

**TOWNSHIP OF WEST AMWELL
COUNTY OF HUNTERDON
STATE OF NEW JERSEY**

**REPORT OF AUDIT
DECEMBER 31, 2017**

TOWNSHIP OF WEST AMWELL

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PART I

REPORT ON EXAMINATION OF FINANCIAL STATEMENTS

December 31, 2017

AUDITORS' REPORTS



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INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Township Committee
Township of West Amwell
150 Rocktown Lambertville Road
Lambertville, NJ 08530

Report on the Financial Statements

We have audited the accompanying financial statements-regulatory basis, which comprise the comparative balance sheets-regulatory basis of the various funds of the Township of West Amwell, County of Hunterdon, State of New Jersey (the "Township"), as of December 31, 2017 and 2016, and the related comparative statements of operations and changes in fund balance-regulatory basis for the year then ended, and the related statement of revenues-regulatory basis, and statement of expenditures-regulatory basis of the various funds, and the related notes to the financial statements for the year ended December 31, 2017, which collectively comprise the Township's basic financial statements listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Township's preparation and fair presentation of

-Continued-

the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 to the financial statements, the Township prepares its financial statements in conformity with regulatory basis accounting practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the regulatory basis of accounting 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 Township's policy to prepare its financial statements on the basis of accounting discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2017 and 2016, or the results of its operations and changes in its fund balances for the year then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements-regulatory basis referred to above present fairly, in all material respects, the financial position-regulatory basis of the various funds of the Township, as of December 31, 2017 and 2016, and the results of operations and changes in fund balance-regulatory basis of such funds for the year then ended and the statement of revenues-regulatory basis and statement of expenditures-regulatory basis of the various funds for the year then ended, in conformity with accounting principals and practices as described in Note 1 to the financial statements.

Other Matters

Report on Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township's basic financial statements-regulatory basis. The supplementary information listed in the table of contents is presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and is not a required part of the basic financial statements-regulatory basis.

The supplementary information exhibits are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements-regulatory basis. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements-regulatory basis and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements-regulatory basis, or to the basic financial statements-regulatory basis themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

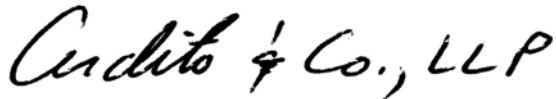
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Because of the significance of the variances between the regulatory basis of accounting and accounting principles generally accepted in the United States of America, it is inappropriate to and we do not express an opinion on the Supplementary information referred to above.


Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated April 15, 2018, on our consideration of the Township's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Township's internal control over financial reporting and compliance.

ARDITO & CO., LLP

A handwritten signature in black ink that reads "Ardito & Co., LLP". The script is cursive and fluid.

Frenchtown, New Jersey
April 15, 2018

A handwritten signature in black ink that reads "Anthony Ardito". The script is cursive and fluid.

Certified Public Accountant
Registered Municipal Accountant No.524
ARDITO & CO., LLP
Frenchtown, New Jersey
April 15, 2018

FINANCIAL STATEMENTS

CURRENT FUND
COMPARATIVE BALANCE SHEET

A
Sheet 1

ASSETS	REF.	BALANCE 12/31/17	BALANCE 12/31/16
Cash and Cash Equivalents:			
Cash - Treasurer		\$ 1,191,720	\$ 735,063
Cash - Change Funds		<u>225</u>	<u>225</u>
Subtotal	A-4	<u>1,191,945</u>	<u>735,288</u>
Receivables And Other Assets With Full Reserves:			
Delinquent Property Taxes Receivable	A-6	178,786	191,482
Tax Title Liens Receivable	A-7	192,081	175,972
Property Acquired For Taxes-Assessed Valuation	A-8	3,150	3,150
Amount Due From Federal and State Grant Fund	A	-	72,664
Amount Due From Other Trust Fund	B	1,449	1,405
Amount Due From General Capital Fund	C	-	-
Revenue Accounts Receivable	A-9	<u>5,848</u>	<u>5,969</u>
Subtotal		<u>381,314</u>	<u>450,642</u>
Deferred Charges:			
Emergency and Special Emergency Authorizations (40A:54-46 & 40A:4-5	A-23	<u>-</u>	<u>60,000</u>
Subtotal		<u>-</u>	<u>60,000</u>
		<u>\$ 1,573,259</u>	<u>\$ 1,245,930</u>
Federal And State Grant Fund:			
Cash	A-4	46,163	4,691
Federal and State Grants Receivable	A-19	<u>278,688</u>	<u>439,723</u>
		<u>324,851</u>	<u>444,414</u>
TOTAL ASSETS		<u>\$ 1,898,110</u>	<u>\$ 1,690,344</u>

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

CURRENT FUND
COMPARATIVE BALANCE SHEET

A
Sheet 2

	<u>REF.</u>	<u>BALANCE</u> <u>12/31/17</u>	<u>BALANCE</u> <u>12/31/16</u>
LIABILITIES, RESERVES AND FUND BALANCE			
Liabilities:			
Appropriation Reserves	A-3:10	\$ 132,431	\$ 82,975
Due Other Trust	B	-	66,100
Encumbrances	A-11	15,310	11,662
Accounts Payable	A-12	3,615	5,328
Taxes Collected In Advance	A-13	657,195	97,916
Amount Due To State Of New Jersey For Senior Citizens And Veterans Deductions	A-15	1,840	250
Due County for Added Taxes	A-16	5,991	3,597
Reserve for Watershed Moritorium Offset	A-21	<u>21,620</u>	<u>21,620</u>
Subtotal		838,002	289,448
Reserve For Receivables And Other Assets	A	381,314	450,642
Fund Balance	A-1	<u>353,943</u>	<u>505,840</u>
Subtotal		<u>\$ 1,573,259</u>	<u>\$ 1,245,930</u>
Federal And State Grant Fund:			
Amount Due To Current Fund	A	-	72,664
Accounts Payable	A-20	12,864	
Reserve For State Grants	A-20	<u>311,987</u>	<u>371,750</u>
Subtotal		<u>324,851</u>	<u>444,414</u>
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		<u>\$ 1,898,110</u>	<u>\$ 1,690,344</u>

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

CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND
CHANGE IN FUND BALANCE

A-1

REVENUE AND OTHER INCOME REALIZED	REF.	YEAR 2017	YEAR 2016
Fund Balance Utilized	A-2	\$ 263,000	\$ 255,000
Miscellaneous Revenue Anticipated	A-2	1,901,588	2,031,389
Receipts From Delinquent Taxes	A-2	188,527	161,368
Receipts from Current Taxes	A-2	11,157,742	11,270,962
Non-Budget Revenues	A-2	15,997	11,901
Other Credits To Income:			
Unexpended Balance Of Appropriation Reserves	A-10	55,451	66,720
Payments In Lieu of Taxes on Real Property		939	311
Interfunds Returned		72,664	-
TOTAL INCOME		13,655,908	13,797,651
EXPENDITURES			
Budget and Emergency Appropriations:			
Appropriations Within "CAP":			
Operations:			
Salaries and Wages	A-3	1,430,380	1,388,813
Other Expenses	A-3	1,086,812	1,115,410
Deferred Charges and Statutory Expenditures	A-3	301,922	286,308
Appropriations Excluded from "CAP":			
Operations:			
Salaries and Wages	A-3	5,765	5,652
Other Expenses	A-3	48,599	35,466
Capital Improvements	A-3	26,000	50,000
Municipal Debt Service	A-3	652,715	660,749
Deferred Charges and Statutory Expenditures	A-3	60,000	22,792
County Taxes	A-16	1,815,979	1,876,522
Amount Due County For Added and Omitted Taxes	A-16	5,991	3,597
Regional District School Taxes	A-17	7,803,825	7,569,556
Municipal Open Space Levy	A-18	304,842	307,276
Interfund Advances	A-4		70,807
Refund of Prior Year Revenues	A-4	1,975	7,694
TOTAL EXPENDITURES		13,544,805	13,400,642
Excess in Revenues		111,103	397,009
Adjustments to Income Before Fund Balance:			
Expenditures Included Above Which are by Statute			
Deferred Charges to Budget of Succeeding Year	A-3	-	60,000
Statutory Excess to Fund Balance		111,103	457,009
Fund Balance January 1	A	505,840	303,831
		616,943	760,840
Decreased by:			
Utilization as Anticipated Revenue	A-2	263,000	255,000
Fund Balance December 31	A	\$353,943	\$505,840

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

CURRENT FUND
STATEMENT OF REVENUES

A-2
Sheet 1

	<u>REF.</u>	<u>ANTICIPATED</u> <u>BUDGET</u>	<u>N.J.S. 40A:4-87</u>	<u>REALIZED</u>	<u>EXCESS OR</u> <u>DEFICIT</u>
Anticipated Surplus - Cash Surplus	A-1	\$ 263,000		\$ 263,000	
Miscellaneous Revenues:					
LOCAL REVENUES:					
Liquor Licenses-Clerk	A-9	2,500		2,500	-
Other Fees and Permits	A-9	85,000		60,438	\$ (24,562)
Fines and Costs-Municipal Court	A-9	92,000		88,406	(3,594)
Interest and Costs On Taxes	A-5	40,000		46,260	6,260
Interest on Investments	A-9	3,500		4,525	1,025
Total Local Revenues		223,000		202,129	(20,871)
STATE AID REVENUES:					
Consolidated Municipal Property Tax Relief Aid	A-9	284,179		284,179	
Energy Receipts Tax	A-9	622,950		622,950	
Watershed Moritorium Offset	A-21	21,620		21,620	
Garden State Trust Fund	A-9	36,752		36,752	
Total State Aid		965,501		965,501	
Uniform Construction Code Fees	A-9	228,360	-	196,024	(32,336)

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

CURRENT FUND
STATEMENT OF REVENUES

A-2
Sheet 2

	<u>REF.</u>	<u>ANTICIPATED</u> <u>BUDGET</u>	<u>N.J.S. 40A:4-87</u>	<u>REALIZED</u>	<u>EXCESS OR</u> <u>DEFICIT</u>
FEDERAL AND STATE GRANT REVENUES:					
Clean Communities	A-19		12,487	12,487	
Recycling Tonnage	A-19		6,353	6,353	
Body Armor Grant	A-19		1,062	1,062	
Police Click it or Ticket	A-19		1,650	1,650	
Distracted Driver Grant	A-19		4,400	4,400	
Total Federal and State Grant Revenues			<u>25,952</u>	<u>25,952</u>	
OTHER SPECIAL ITEMS:					
Uniform Fire Safety Act	A-9	8,800		7,803	(997)
Open Space Trust Fund - Debt Service	B	430,794		430,794	-
General Capital Fund Balance	C	8,000		8,000	-
Site Lease Agreement - Solar Installations	A-9	26,375		15,385	(10,990)
Open Space Trust Fund - Maintenance Contribution	B	50,000		50,000	-
Total Special Items Of Revenues		<u>523,969</u>		<u>511,982</u>	<u>(11,987)</u>
Total Miscellaneous Revenue	A-1	<u>1,940,830</u>	<u>25,952</u>	<u>1,901,588</u>	<u>(65,194)</u>
Receipts From Delinquent Taxes	A-1	<u>185,000</u>		<u>188,527</u>	<u>3,527</u>
Amount To be Raised by Taxes For Support Of Municipal Budget:					
Local Tax For Municipal Purposes	A-2	<u>1,417,924</u>	<u>-</u>	<u>1,447,105</u>	<u>29,181</u>
Total General Revenues		<u>3,806,754</u>	<u>25,952</u>	<u>3,800,220</u>	<u>(32,486)</u>
Non-Budget Revenues:					
Other Non-Budget Revenues	A-1			<u>15,997</u>	<u>15,997</u>
		<u>\$ 3,806,754</u>	<u>\$ 25,952</u>	<u>\$ 3,816,217</u>	<u>\$ (16,489)</u>

A-3

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

CURRENT FUND
STATEMENT OF REVENUES

A-2
Sheet 3

REF.

ANALYSIS OF REALIZED REVENUES

Allocation Of Current Tax Collections:

Revenue from Collections	A-6	\$11,129,742
State of New Jersey, Senior Citizens and Veterans Deductions	A-6	<u>28,000</u>
		11,157,742

Allocated To:

School and County Taxes	A-6	<u>9,930,637</u>
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Deficiency Supported by Municipal Revenues		1,227,105
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Add (Decreased) by Appropriation: "Reserve For Uncollected Taxes"	A-3	<u>220,000</u>
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Amount for Support of Municipal Budget Appropriations	A-2	<u>\$ 1,447,105</u>
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The accompanying Notes to the Financial Statements are an integral part of this statement.

CURRENT FUND
STATEMENT OF REVENUES

A-2
Sheet 4

ANALYSIS OF NON-BUDGET REVENUES

Miscellaneous Revenue Not Anticipated:

REF.

