ 716.95</u></u>

## Exhibit SB-5

**MUNICIPAL OPEN SPACE TRUST FUND**  
Statement of Due from Current Fund  
For the Year Ended December 31, 2017

Balance Dec. 31, 2016		\$ 142,811.16
Increased by:		
Disbursed to Current Fund	\$ 400,000.00	
Amount to Be Raised by Taxation	<u>225,058.62</u>	
		<u>625,058.62</u>
		767,869.78
Decreased by:		
Received from Current Fund	448,473.95	
Disbursed on Behalf of Municipal Open Space Trust Fund	<u>75,902.74</u>	
		<u>524,376.69</u>
Balance Dec. 31, 2017		<u><u>\$ 243,493.09</u></u>

**TOWNSHIP OF EASTAMPTON**  
**TRUST OTHER FUND**  
Statement of Payroll Deductions Payable  
For the Year Ended December 31, 2017

Balance Dec. 31, 2016	\$	22,396.04
Increased by:		
Payroll Deductions		947,230.42
		969,626.46
Decreased by:		
Disbursements		963,128.52
Balance Dec. 31, 2017	\$	6,497.94

Analysis of Balance Dec. 31, 2017

State of New Jersey	\$	4,645.84
Public Employees' Retirement System		154.88
Police and Firemen's' Retirement System		1,697.22
	\$	6,497.94

**TOWNSHIP OF EASTAMPTON**  
**TRUST OTHER FUND**  
Statement of Due Current Fund - Payroll  
For the Year Ended December 31, 2017

Balance Dec. 31, 2016		\$ 41,315.78
Increased by:		
Receipts		
Received on Behalf of Current Fund	\$ 2,212.02	
Interest - Revenue Accounts Receivable	<u>604.85</u>	
		<u>2,816.87</u>
		44,132.65
Decreased by:		
Disbursements		
Interest Turned Over - Revenue Accounts Receivable		<u>604.85</u>
Balance Dec. 31, 2017		<u><u>\$ 43,527.80</u></u>

**TOWNSHIP OF EASTAMPTON**  
**TRUST OTHER FUND**  
Statement of Due Current Fund  
For the Year Ended December 31, 2017

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Balance Dec. 31, 2016		\$ 16,513.91
Increased by:		
Receipts:		
Interest - Revenue Accounts Receivable	\$ 2,266.61	
Interfund Loan	<u>18,560.64</u>	
		\$ 20,827.25
Disbursed by Current Fund		<u>4,198.29</u>
		<u>25,025.54</u>
		41,539.45
Decreased By:		
Disbursements:		
Interest Turned Over - Revenue Accounts Receivable		<u>2,266.61</u>
Balance Dec. 31, 2017		<u><u>\$ 39,272.84</u></u>

**TOWNSHIP OF EASTAMPTON**  
**TRUST OTHER FUND**  
Statement of Trust Other Reserves  
For the Year Ended December 31, 2017

Reserve	Balance Dec. 31, 2016	Increased		Decreased			Balance Dec. 31, 2017
		Receipts	Encumbrances Canceled	Disbursements	Due Current Fund	Reserve for Encumbrances	
Reserve for Parks and Recreation	\$ 5,717.47	\$ 14,427.30	\$ 744.31	\$ 12,548.98		\$ 804.17	\$ 7,535.93
Reserve for Redemption of Tax Title Liens	11,738.88	124,824.07		135,128.56			1,434.39
Reserve for Storm Water Management	898.57						898.57
Reserve for Parks and Recreation Building	1,237.82						1,237.82
Reserve for Community Development Block Grant	8.54						8.54
Reserve for Special Law Enforcement Fund		8,944.70		172.88			8,771.82
Reserve for Off Duty Police	24,126.85	211,047.33		198,307.42			36,866.76
Reserve for Escrow Deposits	20,715.36	33,818.04	200.00	16,263.36		200.00	38,270.04
Reserve for Developer Escrow	151,244.12	52,839.26		91,992.64			112,090.74
Reserve for Tax Sale Premiums	148,300.00	129,000.00	10,600.00	101,900.00			186,000.00
Reserve for School Driveway	10.02						10.02
Reserve for COAH		103,034.25		6,330.61	\$ 4,198.29	434.56	92,070.79
	<u>\$ 363,997.63</u>	<u>\$ 677,934.95</u>	<u>\$ 11,544.31</u>	<u>\$ 562,644.45</u>	<u>\$ 4,198.29</u>	<u>\$ 1,438.73</u>	<u>\$ 485,195.42</u>



