

Report of Audit

on the

*Financial Statements
and Supplementary Schedules*

of the

Borough of Tuckerton

in the

*County of Ocean
New Jersey*

for the

*Year Ended
December 31, 2017*

BOROUGH OF TUCKERTON

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BOROUGH OF TUCKERTON

PART I

INDEPENDENT AUDITOR'S REPORT ON
AUDIT OF FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULES AND DATA

FINANCIAL STATEMENTS - REGULATORY BASIS - ALL FUNDS

NOTES TO FINANCIAL STATEMENTS - REGULATORY BASIS

SUPPLEMENTARY SCHEDULES - ALL FUNDS

YEAR ENDED DECEMBER 31, 2017



SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Members
of the Borough Council
Borough of Tuckerton
County of Ocean
Tuckerton, New Jersey 08087

Report on the Financial Statements

We have audited the accompanying balance sheets - regulatory basis of the various individual funds and account groups of the Borough of Tuckerton, as of December 31, 2017 and 2016, the related statements of operations and changes in fund balances - regulatory basis for the years then ended, and the related statements of revenues - regulatory basis and statements of expenditures - regulatory basis of the various individual funds for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Borough's regulatory 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 regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these regulatory financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards and provisions require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

SUPLEE, CLOONEY & COMPANY

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the regulatory 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 Borough'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 Borough'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 regulatory 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 U.S Generally Accepted Accounting Principles

As described in Note 1 of the regulatory financial statements, the regulatory financial statements are prepared by the Borough of Tuckerton on the basis of the financial reporting provisions prescribed by 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 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 U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the various individual funds and account groups of the Borough of Tuckerton as of December 31, 2017 and 2016, or the results of its operations and changes in fund balances for the years then ended or the revenues or expenditures for the year ended December 31, 2017.

Opinion on Regulatory Basis of Accounting

In our opinion, the regulatory financial statements referred to above present fairly, in all material respects, the regulatory basis balance sheets of the various individual funds and account groups as of December 31, 2017 and 2016, the regulatory basis statements of operations and changes in fund balances for the years then ended and the regulatory basis statements of revenues and expenditures for the year ended December 31, 2017 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

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Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough of Tuckerton's regulatory financial statements. The supplementary information and data listed in the table of contents as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and the schedule of expenditures of federal awards, as required by the Uniform Guidance are presented for purposes of additional analysis and are not a required part of the regulatory financial statements.

The supplemental information and schedules listed above and also listed in the table of contents are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the regulatory financial statements. Such information has been subjected to the auditing procedures applied in the audit of the regulatory financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the regulatory financial statements or to the regulatory 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 information and data listed in the table of contents and the schedule of expenditures of federal awards, as required by the Uniform Guidance are fairly stated, in all material respects, in relation to the regulatory 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 July 6, 2018 on our consideration of the Borough of Tuckerton's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Borough of Tuckerton's internal control over financial reporting and compliance.


CERTIFIED PUBLIC ACCOUNTANTS


REGISTERED MUNICIPAL ACCOUNTANT NO. 439

July 6, 2018

CURRENT FUND

BOROUGH OF TUCKERTON

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2017</u>	<u>BALANCE DECEMBER 31, 2016</u>
<u>ASSETS</u>			
Current Fund:			
Cash and Cash Equivalents	A-4	\$ 1,981,438.25	\$ 1,531,617.28
Change Fund	A-5	100.00	100.00
		<u>1,981,538.25</u>	<u>1,531,717.28</u>
Receivables with Full Reserves:			
Taxes Receivable	A-6	307,660.34	242,147.13
Tax Title Liens Receivable	A-7	207,558.04	147,133.33
6% YEP Receivable	A-8	5,600.53	11,669.60
Property Acquired for Taxes at Assessed Valuation	A-9	330,250.00	330,250.00
Revenue Accounts Receivable	A-10	7,719.48	9,777.95
Property Maintenance Liens	A-15	9,110.20	7,680.60
Interfunds Receivable	A-22	39,608.19	272,452.69
Due from Magistrate		42.00	42.00
		<u>907,548.78</u>	<u>1,021,153.30</u>
Deferred Charges:			
Emergency Authorizations (40A:4-47)	A-11	20,000.00	
Expenditures Without Appropriation	A-11	243,104.57	
Overexpenditure of Appropriation Reserves	A-11		3,035.69
Special Emergency Authorizations (40A:4-53)	A-11	150,000.00	
		<u>413,104.57</u>	<u>3,035.69</u>
		<u>3,302,191.60</u>	<u>2,555,906.27</u>
Federal and State Grant Fund:			
Cash	A-4	253,315.59	53,576.48
Interfunds Receivable	A-24	767,875.77	
Grants Receivable	A-25	1,446,690.43	1,975,401.27
		<u>2,467,881.79</u>	<u>2,028,977.75</u>
		<u>\$ 5,770,073.39</u>	<u>\$ 4,584,884.02</u>

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

BOROUGH OF TUCKERTON

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2017</u>	<u>BALANCE DECEMBER 31, 2016</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Current Fund:			
Appropriation Reserves	A-3:A-19	\$ 148,968.24	\$ 115,756.30
Due to State of New Jersey (Ch. 20, P.L. 1971)	A-12	6,210.41	5,316.57
Due to State of New Jersey Other	A-12	1,925.45	1,004.62
Tax Overpayments	A-13	39,408.59	39,873.57
Prepaid Taxes	A-14	358,765.81	158,204.94
Due County - Added and Omitted Taxes	A-16	17,897.38	14,131.10
Local District School Tax Payable	A-17	887.82	19,454.36
Regional School District Taxes Payable	A-18	34,435.00	36,735.00
Accounts Payable	A-19	1,773.26	
Interfunds Payable	A-22	901,617.20	449,572.99
Emergency Note Payable	A-23	150,000.00	
Reserve for:			
Encumbrances	A-20	7,539.45	36,592.65
Miscellaneous Reserves	A-21	150,469.52	469.52
		<u>1,819,898.13</u>	<u>877,111.62</u>
Reserve for Receivables		907,548.78	1,021,153.30
Fund Balance	A-1	574,744.69	657,641.35
		<u>3,302,191.60</u>	<u>2,555,906.27</u>
Federal and State Grant Fund:			
Reserve for Encumbrances	A-20	8,746.50	
Interfunds Payable	A-24	601,061.77	93,434.96
Grants - Appropriated	A-26	1,858,073.52	1,924,305.00
Grants - Unappropriated	A-27		11,237.79
		<u>2,467,881.79</u>	<u>2,028,977.75</u>
		<u>\$ 5,770,073.39</u>	<u>\$ 4,584,884.02</u>

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

BOROUGH OF TUCKERTON

CURRENT FUND

STATEMENTS OF OPERATIONS
AND CHANGES IN FUND BALANCE - REGULATORY BASIS

	<u>REF.</u>	YEAR ENDED <u>2017</u>	YEAR ENDED <u>2016</u>
<u>REVENUE AND OTHER INCOME</u>			
Fund Balance Utilized	A-2	\$ 654,000.00	\$ 179,000.00
Miscellaneous Revenue Anticipated	A-2	1,543,451.38	2,468,189.75
Receipts from Delinquent Taxes	A-2	229,433.37	257,552.23
Receipts from Current Taxes	A-2	9,610,308.33	9,107,462.66
Non-Budget Revenues	A-2	159,032.13	35,701.15
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-19	11,321.78	207,818.13
Cancelled Grant Appropriated Reserves	A-22	500.00	
Cancelled Grant Unappropriated Reserves	A-22	8,704.70	
Prior Year Interfunds Returned	A-22	232,844.50	
		<hr/>	<hr/>
<u>Total Income</u>		<u>12,449,596.19</u>	<u>12,255,723.92</u>
<u>EXPENDITURES</u>			
Budget Appropriations:			
Salaries and Wages		1,856,174.57	1,806,101.00
Other Expenses		2,431,687.98	2,932,815.00
Capital Improvements		20,000.00	
Municipal Debt Service		327,540.00	338,166.17
Deferred Charges and Statutory Expenditures		346,109.15	348,324.68
Judgments		8,225.36	75,000.00
	A-3	<hr/>	<hr/>
		4,989,737.06	5,500,406.85
Refund of Prior Year Revenue	A-4	18,341.50	43,191.44
County Taxes Payable	A-6:A-16	1,683,685.91	1,616,512.33
Added and Omitted County Taxes Payable	A-6:A-16	17,897.38	14,131.10
Local District School Tax Payable	A-6:A-17	2,883,743.00	2,534,436.00
Regional School District Taxes Payable	A-6:A-18	2,451,338.00	2,183,845.00
Interfund Advances	A-22		19,755.93
Senior Citizen Deductions Disallowed			
Prior Year Taxes	A-12	3,750.00	
Cancelled Grant Receivables		<hr/>	<hr/>
<u>Total Expenditures</u>		<u>\$ 12,048,492.85</u>	<u>\$ 11,912,278.65</u>

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

BOROUGH OF TUCKERTON
CURRENT FUND
STATEMENTS OF OPERATIONS
AND CHANGES IN FUND BALANCE - REGULATORY BASIS

	<u>REF.</u>	YEAR ENDED <u>2017</u>	YEAR ENDED <u>2016</u>
<u>EXPENDITURES (CONTINUED)</u>			
Excess/(Deficit) in Revenue		\$ 401,103.34	\$ 343,445.27
Adjustments to Income Before Fund Balance:			
Expenditures Included Above Which are by Statute			
Deferred Charges to Budget of Succeeding Years	A	<u>170,000.00</u>	<u> </u>
Statutory Excess to Fund Balance		<u>571,103.34</u>	<u>343,445.27</u>
<u>Fund Balance</u>			
Balance, January 1	A	<u>657,641.35</u>	<u>493,196.08</u>
		1,228,744.69	836,641.35
Decreased by:			
Utilized as Anticipated Revenue	A-1	<u>654,000.00</u>	<u>179,000.00</u>
Fund Balance, December 31	A	<u>\$ 574,744.69</u>	<u>\$ 657,641.35</u>

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

BOROUGH OF TUCKERTON

CURRENT FUND

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

REF.	BUDGET	ANTICIPATED		EXCESS OR (DEFICIT)
		SPECIAL N.J.S.A. 40A:4-87	REALIZED	
A-1	\$ 654,000.00	\$	\$ 654,000.00	\$
A-10	10,000.00		10,553.00	553.00
A-10	89,000.00		108,143.90	19,143.90
A-10	53,000.00		65,212.45	12,212.45
A-10	17,000.00		14,472.00	(2,528.00)
A-10	10,000.00		10,200.00	200.00
A-10	15,000.00		16,742.21	1,742.21
A-10	324,612.00		324,612.00	
A-10	150,000.00		184,914.45	34,914.45
A-24	302.16	450.38	752.54	
A-24		1,464.14	1,464.14	
A-24		8,856.82	8,856.82	
A-24		31,000.00	31,000.00	
A-24		325,000.00	325,000.00	
A-24		200,000.00	200,000.00	
A-24		847.00	847.00	
A-24		209,200.00	209,200.00	
A-24	13,455.70		13,455.70	
A-24		4,943.75	4,943.75	
A-24	2,230.93		2,230.93	
A-24		10,850.49	10,850.49	
A-1	\$ 684,600.79	\$ 792,612.58	\$ 1,543,451.38	\$ 66,238.01

Fund Balance Anticipated

Miscellaneous Revenues:

Licenses:

Alcoholic Beverages

Fines and Costs - Municipal Court

Interest and Costs on Taxes

Mobile Home Fees

Boat Stalls

Cable TV Franchise Fees

Energy Receipts Tax

Uniform Construction Code Fees

Alcohol Education and Rehabilitation Fund

Body Armor Replacement Fund

Clean Communities Program

Community Development Block Grant

DOT 2016 Heron Road

DOT 2017 Curlew Road

Fish and Wildlife

Hazard Mitigation Grant Program

Homeland Security Grant

OEM 966

Recycling Revenue and Residue

Recycling Tonnage Grant

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

BOROUGH OF TUCKERTON

CURRENT FUND

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

REF.	BUDGET	ANTICIPATED		EXCESS OR (DEFICIT)
		SPECIAL N.J.S.A. 40A:4-87	REALIZED	
A-2	\$ 230,000.00	\$	\$ 229,433.37	\$ (566.63)
A-2	2,753,152.41		2,778,272.76	25,120.35
	4,321,753.20	792,612.58	5,205,157.51	90,791.73
A-1:A-2			159,032.13	159,032.13
	\$ 4,321,753.20	\$ 792,612.58	\$ 5,364,189.64	\$ 249,823.86

REF. A-3 A-3

ANALYSIS OF REALIZED REVENUE

Current Tax Collections	\$ 9,610,308.33
Appropriation "Reserve for Uncollected Taxes"	294,628.72
	<u>9,904,937.05</u>
Less: Allocated to School and County Taxes	7,126,664.29
A-2	\$ <u>2,778,272.76</u>

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

BOROUGH OF TUCKERTON

CURRENT FUND

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

REF.

INTEREST AND COSTS ON TAXES

Delinquent Interest Collections		\$ 63,206.12
6% Year End Penalty Collections	A-8	<u>2,006.33</u>
	A-10	<u>\$ 65,212.45</u>

RECEIPTS FROM DELINQUENT TAXES AND LIENS

Delinquent Tax Collections	A-6	\$ 225,640.31
Tax Title Liens	A-7	245.66
Property Maintenance Liens	A-15	<u>3,547.40</u>
	A-1:A-2	<u>\$ 229,433.37</u>

MISCELLANEOUS REVENUES

Revenue Accounts Receivable	A-10	\$ 734,850.01
Interfund - Federal and State Grant Fund	A-24	<u>808,601.37</u>
	A-1:A-2	<u>\$ 1,543,451.38</u>

ANALYSIS OF NON-BUDGET REVENUE

Birth Certificates		\$ 50.00
Certified Property List		100.00
Copy Fees		10.36
Death Certificates		5,390.00
Hurricane Sandy CDBG Round 4		46,237.83
Inspection Fines		1,700.00
Land Use Board Receipts		3,405.00
Marriage Certificate/License		363.00
NSF Fees - Collector		60.00
Police Applicant Fee		150.00
Police Copies		.25
Police Discovery		49.05
Police Firearms Permit		218.00
Police Miscellaneous		.15
Police Motor Vehicle		300.45
Police Reports		10.00
Polling Place		234.56
Prior Period Voided Checks		37,648.66
Recycling		16,577.36
SC/Vets and Homestead Benefit Administrative Fees		997.08
Soliciting Fee		355.00
Tax Collector Account Interest		274.23
Trailer License		300.00
Winter Storm - 01/22/16		38,411.93
Unclassified		<u>6,189.22</u>
	A-1:A-2:A-4	<u>\$ 159,032.13</u>

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

BOROUGH OF TUCKERTON

CURRENT FUND

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

	APPROPRIATED		EXPENDED	
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED / RESERVED
<u>OPERATIONS WITHIN CAPS</u>				
<u>GENERAL GOVERNMENT</u>				
Mayor and Council:				
Salaries and Wages	\$ 26,000.00	\$ 26,000.00	\$ 23,197.68	\$ 2,802.32
Other Expenses	2,500.00	800.00	783.99	16.01
Administrative and Executive:				
Salaries and Wages	29,000.00	26,874.57	26,806.00	68.57
Municipal Clerk:				
Salaries and Wages	70,000.00	64,000.00	63,057.86	942.14
Other Expenses	35,000.00	35,000.00	32,079.13	2,920.87
Financial Administration (Treasury):				
Salaries and Wages	85,000.00	81,000.00	80,494.70	505.30
Other Expenses	30,000.00	33,225.36	31,966.27	1,218.59
Audit Services:				
Other Expenses	27,000.00	27,000.00	14,800.00	12,200.00
Revenue Administration (Tax Collection):				
Salaries and Wages	57,000.00	57,000.00	56,361.92	638.08
Other Expenses	17,000.00	17,000.00	10,907.89	6,051.61
Tax Assessment Administration:				
Salaries and Wages	25,000.00	37,250.00	30,999.96	6,250.04
Other Expenses	5,000.00	5,000.00	1,865.01	3,134.99
Tax Map Revision	46,000.00	41,651.22	30,471.23	11,179.99
Complete Reassessment (Special Emergency \$150,000.00)		150,000.00	150,000.00	
Legal Services (Legal Department):				
Other Expenses	45,000.00	45,000.00	36,317.42	2,873.35
Engineering Services:				
Other Expenses	15,000.00	2,750.00	680.00	2,070.00
Economic Development Committee:				
Salaries and Wages	900.00	900.00	475.00	425.00
Other Expenses	4,000.00	4,000.00	3,181.11	818.89
Landmarks Commission (N.J.S.A. 40:55-10 et seq.):				
Other Expenses	1,500.00	1,500.00	675.00	825.00

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

BOROUGH OF TUCKERTON

CURRENT FUND

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

	APPROPRIATED		EXPENDED		
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED
<u>LAND USE ADMINISTRATION</u>					
Land Use Board:					
Salaries and Wages	\$ 12,000.00	\$ 12,000.00	\$ 12,000.00	\$	25.58
Other Expenses	8,000.00	8,000.00	7,974.42		
Environmental Commission:					
Salaries and Wages	900.00	900.00	825.00		75.00
Other Expenses	1,000.00	500.00			500.00
Waterways Commission:					
Salaries and Wages	900.00	900.00	675.00		225.00
Other Expenses	1,000.00	500.00			500.00
Zoning Board of Adjustment:					
Salaries and Wages	12,000.00	12,000.00	11,148.80		851.20
Other Expenses	1,500.00				
<u>INSURANCE</u>					
General Liability	50,000.00	51,787.79	51,787.79		
Workmen's Compensation	24,000.00	38,223.99	38,223.99		
Employee Group Health	298,000.00	322,574.57	322,049.84		524.73
Health Benefit Waiver	25,000.00	25,000.00	24,894.19		105.81
<u>PUBLIC SAFETY</u>					
Police Department:					
Salaries and Wages	675,000.00	694,950.00	687,984.52		6,965.48
Other Expenses	53,000.00	46,000.00	44,983.12	860.40	156.48
Crime Prevention:					
Other Expenses	300.00	300.00	300.00		
Office of Emergency Management:					
Salaries and Wages	5,000.00				
Other Expenses	4,000.00	123.00	123.00		
Aid to Volunteer Fire Company	60,000.00	60,000.00	60,000.00		
First Aid Organization Contribution	10,000.00	10,000.00	10,000.00		
Municipal Prosecutor's Office	7,500.00	7,500.00	6,000.00		1,500.00
Municipal Court:					
Salaries and Wages	78,000.00	78,000.00	74,115.58		3,884.42
Other Expenses	6,000.00	6,000.00	3,501.05		2,498.95

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

BOROUGH OF TUCKERTON

CURRENT FUND

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

	APPROPRIATED		BUDGET AFTER MODIFICATION	EXPENDED	
	BUDGET			PAID OR CHARGED	ENCUMBERED
<u>PUBLIC SAFETY (CONTINUED)</u>					
Public Defender:					
Other Expenses	\$ 4,500.00	\$ 4,500.00	\$ 4,392.50	\$	107.50
Public Employees Occupational Safety and Health Act:					
Other Expenses	1,000.00	1,000.00	1,000.00		
Code Enforcement:					
Salaries and Wages	25,000.00	25,000.00	24,896.04		103.96
Other Expenses	1,000.00	1,000.00	290.78		709.22
<u>PUBLIC WORKS</u>					
Streets and Road Maintenance:					
Salaries and Wages	181,000.00	181,000.00	178,020.62		2,979.38
Other Expenses	35,000.00	35,000.00	34,798.20	120.00	81.80
Snow Removal:					
Salaries and Wages	5,000.00	5,000.00	4,026.39		973.61
Other Expenses	5,000.00	5,000.00	9.18	1,591.75	3,399.07
Shade Tree Commission:					
Other Expenses	1,000.00				
Solid Waste Collection:					
Salaries and Wages	122,000.00	112,000.00	107,061.53		4,938.47
Other Expenses	6,000.00	4,000.00	2,851.07		1,148.93
Public Buildings and Grounds:					
Other Expenses	45,000.00	44,000.00	38,764.99	678.00	4,557.01
Building Supplies	15,000.00	10,850.26	9,148.36		1,701.90
Vehicle Maintenance:					
Salaries and Wages	51,000.00	51,000.00	50,859.88		140.12
Other Expenses	80,000.00	79,274.39	71,690.74	356.20	7,227.45
Recycling:					
Salaries and Wages	500.00	500.00	500.00		
Other Expenses	500.00	500.00	500.00		
Consultant Service	15,000.00	15,000.00	14,260.00		740.00
Condominium Community Cost:					
Other Expenses	10,000.00	10,000.00			10,000.00
<u>HEALTH AND HUMAN SERVICES</u>					
Public Health Services (Board of Health):					
Salaries and Wages	2,500.00				

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

BOROUGH OF TUCKERTON

CURRENT FUND

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

	APPROPRIATED		EXPENDED		
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED
HEALTH AND HUMAN SERVICES (CONTINUED)					
Public Health Services (Board of Health) (Continued):					
Other Expenses	\$ 2,000.00	\$	\$	\$	\$
Vaccinations	1,000.00				
Animal Control Services:					
Other Expenses	9,000.00	9,000.00	8,520.00		480.00
RECREATION AND EDUCATION					
Recreation Services and Programs:					
Other Expenses	500.00				
Municipal Alliance - Local Supplement	14,000.00	14,000.00	9,700.00		4,300.00
Participation in Free County Library:					
Other Expenses	5,000.00	5,000.00	5,000.00		
Celebration of Public Events:					
Other Expenses	2,500.00	2,500.00	2,500.00		
Pride and Celebration Committee:					
Salaries and Wages	900.00	900.00	750.00		150.00
Other Expenses	6,500.00	6,500.00	4,791.44		1,708.56
UNIFORM CONSTRUCTION CODE - APPROPRIATIONS OFFSET BY DEDICATED REVENUES (N.J.A.C. 5:23-4.17)					
Uniform Construction Code Enforcement Functions:					
Salaries and Wages	169,000.00	169,000.00	168,546.18		453.82
Other Expenses	15,000.00	15,000.00	13,210.52	51.00	1,738.48
UNCLASSIFIED					
Electricity	33,000.00	33,000.00	21,719.74		11,280.26
Street Lighting	45,000.00	45,000.00	44,338.34		661.66
Telephone	30,000.00	30,751.39	30,043.14	708.25	
Natural Gas and Fuel Oil	6,000.00	6,000.00	5,842.88		157.12
Telecommunications	22,000.00	22,000.00	22,000.00		
Gasoline	45,000.00	45,000.00	43,104.86		1,895.14
Landfill/Solid Waste Disposal Costs	195,000.00	165,000.00	163,872.29	219.50	908.21
Total Operations within Caps	<u>3,061,400.00</u>	<u>3,184,486.54</u>	<u>3,038,716.14</u>	<u>7,539.45</u>	<u>138,230.95</u>
Detail:					
Salaries and Wages	1,633,600.00	1,636,174.57	1,602,802.66		33,371.91
Other Expenses	<u>1,427,800.00</u>	<u>1,548,311.97</u>	<u>1,435,913.48</u>	<u>7,539.45</u>	<u>104,859.04</u>