Treasurer:

Cable TV Franchise Fee	\$ 10,358
Poll Rent	160
MV Fines	415
Reimbursements	4,424
Tax Collector	50
Vets/Sr. Cit. Fee	590

Miscellaneous Revenue Not Anticipated - Total

A-4

\$ 15,997

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

CURRENT FUND
STATEMENT OF EXPENDITURES

A-3
Sheet 1

<u>OPERATIONS within "CAPS"</u>	<u>APPROPRIATION</u>		<u>EXPENDED</u>	<u>RESERVED</u>	<u>CANCELLED</u>
	<u>BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>PAID OR CHARGED</u>		
GENERAL GOVERNMENT FUNCTIONS:					
General Administration:					
Salaries and Wages	\$ 31,584	\$ 31,584	\$ 31,214	\$ 370	
Other Expenses	32,000	32,000	30,088	1,912	
Mayor and Council:					
Salaries and Wages	15,671	15,671	15,063	608	
Other Expenses	200	200	200		
Municipal Clerk:					
Salaries and Wages	72,587	72,587	72,081	506	
Other Expenses	9,300	9,300	5,760	3,540	
Financial Administration (Treasury):					
Salaries and Wages	53,874	53,874	53,124	750	
Other Expenses	4,000	4,000	3,114	886	
Audit Services:					
Other Expenses	19,170	19,170	19,170		
Revenue Administration (Tax Collection):					
Salaries and Wages	6,000	6,000	5,131	869	
Other Expenses	7,000	8,500	8,215	285	
Tax Assessment Administration:					
Salaries and Wages	36,046	36,046	36,046		
Other Expenses	5,500	5,500	5,449	51	
Legal Services (Legal Dept.):					
Other Expenses	75,000	63,000	57,728	5,272	
Agricultural Adv Committee:					
Other Expenses	500	500	-	500	
Engineering Services:					
Other Expenses:	5,500	5,500	2,042	3,458	
Historical Sites Office:					
Other Expenses	50	50	-	50	
LAND USE ADMINISTRATION:					
Planning Board:					
Salaries and Wages	15,375	15,675	15,575	100	
Other Expenses	5,000	5,000	2,440	2,560	
Zoning Board of Adjustment:					
Salaries and Wages	6,824	6,824	3,550	3,274	
Other Expenses	3,000	3,000	2,198	802	
Zoning Officer:					
Salaries and Wages	9,000	9,000	9,000		
Other Expenses	750	750	662	88	
INSURANCE:					
Liability Insurance	83,700	83,700	83,230	470	
Worker Compensation Insurance	47,159	47,159	47,159		
Employee Group Insurance	282,853	264,853	261,434	3,419	
PUBLIC SAFETY FUNCTIONS:					
Bureau of Fire Prevention:					
Salaries and Wages	5,900	6,000	5,982	18	
Other Expenses	2,500	2,500	62	2,438	
Aid to Volunteer Fire Companies	28,000	28,000	28,000		
Contribution to First Aid Organizations	9,500	9,500	9,500		
Fire Department:					
Other Expenses:					
Fire Hydrant Services	4,400	4,400	3,891	509	
Police:					
Salaries and Wages	685,174	696,174	672,857	23,317	
Other Expenses	30,000	30,000	18,040	11,960	
Emergency Management:					
Other Expenses	750	750	628	122	

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

CURRENT FUND
STATEMENT OF EXPENDITURES

A-3
Sheet 2

<u>OPERATIONS within "CAPS"</u>	<u>APPROPRIATION</u> <u>BUDGET</u>	<u>BUDGET AFTER</u> <u>MODIFICATION</u>	<u>EXPENDED</u> <u>PAID OR</u> <u>CHARGED</u>	<u>RESERVED</u>	<u>CANCELLED</u>
MUNICIPAL COURT:					
Salaries and Wages	79,098	81,098	81,083	15	
Other Expenses	5,000	5,000	2,840	2,160	
Prosecutor Other Expenses	21,930	21,930	20,057	1,873	
PUBLIC DEFENDER:					
Other Expenses	3,700	3,700	2,800	900	
PUBLIC WORKS FUNCTIONS:					
Streets and Road Maintenance:					
Salaries and Wages	235,866	237,366	236,702	664	
Other Expenses	179,000	179,000	165,391	13,609	
Buildings and Grounds:					
Other Expenses	20,000	23,500	22,863	637	
Vehicle Maintenance	52,000	52,000	47,036	4,964	
NJDES Stormwater Permit	500	500	500		
HEALTH AND HUMAN SERVICES FUNCTIONS:					
Public Health Services (Board of Health):					
Salaries and Wages	3,700	3,700	3,550	150	
Other Expenses	30,000	25,100	11,957	13,143	
Environmental Health Services (Commission):					
Other Expenses	650	650	297	353	
Social Services Agencies:					
Other Expenses	2,500	2,500	2,500		
PARK AND RECREATION FUNCTIONS:					
Maintenance of Parks:					
Other Expenses	2,000	2,000	-	2,000	
CONSTRUCTION OFFICIAL:					
Salaries and Wages	152,481	152,481	147,421	5,060	
Other Expenses	28,000	29,000	28,427	573	
UNCLASSIFIED:					
Celebration of Public Events	500	500	-	500	
UTILITY EXPENSES AND BULK PURCHASES:					
Electricity	15,000	18,000	17,653	347	
Street Lighting	4,500	4,500	3,933	567	
Telephone (excluding equipment acquisition)	16,500	19,500	19,068	432	
Fuel Oil	10,000	10,000	8,884	1,116	
Recycling Surcharge	1,100	1,100	569	531	
Gasoline	36,000	36,000	30,838	5,162	
SOLID WASTE COLLECTION:					
Salaries and Wages	6,300	6,300	6,241	59	
Other Expenses	25,000	25,000	18,464	6,536	
Total Operations within "CAPS"	2,525,192	2,517,192	2,387,707	129,485	

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

CURRENT FUND
STATEMENT OF EXPENDITURES

A-3
Sheet 3

	<u>BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>EXPENDED PAID OR CHARGED</u>	<u>RESERVED</u>	<u>CANCELLED</u>
Total Operations Including Contingent	2,525,192	2,517,192	2,387,707	129,485	
Detail:					
Salaries and Wages	1,415,480	1,430,380	1,394,620	35,760	
Other Expenses	1,109,712	1,086,812	993,087	93,725	
DEFERRED CHARGES AND STATUTORY EXPENDITURES within "CAPS"					
Statutory Expenditures:					
Contribution To:					
Social Security System (O.A.S.I.)	108,630	116,630	114,083	2,547	
Statutory Expenditures:					
Contribution to PERS	54,441	54,441	54,441		
Contribution to PFRS	127,851	127,851	127,851		
Defined Contribution Plan	3,000	3,000	2,601	399	
Total Deferred Charges and Statutory Expenditures within "CAPS"	293,922	301,922	298,976	2,946	
Total Appropriations within "CAPS"	2,819,114	2,819,114	2,686,683	132,431	
OPERATIONS EXCLUDED FROM "CAPS"					
Health Insurance	11,647	11,647	11,647		
Affordable Housing (COAH-Fair Share Housing):					
Salaries and Wages	5,765	5,765	5,765		
Other Expenses	2,000	2,000	2,000		
	19,412	19,412	19,412	-	
Length of Service Awards Program (LOSAP):					
Other Expenses	9,000	9,000	9,000		
Public and Private Programs Offset by Revenues:					
Clean Communities Program:					
Other Expenses		12,487	12,487		
Recycling Tonnage					
Other Expenses		6,353	6,353		
Body Armor Grant		1,062	1,062		
Police - Click it or Ticket Grant		1,650	1,650		
Distracted Driver Grant		4,400	4,400		
Total Public and Private Programs Offset by Revenues-Excluded from "CAPS"	-	25,952	25,952	-	
Deferred Charges Excluded from "CAPS":					
Emergency Authorizations (NJS 40A:4-46)	60,000	60,000	60,000		
Total Deferred Charges Excluded from "CAPS"	60,000	60,000	60,000		

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

CURRENT FUND
STATEMENT OF EXPENDITURES

A-3
Sheet 4

	<u>BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>EXPENDED PAID OR CHARGED</u>	<u>RESERVED</u>	<u>CANCELLED</u>
Capital Improvements-Excluded from "CAPS":					
Capital Improvement Fund	26,000	26,000	26,000		
Total Capital Improvements-Excluded from "CAPS"	<u>26,000</u>	<u>26,000</u>	<u>26,000</u>		
Municipal Debt Service Excluded from "CAPS":					
Payment of Bonds	460,000	460,000	460,000		
Payment of Notes	61,751	61,751	61,751		
Interest on Bonds	78,385	78,385	77,872	\$	513
Payment of Interest on Notes	22,000	22,000	22,000		
Green Trust Loan Program	31,092	31,092	31,092		
Total Municipal Debt Service	<u>653,228</u>	<u>653,228</u>	<u>652,715</u>	-	513
Total Appropriations Excluded from "CAPS"	<u>767,640</u>	<u>793,592</u>	<u>793,079</u>	-	513
Detail:					
Salaries and Wages	5,765	5,765	5,765	-	-
Other Expenses	761,875	787,827	787,314	-	513
Subtotal General Appropriations	3,586,754	3,612,706	3,479,762	132,431	513
Reserve For Uncollected Taxes	220,000	220,000	220,000		
TOTALS	<u>\$ 3,806,754</u>	<u>\$ 3,832,706</u>	<u>\$ 3,699,762</u>	<u>\$ 132,431</u>	<u>\$ 513</u>

A

Budget	A-2	\$ 3,806,754
Appropriation 40A:4-87	A-2	<u>25,952</u>
		<u><u>\$ 3,832,706</u></u>

Reserve for State Grants	A-20	\$ 25,952
Deferred Charges	A-22	60,000
Reserve for Encumbrances	A-11	3,393,810
Reserve for Uncollected Taxes	A-2	<u>220,000</u>
		<u><u>\$ 3,699,762</u></u>

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

TRUST FUND
COMPARATIVE BALANCE SHEET

B

ASSETS	REF.	BALANCE 12/31/17	BALANCE 12/31/16
Dog License Fund:			
Cash and Cash Equivalents:			
Cash - Treasurer	B-2	\$ 2,788	\$ 877
Total Dog License Fund		<u>2,788</u>	<u>\$ 877</u>
Other Trust Funds:			
Cash and Cash Equivalents:			
Cash - Treasurer	B-2	\$ 351,471	\$ 413,256
Amount Due Current Fund	B-6	-	66,100
Total Other Trust Funds		<u>\$ 351,471</u>	<u>\$ 479,356</u>
Municipal Open Space Funds:			
Cash and Cash Equivalents:			
Cash - Treasurer	B-2	\$ 141,017	\$ 337,634
Total Municipal Open Space Funds		<u>\$ 141,017</u>	<u>\$ 337,634</u>
TOTAL ASSETS		<u>\$ 495,276</u>	<u>\$ 817,867</u>

LIABILITIES, RESERVES AND FUND BALANCE

Dog License Fund:			
Reserve for Dog Fund Expenditures	B-3	\$ 2,788	\$ 877
Due State of New Jersey	B-4	-	-
Total Dog License Fund		<u>\$ 2,788</u>	<u>\$ 877</u>
Other Trust Fund:			
Amount Due Current Fund	B-6	\$ 1,449	\$ 1,405
Reserve for Developer's Escrow	B-7	45,975	37,754
Reserve for POAA Trust	B-8	30	30
Reserve for Historical Preservation Trust	B-9	2,588	2,633
Reserve for Housing Trust	B-10	21,128	24,672
Reserve for COAH Escrow Trust	B-11	169,432	113,653
Reserve for CDBG Rehabilitation Trust	B-12	24,085	24,002
Reserve for Off Duty Police Trust	B-13	190	5,000
Reserve for Celebration of Public Events Trust	B-14	3,735	3,735
Reserve for Fire Penalties Trust	B-15	2,000	2,000
Reserve for Public Defender Trust	B-16	2,241	2,491
Reserve for Tax Sale Premiums	B-17	22,600	208,700
Reserve for SUI Trust	B-18	22,901	22,826
Reserve for Municipal Alliance Trust	B-19	25,931	21,931
Reserve for DARE Contributions	B-20	6,115	7,457
Reserve for Local Assistance	B-21	1,071	1,067
Total Other Trust Fund		<u>\$ 351,471</u>	<u>\$ 479,356</u>
Municipal Open Space Trust Fund:			
Reserve for Municipal Open Space Trust Deposits	B-22	\$ 141,017	\$ 337,634
Total Municipal Open Space Trust Fund		<u>\$ 141,017</u>	<u>\$ 337,634</u>
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		<u>\$ 495,276</u>	<u>\$ 817,867</u>

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

GENERAL CAPITAL FUND
COMPARATIVE BALANCE SHEET

C

ASSETS	<u>REF.</u>	<u>BALANCE</u> <u>12/31/17</u>	<u>BALANCE</u> <u>12/31/16</u>
Cash and Cash Equivalents:			
Cash - Treasurer	C-2	\$ 586,422	\$ 422,698
Deferred Charges to Future Taxation:			
Funded	C-3	2,334,596	2,823,166
Unfunded	C-4	<u>1,375,172</u>	<u>1,596,923</u>
TOTAL ASSETS		<u>\$ 4,296,190</u>	<u>\$ 4,842,787</u>