**TOWNSHIP OF EASTAMPTON**  
MUNICIPAL OPEN SPACE TRUST FUND  
Statement of Reserve for Encumbrances  
For the Year Ended December 31, 2017

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Balance Dec. 31, 2016	\$ 3,899.00
Increased by:	
Encumbrances Charged:	
Reserve for Municipal Open Space - NonBudget	<u>202.50</u>
Balance Dec. 31, 2017	<u><u>\$ 4,101.50</u></u>

**SUPPLEMENTAL EXHIBITS**

**GENERAL CAPITAL FUND**

**TOWNSHIP OF EASTAMPTON**  
**GENERAL CAPITAL FUND**  
Statement of General Capital Cash Per N.J.S.40A:5-5 - Chief Financial Officer  
For the Year Ended December 31, 2017

Balance Dec. 31, 2016		\$	463,761.18
Increased by Receipts:			
Due Current Fund	\$ 175,376.45		
Premium from Bond Anticipation Note	1,581.00		
Bond Anticipation Note Proceeds	684,000.00		
Capital Improvement Fund	<u>36,000.00</u>		
			<u>896,957.45</u>
			1,360,718.63
Decreased by Disbursements:			
Improvement Authorizations	906,686.40		
Due Trust Other Fund	1,203.95		
Due Current Fund	<u>154,957.45</u>		
			<u>1,062,847.80</u>
Balance Dec. 31, 2017		\$	<u><u>297,870.83</u></u>

**TOWNSHIP OF EASTAMPTON**  
**GENERAL CAPITAL FUND**  
 Analysis of General Capital Cash  
 For the Year Ended December 31, 2017

	Receipts		Disbursements		Transfers		Balance (Deficit) Dec. 31, 2017	
	Balance (Deficit) Dec. 31, 2016	Bond Anticipation Notes	Miscellaneous	Improvement Authorizations	Miscellaneous	From		To
Fund Balance	\$ 37.50		\$ 1,581.00				\$ 1,618.50	
Capital Improvement Fund	33.00		36,000.00			\$ 36,000.00	33.00	
Improvement Authorizations:								
1995-05 Purchase of Computer and Other	2.00						2.00	
2006-06 Various Capital Equipment	68.00						68.00	
2007-13 Installation of Sidewalk on Student Drive	1,085.00						1,085.00	
2008-12 Various Capital Improvements & Equipment	60.95						60.95	
2013-03 DPW Garage & Public Safety Building Improvements				\$ 63,868.95			\$ 63,868.95	
2014-03 Various Capital Improvements	3,634.77			3,761.99			(127.22)	
2015-05 Various Capital Improvements	16,054.02			152,685.07			1,331.36	
2016-09 Various Capital Improvements	271,408.29			369,925.06			21,008.97	
2017-05 Various Capital Improvements		\$ 684,000.00		316,445.33		296,268.76	36,000.00	
Reserve for Encumbrances	428,067.10					25,088.34	402,978.76	
Due Current Fund	(257,885.40)		175,376.45		\$ 154,957.45		(237,466.40)	
Due Trust Other Fund	1,195.95				1,203.95		(8.00)	
	<u>\$ 463,761.18</u>	<u>\$ 684,000.00</u>	<u>\$ 212,957.45</u>	<u>\$ 906,686.40</u>	<u>\$ 156,161.40</u>	<u>\$ 357,357.10</u>	<u>\$ 357,357.10</u>	<u>\$ 297,870.83</u>

**TOWNSHIP OF EASTAMPTON**  
**GENERAL CAPITAL FUND**  
 Statement of Deferred Charges to Future Taxation - Unfunded  
 For the Year Ended December 31, 2017