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

BOROUGH OF TUCKERTON
CURRENT FUND

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

	APPROPRIATED		EXPENDED		
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED
<u>DEFERRED CHARGES AND STATUTORY EXPENDITURES WITHIN CAPS</u>					
Deferred Charges:					
Overexpended 2015 Budget Appropriations	\$ 3,035.69	\$ 3,035.69	\$ 3,035.69	\$	\$
Statutory Expenditures:					
Contribution to:					
Public Employees Retirement System	65,660.00	65,660.00	58,588.18		7,071.82
Social Security System (O.A.S.I.)	110,000.00	120,200.00	119,912.59		287.41
Police and Firemen's Retirement System of NJ	142,526.00	142,526.00	142,011.16		514.84
Defined Contribution Retirement Program	1,974.00	1,974.00	426.00		1,548.00
Unemployment and Disability Insurance	8,000.00	12,713.46	12,040.89		672.57
Total Deferred Charges and Statutory Expenditures within Caps	331,195.69	346,109.15	336,014.51		10,094.64
Total Appropriations within Caps	3,392,595.69	3,530,595.69	3,374,730.65	7,539.45	148,325.59
<u>OPERATIONS EXCLUDED FROM CAPS</u>					
911 Emergency Services:					
Salaries and Wages	208,000.00	220,000.00	219,583.15		416.85
Shared Services Agreements:					
Dispatching Services - Little Egg Harbor Twp.	83,000.00	83,000.00	82,774.20		225.80
<u>PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES</u>					
Alcohol Education and Rehabilitation Fund (40A:4-87 + 450.38)	302.16	752.54	752.54		
Body Armor Replacement Fund (40A:4-87 + 1,464.14)		1,464.14	1,464.14		
Clean Communities Program (40A:4-87 + 8,856.82)		8,856.82	8,856.82		
Community Development Block Grant (40A:4-87 + 31,000.00)		31,000.00	31,000.00		
DOT 2016 Heron Road (40A:4-87 + 325,000.00)		325,000.00	325,000.00		
DOT 2017 Curlew Road (40A:4-87 + 200,000.00)		200,000.00	200,000.00		
Fish and Wildlife (40A:4-87 + 847.00)		847.00	847.00		
Hazard Mitigation Grant Program (40A:4-87 + 209,200.00)		209,200.00	209,200.00		
Homeland Security Grant	13,455.70	13,455.70	13,455.70		
OEM - 966 (40A:4-87 + 4,943.75)		4,943.75	4,943.75		
Recycling Revenue and Residue	2,230.93	2,230.93	2,230.93		
Recycling Tonnage Grant (40A:4-87 + 10,850.49)		10,850.49	10,850.49		
Total Operations Excluded from Caps	306,988.79	1,111,601.37	1,110,958.72		642.65

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

BOROUGH OF TUCKERTON

CURRENT FUND

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

	<u>REF.</u>	<u>APPROPRIATED BUDGET AFTER MODIFICATION</u>
Appropriation by 40A:4-87	A-2	\$ 792,612.58
Special Emergency Appropriation by 40A:4-55	A-11	150,000.00
Emergency Appropriation by 40A:4-47	A-11	20,000.00
Budget	A-3	<u>4,321,753.20</u>
		\$ <u><u>5,284,365.78</u></u>
		<u>EXPENDED PAID OR CHARGED</u>
Reserve for Uncollected Taxes	A-2	\$ 294,628.72
Disbursements	A-4	3,871,592.31
Deferred Charges - Overexpended 2015 Budget Appropriations	A-11	3,035.69
Transfer to Miscellaneous Reserves	A-21	150,000.00
Interfund - Federal and State Grant Fund	A-24	<u>808,601.37</u>
		\$ <u><u>5,127,858.09</u></u>

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

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TRUST FUND

BOROUGH OF TUCKERTON

TRUST FUND

BALANCE SHEETS - REGULATORY BASIS

<u>ASSETS</u>	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2017</u>	<u>BALANCE DECEMBER 31, 2016</u>
Animal Control Trust Fund:			
Cash and Cash Equivalents	B-1	\$ 1,008.67	\$ 1,218.87
Interfunds Receivable	B-4	103.40	103.40
		<u>1,112.07</u>	<u>1,322.27</u>
Trust - Other:			
Cash and Cash Equivalents	B-1	<u>520,071.28</u>	<u>685,599.90</u>
		<u>520,071.28</u>	<u>685,599.90</u>
		<u>\$ 521,183.35</u>	<u>\$ 686,922.17</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCES</u>			
Animal Control Trust Fund:			
Reserve for Animal Control Trust Fund Expenditures	B-2	\$ 899.67	\$ 1,322.27
Due State of New Jersey	B-3	2.40	
Reserve for Encumbrances	B-5	210.00	
		<u>1,112.07</u>	<u>1,322.27</u>
Trust - Other:			
Interfunds Payable	B-4	39,608.19	93,207.67
Reserve for Encumbrances	B-5	3,201.84	
Miscellaneous Reserves	B-6	<u>477,261.25</u>	<u>592,392.23</u>
		<u>520,071.28</u>	<u>685,599.90</u>
		<u>\$ 521,183.35</u>	<u>\$ 686,922.17</u>

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

GENERAL CAPITAL FUND

BOROUGH OF TUCKERTON

GENERAL CAPITAL FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2017</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2016</u>
<u>ASSETS</u>			
Cash and Cash Equivalents	C-2	\$ 44,248.85	\$ 233,480.35
Deferred Charges to Future Taxation:			
Funded	C-4		1,816,896.39
Unfunded	C-5	707,533.01	30,658.01
Economic Development Authority Loan Receivable	C-6	271,527.65	913,900.75
Interfunds Receivable	C-12	601,061.77	
		<u>\$ 1,624,371.28</u>	<u>\$ 2,994,935.50</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Improvement Authorizations:			
Funded	C-7	\$ 133,951.03	\$ 1,032,470.53
Unfunded	C-7	637,814.85	24,995.40
Serial Bonds Payable	C-8		318,000.00
Bond Anticipation Notes Payable	C-9	676,875.00	
Economic Development Authority Loan Payable	C-10		1,498,896.39
Capital Improvement Fund	C-11	1,710.71	17,335.71
Interfunds Payable	C-12		85,810.06
Miscellaneous Reserves	C-13	12,525.00	12,525.00
Reserve for Encumbrances	C-7	157,592.28	1,000.00
Fund Balance	C-1	3,902.41	3,902.41
		<u>\$ 1,624,371.28</u>	<u>\$ 2,994,935.50</u>

There were bonds and notes authorized but not issued on December 31, 2017 of \$30,658.01 (Schedule C-14).

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

BOROUGH OF TUCKERTON

GENERAL CAPITAL FUND

STATEMENT OF CAPITAL FUND BALANCE - REGULATORY BASIS

	<u>REF.</u>	
Balance, December 31, 2016 and 2017	C	\$ <u>3,902.41</u>

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

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WATER-SEWER UTILITY FUND

BOROUGH OF TUCKERTON
WATER-SEWER UTILITY FUND
BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2017</u>	<u>BALANCE DECEMBER 31, 2016</u>
<u>ASSETS</u>			
Operating Fund:			
Cash and Cash Equivalents	D-5	\$ 424,294.67	\$ 213,113.69
Change Fund		50.00	50.00
Interfunds Receivable	D-13	80,287.69	396,119.25
		<u>504,632.36</u>	<u>609,282.94</u>
Receivables with Full Reserves:			
Water Rents Receivable	D-7	107,860.94	143,111.90
Sewer Rents Receivable	D-8	202,623.14	275,018.70
Water-Sewer Utility Liens	D-9	6,265.68	3,533.13
		<u>316,749.76</u>	<u>421,663.73</u>
<u>Total Operating Fund</u>		<u>821,382.12</u>	<u>1,030,946.67</u>
Capital Fund:			
Cash and Cash Equivalents	D-5	59,721.64	59,921.64
Fixed Capital	D-16	23,111,649.61	23,111,449.61
Fixed Capital Authorized and Uncompleted	D-17	4,347,942.68	653,142.68
New Jersey Infrastructure Loan Receivable	D-18	112,109.00	112,109.00
Interfunds Receivable	D-19	53,350.34	53,350.34
<u>Total Capital Fund</u>		<u>27,684,773.27</u>	<u>23,989,973.27</u>
		<u>\$ 28,506,155.39</u>	<u>\$ 25,020,919.94</u>

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

BOROUGH OF TUCKERTON
WATER-SEWER UTILITY FUND
BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2017</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2016</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Operating Fund:			
Appropriation Reserves	D-4:D-14	\$ 74,927.51	\$ 75,801.07
Water-Sewer Overpayments	D-5	6,647.99	9,498.71
Deferred Revenue	D-10	70,960.13	68,878.13
Accounts Payable	D-11	1,225.36	84.65
Accrued Interest on Bonds, Notes and Loans	D-12	81,793.65	66,153.19
Reserve for Encumbrances	D-15	<u>32,822.83</u>	<u>14,398.54</u>
		268,377.47	234,814.29
Reserve for Receivables		316,749.76	421,663.73
Fund Balance	D-1	<u>236,254.89</u>	<u>374,468.65</u>
<u>Total Operating Fund</u>		<u>821,382.12</u>	<u>1,030,946.67</u>
Capital Fund:			
Serial Bonds Payable	D-20	4,125,000.00	4,495,000.00
Bond Anticipation Notes Payable	D-21	300,000.00	350,000.00
New Jersey Environmental Infrastructure Trust Loan Payable	D-22	3,626,831.16	3,961,023.92
Improvement Authorizations:			
Funded	D-23	443,137.48	443,137.48
Unfunded	D-23	3,899,353.71	204,553.71
Capital Improvement Fund	D-24	22,572.87	22,572.87
Reserve for Improvements to Water System	D-25	5,451.49	5,451.49
Reserve for Amortization	D-26	14,813,573.16	14,059,380.40
Deferred Reserve for Amortization	D-27	448,588.97	448,588.97
Fund Balance	D-2	<u>264.43</u>	<u>264.43</u>
<u>Total Capital Fund</u>		<u>27,684,773.27</u>	<u>23,989,973.27</u>
		<u>\$ 28,506,155.39</u>	<u>\$ 25,020,919.94</u>

There were bonds and notes authorized but not issued on December 31, 2017 of \$4,145,599.00 (Schedule D-28).

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

BOROUGH OF TUCKERTON

WATER-SEWER UTILITY OPERATING FUND

STATEMENTS OF OPERATIONS
AND CHANGES IN OPERATING FUND BALANCE - REGULATORY BASIS

	<u>REF.</u>	<u>YEAR ENDED</u> <u>DECEMBER</u> <u>31, 2017</u>	<u>YEAR ENDED</u> <u>DECEMBER</u> <u>31, 2016</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>			
Fund Balance Utilized	D-3	\$ 296,480.00	\$ 111,776.69
Water Rents	D-3	753,300.80	762,705.93
Sewer Rents	D-3	1,406,299.16	1,432,310.40
Miscellaneous	D-3	81,421.66	66,901.91
Other Credits to Income:			
Canceled Accounts Payable	D-11	84.65	
Unexpended Balance of Appropriation Reserves	D-14	68,359.88	156,219.34
		<u>2,605,946.15</u>	<u>2,529,914.27</u>
<u>TOTAL INCOME</u>			
<u>EXPENDITURES</u>			
Operating	D-4	1,438,752.20	1,339,174.10
Debt Service	D-4	918,387.56	816,605.18
Statutory Expenditures	D-4	89,340.00	74,278.00
	D-4	<u>2,446,479.76</u>	<u>2,230,057.28</u>
Refund of Prior Year Revenue	D-5	1,200.15	
		<u>2,447,679.91</u>	<u>2,230,057.28</u>
Excess in Revenue		158,266.24	299,856.99
Fund Balance January 1	D	374,468.65	186,388.35
		<u>532,734.89</u>	<u>486,245.34</u>
Less: Utilized as Anticipated Revenue	D-1	<u>296,480.00</u>	<u>111,776.69</u>
Fund Balance December 31	D	<u>\$ 236,254.89</u>	<u>\$ 374,468.65</u>

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

"D-2"

BOROUGH OF TUCKERTON
WATER-SEWER UTILITY CAPITAL FUND
STATEMENT OF UTILITY CAPITAL FUND BALANCE - REGULATORY BASIS

REF.

Balance December 31, 2016 and 2017	D	\$ <u>264.43</u>
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"D-3"

WATER-SEWER UTILITY OPERATING FUND
STATEMENTS OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017

		<u>ANTICIPATED</u>	<u>REALIZED</u>	<u>EXCESS OR (DEFICIT)</u>
Fund Balance Anticipated	D-1	\$ <u>296,480.00</u>	\$ <u>296,480.00</u>	\$ _____
Rents - Water	D-1:D-7	750,000.00	753,300.80	3,300.80
Rents - Sewer	D-1:D-8	<u>1,400,000.00</u>	<u>1,406,299.16</u>	<u>6,299.16</u>
Budget Totals		2,446,480.00	2,456,079.96	9,599.96
Non-Budget Revenues	D-1:D-3	_____	<u>81,421.66</u>	<u>81,421.66</u>
		\$ <u>2,446,480.00</u>	\$ <u>2,537,501.62</u>	\$ <u>91,021.62</u>

REF.

D-4

ANALYSIS OF MISCELLANEOUS REVENUE

Connections	\$ 16,860.00
Interest on Delinquent User Charges	24,586.66
Miscellaneous	<u>39,975.00</u>
	D-3:D-5
	\$ <u>81,421.66</u>

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

BOROUGH OF TUCKERTON

WATER-SEWER UTILITY OPERATING FUND

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

	APPROPRIATIONS		BUDGET AFTER MODIFICATION	PAID OR CHARGED	EXPENDED		RESERVED	UNEXPENDED BALANCE CANCELED
	2017 BUDGET				ENCUMBERED			
Operating:								
Salaries and Wages	\$ 337,000.00	\$	337,000.00	\$ 302,856.73	\$	\$	34,143.27	\$
Other Expenses	440,000.00		424,752.20	391,929.37		32,822.83		
Ocean County Utilities Authority	495,000.00		495,000.00	493,988.38			1,011.62	
Group Insurance	92,000.00		92,000.00	92,000.00				
Other Insurance	90,000.00		90,000.00	63,623.12			26,376.88	
Debt Service:								
Payment of Bond Principal	370,000.00		370,000.00	370,000.00				
Payment of Bond Anticipation and Capital Notes	50,000.00		50,000.00	50,000.00				
Interest on Bonds	169,650.00		169,650.00	169,650.00				
Interest on Notes	4,010.00		4,010.00	4,010.00				
NJ Environmental Infrastructure Trust Loan								
Repayments for:								
Principal	250,111.00		250,111.00	250,110.76				.24
Interest	59,369.00		74,616.80	74,616.80				
Statutory Expenditures:								
Contribution to:								
Public Employees Retirement System	32,340.00		32,340.00	32,340.00				
Social Security System (O.A.S.I.)	55,000.00		55,000.00	43,168.27			11,831.73	
Unemployment Compensation Insurance	2,000.00		2,000.00	435.99			1,564.01	
	<u>\$ 2,446,480.00</u>	<u>\$</u>	<u>2,446,480.00</u>	<u>\$ 2,338,729.42</u>	<u>\$</u>	<u>32,822.83</u>	<u>\$ 74,927.51</u>	<u>\$</u>
	REF. D-3			D-1		D-1:D-15	D:D-1	D-1
Disbursements				\$ 2,090,452.62				
Accrued Interest on Bonds, Notes and Loans				<u>248,276.80</u>				
				<u>\$ 2,338,729.42</u>				

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

GENERAL FIXED ASSETS ACCOUNT GROUP

BOROUGH OF TUCKERTON
GENERAL FIXED ASSETS ACCOUNT GROUP
BALANCE SHEETS - REGULATORY BASIS

	<u>DECEMBER</u> <u>31, 2017</u>	<u>DECEMBER</u> <u>31, 2016</u>
General Fixed Assets:		
Land and Buildings	\$ 8,925,034.00	\$ 8,925,034.00
Office and Other Equipment	477,736.54	250,137.09
Vehicles	<u>1,600,055.22</u>	<u>1,600,055.22</u>
<u>TOTAL GENERAL FIXED ASSETS</u>	<u>\$ 11,002,825.76</u>	<u>\$ 10,775,226.31</u>
Investment in General Fixed Assets	<u>\$ 11,002,825.76</u>	<u>\$ 10,775,226.31</u>

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

NOTES TO FINANCIAL STATEMENTS

BOROUGH OF TUCKERTON

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Borough of Tuckerton is an instrumentality of the State of New Jersey established to function as a municipality. The Borough Council consists of elected officials and is responsible for the fiscal control of the Borough.

Except as noted below, the financial statements of the Borough of Tuckerton include every board, body, office or commission supported and maintained wholly or in part by funds appropriated by the Borough of Tuckerton, as required by N.J.S.A. 40A:5-5. Accordingly, the financial statements of the Borough of Tuckerton do not include the operations of the municipal library, first aid organization, volunteer fire companies, the local school district or the regional school district, in as much as their activities are administered by separate boards.

B. Description of Funds

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

The accounting policies of the Borough of Tuckerton conform to the accounting principles applicable to municipalities which have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the financial transactions and accounts of the Borough of Tuckerton are organized on the basis of funds and account groups which is different from the fund structure required by GAAP. A fund or account group is an accounting entity with a separate set of self-balancing accounts established to record the financial position and results of operation of a specific governmental activity. As required by the Division of Local Government Services, the Borough accounts for its financial transactions through the following individual funds and account groups:

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Description of Funds (Continued)

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

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

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

Water-Sewer Operating and Capital Funds - account for the operations and acquisition of capital facilities of the municipally-owned water - sewer utility

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

C. Basis of Accounting

The accounting principles and practices prescribed for municipalities by the State of New Jersey differ in certain respects from generally accepted accounting principles applicable to local governmental units. The more significant accounting policies and differences in the State of New Jersey are as follows:

A modified accrual basis of accounting is followed with minor exceptions.

Revenues - are recorded when received in cash except for certain amounts which are due from other governmental units. Federal and state grants are realized as revenue when anticipated in the Borough's budget. Receivables for property taxes are recorded with offsetting reserves on the balance sheet of the Borough's Current Fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due the Borough which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenue when received. GAAP requires revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

Expenditures - are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with the Encumbrance Accounting System.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Expenditures (Continued)

Outstanding encumbrances at December 31 are reported as a cash liability in the financial statements and constitute part of the Borough's statutory Appropriation Reserve balance. Appropriation reserves covering unexpended appropriation balances are automatically created at December 31st of each year and recorded as liabilities except for amounts which may be canceled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments, or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income. Appropriations for principal payments on outstanding general capital and utility bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis, whereas interest on utility indebtedness is on the accrual basis.

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

Foreclosed Property - is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved. GAAP requires such property to be recorded in the General Fixed Assets Account Group at its market value.

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

Interfunds - Interfund receivables in the Current Fund are recorded with offsetting reserves which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves. GAAP does not require the establishment of an offsetting reserve.

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

General Fixed Assets (Continued)

Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. No depreciation has been provided on general fixed assets or reported in the financial statements.

The Borough has developed a fixed assets accounting and reporting system based upon an inspection and historical cost analysis except for land and buildings acquired prior to December 31, 1985 which are stated at current replacement values as permitted by N.J.A.C. 5:30-5.6. Except for land and buildings, fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. General Fixed Assets that have been acquired and are utilized in a governmental fund operation are accounted for in the General Fixed Assets Account Group rather than in a governmental fund.

Expenditures for construction in progress are recorded in the Capital Funds until such time as the construction is completed and put into operation.

Fixed assets acquired through grants in aid or contributed capitals have not been accounted for separately.

Inventories of Supplies - The cost of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The cost of inventories is not included on the various balance sheets. GAAP requires the cost of inventories to be reported as a current asset and equally offset by a fund balance reserve.

Fixed Capital - Water-Sewer Utility

Accounting for utility fund "fixed capital" remains unchanged under the requirements of N.J.A.C. 5:30-5.6.

Property and equipment purchased by the Water-Sewer Utility Fund are recorded in the capital account at cost and are adjusted for disposition and abandonment. The amounts shown do not purport to represent reproduction costs or current value. The fixed capital reported is as taken from the municipal records and does not necessarily reflect the true condition of such fixed capital. Contributions in aid of construction are not capitalized. The balance in the Reserve for Amortization account in the utility capital fund represents charges to operations for the cost of acquisitions of property, equipment and improvements. The utility does not record depreciation on fixed assets.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Accounting and Financial Reporting for Pensions - The Governmental Accounting Standards Board (GASB) approved Statement No. 68 Accounting and financial reporting for pensions administered by state and local government employers. This Statement improves accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local government employers about financial support for pensions that is provided by other entities.

Statement 68 requires a state or local government employer (or non-employer contributing entity in a special funding situation) to recognize a net pension liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year. If a state or local government employer or non-employer contributing entity makes a contribution to a defined benefit pension plan between the measurement date of the reported net pension liability and the end of the government's reporting period, Statement 68 requires that the government recognize its contribution as a deferred outflow of resources.

In addition, Statement 68 requires recognition of deferred outflows of resources and deferred inflows of resources for changes in the net pension liability of a state or local government employer or non-employer contributing entity that arise from other types of events.

Under GAAP, municipalities are required to recognize the pension liability in Statements of Revenues, Expenses, Changes in Net Position (balance sheets) and Notes to the Financial Statements in accordance with GASB 68. The liability required to be displayed by GASB 68 is displayed as a separate line item in the Unrestricted Net Position area of the balance sheet.

New Jersey's municipalities and counties do not follow GAAP accounting principles and, as such, do not follow GASB requirements with respect to recording the net pension liability as a liability on their balance sheets. However, N.J.A.C.5:30 6.1(c)(2) requires municipalities to disclose GASB 68 information in the Notes to the Financial Statements. The disclosure must meet the requirements of GASB 68.