LIABILITIES, RESERVES AND FUND BALANCE

Capital Improvement Fund	C-6	\$ 19,636	24,038
Improvement Authorizations:			
Unfunded	C-7	651,464	657,969
Funded	C-7	59,696	98,536
Accounts Payable	C-7	9,959	107,800
Bond Anticipation Note Payable	C-8	1,200,000	1,100,000
New Jersey Green Trust Loan	C-9	104,596	133,166
Serial Bonds Payable	C-10	2,230,000	2,690,000
Reserve for Preliminary Expenses - Open Space Acquisition	C-12	7,352	14,347
Fund Balance	C-1	<u>13,487</u>	<u>16,931</u>
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		<u>\$ 4,296,190</u>	<u>\$ 4,842,787</u>

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

GENERAL CAPITAL FUND
SCHEDULE OF FUND BALANCE

C-1

	<u>REF.</u>	
Balance December 31, 2016	C	\$ 16,931
Increased by:		
Premium on Bond Anticipation Note Sale	C-2	<u>4,556</u>
		21,487
Decreased by:		
Capital Fund Balance Anticipated as Current Fund Revenue	C-2	<u>8,000</u>
Balance December 31, 2017	C	<u>\$ 13,487</u>

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

STATEMENT OF GENERAL FIXED ASSETS
DECEMBER 31, 2017

F

	<u>BALANCE</u> <u>12/31/17</u>	<u>BALANCE</u> <u>12/31/16</u>
General Fixed Assets:		
Land	\$ 2,240,713	\$ 2,222,406
Buildings	1,696,957	1,696,957
Machinery and Equipment	<u>3,037,773</u>	<u>2,965,814</u>
Total General Fixed Assets	<u>\$ 6,975,443</u>	<u>\$ 6,885,177</u>
Investment In General Fixed Assets		
	<u>\$ 6,975,443</u>	<u>\$ 6,885,177</u>

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

PAYROLL AGENCY FUND
COMPARATIVE BALANCE SHEET

G

	BALANCE <u>12/31/17</u>	BALANCE <u>12/31/16</u>
ASSETS		
Assets:		
Cash	\$ 875	\$ 9,457
TOTAL ASSETS	<u>\$ 875</u>	<u>\$ 9,457</u>
LIABILITIES AND RESERVES		
Payroll Deductions	\$ 875	\$ 9,457
Due Current Fund	<u> -</u>	<u> -</u>
TOTAL LIABILITIES AND RESERVES	<u>\$ 875</u>	<u>\$ 9,457</u>

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

NOTES TO FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

GASB Statement No.14 established criteria to be used to determine which component units should be included in the financial statements of the oversight entity. The Division requires the financial statements of the Township to be reported separately.

The financial statements of the Township of West Amwell include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Township, as The financial statements of the Township do not include the operations of the Board of Education.

B. Description of Funds

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The GASB Codification establishes seven fund types and two account groups to be used by governmental units when reporting financial position and results of operations in accordance with accounting principles generally accepted in the United States of America(GAAP).

The accounting policies of the Township of West Amwell 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 Township of West Amwell accounts for its financial transactions through the following separate funds, which differ from the fund structure required by GAAP.

Current Fund

Resources and expenditures for governmental operations of a general nature, including State grants for operations.

Trust Funds

Records the receipts, disbursement and custodianship of monies in accordance with the purpose for which each account was established.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Description of Funds (Continued)

General Capital Fund

The receipts and disbursement of funds for the acquisition of general infrastructure and other capital facilities, other than those acquired in the Current Fund. General bonds and notes payable are recorded in this fund offset by deferred charges to future taxation.

Public Assistance Fund

Receipt and disbursements of funds that provide assistance to certain residents of the Township pursuant to the provisions of Title 44 of New Jersey statutes.

General Fixed Assets Account Group

To account for all fixed assets of the Township. The Township's infrastructure is not reported in the group.

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 government units. The more significant policies in New Jersey follow.

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

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

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. Outstanding encumbrances at December 31, are reported as a cash liability in the financial statements and constitute part of the Township'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 cancelled by the governing body.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Accounting (Continued)

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.

Property Tax Revenue--Real property taxes are assessed locally, based upon the assessed value of the property. The tax bill includes a levy for Municipal, County, Open Space and School purposes. The bills are mailed annually in June for that calendar year's levy. Taxes are payable in four quarterly installments on February 1, May 1, August 1 and November 1.

The amounts of the first and second installments are determined as one quarter of the total tax levied against the property for the preceding year. The installment due the third and fourth quarters is determined by taking the current year levy less the amount previously charged for the first and second installments, with the remainder being divided equally.

If unpaid on these dates, the amount due becomes delinquent and subject to interest at 8% per annum, or 18% on any delinquency amount in excess of \$1,500. The school levy is turned over to the Board of Education as expenditures are incurred, and the balance, if any, must be transferred as of June 30, of each fiscal year. County taxes are paid to the County by the Township quarterly on February 15, May 15, August 15 and November 15. The Open Space Levy is paid quarterly to the Township's other trust funds on February 15, May 15, August 15 and November 15.

When unpaid taxes or any municipal lien, or part thereof, on real property remains in arrears after the eleventh day of the eleventh month in the year in which they are due, the collector in the municipality shall, subject to provisions of the New Jersey Statutes, enforce the lien by placing the property on a tax sale. Annual in rem tax foreclosure proceedings are instituted to enforce the tax collection or acquisition of title to the property by the Township.

In accordance with the accounting Principles prescribed by the State of New Jersey, current and delinquent taxes are realized as revenue when collected. Since delinquent taxes and liens are fully reserved, no provision has been made to estimate that portion of the taxes receivable and tax title liens that are uncollectible. GAAP required tax revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Accounting (Continued)

Deferred School Taxes--A portion of the school taxes collected at December 31 relating to the period January 1 to June 30 of the subsequent year have been included in fund balance. GAAP requires such revenue to be deferred and recognized in the accounting period when it becomes susceptible to accrual.

Foreclosed Property--Foreclosed property is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved.

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.

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 are not included on the various balance sheets.

General Fixed Assets--In accordance with Technical Accounting Directive No. 85-2, Accounting for Governmental Fixed Assets, as promulgated by the Division of Local Government Services, which differs in certain respects from generally accepted accounting principles, the municipality develops a fixed asset accounting and reporting system.

Fixed assets used in governmental operations (general fixed assets) are accounted for in the General Fixed Assets Account Group. 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.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available except for land which is valued at estimated market value.

No depreciation is to be provided for in the financial statements. Expenditures for construction in progress are recorded in the Capital Funds until such time as the construction is completed and put into operation.

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 capital have not been accounted for separately.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Accounting (Continued)

Budget and Budgetary Procedures--The foundation of the New Jersey local finance system is the annual cash basis budget required under the Local Budget Law (N.J.S.A.40A:4-1, et seq.). Every local unit must adopt a budget in the form required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"). Certain items of revenue and appropriation are regulated by law and the proposed budget must be certified by the Director of the Division ("Director") prior to final adoption. The normal budget calendar begins early in the fiscal year with introduction, public advertisement and after state approval, budget adoption. The cash basis for revenues and budgetary basis for expenditures is the budget basis of accounting.

The Township is not required to adopt budgets for the following funds:

**General Capital Fund
Public Assistance Fund
Trust Fund**

The governing body shall introduce and approve the annual budget not later than February 10, of the fiscal year. The budget shall be adopted not later than March 20, and prior to adoption, must be certified by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The Director of the Division of Local Government Services, with the approval of the Local Finance Board, may extend the introduction and approval and adoption dates of the municipal budget. The budget is prepared by fund, function, activity and line item (salary or other expense) and includes information on the previous year. The legal level of control for appropriations is exercised at the individual line item level for all operating budgets adopted. Emergency appropriations, those made after the adoption of the budget and determination of the tax rate, may be authorized by the governing body of the municipality.

During the last two months of the fiscal year, the governing body may, by a 2/3 vote, amend the budget through line item transfers. Management has no authority to amend the budget without the approval of the Government Body. Expenditures may not legally exceed budgeted appropriations at the line item level.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Accounting (Continued)

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 an encumbrance accounting system. Outstanding encumbrances at December 31, are reported as a cash liability in the financial statements. Unexpended or uncommitted appropriations at December 31, are reported as expenditures through the establishment of appropriations reserves unless cancelled by the governing body. GAAP requires expenditures to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, which should be recognized when due.

Tax Appeals and Other Contingent Losses--Losses which arise from tax appeals and other contingent losses are recognized at the time an unfavorable decision is rendered by an administrative or judicial body.

Deferred Charges to Future Taxation Funded and Unfunded--Upon the authorization of capital projects, the Township establishes deferred charges for the costs 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.A.40A:2-4, the Township may levy taxes on all taxable property within the local unit to repay the debt. Annually, the Township raises the debt requirements for that particular year in the current budget. As the funds are raised by taxation, the deferred charges are reduced.

Comparative Data - Comparative data for the prior year has been presented in the accompanying balance sheets and statements of operations in order to provide an understanding of changes in the municipality's financial position and operations. However, comparative data have not been presented in all statements because their inclusion would make certain statements unduly complex and difficult to understand.

Use of Estimates--The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions. This will affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. Actual results could differ from these estimates.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Accounting (Continued)

Departures from Generally Accepted Accounting Principles--The accounting principles and practices followed by the Township differ generally accepted accounting principles applicable to local government units. The more significant differences are as follows:

- Taxes and other receivables are fully reserved.
- Interfund receivables in the Current Fund are fully reserved.
- Unexpended and uncommitted appropriations are reflected as expenditures.
- Overexpended appropriations and emergency appropriations are deferred to the succeeding years' operations.
- Undetermined contributions to state-administered pension plans applicable to the six months ended December 31 are not accrued.
- Estimated losses arising from tax appeals and other contingencies are not recorded when it is probable that a loss has been incurred and the amount of such loss can be reasonably estimated.

It was not practicable to determine the effect of such difference.

Statutory-Basis Financial Statements--The GASB Codification also defines the financial statements of a governmental unit to be presented to be in accordance with GAAP. The Township presents the financial statements listed in the table of contents which are required by the Division and which differ from the financial statements required by GAAP. In addition, the Division requires the financial statements listed in the table of contents to be referenced to the supplementary schedules. This practice differs from GAAP.

Note 2: CASH AND CASH EQUIVALENTS

Deposits:

New Jersey statutes require that municipalities deposit public funds in public depositories located in New Jersey, which are insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories. Municipalities are also permitted to deposit public funds in the State of New Jersey Cash Management Fund.

New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed depository insurance limits as follows:

The market value of the collateral must equal at least 5% of the average daily balance of collected public funds on deposit.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

Note 2: CASH AND CASH EQUIVALENTS (Continued)

In addition to the above collateral requirement, if the public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value at least equal to 100% of the amount exceeding 75%.

All collateral must be deposited with the Federal Reserve Bank of New York, the Federal Reserve Bank of Philadelphia, the Federal Home Loan Bank of New York, or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

Pursuant to GASB Statement No. 40, "Deposit and Investment Risk Disclosures" ("GASB 40"), the municipality's accounts are profiled in order to determine exposure, if any, to Custodial Credit Risk (risk that in the event of failure of the counterparty the municipality would not be able to recover the value of its deposits or investment). Deposits are considered to be exposed to Custodial Credit Risk if they are: uncollateralized or collateralized with securities held by the financial institution's trust department or agent but not in the government's name. At December 31, 2017, all of the municipality's deposits were collateralized by securities held in its name and, accordingly, not exposed to custodial credit risk. The municipality does not have a policy for custodial credit risk.

As of December 31, 2017, cash and cash equivalents of the municipality consisted of the following:

	Cash and Cash <u>Equivalents</u>	<u>Total</u>
Checking	\$ 2,319,272	\$ 2,319,272
	<u>\$ 2,319,272</u>	<u>\$ 2,319,272</u>

The carrying amount of the municipality's cash and cash equivalents at December 31, 2017, was \$2,319,272 and the bank balance was \$2,135,812. All bank balances were covered by federal depository insurance and/or covered by a collateral pool maintained by the banks as required by New Jersey statutes. Of these bank balances, \$271,439 was covered by federal depository insurances and \$1,864,373 was covered by collateral pool.

Investments

Pursuant to the Enabling Act, the funds of the municipality may be invested in any direct obligations of, or obligations as to which the principal and interest thereof is guaranteed by, the United States of America or other obligations as the municipality may approve.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

Note 2: CASH AND CASH EQUIVALENTS (Continued)

In order to maximize liquidity, the municipality utilizes the New Jersey Cash Management Fund ("NJCMF") and investments in direct obligations of the United States of America as its sole investments. The NJCMF is administered by the New Jersey Department of Treasury. It invests pooled monies from various State and non-State agencies in primarily short-term investments. These investments include: U.S. Treasuries, short-term Commercial Paper, U.S. Agency Bonds, Corporate Bonds, and Certificates of Deposit. Agencies that participate in the NJCMF typically earn returns that mirror short-term investment rates. Monies can be freely added or withdrawn from the NJCMF on a daily basis without penalty. At December 31, 2017, the municipality's investment balance was as follows:

New Jersey Cash Management Fund	<u>\$ 1,409</u>
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Custodial Credit Risk: Pursuant to GASB 40, the NJCMF, which is a pooled investment, is exempt from custodial credit risk disclosure. The municipality does not have a policy for custodial credit risk.