Ordinance Number	Improvement Description	Balance Dec. 31, 2016	2017 Authorizations	Notes Paid by Budget Appropriation	Balance Dec. 31, 2017	Analysis of Balance Dec. 31, 2017		
						Bond Anticipation Notes	Expenditures	Unexpended Improvement Authorizations
2008-06	Public Works Equipment & Road Construction	\$ 47,255.00		\$ 23,629.00	\$ 23,626.00	\$ 23,626.00		
2008-12	Various Capital Improvements & Equipment	38,495.00		19,250.00	19,245.00	19,245.00		
2010-15	Road Improvements & Other	131,574.00		32,894.00	98,680.00	98,680.00		
2011-08	Various Capital Improvements	218,800.00		44,500.00	174,300.00	174,300.00		
2012-09	Various Capital Improvements	231,356.00		38,560.00	192,796.00	192,796.00		
2013-03	DPW Garage & Public Safety Building Improvements	129,675.00		18,525.00	111,150.00	111,150.00		
2014-03	Various Capital Improvements	383,153.00		47,875.00	335,278.00	335,125.00	\$ 127.22	\$ 25.78
2015-05	Various Capital Improvements	351,500.00			351,500.00	351,500.00		
2016-09	Various Capital Improvements	446,500.00			446,500.00	446,500.00		
2017-05	Various Capital Improvements		\$ 684,000.00		684,000.00	684,000.00		
		<u>\$ 1,978,308.00</u>	<u>\$ 684,000.00</u>	<u>\$ 225,233.00</u>	<u>\$ 2,437,075.00</u>	<u>\$ 2,436,922.00</u>	<u>\$ 127.22</u>	<u>\$ 25.78</u>
Balance of Unexpended Improvement Authorizations								\$ 129,780.97
Less Unexpended Proceeds of Bond Anticipation Notes:								
Ordinance Numbers:								
2006-06								\$ 68.00
2008-12								60.95
2015-05								1,331.36
2016-09								21,008.97
2017-05								<u>107,285.91</u>
								<u>129,755.19</u>
								<u>\$ 25.78</u>

**TOWNSHIP OF EASTAMPTON**  
**GENERAL CAPITAL FUND**  
Statement of Deferred Charges to Future Taxation - Funded  
For the Year Ended December 31, 2017

---

Balance Dec. 31, 2016	\$	5,025,000.00
Decreased by:		
Budget Appropriations to Pay Bonds		415,000.00
Balance Dec. 31, 2017	\$	4,610,000.00

**GENERAL CAPITAL FUND**  
Statement of Due Trust Other Fund  
For the Year Ended December 31, 2017

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Balance Dec. 31, 2016 (Due to)	\$	1,195.95
Decreased by:		
Disbursements		1,203.95
Balance Dec. 31, 2017 (Due from)	\$	8.00

**TOWNSHIP OF EASTAMPTON**  
**GENERAL CAPITAL FUND**  
 Statement of Improvement Authorizations  
 For the Year Ended December 31, 2017

Ordinance Number	Improvement Description	Ordinance Date	Amount	Balance Dec. 31, 2016		2017 Authorizations	Encumbrances Canceled	Paid or Charged	Balance Dec. 31, 2017	
				Funded	Unfunded				Funded	Unfunded
1995-05	Purchase of Computer and Other	06-22-95	\$ 132,500.00	\$ 2.00					\$ 2.00	
2006-06	Various Capital Equipment	06-12-06	851,000.00		\$ 68.00		\$ 15.84	\$ 15.84		\$ 68.00
2007-13	Installation of Sidewalk on Student Drive	12-10-07	76,000.00	1,085.00					1,085.00	
2008-12	Various Capital Improvements & Equipment	10-24-08	162,100.00		60.95					60.95
2012-09	Various Capital Improvements	07-30-12	324,000.00				10,069.06	10,069.06		
2013-03	DPW Garage & Public Safety Building Improvements	04-08-13	156,000.00				63,868.95	63,868.95		
2014-03	Various Capital Improvements	07-21-14	403,320.00		3,787.77		37,686.26	41,448.25		25.78
2015-05	Various Capital Improvements	07-21-14	370,000.00		16,054.02		175,246.28	189,968.94		1,331.36
2016-09	Various Capital Improvements	07-11-16	470,000.00		271,408.29		141,180.71	391,580.03		21,008.97
2017-05	Various Capital Improvements	03-27-17	720,000.00			\$ 720,000.00		612,714.09		107,285.91
				<u>\$ 1,087.00</u>	<u>\$ 291,379.03</u>	<u>\$ 720,000.00</u>	<u>\$ 428,067.10</u>	<u>\$ 1,309,665.16</u>	<u>\$ 1,087.00</u>	<u>\$ 129,780.97</u>
Deferred Charges to Future Taxation - Unfunded Capital Improvement Fund						\$ 684,000.00		\$ 906,686.40	Disbursed	
						<u>36,000.00</u>		<u>402,978.76</u>	Encumbrances	
						<u>\$ 720,000.00</u>		<u>\$ 1,309,665.16</u>		

**TOWNSHIP OF EASTAMPTON**  
**GENERAL CAPITAL FUND**  
Statement of Due Current Fund  
For the Year Ended December 31, 2017