D. Basic Financial Statements

The GASB codification also defines the financial statements of a governmental unit to be presented in the general purpose financial statements to be held in accordance with GAAP. The Borough presents the financial statements listed in the table of contents of the "Requirements of Audit and Accounting Revision of 1987" as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and which differ from the financial statements required by GAAP.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Basic Financial Statements (Continued)

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

NOTE 2: CASH AND CASH EQUIVALENTS

A. Deposits

New Jersey statutes permit the deposit of public funds in institutions which are located in New Jersey and which meet the requirements of the Governmental Unit Deposit Protection Act (GUDPA) or the State of New Jersey Cash Management Fund. GUDPA requires a bank that accepts public funds to be a public depository. A public depository is defined as a state bank, a national bank, or a savings bank, which is located in the State of New Jersey, the deposits of which are insured by the Federal Deposit Insurance Corporation. The statutes also require public depositories to maintain collateral for deposits of public funds that exceed certain insurance limits. All collateral must be deposited with the Federal Reserve Bank or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.00.

The Borough of Tuckerton had the following cash and cash equivalents at December 31, 2017:

	CHANGE FUND	CASH IN BANK	ADDITIONS	DELETIONS	RECONCILED BALANCE
Current Fund	\$100.00	\$1,951,027.91	\$109,853.58	\$79,443.24	\$1,981,538.25
Grant Fund		253,315.59			253,315.59
Animal Control Trust Fund		1,008.67			1,008.67
Trust Other Fund		535,926.63	\$57,980.00	73,835.35	520,071.28
General Capital Fund		166,178.11		121,929.26	44,248.85
Water-Sewer Operating Fund	50.00	368,965.63	57,121.22	1,792.18	424,344.67
Water-Sewer CapitalFund		59,921.64		200.00	59,721.64
	<u>\$150.00</u>	<u>\$3,336,344.18</u>	<u>\$224,954.80</u>	<u>\$277,200.03</u>	<u>\$3,284,248.95</u>

Custodial Credit Risk - Deposits - Custodial credit risk is the risk that in the event of a bank failure, the deposits may not be returned. The Borough does not have a specific deposit policy for custodial credit risk other than those policies that adhere to the requirements of statute. As of December 31, 2017, based upon the coverage provided by FDIC and NJ GUDPA, no amount of the bank balance was exposed to custodial credit risk. Of the cash on deposit in the bank, \$250,000.00 was covered by Federal Depository Insurance and \$3,086,344.18 was covered by NJ GUDPA.

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

B. Investments

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

1. Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
2. Government money market mutual funds which are purchased from an investment company or investment trust which is registered with the Securities and Exchange Commission under the "Investment Company Act of 1940," 15 U.S.C. 80a-1 et seq., and operated in accordance with 17 C.F.R. § 270.2a-7 and which portfolio is limited to U.S. Government securities that meet the definition of an eligible security pursuant to 17 C.F.R. § 270.2a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 5-15.1. These funds are also required to be rated by a nationally recognized statistical rating organization.
3. Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
4. Bonds or other obligations of the Local Unit or bonds or other obligations of school districts of which the Local Unit is a part or within which the school district is located.
5. Bonds or other obligations, having a maturity date not more than 397 days from date of purchase, approved by the Division of Investment of the Department of Treasury for investment by Local Units;
6. Local government investment pools that are fully invested in U.S. Government securities that meet the definition of eligible security pursuant to 17 C.F.R. § 270a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 5-15.1. This type of investment is also required to be rated in the highest category by a nationally recognized statistical rating organization.
7. Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C. 52:18A-90.4); or

NOTE 3: MUNICIPAL DEBT (CONTINUED)

SUMMARY OF MUNICIPAL DEBT

	<u>YEAR 2017</u>	<u>YEAR 2016</u>	<u>YEAR 2015</u>
Issued:			
General:			
Bonds, Notes and Loans	\$ 676,875.00	\$ 1,816,896.39	\$ 1,145,500.00
Water - Sewer Utility:			
Bonds, Notes and Loans	<u>8,051,831.16</u>	<u>8,806,023.92</u>	<u>9,402,272.39</u>
Total Issued	<u>\$ 8,728,706.16</u>	<u>\$ 10,622,920.31</u>	<u>\$ 10,547,772.39</u>
Authorized But Not Issued:			
General:			
Bonds, Notes and Loans	\$ 30,658.01	\$ 30,658.01	\$ 30,658.01
Water - Sewer Utility:			
Bonds, Notes and Loans	<u>4,145,599.00</u>	<u>450,599.00</u>	<u>450,599.00</u>
Total Authorized But Not Issued	<u>\$ 4,176,257.01</u>	<u>\$ 481,257.01</u>	<u>\$ 481,257.01</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$ 12,904,963.17</u>	<u>\$ 11,104,177.32</u>	<u>\$ 11,029,029.40</u>

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

Equalized Valuation Basis* - December 31, 2017	\$ <u>398,940,403.67</u>
3-1/2 of Equalized Valuation Basis (Municipal)	\$ 13,962,914.13
Net Debt	<u>707,533.01</u>
Remaining Borrowing Power	\$ <u>13,255,381.12</u>

*Equalized Valuation Basis is the average of the equalized valuation of real estate, including improvements, and the assessed valuation of Class II Rail Road Property of the Borough of Tuckerton for the last three (3) preceding years.

NOTE 3: MUNICIPAL DEBT (CONTINUED)

CALCULATION OF "SELF-LIQUIDATING PURPOSE" WATER-SEWER UTILITY
PER N.J.S. 40A:2-45

Revenue from Fees, Rents, and Other Charges for Year and Fund Balance		\$ 2,537,501.62
Deductions:		
Operating and Maintenance Cost	\$ 1,528,092.20	
Debt Service per Water-Sewer Account	<u>918,387.56</u>	
Total Deductions		<u>2,446,479.76</u>
Excess in Revenue - Self-Liquidating		\$ <u><u>91,021.86</u></u>

LONG-TERM DEBT OBLIGATIONS:

Water-Sewer Utility Capital Fund:

Various % General Obligation Bonds Series 2009 issued January 7, 2009, installment maturities to January 1, 2019		\$ 380,000.00
Various % Refunding Bonds Series 2015 issued December 30, 2015, installment maturities to March 1, 2038		<u>3,745,000.00</u>
		<u>\$4,125,000.00</u>

The Water-Sewer Utility Capital Fund bonds Mature serially in installments to the year 2038. Aggregate debt service requirements during the next five fiscal years and thereafter are as follows:

<u>YEAR</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>
2018	\$ 385,000.00	\$ 154,900.00
2019	400,000.00	138,425.00
2020	410,000.00	123,350.00
2021	380,000.00	109,600.00
2022	345,000.00	95,100.00
2023-27	1,155,000.00	300,100.00
2028-32	575,000.00	152,500.00
2033-37	435,000.00	45,700.00
2038	<u>40,000.00</u>	<u>800.00</u>
Total	\$ <u><u>4,125,000.00</u></u>	\$ <u><u>1,120,475.00</u></u>

NOTE 3: MUNICIPAL DEBT (CONTINUED)

LONG-TERM DEBT OBLIGATIONS (CONTINUED):

Water-Sewer Utility Capital Fund (Continued)

New Jersey Environmental Infrastructure Trust Water Supply Well and an Additional Filter Loan:

The Borough received a \$632,164 low interest loan (variable rate) under the New Jersey Environmental Infrastructure Trust Loan Program. The balance December 31, 2017 was \$191,726. Loan payments are due semi-annually to the year 2022.

New Jersey Environmental Infrastructure Trust Renovations to Existing Pump Stations Loan:

The Borough received a \$1,179,000 low interest loan (variable rate) under the New Jersey Environmental Infrastructure Trust Loan Program. The balance December 31, 2017 was \$556,015. Loan payments are due semi-annually to the year 2025.

New Jersey Environmental Infrastructure Trust Water Main Replacement, Sewer Main Replacement and Water Main Replacement/Water Tower Loans:

The Borough received a \$490,000, a \$1,577,600 and a \$1,116,051 low interest loan (variable rate) under the New Jersey Environmental Infrastructure Trust Loan Program. The balances December 31, 2017 were \$458,814, \$1,469,583 and \$950,694 respectively. Loan payments are due semi-annually to the year 2035.

Debt Service requirements during the next five fiscal years and thereafter are as follows:

<u>YEAR</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>
2018	\$ 253,579	\$ 55,219
2019	251,992	50,731
2020	250,404	46,244
2021	265,152	41,669
2022	263,237	36,669
2023-27	1,031,250	118,663
2028-32	856,437	60,069
2033-35	<u>454,780</u>	<u>12,580</u>
Total	\$ <u><u>3,626,831</u></u>	\$ <u><u>421,844</u></u>

NOTE 3: MUNICIPAL DEBT (CONTINUED)

SHORT-TERM DEBT OBLIGATIONS:

Outstanding Special Emergency Notes and Bond Anticipation Notes are summarized as follows:

Current Fund:

<u>DATE OF ORIGINAL ISSUE</u>	<u>DATE OF ISSUE</u>	<u>DATE OF MATURITY</u>	<u>INTEREST RATE</u>	<u>AMOUNT</u>
11/01/17	11/01/17	11/01/18	1.70%	\$ <u>150,000.00</u>

General Capital Fund:

<u>ORDINANCE NUMBER</u>	<u>DATE OF ORIGINAL ISSUE</u>	<u>DATE OF ISSUE</u>	<u>DATE OF MATURITY</u>	<u>INTEREST RATE</u>	<u>AMOUNT</u>
02-17	11/01/17	11/01/17	11/01/18	1.70%	\$ 296,875.00
03-17	11/01/17	11/01/17	11/01/18	1.70%	<u>380,000.00</u>
					<u>676,875.00</u>

Water-Sewer Utility Capital Fund:

<u>ORDINANCE NUMBER</u>	<u>DATE OF ORIGINAL ISSUE</u>	<u>DATE OF ISSUE</u>	<u>DATE OF MATURITY</u>	<u>INTEREST RATE</u>	<u>AMOUNT</u>
10-13	12/06/13	11/01/17	11/01/18	1.70%	\$ <u>300,000.00</u>

BONDS AND NOTES AUTHORIZED BUT NOT ISSUED:

At December 31, 2017, the Borough has authorized but not issued bonds and notes as follows:

General Capital Fund	\$ 30,658.01
Water-Sewer Utility Capital Fund	\$ 4,145,599.00

NOTE 4: COMPENSATED ABSENCES

Under the terms of various contracts, Borough employees are allowed to accumulate unused vacation and sick pay over the life or their working careers which may be taken as time off or paid at a later date. It is estimated that the current cost of such unpaid compensation would approximate \$346,440. Under accounting principles and practices prescribed by the Division of Local Government Services, Department of Community affairs, State of New Jersey, the accumulated cost of such unpaid compensation is not required to be reported in the financial statements as presented and any amounts required to be paid are raised in that year's budget and no liability is accrued on December 31, 2017. The Borough has accumulated \$5,214 for this purpose in the Trust Other Fund and has budgeted nothing in 2018. The Borough must budget funds to provide for these liabilities as they arise.

NOTE 5: FUND BALANCES APPROPRIATED

Fund balances at December 31, 2017 which were appropriated and included as anticipated revenue in their own respective funds for the year ending December 31, 2018, as introduced were as follows:

Current Fund	\$ 273,991
Water-Sewer Utility Fund	\$ 236,255

NOTE 6: PROPERTY TAXES

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied based on the final adoption of the current year municipal budget, and are payable in four installments on February 1, May 1, August 1 and November 1. The Borough bills and collects its own property taxes and also the taxes for the County, the Local School District and the Regional School District. The collections and remittance of county and school taxes are accounted for in the Current Fund. Borough property tax revenues are recognized when collected in cash and any receivables are recorded with offsetting reserves on the balance sheet of the Borough's Current Fund.

NOTE 7: TAXES AND WATER-SEWER CHARGES COLLECTED IN ADVANCE

Taxes and water-sewer charges collected in advance and recorded as cash liabilities in the financial statements are as follows:

	BALANCE DECEMBER <u>31, 2017</u>	BALANCE DECEMBER <u>31, 2016</u>
Prepaid Taxes	\$ 358,766	\$ 158,205
Prepaid Water-Sewer Charges	70,960	68,878

NOTE 8: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2017, the following deferred charges are shown on the balance sheets of the various funds:

	<u>BALANCE DECEMBER 31, 2017</u>	<u>2018 BUDGET APPROPRIATION</u>	<u>BALANCE TO BUDGETS OF SUCCEEDING YEARS</u>
<u>Current Fund:</u>			
Expenditures			
Without			
Appropriation	\$ 243,104.57	\$ 243,104.57	\$
Downpayment on			
Improvements	20,000.00	20,000.00	
Revaluation/ Reassessment	150,000.00	30,000.00	120,000.00

NOTE 9: CONTINGENT LIABILITIES

The Borough participates in several federal and state financial assistance grant programs. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditures of funds for eligible purposes. These programs are subject to compliance and financial audits by the grantors or their representatives. As of December 31, 2017, the Borough does not believe that any material liabilities will result from such audits.

NOTE 10: LITIGATION

The Borough is a member of the Ocean County Municipal Joint Insurance Fund, and any and all claims for damages under the New Jersey Tort Claims Act are covered by the self-insurance pool provided by the Fund. There is no anticipated or pending tort claim litigation which will result in any direct and uninsured liability of the Borough. Rather, all matters of tort claim have adequate insurance protection.

It is the opinion of the Borough officials that there is no litigation threatened, or pending that would materially affect the financial position of the Borough or adversely affect the Borough's ability to levy, collect and enforce the collection of taxes or other revenue for the payment of its bonds or other obligations.

NOTE 11: RISK MANAGEMENT

The Borough is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Borough is a member of the Ocean County Municipal Joint Insurance Fund, and the Municipal Excess Liability Fund, public entity risk pools currently operating as a common risk management and insurance program for municipalities within the State. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Borough. Settled claims have not exceeded insurance coverage in any of the past three fiscal years.

NOTE 12: INTERFUND RECEIVABLES AND PAYABLES

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

<u>FUND</u>	<u>INTERFUNDS RECEIVABLE</u>	<u>INTERFUNDS PAYABLE</u>
Current Fund	\$ 39,608.19	\$ 901,617.20
Federal and State Grant Fund	767,875.77	601,061.77
Animal Control Trust Fund	103.40	
Trust Other Fund		39,608.19
General Capital Fund	601,061.77	
Water - Sewer Utility Operating Fund	80,287.69	
Water - Sewer Utility Capital Fund	53,350.34	
	<u>\$ 1,542,287.16</u>	<u>\$ 1,542,287.16</u>

All balances resulted from the time lag between the dates that short-term loans were disbursed and payments between funds were received.

NOTE 13: PENSION PLANS

Plan Descriptions

Substantially all eligible employees participate in the Public Employees' Retirement System (PERS), or the Police, Firemen's Retirement System (PFRS) or the Defined Contribution Retirement System (DCRP), which have been established by state statute and are administered by the New Jersey Division of Pensions and Benefits. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System, Police and Fireman's Retirement System and Consolidated Police and Firemen's Pension Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey, 08625 or are available online at www.nj.gov/treasury/pensions/annrprts.shtml.

NOTE 13: PENSION PLANS (CONTINUED)

Public Employees' Retirement System (PERS) - The Public Employees' Retirement System (PERS) was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A, to provide retirement, death, disability and medical benefits to certain qualified members. The PERS is a cost-sharing multiple employer plan. Membership is mandatory for substantially, all full-time employees of the State of New Jersey or any county, municipality, school district or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state pension fund or local jurisdiction's pension fund.

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

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

Vesting and Benefit Provisions

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

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

Newly elected or appointed officials that have an existing DCRP account, or are a member of another State - administered retirement system are immediately invested in the DCRP. For newly elected or appointed officials that do not qualify for immediate vesting in the DCRP, employee and employer contributions are held during the initial year of membership. Upon commencing the second year of DCRP membership, the member is fully invested. However, if a member is not eligible to continue in the DCRP for a second year of membership, the member may apply for a refund of the employee contributions from the DCRP, while the employer contributions will revert back to the employer. Employees are required to contribute 5.5% of their base salary and employers contribute 3.0%.

NOTE 13: PENSION PLANS (CONTINUED)

Funding Policy

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

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

The Borough's share of pension costs, which is based upon the annual billings received from the State, was as follows:

	<u>PERS</u>	<u>PFRS</u>	<u>DCRP</u>
2017	\$ 97,078.00	\$ 142,526.00	\$ 426.00
2016	105,695.00	136,180.00	1,500.00
2015	105,493.00	134,056.00	814.00

All contributions were equal to the required contributions for each of the three years, respectively.

Certain Borough employees are also covered by Federal Insurance Contribution Act.

NOTE 13: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB #68

The Governmental Accounting Standards Board (GASB) has issued Statement No. 68 "Accounting and Financial Reporting for Public Employees Pensions" which requires the State of New Jersey to calculate and allocate, for note disclosure purposes only, the unfunded net pension liability of Public Employees Retirement System (PERS) and the Police and Firemen's Retirement System (PFRS) of the participating municipality as of December 31, 2017. The statement does not alter the amounts of funds that must be budgeted for pension payments under existing state law.

Under accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, any unfunded net pension liability of the municipality, allocated by the State of New Jersey, is not required to be reported in the financial statements as presented and any pension contributions required to be paid are raised in that year's budget and no liability is accrued at December 31, 2017.

Public Employees Retirement System (PERS)

At June 30, 2017, the State reported a net pension liability of \$2,861,802.00 for the Borough of Tuckerton's proportionate share of the total net pension liability. The total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2017, the Borough's proportion was 0.0122938078 percent, which was an increase of 0.0013663471 percent from its proportion measured as of June 30, 2016.

For the year ended June 30, 2017, the State recognized an actuarially determined pension expense of \$183,145.00 for the Borough of Tuckerton's proportionate share of the total pension expense. The pension expense recognized in the Borough's financial statement based on the April 1, 2017 billing was \$97,078.00.

NOTE 13: PENSION PLANS (CONTINUED)

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

Public Employees Retirement System (PERS) (Continued)

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

	<u>Deferred Inflow of Resources</u>	<u>Deferred Outflow of Resources</u>
Differences between expected and actual experience	-	\$67,386.00
Changes of assumptions	\$574,441.00	576,554.00
Net difference between projected and actual earnings on pension plan investments		19,487.00
Changes in proportion and differences between Borough contributions and proportionate share of contributions	<u>\$249,216.00</u>	<u>243,531.00</u>
	<u>\$823,657.00</u>	<u>\$906,958.00</u>

Other local amounts reported by the State as the Borough's proportionate share of deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in the State's actuarially calculated pension expense as follows:

<u>Year Ended June 30,</u>	<u>Amount</u>
2018	\$38,575.00
2019	74,270.00
2020	44,445.00
2021	(48,016.00)
2022	<u>(25,973.00)</u>
	<u>\$83,301.00</u>

NOTE 13: PENSION PLANS (CONTINUED)

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

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions

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

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

Preretirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Postretirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

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

NOTE 13: PENSION PLANS (CONTINUED)

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

Public Employees Retirement System (PERS) (Continued)

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2017 and 7.65 at June 30, 2016) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2017 are summarized in the following table:

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

NOTE 13: PENSION PLANS (CONTINUED)

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

Public Employees Retirement System (PERS) (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 5.00% and 3.98% as of June 30, 2017 and 2016, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and 7.65%, and a municipal bond rate of 3.58% and 2.85% as of June 30, 2017 and 2016, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 40% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2040. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2040 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the collective net pension liability to changes in the discount rate

The following presents the collective net pension liability of the participating employers as of June 30, 2017 respectively, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2017		
	1% Decrease <u>4.00%</u>	At Current Discount Rate <u>5.00%</u>	1% Increase <u>6.00%</u>
Borough's proportionate share of the pension liability	\$3,550,260.00	\$2,861,802.00	\$2,288,231.00

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System (PERS). The report may be obtained at State of New Jersey Division of Pensions and Benefits P.O. Box 295 Trenton, New Jersey 08625-0295 <http://www.state.nj.us/treasury/pensions>.

NOTE 13: PENSION PLANS (CONTINUED)

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

Police and Firemen's Retirement System (PFRS)

At June 30, 2017, the State reported a net pension liability of \$3,258,777.00 for the Borough of Tuckerton's proportionate share of the total PFRS net pension liability. The total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2017, the Borough's proportion was 0.0211087123 percent, which was an increase of 0.0036281648 percent from its proportion measured as of June 30, 2016.

For the year ended June 30, 2017, the State recognized an actuarially determined pension expense of \$368,286.00. The pension expense recognized in the Borough's financial statement based on the April 1, 2017 billing was \$142,526.00.

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

	<u>Deferred Inflow of Resources</u>	<u>Deferred Outflow of Resources</u>
Differences between expected and actual experience	\$19,126.00	\$21,141.00
Changes of assumptions	533,692.00	401,844.00
Net difference between projected and actual earnings on pension plan investments		62,185.00
Changes in proportion and differences between the Borough's contributions and proportionate share of contributions	<u>102,590.00</u>	<u>519,504.00</u>
	<u>\$655,408.00</u>	<u>\$1,004,674.00</u>

NOTE 13: PENSION PLANS (CONTINUED)

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

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

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended	<u>Amount</u>
<u>June 30</u>	
2018	\$102,267.00
2019	158,278.00
2020	101,921.00
2021	(14,006.00)
2022	<u>806.00</u>
	<u><u>\$349,266.00</u></u>

Actuarial Assumptions

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

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

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

NOTE 13: PENSION PLANS (CONTINUED)

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

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

Actuarial Assumptions (Continued)

The actuarial assumptions used in the July 1, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2013.

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00 percent at June 30, 2017 and 7.65% at June 30, 2016) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PFRS s target asset allocation as of June 30, 2017 are summarized in the following table:

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

NOTE 13: PENSION PLANS (CONTINUED)

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

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

Discount Rate

The discount rate used to measure the total pension liability was 6.14% and 5.55% as of June 30, 2017 and June 30, 2016 respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00 and 7.65% and a municipal bond rate of 3.58% and 2.85% as of June 30, 2017 and June 30, 2016 respectively based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the 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 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the collective net pension liability to changes in the discount rate

The following presents the collective net pension liability of the participating employers as of June 30, 2017 respectively, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1- percentage point higher than the current rate:

	June 30, 2017		
	1% Decrease <u>5.14%</u>	At Current Discount Rate <u>6.14%</u>	1% Increase <u>7.14%</u>
Borough's proportionate share of the PFRS pension liability	\$4,293,707.00	\$3,258,777.00	\$2,408,464.00

NOTE 13: PENSION PLANS (CONTINUED)

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

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

Special Funding Situation

In accordance with N.J.S.A. 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. The legislation which legally obligates the State is as follows: Chapter 8, P.L. 2000, Chapter 318, P.c. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.c. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed by the State on behalf of the Borough 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 Borough does not contribute under this legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to disclose in the notes to the financial statements of the Borough related to this legislation.