Credit Risk: The municipality does not have an investment policy regarding the management of credit risk. GASB 40 requires that disclosure be made as to the credit rating of all debt security investments except for obligations of the U.S. government or investments guaranteed by the U.S. government. The NJCMF is not rated by a rating agency.

Interest Rate Risk: The municipality does not have a policy to limit interest rate risk. The average maturity of the municipality's investments is less than one year.

Note 3: LONG-TERM DEBT

	Beginning Balance	Issued	Paid	Ending Balance
Long Term Debt:				
Bond Anticipation Notes	\$1,100,000	\$ 193,872	\$ 93,872	\$ 1,200,000
Bonds Payable	2,690,000	-	460,000	2,230,000
Loans Payable	133,166		28,570	104,596
Compensated absences payable	79,328			79,328
Total Long-Term Debt	<u>\$4,002,494</u>	<u>193,872</u>	<u>\$ 582,442</u>	<u>\$ 3,613,924</u>

The Local Bond Law governs the issuance of bonds and notes to finance general municipal expenditures. All bonds issued by the Township are general obligation bonds, backed by the full faith and credit of the Township. Bond anticipation notes, which are issued by temporarily finance capital projects, must be paid off within ten years or retired by issuance of bonds.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

Note 3: LONG-TERM DEBT (Continued)

The Township debt is summarized as follows:

Summary of Municipal Debt

	YEAR <u>2017</u>	YEAR <u>2016</u>	YEAR <u>2015</u>
Issued:			
Bonds and Notes	\$ 3,430,000	\$ 3,790,000	\$ 3,880,000
Green Trust Loan Payable	<u>104,596</u>	<u>133,166</u>	<u>161,173</u>
Total Issued	3,534,596	3,923,166	4,041,173
<u>Authorized But Not Issued</u>			
Bonds and Notes	335,172	502,923	797,870
Deductions	<u>(160,000)</u>	<u>(6,000)</u>	<u>(63,709)</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$ 3,709,768</u>	<u>\$ 4,420,089</u>	<u>\$ 4,775,334</u>

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 0.747%

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Regional School Debt	\$ 4,612,771	\$ 4,612,771	
General Debt	<u>3,869,768</u>	<u>160,000</u>	\$ 3,709,768
	<u>\$ 8,482,539</u>	<u>\$ 4,772,771</u>	<u>\$ 3,709,768</u>

Net Debt \$3,709,768 Divided by Equalized Valuation Basis per N.J.S.A. 40A:2-2
as amended, \$ 496,905,963 equals 0.747%

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 17,391,709
Net Debt	<u>3,709,768</u>
Remaining Borrowing Power	<u>\$ 13,681,941</u>

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

Note 3: LONG-TERM DEBT (Continued)

Bond Anticipation Notes

The Township has outstanding at December 31, 2017, a bond anticipation note in the amount of \$1,200,000 payable to Oppenheimer & Co., Inc. This note matures on June 22, 2018. The interest rate on the note was 2.25%. Principal and interest on this note is paid from the current fund budget of the Township.

General Obligation Bonds

Refunding bonds-dated February 28, 2014, issued in the original amount of \$850,000 with an interest rate of 1.335% to advance refund series 2003 bonds in the amount of \$2,309,000 with interest rates of 3.7% to 4.25%. The net proceeds, along with a \$1,500,000 township contribution from open space reserves, were used to call the outstanding series 2003 bonds on April 1, 2013. This refunding bond is payable in annual installments ranging from \$215,000 to \$210,000 through February 15, 2017. Interest is calculated at 1.335% and is included in the semi-annual installments. This method of calculating interest is in conformity with New Jersey Statutes. The balance of \$210,000 was paid of on February 15, 2017. Outstanding bond principal and interest was paid from the Current Fund of the Township.

Refunding bonds-dated November 6, 2014, issued in the original amount of \$1,555,000 with an interest rate of 2.6% to partially advance refund series 2006 bonds in the amount of \$1,818,000. The net proceeds, along with a \$400,000 township contribution from open space reserves, was used to partially call the outstanding series 2006 bonds on May 1, 2017. This refunding bond is payable in annual installments ranging from \$150,000 to \$170,000 through May 1, 2026. Interest is calculated at 2.6% and is included in the semi-annual installments. This method of calculating interest is in conformity with New Jersey Statutes. The remaining balance as of December 31, 2017, was \$1,405,000. Outstanding bond principal and interest is paid from the Current Fund of the Township.

Refunding bonds-dated November 6, 2014, issued in the original amount of \$650,000 with an interest rate of 3.65% were used to refund the West Amwell Township local school district deferred tax levy and pay costs related to the issuance of the bonds. These refunding bonds were sold as a private placement bond to TD Bank, N.A., and is payable in annual installments ranging from \$65,000 to \$85,000 through November 1, 2024. Interest is calculated at 3.65% and is paid in semi-annual installments. This method of calculating interest is in conformity with New Jersey Statutes. The remaining balance as of December 31, 2017, was \$520,000. Outstanding bond principal and interest is paid from the Current Fund of the Township.

Refunding Bonds-dated June 28, 2016, issued in the original amount of \$340,000 with an interest rate of 3.65%. The net proceeds were used to restore fund balance related to the refund the West Amwell Township local school district deferred tax levy in 2014. This refunding bond was sold as a private placement bond to TD Bank, N.A., and is payable in annual installments ranging from \$35,000 to \$50,000 through November 1, 2024. Interest is calculated at 3.65% and is paid in semi-annual installments. This method of calculating interest is in conformity with New Jersey Statutes. The remaining balance as of December 31, 2017, was \$305,000. Outstanding bond principal and interest is paid from the Current Fund of the Township.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

Note 3: LONG-TERM DEBT (Continued)

Green Trust Loan

Sourlands-dated June 22, 2001 issued in the original amount of \$500,000. This loan is payable over twenty years in semi-annual installments of \$15,586 through March 25, 2021. Interest is calculated at 2.0%. This method of calculating interest is in conformance with New Jersey Statutes. The remaining balance as of December 31, 2017, was \$104,596. Outstanding loan principal and interest is paid from the Current Fund budget of the Township.

	<u>Outstanding</u>
Total General Capital Long-Term Debt Above	<u>\$ 3,534,596</u>

Note 4: GENERAL FIXED ASSETS

The following is a summary of changes in the general fixed assets:

	Balance <u>1/1/17</u>	<u>Additions</u>	Adjustments/ <u>Deletions</u>	Balance <u>12/31/17</u>
Land	\$ 2,222,406	\$ 18,307	-	\$ 2,240,713
Buildings	1,696,957	-	-	1,696,957
Equipment	<u>2,965,814</u>	<u>71,959</u>	-	<u>3,037,773</u>
	<u>\$ 6,885,177</u>	<u>\$ 90,266</u>	<u>-</u>	<u>\$ 6,975,443</u>

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, 2017, were as follows:

Current Fund (Introduced) - \$211,000

Note 6: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2016, the Township had \$60,000 in emergency deferred charges, which were raised in the 2017 budget.

The appropriations in the 2018 Budget are not less than that required by statute.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

Note 7: SCHOOL TAXES

Regional School District Tax has been raised on a calendar year basis and is paid in full to the district by December 31. The Local School District was merged with the Regional School District effective for the 2014-2015 school year. All previously deferred school taxes were paid to the Local School District during 2014 and was funded by refunding bonds.

Note 8: PENSION PLANS

Description of Plans - All required employees of the municipality are covered by either the Public Employees' Retirement System (PERS), the Police and Fireman's Retirement System (PFRS), or the Defined Contribution Retirement Plan (DCRP) which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System. These reports may be obtained by writing to the Division of Pension and Benefits, PO Box 295, Trenton, New Jersey, 08625 or on the internet at <http://www.state.nj.us/treasury/pensions/annrpts.shtml>.

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 Public Employees' Retirement System 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 municipality, or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state or local jurisdiction.

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

The following represents the membership tiers for PERS:

Tier Definition

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

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

Note 8: PENSION PLANS - (Continued)

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

The PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

Contribution Requirements - The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 (PERS) requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. PERS provides for employee contributions of 6.5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in the PERS. The current PERS rate is 6.5% of covered payroll.

Summary of Significant Accounting Policies - 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 or related deferred outflows or inflows of resources on their balance sheets, or related plan pension expense. However, N.J.A.C. 5:30-6.1(c)(2) requires municipalities and counties to disclose GASB 68 information in the Notes to the Financial Statements. Accordingly, the municipality's portion of the net pension liability, related outflows and inflows of resources, and pension expense are for disclosure purposes only and do not effect the municipality's regulatory basis fund balance, statement of revenues and expenditures, or operations. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense as required by GASB No. 68, information about the fiduciary net position of the PERS and additions to/deductions from PERS fiduciary net position have been determined on the same basis as they are reported by PERS.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

Note 8: PENSION PLANS - (Continued)

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

At June 30, 2017, the municipality disclosed a liability of \$1,512,982 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. The municipality's proportion of the net pension liability is based on the ratio of the contributions as an individual employer to total contributions to the PERS during the years ended June 30, 2017 and 2016. At June 30, 2017, the municipality's proportion was 0.0065% which was an increase of 0.0008% from its proportion measured as of June 30, 2016.

For the State fiscal year ended June 30, 2017, the municipality's portion of the plan's pension expense was \$148,359. At June 30, 2017, deferred outflows of resources and deferred inflows of resources for PERS relating to the municipality's proportionate share are from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 35,625	-
Changes of assumptions	304,814	\$ 303,695
Net difference between projected and actual earnings on pension plan investments	10,302	
Changes in proportion and differences between municipality contributions and proportionate share of contributions	252,062	105,500
Total	<u>\$ 602,803</u>	<u>\$ 409,195</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense of the plan as follows:

	<u>Year Ended June 30:</u>
2018	\$146,576
2019	221,187
2020	134,028
2021	(178,258)
2022	<u>(129,926)</u>
Total	<u>\$193,608</u>

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

Note 8: PENSION PLANS - (Continued)

	<u>6/30/2016</u>	<u>6/30/2017</u>
Collective deferred outflows of resources	\$8,685,338,380	\$6,424,455,842
Collective deferred inflows of resources	870,133,595	5,700,625,981
Collective net pension liability (Non State - Local Group)	\$29,617,131,759	\$23,278,401,588
municipality's proportionate share of net pension liability	\$1,689,477	\$1,512,982
municipality's proportion %	0.00570439%	0.00649951%

Actuarial assumptions. The collective 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. This actuarial valuation used the following actuarial assumptions:

Inflation:	2.25%
Salary Increases:	
Through 2026	1.65%-4.15% based on age
Therafter	2.65%-5.15% based on age
Investment Rate of Return:	7.00%

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for females) with adjustments for mortality improvements from the base year of 2013 Based on Projection Scale AA.

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.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2017 are summarized in the following table:

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

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

Note 8: PENSION PLANS (Continued)

Discount rate. The discount rate used to measure the total pension liability was 5.00% as of June 30, 2017. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.58% as of June 30, 2017 based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount 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 contribution rate in the most recent fiscal year.

Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2034. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2034, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the Municipality's proportionate share of the net pension liability to changes in the discount rate. The following presents the Municipality's proportionate share of the net pension liability measured as of June 30, 2017, calculated using the discount rate of 5.00%, as well as what the Municipality's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.00%) or 1-percentage-point higher (6.00%) than the current rate:

	<u>1% Decrease</u>	<u>Current</u>	<u>1% Increase</u>
	<u>(4.00%)</u>	<u>Discount Rate</u>	<u>(6.00%)</u>
		<u>(5.00%)</u>	
municipality's proportionate share of the net pension liability	\$ 1,876,957	\$1,512,982	\$ 1,209,746

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Divisions of Pensions and Benefits financial report at <http://www.nj.gov/treasury/pensions/financial-rpts-home.shtml>.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

Note 8: PENSION PLANS (Continued)

Police and Fireman's Retirement System (PFRS) - The Police and Fireman's Retirement System (PFRS) was established as of January 1, 1944, under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Police and Fireman's Retirement System 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 or local jurisdiction.

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

The following represents the membership tiers for PFRS:

Tier Definition

- 1 Members who were enrolled prior to May 22, 2010
- 2 Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
- 3 Members who were eligible to enroll on or after June 28, 2011

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

Contribution Requirements - The contribution policy for PFRS is set by N.J.S.A. 43:16A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's contribution amount is based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. For fiscal year 2016 and 2014, the State contributed an amount less than the actuarially determined amount.

The Local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PFRS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

Note 8: PENSION PLANS (Continued)

Summary of Significant Accounting Policies - 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 or related deferred outflows or inflows of resources on their balance sheets, or related plan pension expense. However, N.J.A.C. 5:30-6.1(c)(2) requires municipalities and counties to disclose GASB 68 information in the Notes to the Financial Statements. Accordingly, the municipality's portion of the net pension liability, related outflows and inflows of resources, and pension expense are for disclosure purposes only and do not effect the municipality's regulatory basis fund balance, statement of revenues and expenditures, or operations. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense as required by GASB No. 68, information about the fiduciary net position of the PERS and additions to/deductions from PERS fiduciary net position have been determined on the same basis as they are reported by PERS.