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Balance Dec. 31, 2016		\$ 257,885.40
Increased by:		
Disbursements:		
Interfund Loans	\$ 151,581.00	
Revenue Accounts Receivable - Interest	<u>3,376.45</u>	
		<u>154,957.45</u>
		412,842.85
Decreased by:		
Receipts:		
Interest Earned - Revenue Accounts Receivable	3,376.45	
Interfund Returned	22,000.00	
Interfund Loans	<u>150,000.00</u>	
		<u>175,376.45</u>
Balance Dec. 31, 2017		<u><u>\$ 237,466.40</u></u>

**GENERAL CAPITAL FUND**  
Statement of Reserve for Encumbrances  
For the Year Ended December 31, 2017

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Balance Dec. 31, 2016		\$ 428,067.10
Increased by:		
Charges to Improvement Authorizations		<u>402,978.76</u>
		831,045.86
Decreased by:		
Canceled to Improvement Authorizations		<u>428,067.10</u>
Balance Dec. 31, 2017		<u><u>\$ 402,978.76</u></u>



**TOWNSHIP OF EASTAMPTON**  
GENERAL CAPITAL FUND  
Statement of Capital Improvement Fund  
For the Year Ended December 31, 2017

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Balance Dec. 31, 2016	\$	33.00
Increased by:		
Receipts - Budget Appropriation		<u>36,000.00</u>
		36,033.00
Decreased by:		
Improvement Authorizations		<u>36,000.00</u>
Balance Dec. 31, 2017	\$	<u><u>33.00</u></u>

**TOWNSHIP OF EASTAMPTON**  
 GENERAL CAPITAL FUND  
 Statement of General Serial Bonds  
 For the Year Ended December 31, 2017

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding Dec. 31, 2017		Interest Rate	Balance Dec. 31, 2016	Paid By Budget Appropriation	Balance Dec. 31, 2017					
			Date	Amount									
General Improvement Bonds (callable on and after 07-01-23)	08-15-12	\$ 6,335,000.00	07-01-18	\$ 415,000.00	4.00%								
			07-01-19	415,000.00	2.50%								
			07-01-20	410,000.00	3.00%								
			07-01-21	415,000.00	3.13%								
			07-01-22	425,000.00	3.13%								
			07-01-23	430,000.00	3.13%								
			07-01-24	425,000.00	3.13%								
			07-01-25	425,000.00	3.13%								
			07-01-26	420,000.00	3.25%								
			07-01-27	415,000.00	3.35%								
			07-01-28	415,000.00	4.00%								
											\$ 5,025,000.00	\$ 415,000.00	\$ 4,610,000.00
											<u>\$ 5,025,000.00</u>	<u>\$ 415,000.00</u>	<u>\$ 4,610,000.00</u>
Paid by Current Fund Budget Appropriation							\$ 29,506.50						
Paid by Open Space Trust Fund Budget Appropriation							<u>385,493.50</u>						
							<u>\$ 415,000.00</u>						

**TOWNSHIP OF EASTAMPTON**  
**GENERAL CAPITAL FUND**  
Statement of Bond Anticipation Notes  
For the Year Ended December 31, 2017