At June 30, 2017 and 2016, the State's proportionate share of the net pension liability attributable to the Borough for the PFRS special funding situation is \$365,010.00 and \$280,413.00 respectively.

At June 30, 2017, the Borough's and State of New Jersey's proportionate share of the PFRS net pension liability were as follows:

Borough's Proportionate Share of Net Pension Liability	\$3,258,777.00
State of New Jersey Proportionate Share of Net Pension Liability Associated with the Borough	<u>365,010.00</u>
	<u>\$3,623,787.00</u>

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Police and Firemen's Retirement System (PFRS). The report may be obtained at State of New Jersey Division of Pensions and Benefits P.O. Box 295 Trenton, New Jersey 08625-0295 <http://www.state.nj.us/treasury/pensions>.

NOTE 14: GASB 45: OTHER POST-EMPLOYMENT BENEFITS

The Borough provides Post Retirement Benefits to certain employees, per the terms of their various labor agreements, which have retired from the Borough after twenty-five (25) years of service. These benefits include health insurance and prescription coverage.

During the year ended December 31, 2017, there were five (8) Borough retirees who received benefits under this plan.

Plan Description: The Borough 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. 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. 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 State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the SHBP.

The future value of benefits paid is not required to be reported in the financial statements as presented and has not been determined, but is probably material. Under current New Jersey budget and financial reporting requirements, the Borough will not have to provide any amounts in excess of their current cash costs or recognize any long-term obligations on their balance sheets. 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.

Funding Policy: Contributions to pay for the health premiums of participating retirees in the SHBP are billed to the Borough on a monthly basis. Participating employers are contractually required to contribute based on the amount of premiums attributable to their retirees. In accordance with Chapter 62, P.L. 1994, post-retirement medical benefits have been funded on a pay as you go basis since 1994. Prior to 1994, medical benefits were funded on an actuarial basis. The Borough contributions to SHBP for the years ended December 31, 2017, 2016 and 2015 were \$122,354, \$114,775 and \$95,396 respectively, which equaled the required contributions for each year. There were approximately 8, 7 and 7 retired participants eligible at December 31, 2017, 2016 and 2015 respectively.

NOTE 15: SCHOOL TAXES

Local District School Taxes have been raised and liabilities deferred by statute resulting in the school taxes payable as set forth in the Current Fund liabilities as follows:

	<u>LOCAL DISTRICT SCHOOL TAX</u>	
	<u>BALANCE</u>	<u>BALANCE</u>
	<u>DEC. 31, 2017</u>	<u>DEC. 31, 2016</u>
Balance of Tax	\$ 1,418,543.47	\$ 1,347,110.01
Deferred	<u>1,417,655.65</u>	<u>1,327,655.65</u>
Tax Payable	<u>887.82</u>	<u>\$ 19,454.36</u>

NOTE 16: COMMUNITY DISASTER LOAN PROGRAM

The Borough has made application to and was approved for participation in the Community Disaster Loan Program which offers low interest loans in amounts of up to 25% of the Borough's operating budget for the fiscal year of the disaster. The loan term is for five (5) years and may be extended for an additional five (5) years if FEMA finds the Governments fiscal situation warrants the extension.

For Budget Year 2013, the Borough drew \$97,500.00 to fund current operations and drew an additional \$600,000.00 for Budget Year 2014. In 2018, it was determined that the Borough was eligible for an additional \$132,838.00 and the Borough requested said additional amount bringing the total amount drawn or to be drawn under the loan to \$830,338.00. The amounts anticipated and the amounts drawn varied depending upon whether other Borough revenues meet or exceed targets.

There is a possibility of loan forgiveness if the Borough incurs a cumulative operating deficit and a revenue loss equal to the amount of the loan for the three (3) full years after the disaster.

In 2018, a formal determination was made that the full amount of the loan was eligible for forgiveness. The Borough has submitted the required paperwork to request full forgiveness and is currently waiting for an official response.

NOTE 17: SUBSEQUENT EVENTS

The Borough has evaluated subsequent events occurring after the financial statement date through July 6, 2018 which is the date the financial statements were available to be issued. Based upon this evaluation, the Borough has determined that there are no subsequent events that need to be disclosed.

BOROUGH OF TUCKERTON

SUPPLEMENTARY SCHEDULES – ALL FUNDS

YEAR ENDED DECEMBER 31, 2017

BOROUGH OF TUCKERTONCURRENT FUNDSCHEDULE OF CASH

	<u>REF.</u>	<u>CURRENT FUND</u>	<u>FEDERAL AND STATE GRANT FUND</u>
Balance, December 31, 2016	A	\$ <u>1,531,617.28</u>	\$ <u>53,576.48</u>
Increased by Receipts:			
Miscellaneous Revenue not Anticipated	A-2	159,032.13	
Taxes Receivable	A-6	9,592,169.97	
Tax Title Liens Receivable	A-7	245.66	
Revenue Accounts Receivable	A-10	734,850.01	
Due From/To State of New Jersey	A-12	47,772.38	
Tax Overpayments	A-13	53,324.47	
Prepaid Taxes	A-14	354,709.40	
Property Maintenance Liens	A-15	3,547.40	
Interfunds - Other Funds	A-22	1,672,768.29	
Emergency Note Payable	A-23	150,000.00	
Interfund - Grant Fund	A-24		1,147,057.74
Grants Receivable	A-25		1,334,779.12
		<u>12,768,419.71</u>	<u>2,481,836.86</u>
		<u>14,300,036.99</u>	<u>2,535,413.34</u>
Decreased by Disbursements:			
Refund of Prior Year Revenue	A-1	18,341.50	
Budget Appropriations	A-3	3,871,592.31	
Deferred Charges - Expenditures Without Appropriation	A-11	243,104.57	
Due From/To State of New Jersey	A-12	6,357.72	
Tax Overpayments	A-13	7,509.30	
County Taxes	A-16	1,697,817.01	
Local District School Taxes	A-17	2,902,309.54	
Regional School District Taxes	A-18	2,453,638.00	
Appropriation Reserves	A-19	116,365.75	
Miscellaneous Reserves	A-21	22,888.16	
Interfunds - Other Funds	A-22	978,674.88	
Interfund - Grant Fund	A-24		1,416,511.40
Grants Appropriated	A-26		865,586.35
		<u>12,318,598.74</u>	<u>2,282,097.75</u>
Balance, December 31, 2017	A	\$ <u>1,981,438.25</u>	\$ <u>253,315.59</u>

BOROUGH OF TUCKERTON - COUNTY OF OCEAN

CURRENT FUND

SCHEDULE OF CHANGE FUNDS

	<u>REF.</u>	
Balance December 31, 2016 and 2017	A	\$ <u>100.00</u>

Analysis of Balance

Tax		\$ 25.00
Court		50.00
Police		<u>25.00</u>
		\$ <u>100.00</u>

BOROUGH OF TUCKERTON

CURRENT FUND

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

<u>YEAR</u>	<u>BALANCE DECEMBER 31, 2016</u>	<u>2017 LEVY</u>	<u>2017</u>	<u>COLLECTED 2016</u>	<u>OVERPAYMENTS APPLIED</u>	<u>CANCELED</u>	<u>DUE FROM STATE OF NEW JERSEY CH. 20, P.L. 1971</u>	<u>TRANSFER TO TAX TITLE LIENS</u>	<u>BALANCE DECEMBER 31, 2017</u>
2012	\$ 3,142.35	\$	\$	\$	\$	\$	\$	\$ 3,142.35	\$
2013	4,057.55							4,057.55	
2014	4,202.39							4,202.39	
2015	4,228.39							4,228.39	
2016	226,516.45		213,578.53		12,061.78	345.75	(3,750.00)	4,280.39	
	242,147.13	9,967,656.47	213,578.53	154,148.53	34,218.37	21,201.29	43,349.99	19,911.07	307,660.34
			9,378,591.44					28,486.51	
	\$ 242,147.13	\$ 9,967,656.47	\$ 9,592,169.97	\$ 154,148.53	\$ 46,280.15	\$ 21,547.04	\$ 39,599.99	\$ 48,397.58	\$ 307,660.34
<u>REF.</u>	A	A-6	A-4	A-14	A-13		A-12	A-7	A

Analysis of 2017 Property Tax Levy

Tax Yield:

General Purpose Tax
Added Taxes

\$ 9,863,104.86
104,551.61

\$ 9,967,656.47

Tax Levy:

Local District School Tax (Abstract)
Regional School Tax (Abstract)
County Tax (Abstract)
County Library Tax (Abstract)
County Health Tax (Abstract)
County Open Space Preservation (Abstract)
Due County Added Taxes

\$ 2,973,743.00
2,451,338.00

\$ 1,425,811.19
153,611.86
55,660.70
48,602.16
17,897.38

Total School and County Taxes
Local Tax for Municipal Purposes
Added Taxes

1,701,583.29
7,126,664.29

2,840,992.18

\$ 9,967,656.47

"A-7"

BOROUGH OF TUCKERTON
CURRENT FUND
SCHEDULE OF TAX TITLE LIENS RECEIVABLE

	<u>REF</u>		
Balance, December 31, 2016	A	\$	147,133.33
Increased by:			
Transfer from Taxes Receivable	A-6	\$	48,397.58
Interest and Costs of Sale			<u>12,272.79</u>
			<u>60,670.37</u>
			207,803.70
Decreased by:			
Receipts	A-4		<u>245.66</u>
Balance, December 31, 2017	A	\$	<u>207,558.04</u>

"A-8"

SCHEDULE OF 6% YEAR END PENALTY RECEIVABLE

Balance December 31, 2016	A	\$	11,669.60
Increased by:			
6% Year End Penalty Levied			<u>5,600.53</u>
			17,270.13
Decreased by:			
Transferred to Interest and Costs on Taxes	A-2	\$	2,006.33
Canceled			<u>9,663.27</u>
			<u>11,669.60</u>
Balance December 31, 2017	A	\$	<u>5,600.53</u>

"A-9"

SCHEDULE OF PROPERTY ACQUIRED FOR TAXES
(AT ASSESSED VALUATION)

Balance, December 31, 2016 and 2017	A	\$	<u>330,250.00</u>
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BOROUGH OF TUCKERTON - COUNTY OF OCEAN

CURRENT FUND

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	<u>BALANCE DECEMBER 31, 2016</u>	<u>ACCRUED IN 2017</u>	<u>COLLECTED</u>	<u>BALANCE DECEMBER 31, 2017</u>
Licenses:				
Alcoholic Beverages	\$	\$ 10,553.00	\$ 10,553.00	\$
Fines and Costs - Municipal Court	9,777.95	106,085.43	108,143.90	7,719.48
Interest and Costs on Taxes		65,212.45	65,212.45	
Mobile Home Fees		14,472.00	14,472.00	
Boat Stalls		10,200.00	10,200.00	
Cable TV Franchise Fees		16,742.21	16,742.21	
Energy Receipts Tax		324,612.00	324,612.00	
Uniform Construction Code Fees		184,914.45	184,914.45	
	<u>\$ 9,777.95</u>	<u>\$ 732,791.54</u>	<u>\$ 734,850.01</u>	<u>\$ 7,719.48</u>
<u>REF.</u>	A		A-4	A

BOROUGH OF TUCKERTON - COUNTY OF OCEAN

CURRENT FUND

SCHEDULE OF DEFERRED CHARGES

<u>DATE AUTHORIZED</u>	<u>PURPOSE</u>	<u>NET AMOUNT AUTHORIZED</u>	<u>1/5 OF NET AMOUNT AUTHORIZED</u>	<u>BALANCE DECEMBER 31, 2016</u>	<u>ADDED IN 2017</u>	<u>RAISED IN 2017 BUDGET</u>	<u>BALANCE DECEMBER 31, 2017</u>
	Overexpenditure of Appropriation Reserves			\$ 3,035.69	\$ 243,104.57	\$ 3,035.69	\$ 243,104.57
	Expenditures Without Appropriation				20,000.00		20,000.00
	Downpayment on Improvements			<u>3,035.69</u>	<u>263,104.57</u>	<u>3,035.69</u>	<u>263,104.57</u>
	<u>N.J.S. 40A:4-53 SPECIAL EMERGENCY</u>						
08/07/17	Revaluation/Reassessment	\$ 150,000.00	\$ 30,000.00		<u>150,000.00</u>		<u>150,000.00</u>
				<u>\$ 3,035.69</u>	<u>\$ 413,104.57</u>	<u>\$ 3,035.69</u>	<u>\$ 413,104.57</u>
				A		A-3	A
					\$ 170,000.00		
	Budget Appropriation				<u>243,104.57</u>		
	Disbursements				<u>\$ 413,104.57</u>		

REF.

A-3
A-4

BOROUGH OF TUCKERTON

CURRENT FUND

SCHEDULE OF DUE FROM/TO STATE OF NEW JERSEY

	<u>REF.</u>	<u>TOTAL</u>	<u>UNIFORM CONSTRUCTION CODE</u>	<u>MARRIAGE LICENSES</u>	<u>CH. 20, P.L. 1971</u>
Balance, December 31, 2016 - Due From/(Due To)	A	\$ (6,321.19)	\$ (929.62)	\$ (75.00)	\$ (5,316.57)
Increased/Decreased by:					
Deductions:					
Per Billings		43,250.00			43,250.00
Allowed by Tax Collector (Net)		99.99			99.99
Disbursements	A-6	43,349.99			43,349.99
Total Increases/Decreases	A-4	6,357.72	5,832.72	525.00	43,349.99
Total Increases/Decreases and Balances		49,707.71	5,832.72	525.00	38,033.42
		43,386.52	4,903.10	450.00	
Decreased/Increased by:					
Senior Citizen Disallowed - 2016 Taxes	A-1:A-6	3,750.00			3,750.00
Receipts	A-4	47,772.38	6,778.55	500.00	40,493.83
Total Decreases		51,522.38	6,778.55	500.00	44,243.83
Balance, December 31, 2017 - Due From/(Due To)	A	\$ (8,135.86)	\$ (1,875.45)	\$ (50.00)	\$ (6,210.41)

BOROUGH OF TUCKERTON - COUNTY OF OCEAN

CURRENT FUND

SCHEDULE OF TAX OVERPAYMENTS

	<u>REF.</u>		
Balance December 31, 2016	A		\$ 39,873.57
Increased by:			
Receipts	A-4		<u>53,324.47</u>
			93,198.04
Decreased by:			
Applied to 2016 Taxes	A-6	\$ 12,061.78	
Applied to 2017 Taxes	A-6	34,218.37	
Disbursements	A-4	<u>7,509.30</u>	
			<u>53,789.45</u>
Balance December 31, 2017	A		\$ <u>39,408.59</u>

SCHEDULE OF PREPAID TAXES

Balance, December 31, 2016	A		\$ 158,204.94
Increased by:			
Collections	A-4		<u>354,709.40</u>
			512,914.34
Decreased by:			
Applied to 2017 Taxes	A-6		<u>154,148.53</u>
Balance, December 31, 2017	A		\$ <u>358,765.81</u>

"A-15"

BOROUGH OF TUCKERTON

CURRENT FUND

SCHEDULE OF PROPERTY MAINTENANCE LIENS

	<u>REF.</u>	
Balance December 31, 2016	A	\$ 7,680.60
Increased by:		
Property Maintenance Liens Levied		<u>4,977.00</u>
		12,657.60
Decreased by:		
Receipts	A-4	<u>3,547.40</u>
Balance December 31, 2017	A	<u><u>\$ 9,110.20</u></u>

"A-16"

SCHEDULE OF COUNTY TAXES PAYABLE

Balance, December 31, 2016	A	\$ 14,131.10
Increased by:		
General County Tax	A-6	\$ 1,425,811.19
County Library Tax	A-6	153,611.86
County Health Tax	A-6	55,660.70
County Open Space Preservation Tax	A-6	48,602.16
Added and Omitted Taxes	A-6	<u>17,897.38</u>
	A-6	<u>1,701,583.29</u>
		1,715,714.39
Decreased by:		
Payments	A-4	<u>1,697,817.01</u>
Balance, December 31, 2017	A	<u><u>\$ 17,897.38</u></u>

BOROUGH OF TUCKERTON

CURRENT FUND

SCHEDULE OF LOCAL DISTRICT SCHOOL TAX PAYABLE

	<u>REF.</u>		
Balance, December 31, 2016:			
School Tax Payable	A	\$ 19,454.36	
School Tax Deferred		<u>1,327,655.65</u>	
			\$ 1,347,110.01
Increased by:			
Levy School Year - July 1, 2017 to June 30, 2018	A-6		<u>2,973,743.00</u>
			<u>4,320,853.01</u>
Decreased by:			
Payments	A-4		<u>2,902,309.54</u>
Balance, December 31, 2017:			
School Tax Payable	A	\$ 887.82	
School Tax Deferred		<u>1,417,655.65</u>	
			\$ <u><u>1,418,543.47</u></u>
2017 Liability for Local District School Tax:			
Tax Paid			\$ 2,902,309.54
Tax Payable December 31, 2017			<u>887.82</u>
			<u>2,903,197.36</u>
Less: Tax Payable December 31, 2016			<u>19,454.36</u>
Amount Charged to 2017 Operations	A-1		\$ <u><u>2,883,743.00</u></u>

SCHEDULE OF REGIONAL SCHOOL DISTRICT TAXES PAYABLE

Balance, December 31, 2016:			
School Tax Payable	A	\$	36,735.00
Increased by:			
Levy Calendar Year 2017	A-6		<u>2,451,338.00</u>
			<u>2,488,073.00</u>
Decreased by:			
Payments	A-4		<u>2,453,638.00</u>
Balance, December 31, 2017:			
School Tax Payable	A	\$	<u><u>34,435.00</u></u>

BOROUGH OF TUCKERTON

CURRENT FUND

SCHEDULE OF APPROPRIATION RESERVES

OPERATIONS WITHIN CAPS

	BALANCE DECEMBER 31, 2016	BALANCE AFTER TRANSFER	PAID OR CHARGED	BALANCE LAPSED
Mayor and Council:				
Salaries and Wages	\$ 432.05	\$ 432.05		\$ 432.05
Municipal Clerk:				
Other Expenses	2,955.71	2,955.71	2,927.21	28.50
Financial Administration (Treasury):				
Other Expenses	1,592.99	1,592.99	1,592.99	
Tax Assessment Administration:				
Other Expenses	876.46	876.46	876.46	
Legal Services (Legal Department):				
Other Expenses	4,227.98	4,227.98	4,227.98	
Engineering Services:				
Other Expenses	300.00	300.00		300.00
Land Use Board:				
Other Expenses	894.00	894.00	894.00	
Police Department:				
Salaries and Wages	1,307.65	1,307.65		1,307.65
Other Expenses	5,258.35	5,258.35	3,120.82	2,137.53
Crime Prevention:				
Other Expenses	300.00	300.00		300.00
Office of Emergency Management:				
Other Expenses	126.00	126.00	126.00	
Aid to Volunteer Fire Company	60,000.00	60,000.00	60,000.00	
First Aid Organization Contribution	10,000.00	10,000.00	10,000.00	

BOROUGH OF TUCKERTON

CURRENT FUND

SCHEDULE OF APPROPRIATION RESERVES

OPERATIONS WITHIN CAPS (CONTINUED)

	BALANCE DECEMBER 31, 2016	BALANCE AFTER TRANSFER	PAID OR CHARGED	BALANCE LAPSED
	\$ 2,000.00	\$ 2,000.00		\$ 2,000.00
Municipal Prosecutor's Office				
Municipal Court:				
Salaries and Wages	1,116.71	1,116.71		1,116.71
Public Defender:				
Other Expenses	500.00	500.00		500.00
Street and Road Maintenance:				
Other Expenses	1,516.40	1,516.40	1,516.40	
Snow Removal:				
Other Expenses	1,862.89	1,862.89	1,862.89	
Public Buildings and Grounds:				
Other Expenses	862.63	862.63	762.65	99.98
Vehicle Maintenance:				
Other Expenses	4,779.37	4,779.37	4,779.37	
Condominium Community Cost:				
Other Expenses	8,937.97	8,937.97	8,937.97	
Uniform Construction Code Enforcement Functions:				
Other Expenses	14.00	14.00	14.00	
Unclassified:				
Electricity	2,010.41	2,010.41	2,010.41	
Street Lighting	3,886.77	3,886.77	3,886.77	
Telephone	167.79	167.79	167.79	
Natural Gas and Fuel Oil	474.00	474.00	474.00	
Telecommunications	2,995.39	2,995.39	2,995.39	

BOROUGH OF TUCKERTON

CURRENT FUND

SCHEDULE OF APPROPRIATION RESERVES

OPERATIONS WITHIN CAPS (CONTINUED)

	<u>BALANCE DECEMBER 31, 2016</u>	<u>BALANCE AFTER TRANSFER</u>	<u>PAID OR CHARGED</u>	<u>BALANCE LAPSED</u>
Unclassified (Continued):				
Gasoline	\$ 1,426.15	\$ 1,426.15	\$ 1,426.15	\$
Total Appropriations within Caps	<u>120,821.67</u>	<u>120,821.67</u>	<u>112,599.25</u>	<u>8,222.42</u>
Shared Services Agreements:				
Dispatching Services - Little Egg Harbor Township	848.80	848.80		848.80
Chief Financial Officer - Little Egg Harbor Township	7,790.32	7,790.32	5,539.76	2,250.56
Total Appropriations Excluded from Caps	<u>8,639.12</u>	<u>8,639.12</u>	<u>5,539.76</u>	<u>3,099.36</u>
	<u>\$ 129,460.79</u>	<u>\$ 129,460.79</u>	<u>\$ 118,139.01</u>	<u>\$ 11,321.78</u>
				A-1
Appropriation Reserves - 2016	\$ 115,756.30			
Reserve for Encumbrances	<u>13,704.49</u>			
	<u>\$ 129,460.79</u>			
Accounts Payable			\$ 1,773.26	
Disbursements			<u>116,365.75</u>	
			<u>\$ 118,139.01</u>	

REF.