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

At June 30, 2017, the municipality disclosed a liability of \$2,319,307 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. The municipality's proportion of the net pension liability is based on the ratio of the contributions as an individual employer to total contributions to the PFRS during the years ended June 30, 2017 and 2016. At June 30, 2017, the municipality's proportion was 0.01502% which was a decrease of 0.00025% from its proportion measured as of June 30, 2016.

For the State fiscal year ended June 30, 2017, the municipality's portion of the plan's pension expense was \$357,398. At June 30, 2017, deferred outflows of resources and deferred inflows of resources for PFRS relating to the municipality's proportionate share are from the following sources:

	<u>Deferred</u> <u>Outflows of</u> <u>Resources</u>	<u>Deferred</u> <u>Inflows of</u> <u>Resources</u>
Differences between expected and actual experience	\$ 15,046	\$ 13,612
Changes of assumptions	285,996	379,835
Net difference between projected and actual earnings on pension plan investments	44,258	
Changes in proportion and differences between municipality contributions and proportionate share of contributions	365,713	31,546
Total	<u>\$ 711,013</u>	<u>\$ 424,993</u>

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

Note 8: PENSION PLANS (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense of the plan as follows:

	<u>Year Ended June 30:</u>
2018	\$167,655
2019	454,062
2020	93
2021	(629,275)
2022	<u>(278,555)</u>
Total	<u>(\$286,020)</u>

	<u>6/30/2016</u>	<u>6/30/2017</u>
Collective deferred outflows of resources (Non-Special Funding Situations)	\$4,547,316,543	\$2,941,952,753
Collective deferred inflows of resources (Non-Special Funding Situations)	688,197,590	3,262,432,093
Collective net pension liability (Non-Special Funding Situations)	\$19,102,567,969	\$19,423,025,682
Municipality's proportionate share of net pension liability (Non-Special Funding Situations)	\$2,917,980	\$2,917,980
Municipality's proportion %	0.01527533%	0.01502330%

Actuarial assumptions. The total pension liability in the July 1, 2016 actuarial valuation, which was rolled forward to June 30, 2017, was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation:	2.25%
<u>Salary Increases:</u>	
Through 2026	2.10-8.98% based on age
Therafter	3.10-9.98% based on age
Investment Rate of Return:	7.00%

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

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.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

Note 8: PENSION PLANS (Continued)

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real 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><i>Asset Class</i></u>	<u><i>Target Allocation</i></u>	<u><i>Long-Term Expected Real Rate of Return</i></u>
Absolute Return	5.00%	5.51%
Cash equivalents	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 asset	2.50%	11.83%
Equity related real estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. developed markets equity	11.50%	9.00%
Emerging markets equity	6.50%	11.64%
Buyouts/venture capital	8.25%	13.08%

Discount rate. The discount rate used to measure the total pension liability was 5.00% as of June 30, 2017. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.58% as of June 30, 2017 based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount 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 contribution rate in the most recent fiscal year.

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 2050. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2050, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

Note 8: PENSION PLANS (Continued)

Sensitivity of the Municipality's proportionate share of the net pension liability to changes in the discount rate. The following presents the Municipality's proportionate share of the net pension liability measured as of June 30, 2017, calculated using the discount rate of 5.00%, as well as what the Municipality's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.00%) or 1-percentage-point higher (6.00%) than the current rate:

	<u>1% Decrease</u> <u>(4.00%)</u>	<u>Current</u> <u>Discount Rate</u> <u>(5.00%)</u>	<u>1% Increase</u> <u>(6.00%)</u>
Municipality's proportionate share of the net pension liability	\$ 3,844,679	\$2,917,980	\$ 2,156,591

PFRS Special Funding Situation - Under N.J.S.A. 43:16A-15, the municipality is responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. The legislation which legally obligates the State is as follows: Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed on behalf of the municipality to the PFRS 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. The portion of the nonemployer contributing entities' total proportionate share of the collective net pension liability and collective pension expense that is associated with the municipality is as follows:

	<u>6/30/2016</u>	<u>6/30/2017</u>
Collective net pension liability of the Nonemployer (State of New Jersey) - Special Funding Situation	\$1,604,141,087	\$1,729,193,507
State's portion of the net pension liability that was associated with the municipality - Special Funding Situation	\$245,038	\$259,782
State's portion of the net pension liability that was associated with the municipality as a percentage of the collective net pension liability - Special Funding Situation	0.015275%	0.015023%
Collective pension expense of the Nonemployer-(State of New Jersey) - Special Funding Situation	\$204,886,666	\$211,519,420
State's portion of the pension expense that was associated with the municipality - Special Funding Situation	\$31,297	\$31,777

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Divisions of Pensions and Benefits financial report at <http://www.nj.gov/treasury/pensions/financial-rprts-home.shtml>.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

Note 8: PENSION PLANS (Continued)

Defined Contribution Retirement Plan (DCRP) - The Defined Contribution Retirement Program (DCRP) was established as of July 1, 2007 under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et seq.). The DCRP is a cost-sharing multiple-employer defined contribution pension fund. The DCRP provides eligible members, and their beneficiaries with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by N. J.S.A. 43:15C-1 et. seq.

The contribution requirements of plan members are determined by state statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. The State Treasurer has the right under current law to make temporary reductions in member rates based on the existence of surplus plan assets in the retirement system; however statute also requires the return to the normal rate when such surplus pension assets no longer exist.

Significant Legislation - Chapter 78, P.L. 2011, effective June 28, 2011 made various changes to the manner in which the Public Employees' Retirement System (PERS) and the Police and Firemen's Retirement System (PFRS) operate and to the benefit provisions of those systems.

Chapter 78's provisions impacting employee pension and health benefits include:

□ New members of the PERS hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of $\frac{1}{4}$ of 1% for each month that the member is under age 65. □ The eligibility age to qualify for a service retirement in the PERS is increased from age 63 to 65 for Tier 5 members. □ The annual benefit under special retirement for new PFRS members enrolled after June 28, 2011 (Tier 3 members), will be 60% instead of 65% of the member's final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years. □ Increases in active member contribution rates. PERS active member rates increase from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years; PFRS active member rate increase from 8.5% to 10%. For fiscal year 2012, the member contribution rates increased in October 2011. The phase-in of the additional incremental member contribution rates for PES members will take place in July of each subsequent fiscal year.

□ The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law. □ New employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to Chapter 78's effective date with a minimum contribution required to be at least 1.5% of salary. □ In addition, this new legislation changes the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay).

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

Note 8: PENSIONS - (Continued)

<u>Three-Year Trend Information for PERS</u>			
<u>Year</u> <u>Funding</u>	<u>Annual</u> <u>Pension</u> <u>Cost (APC)</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>	<u>Net</u> <u>Pension</u> <u>Obligation</u>
2017	\$54,441	100%	-0-
2016	\$53,292	100%	-0-
2015	\$59,526	100%	-0-

<u>Three-Year Trend Information for PERS</u>			
<u>Year</u> <u>Funding</u>	<u>Annual</u> <u>Pension</u> <u>Cost (APC)</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>	<u>Net</u> <u>Pension</u> <u>Obligation</u>
2017	\$127,851	100%	-0-
2016	\$125,116	100%	-0-
2015	\$99,385	100%	-0-

Note 9: POST-RETIREMENT BENEFITS

P.L. 1987, c. 384 and P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those state employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired state employees and retired educational employees. As of June 30, 2016, there were 110,512 retirees receiving post-retirement medical benefits, and the State contributed \$1.37 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c.126, which provides employer paid health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$231.2 million toward Chapter 126 benefits for 20,045 eligible retired members in Fiscal Year 2016.

GASB Statement #45 requires certain disclosures relating to governmental entities obligations for other post-employment benefits (OPEB), which are post-employment benefits other than pensions. The Municipality does not provide post-employment benefits other than pension. Healthcare provided to eligible PERS retirees through the NJ State Health Benefits Program are paid by the the State of New Jersey and as such, no municipal OPEB liability exists.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

Note 10: LEASES

The Township has not entered into any long-term lease agreements except for equipment which can be capitalized as installment purchases of fixed assets in accordance with Technical Accounting Directive No. 85-2.

Note 11: ACCRUED SICK AND VACATION BENEFITS

As discussed in Note 1 and in accordance with accounting principles prescribed by the State of New Jersey, the cash basis of accounting is followed for recording the liability related to unused sick pay.

The Township permits full-time employees to annually accrue unused vacation and sick pay, which can be taken as time off at a later date. Contractual agreements for police are also included.

In accordance with New Jersey principles, the amount is not reported as an expenditure or liability in the financial statements.

Note 12: CONTINGENT LIABILITIES

GRANT PROGRAMS

The Township participated in a number of state assisted grant programs administered at the state level. These programs, exclusive of the single audit concept, can be subject to program compliance audits by the grantors or their representatives. Accordingly, the Township's compliance with certain applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the Township expects such amounts, if any, to be immaterial.

LITIGATION

The township estimates that any potential settlements arising from potential litigation would not materially affect the financial statements of the township.

Note 13: OTHER REQUIRED DISCLOSURES

Individual fund interfund receivable and payable balances. All interfund receivable and payable balances outstanding at the beginning of the fiscal period were fully liquidated during the fiscal period, with the following exceptions outstanding at December 31, 2017:

<u>FUND</u>	<u>DUE FROM OTHER FUNDS</u>	<u>DUE TO OTHER FUNDS</u>
Current Fund	\$ 1,449	-
Federal/State Grants Fund	-	-
Other Trust Funds	-	\$ 1,449
General Capital Fund	-	-
	<u>\$ 1,449</u>	<u>\$ 1,449</u>

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

Note 14: RISK FINANCING

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage. There were no significant reductions in insurance coverage from coverage in the prior year.

Note 15: OTHER POST-RETIREMENT BENEFITS

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

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

The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295 or by visiting their website at www.state.nj.us/treasury/pensions/gasb-43-sept2016.pdf

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

Contributions to pay for the health premiums of participating retirees in the SHBP are billed to the West Amwell Township on a monthly basis.

Note 14: TAX ABATEMENTS

As defined by the Governmental Accounting Standards Board (GASB), a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. The municipality has not entered into any tax abatement agreements.

PART I I
SUPPLEMENTARY INFORMATION

CURRENT FUND SCHEDULES

CURRENT FUND
SCHEDULE OF CASH -TREASURER

A-4

	<u>REF.</u>	<u>Current Fund</u>	<u>Federal and State</u> <u>Grant Fund</u>
Balance December 31, 2016	A	\$ 735,288	\$ 4,691
Increased by Receipts:			
Collector	A-5	\$ 12,245,067	
Miscellaneous Revenue Not Anticipated	A-2	15,997	
Revenue Accounts Receivable	A-9	1,742,371	
Accounts Payable	A-12	11,918	
Amount Due State of New Jersey for Senior Citizens/Veterans Deductions	A-15	29,590	
Interfunds Returned	C	-	
Interfunds Returned	A	72,664	(72,664)
Watershed Offset Aid	A-21	21,620	
State Grant Funds	A-19	<u>-</u>	<u>\$ 186,987</u>
		14,139,227	114,323
		14,874,515	119,014
Decreased by Disbursements:			
Refund Prior Year Revenues	A-1	1,975	
2016 Appropriation Reserves	A-10	39,186	
Reserve for Encumbrances	A-11	3,378,276	
Accounts Payable	A-12	13,631	
Tax Overpayments	A-14	321,259	
County Taxes	A-16	1,819,576	
Regional District School Tax	A-17	7,803,825	
Open Space Trust	A-18	304,842	
State Grant Funds	A-20	<u>-</u>	<u>72,851</u>
		13,682,570	72,851
Balance December 31, 2017	A	<u>\$ 1,191,945</u>	<u>\$ 46,163</u>

CURRENT FUND
SCHEDULE OF CASH - COLLECTOR

A-5

REF.

Received:

Interest and Costs on Taxes	A-2	\$	46,260	
Taxes Receivable	A-6		11,220,353	
Tax Title Liens	A-7		-	
2017 Prepaid Taxes	A-13		657,195	
Taxes Overpaid and Third Party Liens	A-14		<u>321,259</u>	\$ <u>12,245,067</u>

Decreased by Disbursements:

Payments to Treasurer	A-4			\$ <u>12,245,067</u>
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CURRENT FUND
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF TAX LEVY

<u>YEAR</u>	<u>BALANCE</u>	<u>2017</u>	<u>CASH COLLECTIONS</u>		<u>TRANSFERRED</u>		<u>BALANCE</u>
	<u>12/31/16</u>	<u>LEVY</u>	<u>2016</u>	<u>2017</u>	<u>TO TAX</u>	<u>CANCELLED</u>	<u>12/31/17</u>
					<u>TITLE LIENS</u>		
2016	\$ 191,482			\$ 188,527		\$ 2,955	-
	191,482			188,527	-	2,955	-
2017		\$ 11,380,778	\$ 97,916	11,059,826	\$ 16,109	28,141	\$ 178,786
TOTALS	\$ 191,482	\$ 11,380,778	\$ 97,916	\$ 11,248,353	\$ 16,109	\$ 31,096	\$ 178,786

REF.	A		A-13		A-7		A
		<u>REF.</u>					
State of New Jersey --Senior Citizens and Veterans Deductions		A-2		\$ 28,000			
Received by Collector		A-5		<u>11,220,353</u>			
				<u>\$ 11,248,353</u>			

ANALYSIS OF PROPERTY TAX LEVY:

Tax Yield:

General Purpose Tax		\$ 11,039,555	
Levy Special District Taxes		303,841	
Added/Omitted Taxes (54:4-63.1 et.seq.)		<u>37,382</u>	<u>\$ 11,380,778</u>

Tax Levy:

Regional School Tax	A-17		7,803,825	
Municipal Open Space	A-18		304,842	
County Taxes:				
County Tax (Abstract)		\$ 1,516,504		
County Library Tax (Abstract)		151,820		
County Open Space Tax		147,655		
Due County for Added and Omitted Taxes (54.4-63.1,et.seq.)	A-16	<u>5,991</u>	1,821,970	
Local Tax for Municipal	A-2		1,417,924	
Add: Additional Tax Levied			<u>32,217</u>	<u>\$ 11,380,778</u>

CURRENT FUND
SCHEDULE OF TAX TITLE LIENS

A-7

REF.