Ordinance Number	Improvement Description	Date of Original Note Issue	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2016	Increased	Decreased	Balance Dec. 31, 2017
2008-06	Public Works Equipment & Road Construction	06-18-08	01-25-17	01-25-18	1.49%		\$ 23,626.00		\$ 23,626.00
2008-06	Public Works Equipment & Road Construction	06-18-08	01-27-16	01-26-17	0.79%	\$ 47,255.00		\$ 47,255.00	
2008-12	Various Capital Improvements & Equipment	11-13-08	01-25-17	01-25-18	1.49%		19,245.00		19,245.00
2008-12	Various Capital Improvements & Equipment	11-13-08	01-27-16	01-26-17	0.79%	38,495.00		38,495.00	
2010-15	Road Improvements & Other	09-30-10	01-25-17	01-25-18	1.49%		98,680.00		98,680.00
2010-15	Road Improvements & Other	09-30-10	01-27-16	01-26-17	0.79%	131,574.00		131,574.00	
2011-08	Various Capital Improvements	10-10-11	01-25-17	01-25-18	1.49%		174,300.00		174,300.00
2011-08	Various Capital Improvements	10-10-11	01-27-16	01-26-17	0.79%	218,800.00		218,800.00	
2012-09	Various Capital Improvements	10-10-12	01-25-17	01-25-18	1.49%		192,796.00		192,796.00
2012-09	Various Capital Improvements	10-10-12	01-27-16	01-26-17	0.79%	231,356.00		231,356.00	
2013-03	DPW Garage & Public Safety Building Improvements	07-18-13	01-25-17	01-25-18	1.49%		111,150.00		111,150.00
2013-03	DPW Garage & Public Safety Building Improvements	07-18-13	01-27-16	01-26-17	0.79%	129,675.00		129,675.00	
2014-03	Various Capital Improvements	11-06-14	01-25-17	01-25-18	1.49%		335,125.00		335,125.00
2014-03	Various Capital Improvements	11-06-14	01-27-16	01-26-17	0.79%	383,000.00		383,000.00	
2015-05	Various Capital Improvements	09-15-15	01-25-17	01-25-18	1.49%		351,500.00		351,500.00
2015-05	Various Capital Improvements	09-15-15	01-27-16	01-26-17	0.79%	351,500.00		351,500.00	
2016-09	Various Capital Improvements	08-19-16	01-25-17	01-25-18	1.49%		446,500.00		446,500.00
2016-09	Various Capital Improvements	08-19-16	08-19-16	01-26-17	1.30%	446,500.00		446,500.00	
2017-05	Various Capital Improvements	05-23-17	05-23-17	01-25-18	2.00%		684,000.00		684,000.00
						<u>\$ 1,978,155.00</u>	<u>\$ 2,436,922.00</u>	<u>\$ 1,978,155.00</u>	<u>\$ 2,436,922.00</u>
Renewals							\$ 1,752,922.00	\$ 1,752,922.00	
Paid by Budget Appropriation								225,233.00	
Issued for Cash							684,000.00		
							<u>\$ 2,436,922.00</u>	<u>\$ 1,978,155.00</u>	

**TOWNSHIP OF EASTAMPTON**  
**GENERAL CAPITAL FUND**  
Statement of Bonds and Notes Authorized But Not Issued  
For the Year Ended December 31, 2017

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2016</u>	<u>2017 Authorizations</u>	<u>Notes Issued</u>	<u>Balance Dec. 31, 2017</u>
2014-03	Various Capital Improvements	\$ 153.00			\$ 153.00
2017-05	Various Capital Improvements		\$ 684,000.00	\$ 684,000.00	
		<u>\$ 153.00</u>	<u>\$ 684,000.00</u>	<u>\$ 684,000.00</u>	<u>\$ 153.00</u>

**PART II**  
**SCHEDULE OF FINDINGS AND RECOMMENDATIONS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

**TOWNSHIP OF EASTAMPTON**  
Schedule of Findings and Recommendations  
For the Year Ended December 31, 2017

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***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 EASTAMPTON**  
Summary Schedule of Prior Year Audit Findings  
and Recommendations as Prepared by Management

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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**

**Finding No. 2016-001**

**Condition**

There was an overexpenditure in the Trust Other Fund - Reserve for Special Law Enforcement Fund.

**Current Status**

This condition has been resolved.

**Finding No. 2016-002**

**Condition**

Two terminated employees were not removed timely from receiving dental benefits upon termination.

**Current Status**

This condition has been resolved.

**FEDERAL AWARDS**

Not Applicable.

**STATE FINANCIAL ASSISTANCE PROGRAMS**

Not Applicable.

**TOWNSHIP OF EASTAMPTON**  
 Officials in Office and Surety Bonds

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

<u>Name</u>	<u>Title</u>	<u>Amount of Surety Bond</u>
Jay Springer	Mayor	\$ 1,000,000.00
Robert Apgar	Deputy Mayor	1,000,000.00
Anthony Zeno	Council Member	1,000,000.00
John Adams	Council Member	1,000,000.00
Matthew Edson	Council Member	1,000,000.00
Eric Schubiger	Township Manager	1,000,000.00
Kim-Marie White	Township Clerk	1,000,000.00
Kijona Thompson	Deputy Township Clerk	1,000,000.00
Gerald Mingin	Chief Financial Officer	1,000,000.00
Doris LaVacca	Treasurer/Tax Collector/Tax Search Officer	1,000,000.00
Richard Andronici	Municipal Court Judge	
Susan Graubart	Court Administrator	
Kevin Riordan	Solicitor	
David Serlin	Planning Board Attorney	
Stacey Arcari	Engineer	

Coverage is obtained through the Garden State Municipal Joint Insurance Fund.



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**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 "Robert S. Marrone". The signature is written in a cursive style with a large, prominent 'R' and 'M'.

Robert S. Marrone  
Certified Public Accountant  
Registered Municipal Accountant