A
A-20

A
A-4

BOROUGH OF TUCKERTON

CURRENT FUND

SCHEDULE OF RESERVE FOR ENCUMBRANCES

	<u>REF.</u>	<u>TOTAL (MEMO ONLY)</u>	<u>CURRENT FUND</u>	<u>FEDERAL AND STATE GRANT FUND</u>
Balance, December 31, 2016	A	\$ <u>36,592.65</u>	\$ <u>36,592.65</u>	\$ _____
Increased by:				
2017 Budget Appropriations	A-3	7,539.45	7,539.45	
Grant Appropriated Reserves	A-26	<u>8,746.50</u>	<u> </u>	<u>8,746.50</u>
Total Increases		<u>16,285.95</u>	<u>7,539.45</u>	<u>8,746.50</u>
Total Increases and Balances		<u>52,878.60</u>	<u>44,132.10</u>	<u>8,746.50</u>
Decreased by:				
2016 Appropriation Reserves	A-19	13,704.49	13,704.49	
Miscellaneous Reserves	A-21	<u>22,888.16</u>	<u>22,888.16</u>	<u> </u>
Total Decreases		<u>36,592.65</u>	<u>36,592.65</u>	<u> </u>
Balance, December 31, 2017	A	\$ <u><u>16,285.95</u></u>	\$ <u><u>7,539.45</u></u>	\$ <u><u>8,746.50</u></u>

SCHEDULE OF MISCELLANEOUS RESERVES

	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2016</u>	<u>INCREASE/ DECREASE</u>	<u>BALANCE DECEMBER 31, 2017</u>
Vehicle Purchase		\$ 45.17	\$ _____	\$ 45.17
Borough Hall Renovations		424.35	_____	424.35
Complete Reassessment		<u> </u>	<u>150,000.00</u>	<u>150,000.00</u>
		\$ <u><u>469.52</u></u>	\$ <u><u>150,000.00</u></u>	\$ <u><u>150,469.52</u></u>
	<u>REF.</u>	<u>A</u>		<u>A</u>
Transfer from 2017 Budget Appropriations	A-3		\$ 150,000.00	
Disbursements	A-4		22,888.16	
Reserve for Encumbrances	A-20		<u>(22,888.16)</u>	
			\$ <u><u>150,000.00</u></u>	

BOROUGH OF TUCKERTON

CURRENT FUND

SCHEDULE OF INTERFUNDS

REF.	TOTAL (MEMO ONLY)	FEDERAL AND STATE GRANT FUND	ANIMAL CONTROL TRUST FUND	OTHER TRUST FUND	GENERAL CAPITAL FUND	WATER-SEWER UTILITY OPERATING FUND	WATER-SEWER UTILITY CAPITAL FUND
Balance, December 31, 2016 - Due From/(Due To)	A \$ (177,120.30)	\$ 93,434.96	\$ (103.40)	\$ 93,207.67	\$ 85,810.06	\$ (396,119.25)	\$ (53,350.34)
Increased/Decreased by:							
Cancelled Grants - Unappropriated	A-1:A-24 8,704.70	8,704.70					
Cancelled Grants - Appropriated	A-1:A-24 500.00	500.00					
Disbursements	A-4 978,674.88	316.01		62,869.25	599,658.06	315,831.56	
Total Increases/Decreases	987,879.58	9,520.71		62,869.25	599,658.06	315,831.56	
Total Increases/Decreases and Balances	810,759.28	102,955.67	(103.40)	156,076.92	685,468.12	(80,287.69)	(53,350.34)
Decreased/Increased by:							
Receipts	A-4 1,672,768.29	870,831.44		116,468.73	685,468.12		
Balance, December 31, 2017 - Due From/(Due To)	A \$ (862,009.01)	\$ (767,875.77)	\$ (103.40)	\$ 39,608.19	\$	\$ (80,287.69)	\$ (53,350.34)

BOROUGH OF TUCKERTON

CURRENT FUND

SCHEDULE OF EMERGENCY NOTE PAYABLE

<u>PURPOSE</u>	<u>DATE OF ORIGINAL ISSUE</u>	<u>DATE OF ISSUE</u>	<u>DATE OF MATURITY</u>	<u>INTEREST RATE</u>	<u>INCREASED</u>	<u>BALANCE DECEMBER 31, 2017</u>
Revaluation/Reassessment	11/01/17	11/01/17	11/01/18	1.700%	\$ 150,000.00	\$ 150,000.00
					\$ 150,000.00	\$ 150,000.00
				<u>REF.</u>	A-4	A

BOROUGH OF TUCKERTON
FEDERAL AND STATE GRANT FUND
SCHEDULE OF INTERFUNDS

	<u>REF.</u>	<u>TOTAL (MEMO ONLY)</u>	<u>CURRENT FUND</u>	<u>GENERAL CAPITAL FUND</u>
Balance, December 31, 2016 - Due From/(Due To)	A	\$ <u>(93,434.96)</u>	\$ <u>(93,434.96)</u>	\$ _____
Increased/Decreased by:				
Disbursements	A-4	1,416,511.40	870,831.44	545,679.96
2017 Budget Revenues Realized	A-2:A-25	<u>808,601.37</u>	<u>808,601.37</u>	
Total Increases/Decreases		<u>2,225,112.77</u>	<u>1,679,432.81</u>	<u>545,679.96</u>
Total Increases/Decreases and Balances		<u>2,131,677.81</u>	<u>1,585,997.85</u>	<u>545,679.96</u>
Decreased/Increased by:				
Receipts	A-4	1,147,057.74	316.01	1,146,741.73
Canceled Grants - Unappropriated	A-22:A-27	8,704.70	8,704.70	
Canceled Grants - Appropriated	A-22:A-26	500.00	500.00	
2017 Budget Appropriations	A-3:A-26	<u>808,601.37</u>	<u>808,601.37</u>	
Total Decreases/Increases		<u>1,964,863.81</u>	<u>818,122.08</u>	<u>1,146,741.73</u>
Balance, December 31, 2017 - Due From/(Due To)	A	\$ <u>166,814.00</u>	\$ <u>767,875.77</u>	\$ <u>(601,061.77)</u>

BOROUGH OF TUCKERTON

CURRENT FUND

FEDERAL AND STATE GRANT FUND

SCHEDULE OF GRANTS RECEIVABLE

	BALANCE DECEMBER 31, 2016	2017 BUDGET REVENUE REALIZED	RECEIPTS	REALIZED FROM UNAPPROPRIATED RESERVES	BALANCE DECEMBER 31, 2017
Alcohol Education and Rehabilitation Fund	\$	\$ 752.54	\$ 450.38	\$ 302.16	\$
Body Armor Replacement Fund		1,464.14	1,464.14		
Clean Communities Program		8,856.82	8,856.82		
Community Development Block Grant		31,000.00			31,000.00
Community Facilities Grant Program	37,500.00				37,500.00
DCA Post Sandy	938.75		140.30		798.45
DOT 2013 - Floyd Lane	55,845.38		41,192.46		14,652.92
DOT 2014 - Parker Road	156,271.64		49,658.06		106,613.58
DOT 2015 - Heron Road	325,000.00		208,292.22		116,707.78
DOT 2016 Heron Road		325,000.00	216,201.30		108,798.70
DOT 2017 Curlew Road		200,000.00			200,000.00
EDANCR Grant	1,397,220.00		783,370.25		613,849.75
Fish and Wildlife		847.00	847.00		
Hazard Mitigation Grant Program		209,200.00			209,200.00
Homeland Security Grant		13,455.70	13,455.70		
OEM 966	25.50				25.50
OEM 966	2,600.00				4,943.75
Recycling		2,230.93		2,230.93	2,600.00
Recycling Revenue and Residue		10,850.49	10,850.49		
Recycling Tonnage Grant					
	<u>\$ 1,975,401.27</u>	<u>\$ 808,601.37</u>	<u>\$ 1,334,779.12</u>	<u>\$ 2,533.09</u>	<u>\$ 1,446,690.43</u>
<u>REF.</u>	A	A-24	A-4	A-27	A

BOROUGH OF TUCKERTON

CURRENT FUND

FEDERAL AND STATE GRANT FUND

SCHEDULE OF GRANTS - APPROPRIATED

	BALANCE DECEMBER 31, 2016	2017 BUDGET APPROPRIATION	PAID OR CHARGED	CANCELED	BALANCE DECEMBER 31, 2017
Alcohol Education and Rehabilitation Fund	\$ 12,439.34	\$ 752.54	\$ 250.00	\$	\$ 12,941.88
Body Armor Replacement Fund	2,614.53	1,464.14	3,640.00		438.67
Clean Communities Program	10,425.16	8,856.82	12,428.00		6,853.98
Community Development Block Grant		31,000.00	1,747.50		29,252.50
DCA Post Sandy	1,268.64				1,268.64
DOT 2013 Floyd Lane	19,327.92				19,327.92
DOT 2014 Parker Road	122,727.09		8,977.25		113,749.84
DOT 2015 Heron Road	325,000.00	325,000.00	17,264.08		307,735.92
DOT 2016 Heron Road		200,000.00	10,716.57		314,283.43
DOT 2017 Curlew Road			400.00		199,600.00
Drunk Driving Enforcement Fund	11,164.07		4,555.88	500.00	6,108.19
EDA/NCR Grant	1,392,220.00		799,445.87		592,774.13
Fish and Wildlife		847.00			847.00
Gov Connect	1,360.00				1,360.00
Hazard Mitigation Grant Program		209,200.00			209,200.00
Homeland Security Grant		13,455.70	13,455.70		
Local History	6,121.00				6,121.00
Municipal Alliance on Alcoholism and Drug Abuse	7,544.34				7,544.34
Municipal Public Access Grant	200.00				200.00
OEM - 966	1,062.00				1,062.00
OEM - 966		4,943.75			4,943.75
Recycling	205.00				205.00
Recycling Revenue and Residue		2,230.93			2,230.93
Recycling Tonnage Grant	9,595.76	10,850.49	1,452.00		18,994.25
Stormwater Management	322.00				322.00
Wood Street Escrow Forfeiture	708.15				708.15
	<u>\$ 1,924,305.00</u>	<u>\$ 808,601.37</u>	<u>\$ 874,332.85</u>	<u>\$ 500.00</u>	<u>\$ 1,858,073.52</u>
REF.	A	A-24		A-24	A
Disbursements			\$ 865,586.35		
Reserve for Encumbrances			8,746.50		
			<u>\$ 874,332.85</u>		

BOROUGH OF TUCKERTON

CURRENT FUND

FEDERAL AND STATE GRANT FUND

SCHEDULE OF GRANTS - UNAPPROPRIATED

	BALANCE DECEMBER 31, 2016	UTILIZATION AS ANTICIPATED REVENUE	CANCELED
Alcohol Education and Rehabilitation Fund	\$ 302.16	\$ 302.16	\$
OEM - 966	8,704.70		8,704.70
Recycling Revenue and Residue	<u>2,230.93</u>	<u>2,230.93</u>	
	<u>\$ 11,237.79</u>	<u>\$ 2,533.09</u>	<u>\$ 8,704.70</u>
<u>REF.</u>	A	A-25	A-24

BOROUGH OF TUCKERTON

TRUST FUND

SCHEDULE OF CASH

	<u>REF.</u>	<u>ANIMAL CONTROL TRUST FUND</u>	<u>TRUST OTHER FUND</u>
Balance, December 31, 2016	B	\$ <u>1,218.87</u>	\$ <u>685,599.90</u>
Increased by Receipts:			
Animal Control License Fees	B-2	1,067.40	
State Registration Fees	B-3	252.60	
Interfunds	B-4		62,869.25
Miscellaneous Reserves	B-6		<u>2,972,439.57</u>
Total Receipts		<u>1,320.00</u>	<u>3,035,308.82</u>
Total Receipts and Balances		<u>2,538.87</u>	<u>3,720,908.72</u>
Decreased by Disbursements:			
Animal Control Expenditures	B-2	1,280.00	
State Registration Fees	B-3	250.20	
Interfunds	B-4		116,468.73
Miscellaneous Reserves	B-6		<u>3,084,368.71</u>
Total Disbursements		<u>1,530.20</u>	<u>3,200,837.44</u>
Balance, December 31, 2017	B	\$ <u>1,008.67</u>	\$ <u>520,071.28</u>

BOROUGH OF TUCKERTON
TRUST FUND
SCHEDULE OF RESERVE FOR ANIMAL CONTROL
TRUST FUND EXPENDITURES

	<u>REF.</u>	
Balance, December 31, 2016	B	\$ 1,322.27
Increased by:		
Animal Control License Fees Collected	B-1	<u>1,067.40</u>
		2,389.67
Decreased by:		
Expenditures Under R.S. 4:19-15.11:		
Cash	B-1	\$ 1,280.00
Reserve for Encumbrances	B-5	<u>210.00</u>
		<u>1,490.00</u>
Balance, December 31, 2017	B	<u>\$ 899.67</u>

License Fees Collected

<u>Year</u>	<u>Amount</u>
2016	\$ 1,309.60
2015	<u>1,427.59</u>
	<u>\$ 2,737.19</u>

SCHEDULE OF DUE STATE OF NEW JERSEY

Increased by:		
Receipts - State Registration Fees	B-1	\$ 252.60
Decreased by:		
Disbursements - State Registration Fees	B-1	<u>250.20</u>
Balance, December 31, 2017	B	<u>\$ 2.40</u>

BOROUGH OF TUCKERTON

TRUST FUND

SCHEDULE OF INTERFUNDS

	<u>REF.</u>	<u>ANIMAL CONTROL TRUST FUND</u>	<u>TRUST OTHER FUND</u>
Balance, December 31, 2016 - Due From/(Due To)	B	\$ 103.40	\$ (93,207.67)
Increased/Decreased by:			
Receipts	B-1	<u>103.40</u>	<u>62,869.25</u>
Decreased/Increased by:			
Disbursements	B-1	<u> </u>	<u>116,468.73</u>
Balance, December 31, 2017 - Due From/(Due To)	B	<u>\$ 103.40</u>	<u>\$ (39,608.19)</u>

BOROUGH OF TUCKERTON

TRUST FUND

SCHEDULE OF RESERVE FOR ENCUMBRANCES

	<u>REF.</u>	<u>ANIMAL CONTROL TRUST FUND</u>	<u>TRUST OTHER FUND</u>
Increased by:			
Transfer from Reserve for Animal Control			
Trust Fund Expenditures	B-2	\$ 210.00	\$
Transfer from Miscellaneous Reserves	B-6	<u> </u>	<u>3,201.84</u>
Balance, December 31, 2017	B	<u>\$ 210.00</u>	<u>\$ 3,201.84</u>

BOROUGH OF TUCKERTON

TRUST FUND

SCHEDULE OF MISCELLANEOUS RESERVES

	BALANCE DECEMBER 31, 2016	INCREASE	DECREASE	BALANCE DECEMBER 31, 2017
All Wars Memorial Ballfield	\$ 912.00	\$ 450.00	\$ 349.95	\$ 1,012.05
Compensated Absences	5,213.50			5,213.50
Economic Development Committee	403.50			403.50
Escrow	144,786.04	42,371.25	52,793.33	134,363.96
Fourth of July Fund	200.00			200.00
Hurricane Sandy Donations	5,863.00			5,863.00
K-9 Fund	1,861.02			1,861.02
Law Enforcement	8,070.44	5,586.50	10,874.58	2,782.36
Memorial Day Bows	100.00			100.00
Municipal Alliance - Program Income	468.16			468.16
New Team Donations (Formerly Dare)	2,942.13	2,547.64	784.30	1,763.34
Outside Police Employment	56.00	12.00		68.00
P.O.A.A.	25.00			25.00
Park Benches	32,112.93	2,325,228.96	2,299,937.37	57,404.52
Payroll and Payroll Agency	1,572.64		1,247.64	325.00
Police (DARE)	250.00	1,000.00	1,250.00	
Police (Other)	13,954.84	5,336.00		19,290.84
Public Defender				
Public Events:				
Trolley	159.94			159.94
Pride and Celebration	74.80	20.00		94.80
Public Records Preservation	76.00			76.00
South Green Street Improvements	1,026.88			1,026.88
Tax Sale Premiums.	202,200.00	54,000.00	183,400.00	72,800.00
T. T. L. Redemptions	167,779.36	535,637.22	536,433.38	166,983.20
Tourist Maps (EDC)	1,387.21			1,387.21
Uniform Fire Safety Act	500.00	250.00	500.00	250.00
Youth Council	396.84			396.84
	<u>\$ 592,392.23</u>	<u>\$ 2,972,439.57</u>	<u>\$ 3,087,570.55</u>	<u>\$ 477,261.25</u>
	B	B-1	B	B
Disbursements			\$ 3,084,368.71	
Reserve for Encumbrances			<u>3,201.84</u>	
			<u>\$ 3,087,570.55</u>	

REF.

B-1
B-5

BOROUGH OF TUCKERTON

GENERAL CAPITAL FUND

SCHEDULE OF CASH

	<u>REF.</u>		
Balance, December 31, 2016	C		\$ 233,480.35
Increased by:			
Economic Development Authority Loan Receivable	C-6	\$ 642,373.10	
Improvement Authorizations (Downpayment on Improvements)	C-7	20,000.00	
Bond Anticipation Notes	C-9	676,875.00	
Interfunds	C-12	<u>1,145,338.02</u>	
	C-3		<u>2,484,586.12</u>
			<u>2,718,066.47</u>
Decreased by:			
Improvement Authorizations	C-7	\$ 841,607.77	
Interfunds	C-12	<u>1,832,209.85</u>	
	C-3		<u>2,673,817.62</u>
Balance, December 31, 2017	C		\$ <u><u>44,248.85</u></u>

BOROUGH OF TUCKERTON
GENERAL CAPITAL FUND
ANALYSIS OF CASH

	BALANCE DECEMBER 31, 2016	RECEIPTS	DISBURSEMENTS	TRANSFERS <u>TO</u>	TRANSFERS <u>FROM</u>	BALANCE DECEMBER 31, 2017
Fund Balance	\$ 3,902.41	\$	\$	\$	\$	3,902.41
Reserve for Encumbrances	1,000.00			157,592.28	1,000.00	157,592.28
Miscellaneous Reserves	12,525.00					12,525.00
Capital Improvement Fund	17,335.71				15,625.00	1,710.71
Interfunds	85,810.06	1,145,338.02	1,832,209.85			(601,061.77)
Economic Development Authority Loan Receivable	(913,900.75)	642,373.10				(271,527.65)
Improve ment Authorizations:						
<u>ORDINANCE NUMBER</u>						
17-91	(3,500.00)					(3,500.00)
04-99	(2,162.61)					(2,162.61)
01-07	4,176.68					4,176.68
10-11						
07-13	1,443.13					1,443.13
09-13	5,435.35		5,258.00			177.35
08-16	2,580.02					2,580.02
09-16	906,221.10		749,628.82	1,000.00	157,592.28	109,948.85
02-17	112,614.25		2,665.40			109,948.85
03-17		296,875.00		15,625.00		312,500.00
		400,000.00	84,055.55			315,944.45
	<u>\$ 233,480.35</u>	<u>\$ 2,484,586.12</u>	<u>\$ 2,673,817.62</u>	<u>\$ 174,217.28</u>	<u>\$ 174,217.28</u>	<u>\$ 44,248.85</u>
<u>REF.</u>	C	C-2	C-2			C

BOROUGH OF TUCKERTON
GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO
FUTURE TAXATION - FUNDED

	<u>REF.</u>		
Balance, December 31, 2016	C		\$ 1,816,896.39
Decreased by:			
2017 Budget Appropriations to Pay Bonds	C-8	\$ 318,000.00	
Canceled (Loan Converted to Grant)	C-10	<u>1,498,896.39</u>	
			\$ <u>1,816,896.39</u>

BOROUGH OF TUCKERTON
GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2016	2017 AUTHORIZATIONS	BALANCE DECEMBER 31, 2017	BOND ANTICIPATION NOTES	ANALYSIS OF BALANCE DECEMBER 31, 2017	
						EXPENDITURES	UNEXPENDED IMPROVEMENT AUTHORIZATIONS
05-89	Acquisition of Fire Truck	\$ 13,933.26	\$	\$ 13,933.26	\$	\$	\$ 13,933.26
17-91	Utility Truck with Plow	3,500.00		3,500.00		3,500.00	
05-98	Equipment and Installation OEM Tower	4,167.00		4,167.00			4,167.00
04-99	Acquisition of Trash Truck	2,623.16		2,623.16		2,162.61	460.55
12(2)-00	Repair Municipal Docks	6,434.59		6,434.59			6,434.59
02-17	Acquisition of a Garbage Truck for the Department of Public Works		296,875.00	296,875.00			
03-17	Supplemental Funding - Municipal Building Improvements		380,000.00	380,000.00			
		<u>\$ 30,658.01</u>	<u>\$ 676,875.00</u>	<u>\$ 707,533.01</u>	<u>\$ 676,875.00</u>	<u>\$ 5,662.61</u>	<u>\$ 24,995.40</u>

REF.