Balance December 31, 2016	A	\$ 175,972
Increased by:		
Interest and Costs		
Transfers from Taxes Receivable	A-6	<u>16,109</u>
		192,081
Balance December 31, 2017	A	<u>\$ 192,081</u>

CURRENT FUND
SCHEDULE OF PROPERTY ACQUIRED FOR TAXES
(AT ASSESSED VALUATION)

A-8

	<u>REF.</u>	
Balance December 31, 2016	A	<u>\$ 3,150</u>
Balance December 31, 2017	A	<u>\$ 3,150</u>

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CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

A-9

	<u>REF.</u>	<u>BALANCE</u> <u>12/31/16</u>	<u>ACCRUED</u> <u>IN 2017</u>	<u>COLLECTED</u> <u>BY</u> <u>TREASURER</u>	<u>BALANCE</u> <u>12/31/17</u>
Clerk:					
Licenses:					
Alcoholic Beverages	A-2	\$ 2,500	\$ 2,500		
Fees and Permits	A-2		60,438	60,438	
Fines and Costs-Municipal Court	A-2	\$ 5,969	88,285	88,406	\$ 5,848
Interest on Investments and Deposits	A-2		4,525	4,525	
Consolidated Municipal Property Tax Relief Aid	A-2		284,179	284,179	
Energy Receipts Tax	A-2		622,950	622,950	
Garden State Trust	A-2		36,752	36,752	
Uniform Construction Code Fees	A-2		196,024	196,024	
Fire Safety Fees	A-2		7,803	7,803	
Open Space Trust Fund	A-2		430,794	430,794	
General Capital Fund Balance	A-2		8,000	8,000	
Totals		\$ 5,969	\$ 1,742,250	\$ 1,742,371	\$ 5,848
		A		A-4	A

CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES - 2016

A-10

	<u>BALANCE</u> <u>12/31/16</u>	<u>BALANCE</u> <u>AFTER</u> <u>TRANSFERS</u>	<u>PAID</u> <u>OR</u> <u>CHARGED</u>	<u>BALANCE</u> <u>LAPSED</u>
General Administration:				
Salaries and Wages	\$ 1,268	-	-	-
Other Expenses	-	\$ 2,879	\$ 2,658	\$ 221
Mayor and Council				
Other Expenses	-	125	125	-
Municipal Clerk:				
Other Expenses	4,782	4,782	1,792	2,990
Financial Administration:				
Other Expenses	3,308	3,308	2,506	802
Revenue Administration:				
Other Expenses	352	1,451	1,099	352
Legal Services				
Other Expenses	15,899	14,662	10,441	4,221
Engineering:				
Other Expenses	2,132	2,132	1,602	530
Land Use:				
Other Expenses	2,585	2,585	253	2,332
Zoning Board of Adjustment:				
Other Expenses	807	1,548	385	1,163
Zoning Officer:				
Other Expenses	741	-	-	-
Affordable Housing:				
Other Expenses	3,500	3,500	3,500	-
Code Enforcement:				
Other Expenses	5,820	5,820	1,230	4,590
Liability Insurance	514	514	514	-
Police Department:				
Other Expenses	1,348	2,546	841	1,705
Office of Emerg. Mgmt:				
Other Expenses	3	350	347	3
Solid Waste:				
Other Expenses	3,727	3,727	2,040	1,687
Streets & Roads:				
Other Expenses	3,445	8,701	5,256	3,445
Building and Grounds:				
Other Expenses	46	1,896	1,896	-
Vehicle Maintenance:				
Other Expenses	2,615	2,760	-	2,760
Public Health:				
Other Expenses	139	139	139	-
Telephone	10	10	10	-
Water (Fire Hydrant)	263	263	263	-
Fuel Oil	4,824	4,824	542	4,282
Gasoline	1,620	1,620	1,620	-
Recycling Surcharge	345	345	85	260
Municipal Court:				
Other Expenses	2,405	2,405	42	2,363
Other Accounts - No Change	21,745	21,745		21,745
TOTALS	\$ 82,975	\$ 94,637	\$ 39,186	\$ 55,451

REF.	A	A-4	A-1
Appropriation Reserve	A	\$ 82,975	
Encumbrances	A-11	11,662	
		<u>\$ 94,637</u>	

CURRENT FUND
SCHEDULE OF RESERVE FOR ENCUMBRANCES

A-11

	<u>REF.</u>		
Balance December 31, 2016	A	\$	11,662
Increased by:			
Transfer from Current Year Appropriations	A-3	\$ 3,393,810	
Additional/Canceled Encumbrance Appropriations		<u>(224)</u>	<u>3,393,586</u>
			3,405,248
Decreased by:			
Transfer to Appropriation Reserve	A-10	11,662	
Encumbrances Paid	A-4	<u>3,378,276</u>	<u>\$ 3,389,938</u>
Balance December 31, 2017	A	\$	<u><u>15,310</u></u>

CURRENT FUND
SCHEDULE OF ACCOUNTS PAYABLE

A-12

	<u>REF.</u>	
Balance December 31, 2016	A	\$ 5,328
Increased by:		
Purchase Orders	A-4	<div style="display: flex; justify-content: flex-end;"> <div style="border-bottom: 1px solid black; width: 50px; text-align: right;">11,918</div> <div style="width: 50px; text-align: right;">17,246</div> </div>
Decreased by:		
Payment	A-4	<div style="display: flex; justify-content: flex-end;"> <div style="border-bottom: 1px solid black; width: 50px; text-align: right;">13,631</div> <div style="width: 50px;"></div> </div>
Balance December 31, 2017	A	<div style="display: flex; justify-content: flex-end;"> <div style="border-bottom: 3px double black; width: 50px; text-align: right;">\$ 3,615</div> <div style="width: 50px;"></div> </div>
State of New Jersey Marriage Licenses		\$ 125
State of New Jersey UCC Fees		3,490
County Health Inspections		<div style="display: flex; justify-content: flex-end;"> <div style="border-bottom: 1px solid black; width: 50px; text-align: right;">-</div> <div style="width: 50px;"></div> </div>
		<div style="display: flex; justify-content: flex-end;"> <div style="border-bottom: 3px double black; width: 50px; text-align: right;">\$ 3,615</div> <div style="width: 50px;"></div> </div>

CURRENT FUND
SCHEDULE OF TAXES COLLECTED IN ADVANCE

A-13

	<u>REF.</u>	
Balance December 31, 2016	A	\$ 97,916
Increased by:		
2018 Taxes Collected in Advance	A-5	<u>657,195</u>
		755,111
Decreased by:		
Applied to 2017 Taxes Receivable	A-6	<u>97,916</u>
Balance December 31, 2017	A	<u>\$ 657,195</u>

CURRENT FUND
SCHEDULE OF TAX OVERPAYMENTS

A-14

REF.

Increased by:

Third Party Outside Liens Received by Collector

A-5 \$ 321,259
 321,259

Decreased by:

Refunds

A-4 \$ 321,259

CURRENT FUND
SCHEDULE OF AMOUNT DUE TO STATE OF NEW JERSEY FOR
SENIOR CITIZENS AND VETERANS DEDUCTIONS

A-15

	<u>REF.</u>		
Balance December 31, 2016	A		\$ (250)
Increased by:			
Senior Citizens Deductions per Tax Billings		\$ 3,500	
Veterans Deductions per Tax Billings		25,500	
Collector Deductions Allowed		<u>-</u>	<u>\$ 29,000</u>
			28,750
Decreased by:			
Disallowed by Collector		1,000	
Received In Cash From State	A-4	<u>29,590</u>	<u>30,590</u>
Balance December 31, 2017	A		<u>\$ (1,840)</u>

CURRENT FUND
SCHEDULE OF COUNTY TAXES PAYABLE

A-16

	<u>REF.</u>		
Balance December 31, 2016	A	\$	3,597
Increased by:			
2017 Levy:			
County Taxes	A-1:6	\$ 1,516,504	
County Library Taxes	A-1:6	151,820	
County Open Space Tax	A-1:6	147,655	
Prior Year Added and Omitted Taxes	A-1:6	<u>5,991</u>	<u>1,821,970</u>
			1,825,567
Decreased by:			
Payments	A-4		<u>1,819,576</u>
Balance December 31, 2017	A	\$	<u>5,991</u>

CURRENT FUND
SCHEDULE OF REGIONAL HIGH SCHOOL TAX PAYABLE

A-17

REF.

Balance December 31, 2016:

School Tax Payable

School Tax Deferred

A None

Increased by:

Levy - Calendar Year 2017

A-6 \$ 7,803,825

Decreased by:

Payments

A-4 \$ 7,803,825

Balance December 31, 2017:

School Tax Payable

School Tax Deferred

A None

2017 Liability for Local District School Tax:

Tax Paid

\$ 7,803,825

Tax Payable 12/31/17

None

7,803,825

Less -- Deferred School Tax

A-4 None

Less -- Tax Payable 12/31/16

None

Amount Charged to 2017 Operations

A-1 \$ 7,803,825

CURRENT FUND
SCHEDULE OF MUNICIPAL OPEN SPACE TAX PAYABLE

A-18

REF.

Increased by:

Levy 2017

A-6 \$ 303,841

Added Levy 2017

A-6 1,001 \$ 304,842

304,842

Decreased by:

Transfer to Trust Fund

A-4 \$ 304,842

CURRENT FUND
SCHEDULE OF STATE GRANTS RECEIVABLE

A-19

<u>PURPOSE</u>	<u>BALANCE</u> <u>12/31/16</u>	<u>RECEIVABLE</u>	<u>RECEIVED</u>	<u>BALANCE</u> <u>12/31/17</u>
Clean Communities Grant CY 2017		\$ 12,487	\$ 12,487	
Recycling Grant		6,353	6,353	
NJ Body Armor Grant		1,062	1,062	
Police Click it or Ticket		1,650	1,650	
Distracted Driver Grant		4,400	4,400	
NJDEP - Alexauken Creek Watershed Plan	\$ 435,711		161,035	\$ 274,676
NJDEP - Alexauken Creek Plan I	<u>4,012</u>	<u>-</u>	<u>-</u>	<u>4,012</u>
	<u>\$ 439,723</u>	<u>\$ 25,952</u>	<u>\$ 186,987</u>	<u>\$ 278,688</u>
	A	A-2	A-4	A

CURRENT FUND
SCHEDULE OF RESERVE FOR STATE GRANTS

A-20

	BALANCE <u>12/31/16</u>	TRANSFER FROM 2017 BUDGET <u>APPROPRIATIONS</u>	<u>EXPENDED</u>	BALANCE <u>12/31/17</u>
Clean Communities Grant	-	\$ 12,487	\$ 12,487	-
Alcohol Rehabilitation	\$ 588			\$ 588
Recycling Tonnage Grant	-	6,353	6,353	-
NJ Body Armor Grant	3,093	1,062	2,531	1,624
Police Click it or Ticket	-	1,650	1,650	-
Distracted Driver Grant		4,400	4,400	-
NJDEP - Alexauken Creek Watershed Plan	354,925		57,968	296,957
NJDEP - Alexauken Creek Plan I	8,522			8,522
Drunk Driving Enforcement Grant	2,955		326	2,629
Hazards Emergency Program	1,667			1,667
Totals	<u>\$ 371,750</u>	<u>\$ 25,952</u>	<u>\$ 85,715</u>	<u>\$ 311,987</u>
REF.	A	A-3		A
		A-4	\$ 72,851	
		A	<u>12,864</u>	
			<u>\$ 85,715</u>	

CURRENT FUND
SCHEDULE OF RESERVE FOR WATERSHED MORITORIUM OFFSET

A-21

	<u>REF.</u>	
Balance December 31, 2016	A	\$ 21,620
Increased by:		
State Aid Receipt	A-4	<u>21,620</u>
		43,240
Decreased by:		
Realized as Revenue in 2017 Budget	A-2	<u>21,620</u>
Balance December 31, 2017	A	<u>\$ 21,620</u>