C-7

Improvement Authorizations - Unfunded
Less: Unexpended Proceeds of Bond Anticipation Notes Issued:

Ordinance Number

Improvement Description

02-17

Acquisition of a Garbage Truck for the Department of Public Works Supplemental Funding - Municipal Building Improvements

03-17

Acquisition of a Garbage Truck for the Department of Public Works Supplemental Funding - Municipal Building Improvements

C-3

315,944.45

612,819.45

\$ 24,995.40

C-3

C-9

C

C-7

C

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BOROUGH OF TUCKERTON

GENERAL CAPITAL FUND

SCHEDULE OF ECONOMIC DEVELOPMENT AUTHORITY LOAN RECEIVABLE

	<u>REF.</u>	
Balance, December 31, 2016	C	\$ 913,900.75
Decreased by:		
Receipts	C-2	<u>642,373.10</u>
Balance, December 31, 2017	C	<u><u>\$ 271,527.65</u></u>

BOROUGH OF TUCKERTON
GENERAL CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

ORD. NUMBER	IMPROVEMENT DESCRIPTION	DATE	ORDINANCE AMOUNT	BALANCE DECEMBER 31, 2016		DECREASED	INCREASED	BALANCE DECEMBER 31, 2017	
				FUNDED	UNFUNDED			FUNDED	UNFUNDED
05-89	Acquisition of Fire Truck	05/01/89	\$ 210,000.00	\$	\$ 13,933.26	\$	\$	\$	\$ 13,933.26
05-98	Equipment and Installation OEM Tower	04/06/98	20,000.00		4,167.00				4,167.00
04-99	Acquisition of Trash Truck	04/19/99	140,000.00		460.55				460.55
12(2)-00	Repair Municipal Docks	08/07/00	20,000.00		6,434.59				6,434.59
01-07	Various General Improvements	04/02/07	240,000.00		4,176.68			4,176.68	
10-11	Phase III of the Maple, Bartlett and Western Avenues Reconstruction Project	06/16/11	165,000.00		1,443.13			1,443.13	
07-13	Purchase of Computer and Server Upgrades	07/15/13	30,000.00		5,435.35		5,258.00	177.35	
09-13	Acquisition of Real Property	11/04/13	550,000.00		2,580.02			2,580.02	
08-16	Municipal Building Improvements	06/06/16	976,396.39		906,221.10		1,000.00	907,221.10	
09-16	Software and Hardware Upgrades	05/12/16	166,047.51		112,614.25			109,948.85	
02-17	Acquisition of a Garbage Truck for the Department of Public Works	05/19/17	312,500.00				312,500.00	15,625.00	296,875.00
03-17	Supplemental Funding - Municipal Building Improvements	05/19/17	400,000.00				400,000.00	84,055.55	315,944.45
				\$ 1,032,470.53	\$ 24,995.40		\$ 713,500.00	\$ 133,951.03	\$ 637,814.85
			REF.						
			C						
	Reserve for Encumbrances		C						
	Downpayment on Improvements		C-2	\$ 1,000.00					
	Deferred Charges to Future Taxation - Unfunded		C-5	20,000.00					
	Capital Improvement Fund		C-11	676,875.00					
				15,625.00					
				\$ 713,500.00					
			C-2						
	Disbursements		C						
	Reserve for Encumbrances					\$ 841,607.77			
						157,592.28			
						\$ 999,200.05			

BOROUGH OF TUCKERTON

GENERAL CAPITAL FUND

SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE

<u>ORDINANCE</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>DATE OF ORIGINAL NOTE</u>	<u>DATE OF ISSUE</u>	<u>DATE OF MATURITY</u>	<u>INTEREST RATE</u>	<u>INCREASED</u>	<u>BALANCE DECEMBER 31, 2017</u>
02-17	Acquisition of a Garbage Truck for the Department of Public Works	11/01/17	11/01/17	11/01/18	1.70%	\$ 296,875.00	\$ 296,875.00
03-17	Supplemental Funding - Municipal Building Improvements	11/01/17	11/01/17	11/01/18	1.70%	380,000.00	380,000.00
						<u>\$ 676,875.00</u>	<u>\$ 676,875.00</u>
				<u>REF.</u>	C-2		C

BOROUGH OF TUCKERTON

GENERAL CAPITAL FUND

SCHEDULE OF ECONOMIC DEVELOPMENT AUTHORITY LOAN PAYABLE

	<u>REF.</u>	
Balance, December 31, 2016	C	\$ <u>1,498,896.39</u>
Decreased by:		
Canceled (Loan Converted to Grant)	C-4	\$ <u><u>1,498,896.39</u></u>

"C-11"

BOROUGH OF TUCKERTON

GENERAL CAPITAL FUND

SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>REF.</u>	
Balance, December 31, 2016	C	\$ 17,335.71
Decreased by:		
Appropriated to Finance Improvement Authorizations	C-7	<u>15,625.00</u>
Balance, December 31, 2017	C	<u>\$ 1,710.71</u>

"C-12"

SCHEDULE OF INTERFUNDS

		<u>TOTAL (MEMO ONLY)</u>	<u>CURRENT FUND</u>	<u>GRANT FUND</u>
Balance, December 31, 2016 - Due From/(Due To)	C	\$ (85,810.06)	\$ (85,810.06)	\$
Increased/Decreased by:				
Receipts	C-2	<u>1,145,338.02</u> <u>(1,231,148.08)</u>	<u>599,658.06</u> <u>(685,468.12)</u>	<u>545,679.96</u> <u>(545,679.96)</u>
Decreased/Increased by:				
Disbursements	C-2	<u>1,832,209.85</u>	<u>685,468.12</u>	<u>1,146,741.73</u>
Balance, December 31, 2017 - Due From/(Due To)	C	<u>\$ 601,061.77</u>	<u>\$</u>	<u>\$ 601,061.77</u>

"C-13"

SCHEDULE OF MISCELLANEOUS RESERVES

<u>IMPROVEMENT DESCRIPTION</u>		<u>BALANCE DECEMBER 31, 2016 AND 2017</u>
Preliminary Expenses Borough Hall		<u>\$ 12,525.00</u>
	<u>REF.</u>	C

BOROUGH OF TUCKERTON

GENERAL CAPITAL FUND

SCHEDULE OF BONDS AND NOTES AUTHORIZED

BUT NOT ISSUED

<u>ORDINANCE NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>BALANCE DECEMBER 31, 2017</u>
05-89	Acquisition of Fire Truck	\$ 13,933.26
17-91	Utility Truck with Plow	3,500.00
05-98	Equipment and Installation OEM Tower	4,167.00
04-99	Acquisition of Trash Truck	2,623.16
12(2)-00	Repair Municipal Docks	<u>6,434.59</u>
		<u>\$ 30,658.01</u>
	<u>REF.</u>	C

BOROUGH OF TUCKERTON
WATER-SEWER UTILITY FUND
SCHEDULE OF CASH

	<u>REF.</u>	<u>OPERATING</u>	<u>CAPITAL</u>
Balance, December 31, 2016	D	\$ <u>213,113.69</u>	\$ <u>59,921.64</u>
Increased by Receipts:			
Water-Sewer Overpayments	D	7,848.14	
Water-Sewer Miscellaneous	D-3	81,421.66	
Water Rents Receivable	D-7	731,832.75	
Sewer Rents Receivable	D-8	1,358,889.08	
Deferred Revenue	D-10	70,960.13	
Interfunds	D-13	<u>315,831.56</u>	
Total Receipts		<u>2,566,783.32</u>	
Total Receipts and Balances		<u>2,779,897.01</u>	<u>59,921.64</u>
Decreased by Disbursements:			
Water-Sewer Overpayments	D	10,698.86	
Refund of Prior Year Revenue	D-1	1,200.15	
Budget Appropriations	D-4	2,090,452.62	
Accrued Interest on Bonds and Notes	D-12	232,636.34	
Appropriation Reserves	D-14	20,614.37	
Improvement Authorizations	D-23		<u>200.00</u>
Total Disbursements		<u>2,355,602.34</u>	<u>200.00</u>
Balance, December 31, 2017	D	\$ <u>424,294.67</u>	\$ <u>59,721.64</u>

BOROUGH OF TUCKERTON
WATER-SEWER UTILITY CAPITAL FUND

ANALYSIS OF CASH

	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2016</u>	<u>RECEIPTS</u>	<u>DISBURSEMENTS</u>	<u>TRANSFERS</u> <u>TO</u>	<u>FROM</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2017</u>
Fund Balance	\$ 264.43	\$	\$	\$	\$	\$ 264.43
Reserve for Improvements to Water System	5,451.49					5,451.49
Capital Improvement Fund	22,572.87					22,572.87
Interfunds	(53,350.34)					(53,350.34)
New Jersey Infrastructure Loan Receivable	(112,109.00)					(112,109.00)
Improvement Authorizations:						
<u>ORDINANCE</u>						
<u>NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>					
14-01	Acquire and Install Computers and Related Equipment	928.16				928.16
04-03	Anchor Avenue Project	7,898.64				7,898.64
19-04	Acquire Two Wellhead Shelters	3,188.92				3,188.92
07-05	Acquisition of Equipment for Stormwater Regulation Compliance	10,363.84				10,363.84
07-11	Various Water-Sewer Capital Projects	266.69				266.69
03-14	Replacement of Water Mains	337,074.84				337,074.84
04-14	Replacement of Sewer Mains	(14,776.55)				(14,776.55)
05-14	Repainting of the Water Tank	(231,268.74)	200.00			(231,468.74)
10-15	Various Water System Improvements	83,416.39				83,416.39
06-17	Heron Road Sewer Main Replacement					
07-17	Heron Road Water Main Replacement					
		\$ 59,921.64	\$ 200.00	\$	\$	\$ 59,721.64

REF.

D

D-5

D

"D-7"

BOROUGH OF TUCKERTON

WATER-SEWER UTILITY OPERATING FUND

SCHEDULE OF WATER RENTS RECEIVABLE

	<u>REF.</u>		
Balance, December 31, 2016	D		\$ 143,111.90
Increased by:			
Water Rents Levied			<u>784,191.63</u>
			927,303.53
Decreased by:			
Collection	D-5	\$ 731,832.75	
Deferred Revenue Applied	D-10	<u>21,468.05</u>	
	D-3	753,300.80	
Transfers to Liens	D-9	1,611.74	
Remitted, Abated or Cancelled		<u>64,530.05</u>	
			<u>819,442.59</u>
Balance, December 31, 2017	D		<u>\$ 107,860.94</u>

"D-8"

SCHEDULE OF SEWER RENTS RECEIVABLE

Balance, December 31, 2016	D		\$ 275,018.70
Increased by:			
Sewer Rents Levied			<u>1,471,694.84</u>
			1,746,713.54
Decreased by:			
Collection	D-5	\$ 1,358,889.08	
Deferred Revenue Applied	D-10	<u>47,410.08</u>	
	D-3	1,406,299.16	
Transfers to Liens	D-9	2,752.11	
Remitted, Abated or Cancelled		<u>135,039.13</u>	
			<u>1,544,090.40</u>
Balance, December 31, 2017	D		<u>\$ 202,623.14</u>

BOROUGH OF TUCKERTON

WATER-SEWER UTILITY OPERATING FUND

SCHEDULE OF WATER-SEWER UTILITY LIENS

	<u>REF.</u>		
Balance, December 31, 2016	D		\$ 3,533.13
Increased by:			
Transferred from Water Rents Receivable	D-7	\$ 1,611.74	
Transferred from Sewer Rents Receivable	D-8	2,752.11	
Penalties and Costs Accrued		<u>420.04</u>	
			<u>4,783.89</u>
			8,317.02
Decreased by:			
Canceled			<u>2,051.34</u>
Balance, December 31, 2017	D		\$ <u><u>6,265.68</u></u>

"D-10"

BOROUGH OF TUCKERTON
WATER-SEWER UTILITY OPERATING FUND
SCHEDULE OF DEFERRED REVENUE

	<u>REF.</u>	
Balance, December 31, 2016	D	\$ 68,878.13
Increased by:		
Receipts	D-5	<u>70,960.13</u>
		139,838.26
Decreased by:		
Application to Water Rents Receivable	D-7	\$ 21,468.05
Application to Sewer Rents Receivable	D-8	<u>47,410.08</u>
		<u>68,878.13</u>
Balance, December 31, 2017	D	\$ <u><u>70,960.13</u></u>

"D-11"

SCHEDULE OF ACCOUNTS PAYABLE

Balance, December 31, 2016	D	\$ 84.65
Increased by:		
Transfers from Appropriation Reserves	D-14	<u>1,225.36</u>
		1,310.01
Decreased by:		
Cancelled	D-1	<u>84.65</u>
Balance, December 31, 2017	D	\$ <u><u>1,225.36</u></u>

BOROUGH OF TUCKERTON

WATER-SEWER UTILITY OPERATING FUND

SCHEDULE OF ACCRUED INTEREST ON BONDS, NOTES AND LOANS

	<u>REF.</u>		
Balance, December 31, 2016	D	\$	66,153.19
Increased by:			
Budget Appropriations for:			
Interest on Bonds		\$	169,650.00
Interest on Notes			4,010.00
Interest on Loans			<u>74,616.80</u>
	D-4		<u>248,276.80</u>
			<u>314,429.99</u>
Decreased by:			
Interest Paid	D-5		<u>232,636.34</u>
Balance, December 31, 2017	D	\$	<u><u>81,793.65</u></u>

SCHEDULE OF INTERFUNDS

			<u>CURRENT FUND</u>
Balance, December 31, 2016 - Due From/(Due To)	D	\$	396,119.25
Decreased/Increased by:			
Receipts	D-5		<u>315,831.56</u>
Balance, December 31, 2017 - Due From/(Due To)	D	\$	<u><u>80,287.69</u></u>

BOROUGH OF TUCKERTON

WATER-SEWER UTILITY OPERATING FUND

SCHEDULE OF APPROPRIATION RESERVES

	<u>BALANCE DECEMBER 31, 2016</u>	<u>BALANCE AFTER TRANSFERS</u>	<u>PAID OR CHARGED</u>	<u>BALANCE LAPSED</u>	
Operations					
Salaries and Wages	\$ 10,709.21	\$ 10,709.21		\$ 10,709.21	
Other Expenses	31,580.22	31,580.22	21,839.73	9,740.49	
Ocean County Utilities Authority	23,680.20	23,680.20		23,680.20	
Other Insurance	11,200.00	11,200.00		11,200.00	
Statutory Expenditures					
Contribution to:					
Social Security System (O.A.S.I.)	11,375.36	11,375.36		11,375.36	
Unemployment Compensation Insurance	<u>1,654.62</u>	<u>1,654.62</u>		<u>1,654.62</u>	
	\$ <u>90,199.61</u>	\$ <u>90,199.61</u>	\$ <u>21,839.73</u>	\$ <u>68,359.88</u>	D-1
<u>REF.</u>					
Appropriation Reserves - 2016					
Reserve for Encumbrances	\$ 75,801.07				
	<u>14,398.54</u>				
	\$ <u>90,199.61</u>				
Disbursements			\$ 20,614.37		
Accounts Payable			<u>1,225.36</u>		
			\$ <u>21,839.73</u>		

BOROUGH OF TUCKERTON

WATER-SEWER UTILITY FUND

SCHEDULE OF RESERVE FOR ENCUMBRANCES

	<u>REF.</u>	<u>OPERATING</u>
Balance, December 31, 2016	D	\$ <u>14,398.54</u>
Increased by:		
Transfer from 2017 Budget Appropriations	D-4	<u>32,822.83</u>
Total Increases and Balances		<u>47,221.37</u>
Decreased by:		
Transfer to Appropriation Reserves	D-14	<u>14,398.54</u>
Balance, December 31, 2017	D	\$ <u><u>32,822.83</u></u>

BOROUGH OF TUCKERTON
WATER-SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL

	BALANCE DECEMBER 31, 2016	<u>ADDITIONS</u> <u>COSTS FROM</u> <u>FIXED CAPITAL</u> <u>AUTHORIZED AND</u> <u>UNCOMPLETED</u>	BALANCE DECEMBER 31, 2017
Transmission Lines	\$ 3,846,859.00	\$	\$ 3,846,859.00
Water Meters	265,581.00		265,581.00
Plant, Building and Equipment	460,293.00		460,293.00
Water Tank	564,672.00		564,672.00
Water Wells	279,816.89		279,816.89
Equipment	27,350.00		27,350.00
Land	5,500.00		5,500.00
Backhoe	17,672.00		17,672.00
Anchor Avenue Project	75,000.00		75,000.00
Water System Improvement Project:			
Ordinance #07-92	1,800,430.00		1,800,430.00
Water Lines - Phase I:			
Ordinance #06-97	300,000.00		300,000.00
Acquire and Install Computers and Related Equipment:			
Ordinance #14-01	7,071.84		7,071.84
Anchor Avenue Project:			
Ordinance #04-03	22,101.36		22,101.36
Capital Outlay:			
By Operating Budget of 2006	5,000.00		5,000.00
Replace Alarm - Main:			
Ordinance #05-00	180,000.00		180,000.00
Construction of a Water Supply Well and an Additional Filter:			
Ordinance #10-02	653,000.00		653,000.00
Water System Improvement Projects:			
Ordinance #01-04	35,000.00		35,000.00
Various Water System Improvements:			
Ordinance #03-04	550,000.00		550,000.00
Acquire and Install Water Meters:			
Ordinance #18-04	1,264.53		1,264.53
Closing of Well #1 and Well #2:			
Ordinance #03-07	318,735.47		318,735.47
Acquire Two Wellhead Shelters:			
Ordinance #19-04	116,811.08		116,811.08
Water Service Along Angler and Tarpon Roads:			
Ordinance #20-04	245,000.00		245,000.00
Water Service Along Angler and Tarpon Roads:			
Ordinance #06-07	80,000.00		80,000.00
Acquisition and Installation of Carroll Avenue Fire Hydrants:			
Ordinance #11-09	16,950.00		16,950.00
Sewer Collection System	2,669,427.19		2,669,427.19
Sewer Jetter	64,988.00		64,988.00
Sewer Equipment	41,023.00		41,023.00
Backhoe	17,847.50		17,847.50

BOROUGH OF TUCKERTON
WATER-SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL

	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2016</u>	<u>ADDITIONS</u> <u>COSTS FROM</u> <u>FIXED CAPITAL</u> <u>AUTHORIZED AND</u> <u>UNCOMPLETED</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2017</u>
Land	\$ 8,250.00	\$	\$ 8,250.00
Improvements to Sewer Utility:			
Ordinance #02-91	334,902.55		334,902.55
Purchase of Utility Truck:			
Ordinance #18-91	16,000.00		16,000.00
Sewer System Improvements:			
Ordinance #08-92	2,409,534.16		2,409,534.16
Anchor Avenue Project:			
Ordinance #20-01	25,000.00		25,000.00
Western and Maple Avenues Sewer Improvements:			
Ordinance #14-98 and Community Development Block Grant	250,996.07		250,996.07
Sewer System Improvements:			
Ordinance #09-00	100,505.98		100,505.98
Acquisition of Computer Equipment:			
Ordinance #15-01	7,314.84		7,314.84
Capital Outlay:			
By Operating Budget of 2006	7,348.10		7,348.10
Fairway Pumping Station and Related Expenses:			
Ordinance #15-02	400,000.00		400,000.00
Sewer System Improvements:			
Ordinance #05-03	30,000.00		30,000.00
Restoration of the Boroughs Main Sewer Line:			
Ordinance #09-04	39,743.54		39,743.54
Sewer Service Along Angler and Tarpon Roads:			
Ordinance #21-04	342,000.00		342,000.00
Acquisition of Emergency Equipment for the Borough Sewer System:			
Ordinance #23-04	78,347.70		78,347.70
Acquisition of a Utility Truck:			
Ordinance #26-04	52,000.00		52,000.00
Acquisition of Equipment for Stormwater Regulation Compliance:			
Ordinance #07-05	159,636.16		159,636.16
Renovations to Existing Pump Stations:			
Ordinance #10-05	1,200,000.00		1,200,000.00
Renovations to Existing Pump Stations:			
Ordinance #04-06	70,000.00		70,000.00
Sewer Service Along Angler and Tarpon Roads:			
Ordinance #07-07	98,871.89		98,871.89
Preliminary Expenses - East Main Street Sewer Main:			
Resolution #76-08	23,500.00		23,500.00
Replace Sewer Main at East Main Street and Tip Seaman:			
Ordinance #04-08	235,509.94		235,509.94

BOROUGH OF TUCKERTON
WATER-SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL

	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2016</u>	<u>ADDITIONS</u> <u>COSTS FROM</u> <u>FIXED CAPITAL</u> <u>AUTHORIZED AND</u> <u>UNCOMPLETED</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2017</u>
Various Water-Sewer Capital Projects			
Ordinance #07-11	\$ 64,223.37	\$	\$ 64,223.37
Improvements to the Sewer Utility System			
Ordinance #10-13	500,000.00		500,000.00
Replacement of Water Mains			
Ordinance #03-14	910,674.16		910,674.16
Replacement of Sewer Mains			
Ordinance #04-14	1,974,776.55		1,974,776.55
Repainting of the Water Tank			
Ordinance #05-14	<u>1,104,920.74</u>	<u>200.00</u>	<u>1,105,120.74</u>
	<u>\$ 23,111,449.61</u>	<u>\$ 200.00</u>	<u>\$ 23,111,649.61</u>
<u>REF.</u>	D	D-17	D

BOROUGH OF TUCKERTON

WATER-SEWER UTILITY CAPITAL FUND

SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

<u>ORDINANCE NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>DATE</u>	<u>ORDINANCE AMOUNT</u>	<u>BALANCE DECEMBER 31, 2016</u>	<u>DEFERRED CHARGES TO FUTURE REVENUE</u>	<u>COSTS TO FIXED CAPITAL</u>	<u>BALANCE DECEMBER 31, 2017</u>
14-01	Acquire and Install Computers and Related Equipment	07/16/01	\$ 8,000.00	\$ 928.16	\$	\$	928.16
04-03	Anchor Avenue Project	06/02/03	30,000.00	7,898.64			7,898.64
19-04	Acquire Two Wellhead Shelters	09/08/04	120,000.00	3,188.92			3,188.92
18-91	Purchase Utility Truck	11/04/91	23,000.00	7,000.00			7,000.00
07-05	Acquisition of Equipment for Stormwater Regulation Compliance	05/02/05	170,000.00	10,363.84			10,363.84
07-11	Various Water-Sewer Capital Projects	05/02/11	64,490.06	266.69			266.69
2011	Reserve for Improvements to Water System	2011	5,451.49	5,451.49			5,451.49
03-14	Replacement of Water Mains	06/17/14	1,260,000.00	349,325.84			349,325.84
04-14	Replacement of Sewer Mains	06/17/14	1,985,000.00	10,223.45			10,223.45
05-14	Repainting of the Water Tank	06/17/14	1,280,000.00	175,079.26		200.00	174,879.26
10-15	Various Water System Improvements	07/06/15	83,416.39	83,416.39			83,416.39
06-17	Heron Road Sewer Main Replacement	12/18/17	2,025,000.00		2,025,000.00		2,025,000.00
07-17	Heron Road Water Main Replacement	12/18/17	1,670,000.00		1,670,000.00		1,670,000.00
				<u>\$ 653,142.68</u>	<u>\$ 3,695,000.00</u>	<u>\$ 200.00</u>	<u>\$ 4,347,942.68</u>

REF.

D

D-23

D-16

D

BOROUGH OF TUCKERTON
WATER-SEWER UTILITY CAPITAL FUND
SCHEDULE OF NEW JERSEY INFRASTRUCTURE
LOAN RECEIVABLE

	<u>REF.</u>	
Balance, December 31, 2016 and 2017	D	\$ <u>112,109.00</u>

BOROUGH OF TUCKERTON
WATER-SEWER UTILITY CAPITAL FUND
SCHEDULE OF INTERFUNDS

	<u>REF.</u>	<u>CURRENT</u> <u>FUND</u>
Balance December 31, 2016 and 2017 - Due From/(Due To)	D	\$ <u><u>53,350.34</u></u>

BOROUGH OF TUCKERTON

WATER-SEWER UTILITY CAPITAL FUND

SCHEDULE OF SERIAL BONDS PAYABLE

<u>PURPOSE</u>	<u>DATE OF ISSUE</u>	<u>ORIGINAL ISSUE</u>	<u>MATURITIES OF BONDS OUTSTANDING DEC. 31, 2017</u>		<u>INTEREST RATE</u>	<u>BALANCE DECEMBER 31, 2016</u>	<u>DECREASED</u>	<u>BALANCE DECEMBER 31, 2017</u>
			<u>DATE</u>	<u>AMOUNT</u>				
General Obligation Bonds Series 2009	01/07/09	\$ 2,688,000.00	01/01/18	\$ 185,000.00	6.00%	\$ 555,000.00	\$ 175,000.00	\$ 380,000.00
Refunding Bonds Series 2015	12/30/15	4,150,000.00	01/01/19	195,000.00	6.00%			
			03/01/18	200,000.00	2.00%			
			03/01/19	205,000.00	3.00%			
			03/01/20	410,000.00	3.00%			
			03/01/21	380,000.00	4.00%			
			03/01/22	345,000.00	4.00%			
			03/01/23-24	360,000.00	4.00%			
			03/01/25	140,000.00	4.00%			
			03/01/26	145,000.00	4.00%			
			03/01/27	150,000.00	4.00%			
			03/01/28	125,000.00	4.00%			
			03/01/29	105,000.00	4.00%			
			03/01/30	110,000.00	4.00%			
			03/01/31	115,000.00	4.00%			
			03/01/32	120,000.00	4.00%			
			03/01/33	115,000.00	4.00%			
03/01/34	120,000.00	4.00%						
03/01/35-36	65,000.00	4.00%						
03/01/37	70,000.00	4.00%						
03/01/38	40,000.00	4.00%						
						<u>3,940,000.00</u>	<u>195,000.00</u>	<u>3,745,000.00</u>
						<u>\$ 4,495,000.00</u>	<u>\$ 370,000.00</u>	<u>\$ 4,125,000.00</u>

REF

D

D-26

D

BOROUGH OF TUCKERTON

WATER-SEWER UTILITY CAPITAL FUND

SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE

<u>ORDINANCE</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>DATE OF ORIGINAL NOTE</u>	<u>DATE OF ISSUE</u>	<u>DATE OF MATURITY</u>	<u>INTEREST RATE</u>	<u>BALANCE DECEMBER 31, 2016</u>	<u>DECREASED</u>	<u>BALANCE DECEMBER 31, 2017</u>
10-13	Improvements to the Sewer Utility System	12/06/13	11/01/17	11/01/18	1.70%	\$ 350,000.00	\$ 50,000.00	\$ 300,000.00
					<u>REF.</u>	<u>\$ 350,000.00</u>	<u>\$ 50,000.00</u>	<u>\$ 300,000.00</u>
						D	D-26	D

BOROUGH OF TUCKERTON

WATER-SEWER UTILITY CAPITAL FUND

SCHEDULE OF NEW JERSEY INFRASTRUCTURE LOANS PAYABLE

PURPOSE	DATE OF ISSUE	MATURITIES OF LOANS OUTSTANDING DECEMBER 31, 2017 DATE	INTEREST RATE	BALANCE DECEMBER 31, 2016	BALANCE DECEMBER 31, 2017
New Jersey Environmental Infrastructure Trust - Well and Filter	N/A	See D-22 - Sheet 2	Various	\$ 228,746.97	\$ 37,021.14
New Jersey Environmental Infrastructure Trust - Pump Stations	N/A	See D-22 - Sheet 3	Various	622,817.49	66,802.32
New Jersey Environmental Infrastructure Trust - Water Mains	N/A	See D-22 - Sheet 4	Various	481,525.43	22,711.85
New Jersey Environmental Infrastructure Trust - Sewer Mains	N/A	See D-22 - Sheet 5	Various	1,540,393.23	70,810.15
New Jersey Environmental Infrastructure Trust - Water Mains/Tower	N/A	See D-22 - Sheet 6	Various	1,087,540.80	136,847.30
				<u>\$ 3,961,023.92</u>	<u>\$ 334,192.76</u>
			<u>REF.</u>	D	D
Paid by Budget Appropriation			D-26	\$ 250,110.76	
Canceled			D-26	<u>84,082.00</u>	
				<u>\$ 334,192.76</u>	

BOROUGH OF TUCKERTON

WATER-SEWER UTILITY CAPITAL FUND

MATURITY SCHEDULE - CONSTRUCTION OF A WATER SUPPLY

WELL AND AN ADDITIONAL FILTER

\$632,164 NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST

<u>DUE</u>	<u>LOAN BALANCE</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>PAYMENT</u>
02/01/18	\$ 191,725.83	\$ 1,750.40	\$ 2,718.75	\$ 4,469.15
08/01/18	189,975.43	34,626.92	2,718.75	37,345.67
02/01/19	155,348.51	1,428.48	2,218.75	3,647.23
08/01/19	153,920.03	34,305.00	2,218.75	36,523.75
02/01/20	119,615.03	1,106.57	1,718.75	2,825.32
08/01/20	118,508.46	33,983.09	1,718.75	35,701.84
02/01/21	84,525.37	784.66	1,218.75	2,003.41
08/01/21	83,740.71	41,880.31	1,218.75	43,099.06
02/01/22	41,860.40	382.27	593.75	976.02
08/01/22	41,478.13	41,478.13	593.75	42,071.88
<u>TOTAL</u>		\$ <u>191,725.83</u>	\$ <u>16,937.50</u>	\$ <u>208,663.33</u>

BOROUGH OF TUCKERTON

WATER-SEWER UTILITY CAPITAL FUND

MATURITY SCHEDULE - RENOVATIONS TO EXISTING

PUMP STATIONS

\$1,179,000 NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST

<u>DUE</u>	<u>LOAN BALANCE</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>PAYMENT</u>
02/01/18	\$ 556,015.17	\$ 4,356.86	\$ 6,868.75	\$ 11,225.61
08/01/18	551,658.31	61,557.44	6,868.75	68,426.19
02/01/19	490,100.87	3,885.10	6,125.00	10,010.10
08/01/19	486,215.77	61,085.68	6,125.00	67,210.68
02/01/20	425,130.09	3,413.33	5,381.25	8,794.58
08/01/20	421,716.76	60,613.92	5,381.25	65,995.17
02/01/21	361,102.84	2,913.82	4,593.75	7,507.57
08/01/21	358,189.02	68,285.91	4,593.75	72,879.66
02/01/22	289,903.11	2,358.81	3,718.75	6,077.56
08/01/22	287,544.30	67,730.90	3,718.75	71,449.65
02/01/23	219,813.40	1,803.79	2,843.75	4,647.54
08/01/23	218,009.61	67,175.89	2,843.75	70,019.64
02/01/24	150,833.72	1,248.78	1,968.75	3,217.53
08/01/24	149,584.94	74,792.38	1,968.75	76,761.13
02/01/25	74,792.56	624.39	984.38	1,608.77
08/01/25	74,168.17	74,168.17	984.38	75,152.55
<u>TOTAL</u>		<u>\$ 556,015.17</u>	<u>\$ 64,968.76</u>	<u>\$ 620,983.93</u>

BOROUGH OF TUCKERTON

WATER-SEWER UTILITY CAPITAL FUND

MATURITY SCHEDULE - WATER MAIN REPLACEMENT

\$490,000 NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST

<u>DUE</u>	<u>LOAN BALANCE</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>PAYMENT</u>
02/01/18	\$ 458,813.58	\$ 4,237.28	\$ 4,287.50	\$ 8,524.78
08/01/18	454,576.30	18,474.57	4,287.50	22,762.07
02/01/19	436,101.73	4,237.28	4,037.50	8,274.78
08/01/19	431,864.45	18,474.57	4,037.50	22,512.07
02/01/20	413,389.88	4,237.28	3,787.50	8,024.78
08/01/20	409,152.60	18,474.57	3,787.50	22,262.07
02/01/21	390,678.03	4,237.28	3,537.50	7,774.78
08/01/21	386,440.75	18,474.57	3,537.50	22,012.07
02/01/22	367,966.18	4,237.28	3,287.50	7,524.78
08/01/22	363,728.90	18,474.57	3,287.50	21,762.07
02/01/23	345,254.33	4,237.28	3,037.50	7,274.78
08/01/23	341,017.05	18,474.57	3,037.50	21,512.07
02/01/24	322,542.48	4,237.28	2,787.50	7,024.78
08/01/24	318,305.20	18,474.57	2,787.50	21,262.07
02/01/25	299,830.63	4,237.28	2,537.50	6,774.78
08/01/25	295,593.35	18,474.57	2,537.50	21,012.07
02/01/26	277,118.78	4,237.28	2,287.50	6,524.78
08/01/26	272,881.50	23,474.57	2,287.50	25,762.07
02/01/27	249,406.93	4,237.28	2,062.50	6,299.78
08/01/27	245,169.65	23,474.57	2,062.50	25,537.07
02/01/28	221,695.08	4,237.28	1,837.50	6,074.78
08/01/28	217,457.80	23,474.57	1,837.50	25,312.07
02/01/29	193,983.23	4,237.28	1,612.50	5,849.78
08/01/29	189,745.95	23,474.57	1,612.50	25,087.07
02/01/30	166,271.38	4,237.28	1,387.50	5,624.78
08/01/30	162,034.10	23,474.57	1,387.50	24,862.07
02/01/31	138,559.53	4,237.28	1,162.50	5,399.78
08/01/31	134,322.25	23,474.57	1,162.50	24,637.07
02/01/32	110,847.68	4,237.28	937.50	5,174.78
08/01/32	106,610.40	23,474.57	937.50	24,412.07
02/01/33	83,135.83	4,237.28	712.50	4,949.78
08/01/33	78,898.55	23,474.57	712.50	24,187.07
02/01/34	55,423.98	4,237.28	478.13	4,715.41
08/01/34	51,186.70	23,474.57	478.13	23,952.70
02/01/35	27,712.13	4,237.28	243.75	4,481.03
08/01/35	23,474.85	23,474.85	243.75	23,718.60
<u>TOTAL</u>		\$ <u>458,813.58</u>	\$ <u>80,043.76</u>	\$ <u>538,857.34</u>

BOROUGH OF TUCKERTON

WATER-SEWER UTILITY CAPITAL FUND

MATURITY SCHEDULE - SEWER MAIN REPLACEMENT

\$1,577,600 NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST

<u>DUE</u>	<u>LOAN BALANCE</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>PAYMENT</u>
02/01/18	\$ 1,469,583.08	\$ 18,603.38	\$ 8,759.38	\$ 27,362.76
08/01/18	1,450,979.70	57,206.77	8,759.38	65,966.15
02/01/19	1,393,772.93	18,603.38	8,259.38	26,862.76
08/01/19	1,375,169.55	57,206.77	8,259.38	65,466.15
02/01/20	1,317,962.78	18,603.38	7,759.38	26,362.76
08/01/20	1,299,359.40	57,206.77	7,759.38	64,966.15
02/01/21	1,242,152.63	18,603.38	7,259.38	25,862.76
08/01/21	1,223,549.25	57,206.77	7,259.38	64,466.15
02/01/22	1,166,342.48	18,603.38	6,759.38	25,362.76
08/01/22	1,147,739.10	57,206.77	6,759.38	63,966.15
02/01/23	1,090,532.33	18,603.38	6,259.38	24,862.76
08/01/23	1,071,928.95	57,206.77	6,259.38	63,466.15
02/01/24	1,014,722.18	18,603.38	5,759.38	24,362.76
08/01/24	996,118.80	62,206.77	5,759.38	67,966.15
02/01/25	933,912.03	18,603.38	5,134.38	23,737.76
08/01/25	915,308.65	62,206.77	5,134.38	67,341.15
02/01/26	853,101.88	18,603.38	4,509.38	23,112.76
08/01/26	834,498.50	62,206.77	4,509.38	66,716.15
02/01/27	772,291.73	18,603.38	4,134.38	22,737.76
08/01/27	753,688.35	62,206.77	4,134.38	66,341.15
02/01/28	691,481.58	18,603.38	3,759.38	22,362.76
08/01/28	672,878.20	62,206.77	3,759.38	65,966.15
02/01/29	610,671.43	18,603.38	3,384.38	21,987.76
08/01/29	592,068.05	67,206.77	3,384.38	70,591.15
02/01/30	524,861.28	18,603.38	2,934.38	21,537.76
08/01/30	506,257.90	67,206.77	2,934.38	70,141.15
02/01/31	439,051.13	18,603.38	2,484.38	21,087.76
08/01/31	420,447.75	67,206.77	2,484.38	69,691.15
02/01/32	353,240.98	18,603.38	2,034.38	20,637.76
08/01/32	334,637.60	67,206.77	2,034.38	69,241.15
02/01/33	267,430.83	18,603.38	1,584.38	20,187.76
08/01/33	248,827.45	67,206.77	1,584.38	68,791.15
02/01/34	181,620.68	18,603.38	1,115.63	19,719.01
08/01/34	163,017.30	72,206.77	1,115.63	73,322.40
02/01/35	90,810.53	18,603.38	568.75	19,172.13
08/01/35	72,207.15	72,207.15	568.75	72,775.90
<u>TOTAL</u>		<u>\$ 1,469,583.08</u>	<u>\$ 164,918.92</u>	<u>\$ 1,634,502.00</u>

BOROUGH OF TUCKERTON

WATER-SEWER UTILITY CAPITAL FUND

MATURITY SCHEDULE - WATER MAIN REPLACEMENT AND WATER TOWER

\$1,116,051 NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST

<u>DUE</u>	<u>LOAN BALANCE</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>PAYMENT</u>
02/01/18	\$ 950,693.50	\$ 14,255.10	\$ 4,975.00	\$ 19,230.10
08/01/18	936,438.40	38,510.20	4,975.00	43,485.20
02/01/19	897,928.20	14,255.10	4,725.00	18,980.10
08/01/19	883,673.10	38,510.20	4,725.00	43,235.20
02/01/20	845,162.90	14,255.10	4,475.00	18,730.10
08/01/20	830,907.80	38,510.20	4,475.00	42,985.20
02/01/21	792,397.60	14,255.10	4,225.00	18,480.10
08/01/21	778,142.50	38,510.20	4,225.00	42,735.20
02/01/22	739,632.30	14,255.10	3,975.00	18,230.10
08/01/22	725,377.20	38,510.20	3,975.00	42,485.20
02/01/23	686,867.00	14,255.10	3,725.00	17,980.10
08/01/23	672,611.90	43,510.20	3,725.00	47,235.20
02/01/24	629,101.70	14,255.10	3,350.00	17,605.10
08/01/24	614,846.60	43,510.20	3,350.00	46,860.20
02/01/25	571,336.40	14,255.10	2,975.00	17,230.10
08/01/25	557,081.30	43,510.20	2,975.00	46,485.20
02/01/26	513,571.10	14,255.10	2,600.00	16,855.10
08/01/26	499,316.00	43,510.20	2,600.00	46,110.20
02/01/27	455,805.80	14,255.10	2,375.00	16,630.10
08/01/27	441,550.70	43,510.20	2,375.00	45,885.20
02/01/28	398,040.50	14,255.10	2,150.00	16,405.10
08/01/28	383,785.40	43,510.20	2,150.00	45,660.20
02/01/29	340,275.20	14,255.10	1,925.00	16,180.10
08/01/29	326,020.10	43,510.20	1,925.00	45,435.20
02/01/30	282,509.90	14,255.10	1,700.00	15,955.10
08/01/30	268,254.80	43,510.20	1,700.00	45,210.20
02/01/31	224,744.60	14,255.10	1,475.00	15,730.10
08/01/31	210,489.50	43,510.20	1,475.00	44,985.20
02/01/32	166,979.30	14,255.10	1,250.00	15,505.10
08/01/32	152,724.20	48,510.20	1,250.00	49,760.20
02/01/33	104,214.00	14,255.10	950.00	15,205.10
08/01/33	89,958.90	48,510.20	950.00	49,460.20
02/01/34	41,448.70	14,255.10	637.50	14,892.60
08/01/34	27,193.60	27,193.60	637.50	27,831.10
<u>TOTAL</u>		<u>\$ 950,693.50</u>	<u>\$ 94,975.00</u>	<u>\$ 1,045,668.50</u>

"D-24"

BOROUGH OF TUCKERTON
WATER-SEWER UTILITY CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>REF.</u>	
Balance, December 31, 2016 and 2017	D	\$ <u>22,572.87</u>

"D-25"

SCHEDULE OF RESERVE FOR IMPROVEMENTS
TO WATER SYSTEM

Balance, December 31, 2016 and 2017	D	\$ <u>5,451.49</u>
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"D-26"

SCHEDULE OF RESERVE FOR AMORTIZATION

Balance, December 31, 2016	D	\$ 14,059,380.40
Increased by:		
Serial Bonds Paid by Operating Budget	D-20	\$ 370,000.00
Bond Anticipation Notes Paid by Operating Budget	D-21	50,000.00
NJ EIT Loans Paid by Operating Budget	D-22	250,110.76
NJ EIT Loans Canceled	D-22	<u>84,082.00</u>
		<u>754,192.76</u>
Balance, December 31, 2017	D	\$ <u>14,813,573.16</u>

BOROUGH OF TUCKERTON

WATER-SEWER UTILITY CAPITAL FUND

SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

<u>ORDINANCE NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>DATE OF ORDINANCE</u>	<u>BALANCE DECEMBER 31, 2016</u>	<u>FROM/(TO) RESERVE FOR AMORTIZATION FIXED CAPITAL</u>	<u>BALANCE DECEMBER 31, 2017</u>
14-01	Acquire and Install Computers and Related Equipment	07/16/01	\$ 928.16	\$	\$ 928.16
04-03	Anchor Avenue Project	06/02/03	7,898.64		7,898.64
19-04	Acquire Two Wellhead Shelters	09/08/04	3,188.92		3,188.92
07-05	Acquisition of Equipment for Stormwater Regulation Compliance	05/02/05	10,363.84		10,363.84
07-11	Various Water-Sewer Capital Projects	05/02/11	266.69		266.69
2011	Reserve for Improvements to Water System	2011	5,451.49		5,451.49
03-14	Replacement of Water Mains	06/17/14	337,074.84		337,074.84
10-15	Various Water System Improvements	07/06/15	83,416.39		83,416.39
			<u>\$ 448,588.97</u>	<u>\$</u>	<u>\$ 448,588.97</u>

REF.

D

D

BOROUGH OF TUCKERTON

WATER-SEWER UTILITY CAPITAL FUND

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

<u>ORDINANCE NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>BALANCE DECEMBER 31, 2017</u>
18-91	Purchase Utility Truck	\$ 7,000.00
03-14	Replacement of Water Mains	12,251.00
04-14	Replacement of Sewer Mains	25,000.00
05-14	Repainting of the Water Tank	406,348.00
06-17	Heron Road Sewer Main Replacement	2,025,000.00
07-17	Heron Road Water Main Replacement	<u>1,670,000.00</u>
		<u>\$ 4,145,599.00</u>
	<u>REF.</u>	D

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BOROUGH OF TUCKERTON

PART II

SINGLE AUDIT SECTION

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

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
WITH REQUIREMENTS APPLICABLE TO MAJOR FEDERAL
FINANCIAL ASSISTANCE PROGRAMS AND INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2017

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL
AWARDS FOR THE YEAR ENDED DECEMBER 31, 2017

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2017



SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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

The Honorable Mayor and Members
of the Borough Council
Borough of Tuckerton
County of Ocean
Tuckerton, New Jersey 08087

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the regulatory financial statements of the various individual funds and account groups of the Borough of Tuckerton, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Borough's regulatory financial statements, and have issued our report thereon dated July 6, 2018. Our report disclosed that, as described in Note 1 to the financial statements, the Borough of Tuckerton prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with a modified accrual basis and the budget laws of the State of New Jersey, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles.

Internal Control Over Financial Reporting

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

SUPLEE, CLOONEY & COMPANY

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. We noted other matters in the internal control which are discussed in Part III, General Comments and Recommendations section of the audit report.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough'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*. We noted other matters of noncompliance which are discussed in Part III, General Comments and Recommendations section of the audit report.

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 Borough's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


CERTIFIED PUBLIC ACCOUNTANTS


REGISTERED MUNICIPAL ACCOUNTANT NO. 439

July 6, 2018



SUPLEE, CLOONEY & COMPANY

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO MAJOR FEDERAL FINANCIAL ASSISTANCE PROGRAMS AND INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

The Honorable Mayor and Members
of the Borough Council
Borough of Tuckerton
County of Ocean
Tuckerton, New Jersey 08087

Report on Compliance for Each Major Federal Program

We have audited the Borough of Tuckerton's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Borough of Tuckerton's major federal programs for the year ended December 31, 2017. The Borough's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the Borough of Tuckerton complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2017.

Report on Internal Control Over Compliance

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.


CERTIFIED PUBLIC ACCOUNTANTS


REGISTERED MUNICIPAL ACCOUNTANT NO. 439

July 6, 2018

BOROUGH OF TUCKERTON
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2017

FEDERAL CFDA NUMBER	PASS THROUGH GRANTOR'S NUMBER	GRANT PERIOD FROM TO	GRANT AWARD AMOUNT	2017 FUNDS RECEIVED	2017 EXPENDITURES	CUMULATIVE EXPENDITURES DECEMBER 31, 2017
10.766	N/A	2014 Completion	\$ 37,500.00	\$	\$	\$ 37,500.00
FEDERAL GRANTOR/PASS THROUGH GRANTOR/ PROGRAM TITLE DEPARTMENT OF AGRICULTURE: Community Facilities Grant Program: Direct Program: 2014 Grant Award						
11.419	100-042-4801-443-150220	2014 Completion	16,656.51	140.30	140.30	16,456.51
DEPARTMENT OF COMMERCE: National Oceanic and Atmospheric Administration: Indirect Program - Passed Through the State of New Jersey Department of Environmental Protection: Municipal Public Access Grant: 2014 Grant Award						
14.218	CT - 1533-16	07/01/16 Completion	31,000.00	1,747.50	1,747.50	1,747.50
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT: Community Development Block Grant: Indirect Programs - Passed Through the County of Ocean Department of Planning: Curbs and Sidewalks Hurricane Sandy Community Development Block Grant - Disaster Recovery Grants: Indirect Programs - Passed Through the New Jersey Economic Development Authority: Stronger New Jersey Neighborhood Community Revitalization Program: South Green Street Park Borough of Tuckerton Total New Jersey Economic Development Authority Programs Indirect Programs - Passed Through the State of New Jersey Department of Community Affairs: Disaster Recovery Round 4 Indirect Programs - Passed Through the State of New Jersey Department of Community Affairs: DCA Post Sandy Total Department of Housing and Urban Development						
14.269	N/A	03/25/15 Completion	1,397,220.00	783,370.25	799,445.87	804,445.87
14.269	N/A	01/29/15 Completion	1,498,896.39	642,373.10	906,221.10	1,496,316.37
				1,425,743.35	1,705,666.97	2,300,762.24
14.269	100-022-8022-004-100040	01/01/13 Completion	46,237.83	46,237.83	46,237.83	46,237.83
14.269	100-022-8022-003-100030	2014 Completion	20,000.00	1,471,981.18	1,753,652.30	18,731.36
DEPARTMENT OF ENVIRONMENTAL PROTECTION: Capitalization Grants for Drinking Water State Revolving Fund Indirect Programs - Passed Through the State of New Jersey Department of Environmental Protection Sewer Main Replacement Rehab Storage Tank & Water Main Replacement Total Department of Environmental Protection						
66.458	510-042-4860-009-702300	2015 Completion	1,470,000.00	0.00	0.00	1,470,000.00
66.468	707-042-4840-025-802207/217	2015 Completion	1,591,051.00	0.00	0.00	1,596,969.00
DEPARTMENT OF HOMELAND SECURITY: State and Local Homeland Security National Training Program Direct Program 2017 Grant Award Disaster Grants - Public Assistance Indirect Programs - Passed Through the State of New Jersey Department of Law and Public Safety: Winter Storm Jonas Indirect Programs - Passed Through the State of New Jersey Department of Environmental Protection: Hazard Mitigation Grant Program Total Department of Homeland Security Total Federal Assistance						
97.005	N/A	2017 Completion	13,455.70	13,455.70	13,455.70	13,455.70
97.036	100-066-1200-B80-068460	01/22/16 Completion	38,411.93	38,411.93	38,411.93	38,411.93
97.039	N/A	01/01/13 Completion	209,200.00	51,867.63	51,867.63	51,867.63
				\$ 1,523,989.11	\$ 1,805,660.23	\$ 5,450,272.07

BOROUGH OF TUCKERTON

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED DECEMBER 31, 2017

NOTE 1. GENERAL

The accompanying schedule of expenditures of federal awards presents the activity of all federal awards of the Borough of Tuckerton, County of Ocean, New Jersey. All federal financial awards received directly from federal, as well as federal financial awards passed through other government agencies are included on the Schedule of Expenditures of Federal Awards.