CURRENT FUND
SCHEDULE OF DEFERRED CHARGES
SPECIAL EMERGENCY AUTHORIZATIONS

A-22

<u>PURPOSE</u>	<u>DESCRIPTION</u>	<u>DATE</u> <u>AUTHORIZED</u>	<u>NET</u> <u>AMOUNT</u> <u>AUTHORIZED</u>	<u>BALANCE</u> <u>12/31/16</u>	<u>APPROPRIATED</u> <u>2017</u> <u>BUDGET</u>	<u>AMOUNT</u> <u>RESULTING</u> <u>FROM 2017</u>	<u>BALANCE</u> <u>12/31/17</u>
Emergency (40A:4-46)	Legal OE	11/14/16	\$ 60,000	\$ 60,000	\$ 60,000	-	-
Totals				\$ 60,000	\$ 60,000	-	-
REF.				A	A-3		A

TRUST FUND SCHEDULES

TRUST FUND
SCHEDULE OF CASH - TREASURER

B-2

	<u>REF.</u>	<u>DOG LICENSES</u>	<u>OTHER TRUST</u>	<u>OPEN SPACE</u>
Balance December 31, 2016	B	\$ 877	\$ 413,256	\$ 337,634
Increased by Receipts:				
Dog License Fees	B-3	13,959		
State Dog License Fees	B-4	857		
Amount Due Current Fund	B-5:6	10	66,144	
Escrow Trust Deposits	B-7		50,158	
Historical Preservation Deposits	B-9		72	
COAH Escrow Deposits	B-11		55,779	
CDBG Rehabilitation	B-12		83	
Off Duty Police Deposits	B-13		7,720	
Public Defender Deposits	B-16		650	
SUI Deposits	B-18		75	
Municipal Alliance Deposits	B-19		21,858	
Local Assistance	B-21		4	
Municipal Open Space Trust Deposits	B-22	-	-	319,747
Total Receipts		<u>14,826</u>	<u>202,543</u>	<u>319,747</u>
		<u>15,703</u>	<u>615,799</u>	<u>657,381</u>
Decreased by Disbursements:				
Expenditures Under R. S. 4:19-15.11	B-3	12,048		
State Dog License Fees	B-4	857		
Due Current Fund	B-5:6	10	-	
Escrow Trust Deposits Refunded	B-7		41,937	
Historical Preservation Disbursements	B-9		117	
Housing Trust	B-10		3,544	
Off Duty Police	B-13		12,530	
Reserve for Public Defender	B-16		900	
Tax Sale Premiums	B-17		186,100	
Municipal Alliance	B-19		17,858	
DARE Disbursements	B-20		1,342	
Municipal Open Space Trust Disbursements	B-22	-	-	516,364
Total Disbursements		<u>12,915</u>	<u>264,328</u>	<u>516,364</u>
Balance December 31, 2017	B	\$ 2,788	\$ 351,471	\$ 141,017

TRUST FUND
SCHEDULE OF RESERVE FOR DOG FUND EXPENDITURES

B-3

	<u>REF.</u>	
Balance December 31, 2016	B	\$ 877
Increased by:		
Dog License Fees Collected	B-2	<u>13,959</u>
		14,836
Decreased by:		
Expenditures Under R.S. 4:29-15.11	B-2	<u>12,048</u>
Balance December 31, 2017	B	<u>\$ 2,788</u>

TRUST FUND
SCHEDULE OF AMOUNT DUE TO STATE OF
NEW JERSEY DEPARTMENT OF HEALTH

B-4

REF.

Increased by:

Collected in 2017:

State Board of Health Fees

B-2

\$ 857

857

Decreased By:

Payments

B-2

\$ 857

DOG LICENSE FUND
SCHEDULE OF DUE TO CURRENT FUND

B-5

REF.

Increased by:

Interest Earned

B-2 \$ 10
 10

Decreased by:

Interfund Returned

B-2 \$ 10

TRUST FUND
SCHEDULE OF AMOUNT DUE CURRENT FUND

B-6

	<u>REF.</u>	
Balance December 31, 2016	B	\$ (64,695)
Increased by:		
Tax Sale Premiums Due from Current Fund	B-2	\$ 66,100
Interest Earned - Escrow Accounts	B-2	<div style="display: flex; justify-content: flex-end; align-items: center;"> <div style="text-align: right; margin-right: 10px;">44</div> <div style="border-top: 1px solid black; width: 100px;"></div> </div>
		66,144
		1,449
Balance December 31, 2017	B	<div style="border-top: 1px solid black; border-bottom: 3px double black; width: 100px;"></div>
		\$ 1,449
		<div style="border-top: 1px solid black; border-bottom: 3px double black; width: 100px;"></div>
		\$ 1,449
		<div style="border-top: 1px solid black; border-bottom: 3px double black; width: 100px;"></div>
		\$ 1,449

Interest due to Current Fund \$ 1,449
\$ 1,449

TRUST FUND
SCHEDULE OF RESERVE FOR ESCROW TRUST FUND DEPOSITS

B-7

	<u>REF.</u>	
Balance December 31, 2016	B	\$ 37,754
Increased by:		
Escrow Deposits	B-2	<u>50,158</u> 87,912
Decreased by:		
Escrow Deposits Refunded	B-2	<u>41,937</u>
Balance December 31, 2017	B	<u><u>\$ 45,975</u></u>

TRUST FUND
SCHEDULE OF RESERVE FOR POAA DEPOSITS
TRUST DEPOSITS

B-8

REF.

Balance December 31, 2016	B	\$ <u>30</u>
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Balance December 31, 2017	B	\$ <u>30</u>
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TRUST FUND
SCHEDULE OF RESERVE FOR HISTORICAL PRESERVATION
TRUST DEPOSITS

B-9

	<u>REF.</u>	
Balance December 31, 2016	B	\$ 2,633
Increased by:		
Deposits	B-2	<div style="display: inline-block; text-align: right;"> <u>72</u> 2,705 </div>
Decreased by:		
Disbursements	B-2	<div style="display: inline-block; text-align: right;"> <u>117</u> </div>
Balance December 31, 2017	B	<div style="display: inline-block; text-align: right;"> <u><u>\$ 2,588</u></u> </div>

TRUST FUND
SCHEDULE OF RESERVE FOR HOUSING TRUST
TRUST DEPOSITS

B-10

	<u>REF.</u>	
Balance December 31, 2016	B	\$ 24,672
Decreased by:		
Disbursements	B-2	<u>3,544</u>
Balance December 31, 2017	B	<u>\$ 21,128</u>

TRUST FUND
SCHEDULE OF RESERVE FOR COAH ESCROW
TRUST DEPOSITS

B-11

REF.

Balance December 31, 2016	B	<u>\$ 113,653</u>
Increased by:		
Deposits	B-2	<u>55,779</u> 169,432
Balance December 31, 2017	B	<u>\$ 169,432</u>

TRUST FUND
SCHEDULE OF RESERVE FOR CDBG REHABILITATION

B-12

	<u>REF.</u>	
Balance December 31, 2016	B	\$ 24,002
Increased by:		
Deposits	B-2	<u>83</u>
Balance December 31, 2017	B	<u>\$ 24,085</u>

TRUST FUND
SCHEDULE OF RESERVE FOR OFF DUTY POLICE

B-13

REF.

Balance December 31, 2016	B	\$ 5,000
Increased by:		
Deposits	B-2	<u>7,720</u>
		12,720
Decreased by:		
Disbursements	B-2	<u>12,530</u>
Balance December 31, 2017	B	<u>\$ 190</u>

TRUST FUND
SCHEDULE OF RESERVE FOR CELEBRATION OF PUBLIC EVENTS

B-14

	<u>REF.</u>	
Balance December 31, 2016	B	<u>\$ 3,735</u>
Balance December 31, 2017	B	<u>\$ 3,735</u>

TRUST FUND
SCHEDULE OF RESERVE FOR FIRE PENALTIES
TRUST DEPOSITS

B-15

	<u>REF.</u>	
Balance December 31, 2016	B	<u>\$ 2,000</u>
Balance December 31, 2017	B	<u>\$ 2,000</u>

TRUST FUND
SCHEDULE OF RESERVE FOR PUBLIC DEFENDER

B-16

	<u>REF.</u>	
Balance December 31, 2016	B	\$ 2,491
Increased by:		
Deposits	B-2	<div style="display: flex; justify-content: flex-end;"> <div style="border-bottom: 1px solid black; width: 50px; text-align: right;">650</div> <div style="margin-left: 10px; text-align: right;">3,141</div> </div>
Decreased by:		
Disbursements	B-2	<div style="display: flex; justify-content: flex-end;"> <div style="border-bottom: 1px solid black; width: 50px; text-align: right;">900</div> </div>
Balance December 31, 2017	B	<div style="display: flex; justify-content: flex-end;"> <div style="border-bottom: 3px double black; width: 50px; text-align: right;">2,241</div> </div>

TRUST FUND
SCHEDULE OF RESERVE FOR TAX SALE PREMIUMS

B-17

	<u>REF.</u>	
Balance December 31, 2016	B	\$ 208,700
Increased by:		
Deposits	B-6	<div style="display: flex; justify-content: flex-end; align-items: center;"> <div style="border-bottom: 1px solid black; width: 50px; margin-right: 5px;"></div> - </div>
		208,700
Decreased by:		
Disbursements	B-2	<div style="display: flex; justify-content: flex-end; align-items: center;"> <div style="border-bottom: 1px solid black; width: 50px; margin-right: 5px;"></div> 186,100 </div>
Balance December 31, 2017	B	<div style="display: flex; justify-content: flex-end; align-items: center;"> <div style="border-bottom: 3px double black; width: 50px; margin-right: 5px;"></div> \$ 22,600 </div>

TRUST FUND
SCHEDULE OF RESERVE FOR SUI

B-18

REF.

Balance December 31, 2016	B	\$ 22,826
Increased by:		
Deposits	B-2	<u>75</u>
		22,901
Balance December 31, 2017	B	<u>\$ 22,901</u>

TRUST FUND
SCHEDULE OF RESERVE FOR MUNICIPAL ALLIANCE

B-19

	<u>REF.</u>	
Balance December 31, 2016	B	\$ 21,931
Increased by:		
Deposits	B-2	<u>21,858</u> 43,789
Decreased by:		
Disbursements	B-2	<u>17,858</u>
Balance December 31, 2017	B	<u>\$ 25,931</u>

TRUST FUND
SCHEDULE OF RESERVE FOR DARE CONTRIBUTIONS

B-20

REF.

Balance December 31, 2016	B	\$ 7,457
Decreased by:		
Disbursements	B-2	<u>1,342</u>
Balance December 31, 2017	B	<u>\$ 6,115</u>

TRUST FUND
SCHEDULE OF RESERVE FOR LOCAL ASSISTANCE

B-21

REF.

Balance December 31, 2016	B	\$ 1,067
Increased by:		
Deposits	B-2	<u>4</u>
		1,071
Balance December 31, 2017	B	<u>\$ 1,071</u>

TRUST FUND
SCHEDULE OF RESERVE FOR MUNICIPAL OPEN SPACE TRUST

B-22

	<u>REF.</u>		
Balance December 31, 2016	B	\$	337,634
Increased by:			
Municipal Open Space Tax Levy	B-2	\$	304,842
State/County Reimbursements	B-2		14,093
Interest Earned	B-2		812
			<u>319,747</u>
			657,381
Decreased by:			
Open Space Trust Reserve Anticipated as Current Fund Budgeted Revenue	B-2		480,794
Open Space Contribution to General Capital Improvement Authorizations	B-2:C-7		32,000
Municipal Open Space Disbursements	B-2		<u>3,570</u>
			<u>516,364</u>
Balance December 31, 2017	B	\$	<u>141,017</u>

GENERAL CAPITAL FUND SCHEDULES

GENERAL CAPITAL FUND
SCHEDULE OF CASH - TREASURER

C-2

	<u>REF.</u>		
Balance December 31, 2016	C	\$	422,698
Increased by:			
Refunds of Prior Year Expenditures	C-1	\$	4,556
New Bond Anticipation Note Proceeds	C-8		193,872
Capital Improvement Fund Budget Appropriation	C-6		26,000
NJDOT Aid Applied	C-4		160,000
Open Space Trust Fund	C-11		32,000
Interest Due Current Fund	C-5		1,648
			<u>418,076</u>
			840,774
Decreased by:			
Liquidation of Prior Year Accounts Payable	C		107,800
Capital Fund Balance Anticipated as Current Fund Revenue	C-1		8,000
Use of Prior Year Excess Proceeds for Note Payment	C-4:8		32,121
Interfund Returned	C-5		1,648
Improvement Authorizations Paid	C-7		89,845
Amounts Due to Open Space for Canceled Improvement Authorizations	C-11		7,943
Preliminary Expenses	C-12		6,995
			<u>254,352</u>
Balance December 31, 2017	C	\$	<u><u>586,422</u></u>

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

C-3

	<u>REF.</u>	
Balance December 31, 2016	C	\$ 2,823,166
Decreased by:		
General Serial Bonds Paid by Current Fund Budget Appropriation	C-10	\$ 460,000
NJ Economic Dev. Loan Paid by Current Fund Budget Appropriation	C-9	<u>28,570</u> <u>488,570</u>
Balance December 31, 2017	C	<u>\$ 2,334,596</u>

Bonds Payable	\$ 2,230,000
New Jersey Green Trust Loan	<u>104,596</u>
	<u>\$ 2,334,596</u>

GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

C-4

ORD NO	IMPROVEMENT DESCRIPTION	BALANCE 12/31/16	STATE AID	DECREASED PAID BY BUDGET	BALANCE 12/31/17	ANALYSIS OF BALANCE		
						BONDS/NOTES AUTHORIZED NOT ISSUED	BOND ANTICIPATION NOTES	EXCESS PROCEEDS
20-09	Acquisition of Real Property to Meet the Township's COAH Obligation	\$ 300,000		-	\$ 300,000	\$ 300,000	-	
04-10	Reconstruction of Rocktown Road	11,751		\$ 11,751	-	-	-	
10-11	Various Capital Improvements	748,628	\$ 160,000	50,000	538,628	-	\$ 698,628	\$ 160,000
9-14	Acquisition of Equipment	266,000		-	266,000	-	266,000	-
7-15	Acquisition of Garbage Truck	41,500		-	41,500	-	41,500	
7-16	Various Capital Improvements	<u>229,044</u>	<u>\$ -</u>	<u>-</u>	<u>229,044</u>	<u>35,172</u>	<u>193,872</u>	<u>-</u>
		<u>\$ 1,596,923</u>	<u>\$ 160,000</u>	<u>\$ 61,751</u>	<u>\$ 1,375,172</u>	<u>\$ 335,172</u>	<u>\$ 1,200,000</u>	<u>\$ 160,000</u>
REF.	C		C-2	C-8	C	C	C-8	

GENERAL CAPITAL FUND
SCHEDULE OF AMOUNT DUE CURRENT FUND

C-5

REF.