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedule of expenditures of federal awards is presented on the prescribed basis of accounting, modified accrual basis with certain exceptions, prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with the budget laws of New Jersey, which is a comprehensive basis of accounting, other than U.S. generally accepted accounting principles. The basis of accounting, with exception, is described in Note 1 to the Borough's financial statements - regulatory basis. The Borough has elected not to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 3. RELATIONSHIP TO FEDERAL FINANCIAL REPORTS

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal financial reports.

NOTE 4. RELATIONSHIP TO FINANCIAL STATEMENTS - REGULATORY BASIS

Amounts reported in the accompanying schedules agree with amounts reported in the Borough's regulatory basis financial statements. These amounts are reported in either the Current, the Grant or the General Capital Fund. Reconciliations of revenues and expenses are presented on the following page.

NOTE 4. RELATIONSHIP TO FINANCIAL STATEMENTS - REGULATORY BASIS (CONTINUED)

Revenues:

	<u>Federal</u>
Current Fund	\$ 84,649.76
Grant Fund	796,966.25
General Capital Fund	<u>642,373.10</u>
	<u>\$ 1,523,989.11</u>

Expenditures:

	<u>Federal</u>
Current Fund	\$ 84,649.76
Grant Fund	814,789.37
General Capital Fund	<u>906,221.10</u>
	<u>\$ 1,805,660.23</u>

NOTE 5. OTHER

Matching contributions expended by the Borough in accordance with terms of the various grants are not reported in the accompanying schedule.

BOROUGH OF TUCKERTON
COUNTY OF OCEAN, NEW JERSEY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2017

Section I - Summary of Auditor's Results

Financial Statements

- | | |
|--|------------|
| (1) Type of Auditor's Report Issued: | Unmodified |
| (2) Internal Control Over Financial Reporting: | |
| (a) Material weaknesses identified? | No |
| (b) Deficiencies identified that are not considered to be material weaknesses? | No |
| (3) Noncompliance material to the financial statements noted during the audit? | No |

Federal Programs(s)

- | | |
|---|------------|
| (1) Internal Control Over Major Federal Programs: | |
| (a) Material weaknesses identified? | No |
| (b) Deficiencies identified that are not considered to be material weaknesses? | No |
| (2) Type of Auditor's Report issued on compliance for major federal program(s)? | Unmodified |
| (3) Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance and listed in Section III of this schedule? | No |

(4) Identification of Major Federal Program(s):

<u>Program</u>	<u>Grant Number</u>	<u>Grant Period</u>	<u>Type</u>	<u>Award Amount</u>	<u>Amount Expended in 2017</u>
Hurricane Sandy Community Development Block Grants: Disaster Recovery Grants	14.269	2013-15	A	\$2,962,354.22	\$1,751,904.80

(5) Program Threshold Determination:

Type A Federal Program Threshold > \$750,000.00
Type B Federal Program Threshold <= \$750,000.00

- | | |
|---|----|
| (6) Auditee qualified as a low-risk auditee under the Uniform Guidance? | No |
|---|----|

BOROUGH OF TUCKERTON
COUNTY OF OCEAN, NEW JERSEY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2017

Section I - Summary of Auditor's Results (Continued)

State Program(s)

Not Applicable

Section II - Financial Statement Audit - Reported Findings Under Government Auditing Standards

Internal Control Findings

None

Compliance Findings

None

Section III - Findings and Questioned Costs Relative to Major Federal Programs

Federal Programs - None Reported

State Programs - Not Applicable

Status of Prior Year Audit Findings

Not Applicable

BOROUGH OF TUCKERTON

PART III

STATISTICAL DATA

OFFICIALS IN OFFICE AND SURETY BONDS

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2017

COMPARATIVE STATEMENT OF OPERATIONS AND
CHANGES IN FUND BALANCE - CURRENT FUND

	<u>YEAR 2017</u>		<u>YEAR 2016</u>	
	<u>AMOUNT</u>	<u>%</u>	<u>AMOUNT</u>	<u>%</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>				
Fund Balance Utilized	\$ 654,000.00	5.25%	\$ 179,000.00	1.46%
Miscellaneous-From Other Than Local				
Property Tax Levies	1,955,854.49	15.71%	2,711,709.03	22.13%
Collection of Delinquent Taxes and Tax Title Liens	229,433.37	1.84%	257,552.23	2.10%
Collection of Current Tax Levy	<u>9,610,308.33</u>	<u>77.19%</u>	<u>9,107,462.66</u>	<u>74.31%</u>
<u>TOTAL INCOME</u>	<u>\$ 12,449,596.19</u>	<u>100.00%</u>	<u>\$ 12,255,723.92</u>	<u>100.00%</u>
<u>EXPENDITURES</u>				
Budget Expenditures:				
Municipal Purposes	\$ 4,989,737.06	41.41%	\$ 5,500,406.85	46.17%
County Taxes	1,701,583.29	14.12%	1,630,643.43	13.69%
Local District School Taxes	2,883,743.00	23.93%	2,534,436.00	21.28%
Regional School District Taxes	2,451,338.00	20.35%	2,183,845.00	18.33%
Other Expenditures	<u>22,091.50</u>	<u>0.18%</u>	<u>62,947.37</u>	<u>0.53%</u>
<u>TOTAL EXPENDITURES</u>	<u>\$ 12,048,492.85</u>	<u>100.00%</u>	<u>\$ 11,912,278.65</u>	<u>100.00%</u>
Excess/Deficit in Revenue	\$ 401,103.34		\$ 343,445.27	
Adjustments to Income before Fund Balance:				
Expenditures Included Above Which are by Statute, Deferred Charges to Budget of Succeeding Year	<u>170,000.00</u>		<u>343,445.27</u>	
Statutory Excess in Fund Balance	571,103.34		343,445.27	
Fund Balance, January 1	<u>657,641.35</u>		<u>493,196.08</u>	
	1,228,744.69		836,641.35	
Less: Utilization as Anticipated Revenue	<u>654,000.00</u>		<u>179,000.00</u>	
Fund Balance, December 31	<u>\$ 574,744.69</u>		<u>\$ 657,641.35</u>	

COMPARATIVE STATEMENT OF OPERATIONS AND
CHANGES IN FUND BALANCE - WATER-SEWER UTILITY FUND

	<u>YEAR 2017</u>		<u>YEAR 2016</u>	
	<u>AMOUNT</u>	<u>%</u>	<u>AMOUNT</u>	<u>%</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>				
Fund Balance Utilized	\$ 296,480.00	11.38%	\$ 111,776.69	4.42%
Collection of Water-Sewer Rents	2,159,599.96	82.87%	2,195,016.33	86.76%
Miscellaneous - Other Than Water-Sewer Rents	<u>149,866.19</u>	<u>5.75%</u>	<u>223,121.25</u>	<u>8.82%</u>
<u>TOTAL INCOME</u>	<u>\$ 2,605,946.15</u>	<u>100.00%</u>	<u>\$ 2,529,914.27</u>	<u>100.00%</u>
<u>EXPENDITURES</u>				
Budget Expenditures:				
Operating	\$ 1,438,752.20	58.78%	\$ 1,339,174.10	60.05%
Debt Service	918,387.56	37.52%	816,605.18	36.62%
Deferred Charges and Statutory				
Expenditures	89,340.00	3.65%	74,278.00	3.33%
Other Expenditures	<u>1,200.15</u>	<u>0.05%</u>	<u></u>	<u>0.00%</u>
<u>TOTAL EXPENDITURES</u>	<u>\$ 2,447,679.91</u>	<u>100.00%</u>	<u>\$ 2,230,057.28</u>	<u>100.00%</u>
Excess in Revenue	\$ 158,266.24		\$ 299,856.99	
Adjustments to Income Before Fund Balance				
Fund Balance, January 1	<u>374,468.65</u>		<u>186,388.35</u>	
	<u>532,734.89</u>		<u>486,245.34</u>	
Less: Utilization as Anticipated Revenue	<u>296,480.00</u>		<u>111,776.69</u>	
Fund Balance, December 31	<u>\$ 236,254.89</u>		<u>\$ 374,468.65</u>	

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Tax Rate	\$ <u>2.432</u>	\$ <u>2.305</u>	\$ <u>2.277</u>
Appointment of Tax Rate:			
Municipal	.679	.661	.633
County	.416	.401	.401
Local School	.733	.702	.689
Regional School	.604	.541	.554

Assessed Valuation:

Year 2017	\$ <u>405,555,300.00</u>		
Year 2016		\$ <u>403,656,400.00</u>	
Year 2015			\$ <u>404,952,400.00</u>

COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY

A study of this tabulation could indicate a possible trend in future tax levies. A decrease in the percentage of current collection could be an indication of a probable increase in future tax levies.

<u>YEAR</u>	<u>TAX LEVY</u>	<u>CURRENTLY</u>	
		<u>CASH COLLECTIONS</u>	<u>PERCENTAGE OF COLLECTION</u>
2017	\$9,967,656.47	\$9,610,308.33	96.41%
2016	9,385,419.80	9,107,462.66	97.03%
2015	9,294,575.37	8,970,098.98	96.50%

DELINQUENT TAXES AND TAX TITLE LIENS

This tabulation includes a comparison, expressed in percentage, of the total of delinquent taxes and tax title liens, in relation to the tax levies of the last three years.

<u>DECEMBER 31, YEAR</u>	<u>AMOUNT OF TAX TITLE LIENS</u>	<u>AMOUNT OF DELINQUENT TAXES</u>	<u>TOTAL DELINQUENT</u>	<u>PERCENTAGE OF TAX LEVY</u>
2017	\$207,558.04	\$307,660.34	\$515,218.38	5.17%
2016	147,133.00	242,147.00	389,280.00	4.15%
2015	139,170.00	254,576.00	393,746.00	4.23%

PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

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

<u>YEAR</u>	<u>AMOUNT</u>
2017	\$330,250.00
2016	330,250.00
2015	330,250.00

COMPARISON OF WATER UTILITY LEVIES

<u>YEAR</u>	<u>LEVY</u>	<u>CASH COLLECTION</u>
2017	\$784,192	\$753,301
2016	838,393	762,706
2015	773,939	751,987

COMPARISON OF SEWER UTILITY LEVIES

<u>YEAR</u>	<u>LEVY</u>	<u>CASH COLLECTION</u>
2017	\$1,471,695	\$1,406,299
2016	1,568,034	1,432,310
2015	1,420,593	1,377,010

COMPARATIVE SCHEDULE OF FUND BALANCES

	<u>YEAR</u>	<u>BALANCE</u> <u>DECEMBER 31</u>	<u>UTILIZED IN BUDGET</u> <u>OF SUCCEEDING</u> <u>YEAR</u>
Current Fund	2017	\$ 574,744.69	\$ 273,991.46 *
	2016	657,641.00	654,000.00
	2015	493,196.00	179,000.00
	2014	1,047,194.00	775,337.00
	2013	439,637.00	405,000.00
Water-Sewer Utility Operating Fund	2017	\$ 236,254.89	\$ 236,254.89 *
	2016	374,469.00	296,480.00
	2015	186,388.00	111,777.00
	2014	46,559.00	40,216.00
	2013	33,498.00	28,935.00

* Per Introduced Budget

EQUALIZED VALUATIONS – REAL PROPERTY

<u>YEAR</u>	<u>AMOUNT</u>
2017	\$ 404,060,277.00
2016	402,971,349.00
2015	389,789,585.00

OFFICIALS IN OFFICE AND SURETY BONDS

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

<u>NAME</u>	<u>TITLE</u>	<u>AMOUNT OF BOND</u>	<u>NAME OF SURETY</u>
Susan R. Marshall	Mayor	*	
Samuel C. Colangelo	Council President	*	
Doris F. Mathisen	Councilwoman	*	
Ron Peterson	Councilman	*	
Michael Santo	Councilman	*	
John J. Schwartz	Councilman	*	
Keith Vreeland	Councilman	*	
Jenny Gleghorn	Clerk/Assessment Search Officer		
	Borough Administrator	*	
Misty LaManna	Deputy Clerk	*	
Garrett K. Loesch	Chief Financial Officer	\$ 1,000,000.00	JIF/MEL
Effie Pressley	Tax Collector/Tax Search Officer -	1,000,000.00	JIF/MEL
Jennifer L. Docherty	Water-Sewer Utility Collector/Deputy Tax Collector	1,000,000.00	JIF/MEL
Damian G. Murray	Municipal Court Judge	1,000,000.00	JIF/MEL
Patricia Mathis	Municipal Court Administrator	1,000,000.00	JIF/MEL
Christopher J. Connors	Attorney		
Frank J. Little, Jr.	Engineer		

*Borough employees, other than the Chief Financial Officer, Tax/Utility Collectors, Judge and Court Administrator, were covered by a blanket bond of the Joint Insurance Fund in the amount of \$1,000,000.00.

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COMMENTS AND RECOMMENDATIONS

GENERAL COMMENTS

CONTRACTS AND AGREEMENTS REQUIRED TO BE ADVERTISED PER N.J.S.A. 40A:11-4

Every contract or agreement for the performance of any work or the furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds, not included within the terms of Section 3 of this act, shall be made or awarded only by the governing body of the contracting unit after public advertising for bids and bidding therefor, except as is provided otherwise in this act or specifically by any other law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate, the amount set forth in or the amount calculated by the Governor pursuant to Section 3 of P.L. 1971 Ch. 198 (40A:11-3), except by contract or agreement.

Effective July 1, 2015, the bid threshold in accordance with N.J.S.A. 40A:11-3 is \$17,500.00 or up to \$40,000.00 if the entity has a Qualified Purchasing Agent. The Borough does not have a qualified Purchasing Agent and therefore, its bid threshold is \$17,500.00.

The governing body of the municipality has the responsibility of determining whether the expenditures in any category will exceed the \$17,500.00 within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute the Borough Counsel's opinion should be sought before a commitment is made.

The minutes indicate that bids were requested by public advertising for the following items:

- Borough Hall Addition
- Graymont High Calcium Hydrated Lime
- Reassessment of Real Property
- Reconstruction/Improvement of Heron Road
- South Green Street Park Project
- Emergency Water and Sewer Repairs
- Emergency Electrical and Mechanical Repairs

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

Our examination of expenditures did not reveal any individual payments or contracts or agreements in excess of \$17,500.00 for the performance of any work or the furnishing or hiring of any materials or supplies, other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of N.J.S.A. 40A:11-4.

The minutes indicate that resolutions were adopted authorizing the awarding of contracts or agreements for "Professional Services" as required by N.J.S.A. 40A:11-5:

Architectural Services	Engineers
Attorneys	Environmental Services
Auditor	Financial Advisor
Bond Counsel	Information Technology Support
Consultant Services	Municipal Prosecutor
	Public Defender

GENERAL COMMENTS (CONTINUED)

CHANGE ORDERS PURSUANT TO N.J.A.C. 5:30-11.9 ET SEQ.

Borough Hall Addition - Kavi Construction \$104,488.77 or 8.52%

CONTRACTS OR AGREEMENTS NOT REQUIRED TO BE ADVERTISED PER N.J.S.A. 40A:11-6.1

N.J.S.A. 40A:11-6.1 states “ For all contracts that in the aggregate are less than the bid threshold but 15 percent or more of the amount, and for those contracts that are for subject matter enumerated in subsection (1) of Section 5 of P.L. 1971, c.198 (C.40A:11-5), except for paragraph (a) of that subsection concerning professional services and paragraph (b) of that subsection concerning work by employees of the contracting unit, the contracting agent shall award the contract after soliciting at least two competitive quotations, if practicable. The award shall be made to a vendor whose response is most advantageous, price and other factors considered. The contracting agent shall retain the record of the quotation solicitation and shall include a copy of the record with the voucher used to pay the vendor.

We conducted a compliance review of the procedures and policies for securing quotations for purchases referred to above which indicated that the procedures were implemented to ensure statutory compliance and that quotes had been solicited as required by the statute.

COLLECTION OF INTEREST ON DELINQUENT TAXES AND WATER-SEWER RENTS

The Statute provides the method for authorizing interest and the maximum rate to be charged for the non-payment of taxes, assessments or water-sewer rents on or before the date when they would become delinquent.

The governing body on January 3, 2017 adopted the following resolution authorizing interest to be charged on delinquent taxes, assessments and water-sewer rents:

“BE IT RESOLVED that the governing body of the Borough of Tuckerton set the Rate of interest to be charged on delinquent water and sewer accounts and delinquent taxes at 8% per annum on the first \$ 1,500 of the delinquency and 18% per annum on any amount in excess of \$ 1,500 and 6% to be collected against a delinquency in excess of \$10,000 on properties that fail to pay the delinquency prior to the end of the calendar year. A 10 day grace period shall be permitted as provided by N.J.S.A. 54:4-67.”

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

GENERAL COMMENTS (CONTINUED)

DELINQUENT TAXES AND TAX TITLE LIENS

The following is a comparison of the number of tax title liens receivable on December 31st of the last three years:

<u>YEAR</u>	<u>NUMBER OF LIENS</u>
2017	31
2016	46
2015	37

It is essential to good management that all means provided by statute be utilized to liquidate tax title liens in order to get such properties back on a taxpaying basis.

VERIFICATION OF DELINQUENT TAXES AND OTHER CHARGES

A test verification of delinquent charges and current payments was made in accordance with the regulations of the Division of Local Government Services, consisting of the mailing of verification notices as follows:

<u>TYPE</u>	<u>NUMBER MAILED</u>
Payment of 2017 Taxes	50
Payment of 2017 Water-Sewer Utility Rents	25
Delinquent Taxes	50
Delinquent Water-Sewer Utility Rents	25

The results of the test are not yet known, but a separate report will be issued if any irregularities are developed. For those verification notices which were not returned by taxpayers, we examined subsequent cash collections as an alternative procedure where possible.

GENERAL COMMENTS (CONTINUED)

MISCELLANEOUS

All sums of outstanding checks, reflected in cash reconciliations herein, are in agreement with the records of the Chief Financial Officer, as well as with independent lists made part of this audit.

A report summarizing collections of Dog License Fees and remittance of State Registration Fees has been prepared and filed with the New Jersey Department of Health and the Division of Local Government Services.

A statutory report on the operations of the Municipal Court has been prepared and copies filed with the New Jersey Administrative Office of the Courts, the Division of Local Government Services, the Municipal Court and the Borough Clerk.

Individual payments of the Local, Regional and/or Consolidated School District Taxes by the municipality were confirmed as received by the Secretaries of the Boards of Education for year 2017.

In our verification of expenditures, no attempt was made to establish proof of rendition, character or extent of services nor quantities, nature, propriety of prices or receipt of materials, these elements being left necessarily to internal review in connection with approval of claims.

The propriety of deductions from individual employee salaries for pensions, withholding tax, social security and other purposes was not verified as part of this examination. Remittances to authorized agencies, however, were ascertained.

A summary or synopsis of this report was prepared for publication and filed with the Borough Clerk.

FOLLOW-UP OF PRIOR YEAR FINDINGS

In accordance with Government Auditing Standards, our procedures included a review of all prior year findings.

A corrective action plan addressing the 2016 audit recommendations was adopted by resolution of the Governing Body on October 16, 2017. Upon adoption and implementation, some progress has been made in addressing the issues raised in the prior audit but more work needs to be done to achieve satisfactory compliance. Findings 16-01 through 16-05 have been adequately addressed. Findings 16-06 and 16-07 have yet to be resolved and appear as findings again in 2017 as Finding 17-01 and Finding 17-02.

OTHER COMMENTS

17-01* Finding - Interfund receivables and payables appear on the balance sheets of the various funds as of December 31. Some of these are material in amount.

Criteria - Interfunds have an effect on cash flow and with respect to the current fund, interfund receivables impact upon the amount of fund balance that can be utilized in a budget cycle.

Recommendation - That all interfunds, where practicable be liquidated prior to year-end.

17-02* Finding - There were deferred charges to future taxation unfunded balances as of December 31, over 5 years old, where the projects have been completed and payments made from cash not provided by the particular ordinances with unfinanced costs causing a cash deficit on the analysis of general capital fund cash.

Criteria - Upon authorization of capital projects, the Borough establishes deferred charges for the cost of the capital projects to be raised by future taxation. Funded deferred charges relate to permanent debt issued, whereas unfunded deferred charges relate to temporary or non-funding of the authorized cost of capital projects. According to N.J.S. 40A:2-4, the Borough may levy taxes on all taxable property within its jurisdiction to repay its debt. The Borough raises the debt requirements for its debt in its current budget as funds are raised; the deferred charges are reduced.

Recommendation - That the deferred charges and their related cash deficits over 5 years old be funded either by borrowing or by raising the funds in the next succeeding budget cycle.

17-03 Finding - The appropriation ledger was not maintained properly which caused expenditures without appropriation to occur. There were expenditures made for which no appropriation existed.

Criteria - A review of Technical Accounting Directive 85-1 should be performed. No expenditures should be made without either an established ordinance or appropriation first being created. There was a line item created which was "outside the budget" and lacked a budgeted amount against which to expend.

Recommendation - That a review of the internal controls pertaining to the budgetary function be performed and that expenditures for which no appropriation exists be prohibited. Also, that an encumbrance accounting system be maintained that meets the minimum requirements as promulgated by the Division of Local Government Services.

RECOMMENDATIONS

*That all interfunds, where practicable be liquidated prior to year-end.

*That the deferred charges and their related cash deficits over 5 years old be funded either by borrowing or by raising the funds in the next succeeding budget cycle.

That a review of the internal controls pertaining to the budgetary function be performed and that expenditures for which no appropriation exists be prohibited. Also, that an encumbrance accounting system be maintained that meets the minimum requirements as promulgated by the Division of Local Government Services.

*Unresolved 2016 Audit Recommendations