Increased by:

Interest Credits

C-2

\$ 1,648
1,648

Increased by:

Payment to Current Fund for Interest Credits

C-2

\$ 1,648

GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

C-6

	<u>REF.</u>		
Balance December 31, 2016	C		\$ 24,038
Increased by:			
Canceled Improvement Authorizations	C-7	\$ 11,598	
Budgeted Appropriation	C-2	<u>26,000</u>	<u>37,598</u>
			61,636
Decreased by:			
Appropriated to Finance Improvement Authorizations - Open Space	C-7		<u>42,000</u>
Balance December 31, 2017	C		<u>\$ 19,636</u>

GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

C-7

<u>IMPROVEMENT DESCRIPTION</u>	<u>NUMBER</u>	<u>ORDINANCE</u>		<u>BALANCE</u> <u>12/31/16</u>		<u>CAPITAL</u> <u>IMP FUND</u>	<u>OPEN SPACE</u> <u>TRUST</u>	<u>CANCELED</u>	<u>PAID OR</u> <u>CHARGED</u>	<u>BALANCE</u> <u>12/31/17</u>	
		<u>DATE</u>	<u>AMOUNT</u>	<u>FUNDED</u>	<u>UNFUNDED</u>					<u>FUNDED</u>	<u>UNFUNDED</u>
Funding Accessory Loan Program - Rehabilitate Existing Rental Dwellings	96-12	12/4/96	\$ 140,000	\$ 20,000						\$ 20,000	
Acquisition of Real Property to Meet the Township's COAH Obligation	20-09	8/12/09	315,000		\$ 313,925						\$ 313,925
Reconstruction of a Portion of Rocktown Hill Road	04-10	4/7/10	305,000		26,158						26,158
Various Capital Improvements	10-11	6/22/11	816,600		170,375				\$ 3,378		166,997
Various Improvements	10-12	5/23/12	100,000	2,457					-	2,457	
Various Police, OEM, Fire, Buildings and Grounds Equipment and George Washington Road Mill and Grade	7-13	7/24/13	123,200	16,882					3,033	13,849	
Various Capital Improvements	4-14	5/28/14	131,500	15,738						15,738	
Acquisition of Equipment	9-14	6/25/14	280,000		29,596						29,596
Bond Refunding - Deferred School Tax	16-14	9/24/14	990,000	-					-	-	
Police SUV, Fire Turnout Gear, Sign	5-15	6/3/15	54,000	5,611						5,611	
Various Capital Improvements	7-16	6/15/16	240,500		117,915				3,127		114,788
Demolition of Building	10-16	9/7/16	35,000	11,598				\$ 11,598	-	-	
Acquisition of Holcombe Property	09-16	8/17/16	30,000	26,250				7,943	18,307	-	
Purchase of Protective Gear & Groundmaster Mower	05-17	6/23/17	74,000			\$ 42,000	\$ 32,000		71,959	2,041	

<u>\$ 98,536</u>	<u>\$ 657,969</u>	<u>\$ 42,000</u>	<u>\$ 32,000</u>	<u>\$ 19,541</u>	<u>\$ 99,804</u>	<u>\$ 59,696</u>	<u>\$ 651,464</u>
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REF.

C	C	C-6	C-11	C-6	C	C
Returned to Capital Improvement Fund			C-6	\$ 11,598		
Canceled Open Space			C-11	7,943		
				<u>\$ 19,541</u>		
Cash				C-2	\$ 89,845	
Accounts Payable				C	9,959	
					<u>\$ 99,804</u>	

GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES

C-8

<u>PURPOSE</u>	<u>ORIGINAL ISSUE</u>	<u>DATE OF ISSUE</u>	<u>DATE OF MATURITY</u>	<u>INTEREST RATE</u>	<u>BALANCE 12/31/16</u>	<u>INCREASED</u>	<u>DECREASED</u>	<u>BALANCE 12/31/17</u>
Reconstruction of Rocktown Road - 04-10	7/2/04	6/23/17	6/22/18	2.250%	\$ 11,751		\$ 11,751	-
Various Improvements - 10-11	6/28/12	6/23/17	6/22/18	2.250%	748,628		50,000	\$ 698,628
Various Improvements - 14-09	6/24/15	6/23/17	6/22/18	2.250%	266,000			266,000
Acquisition of Garbage Truck - 07-15	6/23/16	6/23/17	6/22/18	2.250%	47,500		6,000	41,500
Acquisition of Property - 20-09	6/23/09	6/23/17	6/22/18	2.250%	26,121		26,121	-
Various Improvements - 7-16	6/22/17	6/23/17	6/22/18	2.250%		\$ 193,872		193,872
					\$ 1,100,000	\$ 193,872	\$ 93,872	\$ 1,200,000
REF.					C	C-2		C
				Decreased by Budget		C-4	\$ 61,751	
				Decreased by Excess Proceeds Prior Year Deferred Charge		C-2	32,121	
							\$ 93,872	

GENERAL CAPITAL FUND
SCHEDULE OF NEW JERSEY GREEN TRUST LOAN PROGRAM

C-9

<u>IMPROVEMENT DESCRIPTION</u>	<u>DATE OF ISSUE</u>	<u>ORIGINAL ISSUE</u>	<u>MATURITIES</u> <u>DATE</u>	<u>AMOUNT</u>	<u>INTEREST RATE</u>	<u>BALANCE</u> <u>12/31/16</u>	<u>DECREASED</u>	<u>BALANCE</u> <u>12/31/17</u>
Sourland/Open Space Acquisition Project	6/25/01	\$500,000	3/25/18	\$ 14,499.85	2%	\$ 133,166	\$ 28,570	\$ 104,596
			9/25/18	14,644.84				
			3/25/19	14,791.29				
			9/25/19	14,939.21				
			3/25/20	15,088.60				
			9/25/20	15,239.48				
			3/25/21	15,391.88				
REF.					C	C-3	C	

GENERAL CAPITAL FUND
SCHEDULE OF SERIAL BONDS PAYABLE

C-10

<u>PURPOSE</u>	<u>DATE ORIGINAL ISSUE</u>	<u>ORIGINAL ISSUE</u>	<u>MATURITY OF OUTSTANDING BONDS DATE</u>	<u>AMOUNT</u>	<u>INTEREST RATE</u>	<u>BALANCE 12/31/16</u>	<u>BUDGET DECREASED</u>	<u>BALANCE 12/31/17</u>
Refunding Bonds Series 2016	11/6/14	\$ 1,555,000	5/1/18	145,000	2.600%	\$ 1,555,000	\$ 150,000	\$ 1,405,000
			5/1/19	155,000	2.600%			
			5/1/20	150,000	2.600%			
			5/1/21	155,000	2.600%			
			5/1/22	150,000	2.600%			
			5/1/23	160,000	2.600%			
			5/1/24	155,000	2.600%			
			5/1/25	170,000	2.600%			
			5/1/26	165,000	2.600%			
Refunding Bonds Series 2016 - Deferred School Tax	11/6/14	\$ 650,000	11/1/18	105,000	3.650%	925,000	100,000	825,000
	6/28/16	340,000	11/1/19	110,000	3.650%			
			11/1/20	110,000	3.650%			
			11/1/21	120,000	3.650%			
			11/1/22	120,000	3.650%			
			11/1/23	125,000	3.650%			
			11/1/24	135,000	3.650%			
General Obligation Bonds Series 2014	2/28/13	\$ 850,000	2/15/17	210,000	1.335%	210,000	210,000	-

\$ 2,690,000	\$ 460,000	\$ 2,230,000
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C

C-3

C

GENERAL CAPITAL FUND
SCHEDULE OF AMOUNT DUE OPEN SPACE TRUST

C-11

REF.

Increased by:

Payment to Open Space for Canceled Improvement Authorizations	C-2	\$ 7,943	
Funding for Improvement Authorizations	C-7	<u>32,000</u>	<u>\$ 39,943</u>
			39,943

Decreased by:

Amounts Due to Open Space for Canceled Improvement Authorizations	C-7	7,943	
Receipts from Open Space Trust Fund	C-2	<u>32,000</u>	<u>\$ 39,943</u>

GENERAL CAPITAL FUND
SCHEDULE OF RESERVE FOR PRELIMINARY EXPENSES - OPEN SPACE PRESERVATION

C-12

Balance December 31, 2016	<u>REF.</u> C	\$ 14,347
Decreased by:		
Preliminary Expense Disbursements	C-2	<u>6,995</u>
Balance December 31, 2017	C	<u>\$ 7,352</u>

PUBLIC ASSISTANCE FUND SCHEDULES

N/A

SCHEDULE OF GENERAL FIXED ASSETS

GENERAL FIXED ASSETS
DECEMBER 31, 2017
SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS

F-1

	<u>BALANCE</u> <u>12/31/16</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE</u> <u>12/31/17</u>
General Fixed Assets:				
Land	\$ 2,222,406	\$ 18,307		\$ 2,240,713
Buildings	1,696,957			1,696,957
Machinery and Equipment	<u>2,965,814</u>	<u>71,959</u>	<u>-</u>	<u>3,037,773</u>
Total General Fixed Assets	<u>\$ 6,885,177</u>	<u>\$ 90,266</u>	<u>-</u>	<u>\$ 6,975,443</u>
Investment In General Fixed Assets	<u>\$ 6,885,177</u>	<u>\$ 90,266</u>	<u>-</u>	<u>\$ 6,975,443</u>

PART III
SUPPLEMENTARY INFORMATION

General Comments

**Report on Internal Control over Financial Reporting
and Compliance and Other Matters based on an
Audit of Financial Statements Performed in
Accordance with *Government Auditing Standards***

Schedule of Federal/State Awards

Status of Prior Audit Findings

Schedule of Findings and Responses

GENERAL COMMENTS

Scope of Audit

The audit of the financial statements of the Township of West Amwell, County of Hunterdon, New Jersey, as required by the Division of Local Government Services, covered the financial transactions of the Treasurer, Tax Collector, the activities of the Township and various outside departments.

Contracts and Agreements Requiring Advertisement for Bids

Effective April 17, 2000, N.J.S.A.40A:11-1 et.seq (Local Public Contracts Law) was revised by P.L.1999,c.440 (originally known as Assembly Bill No. 3519). Rules and regulations pertaining to the amended law are to be promulgated by the Division of Local Government Services.

N.J.S.A. 40A:11-3 is amended to read as follows:

- a. When the cost or price of any contract awarded by the purchasing agent in the aggregate, does not exceed in the contract year the total sum of \$17,500, the contract may be awarded by a purchasing agent when so authorized by resolution of the governing body without public advertising for bids and bidding therefore, except that the governing body may adopt a resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations. If the purchasing agent is qualified pursuant to subsection b. (pending before the Legislature as section 15 of this bill) of section 9 of P.L.1971,c.198(C.40A:11-9) the governing body may establish that the bid threshold may be up to \$25,000. Such authorization may be granted for each contract or by a general delegation of the power to negotiate and award such contracts pursuant to this section.
- b. Any contract made pursuant to this section may be awarded for a period of 24 consecutive months, except that contracts for professional services pursuant to paragraph (i) of paragraph (a) of subsection (1) of Section 5 of P.L.1971, C.198(C.40A:11-5) may be awarded for a period not exceeding 12 consecutive months. The Division of Local Government Services shall adopt and promulgate rules and regulations concerning the methods of accounting for all contracts that do not coincide with the contracting unit's fiscal year.
- c. Commencing in the fifth year after the year in which P.L.1999,c.440 takes effect, and every five years thereafter, the Governor, in consultation with the Department of Treasury, shall adjust the threshold amount and the higher threshold amount which the governing body is permitted to establish as set forth in subsection a. of this section or the threshold amount resulting from any adjustment under this subsection, in direct proportion to the rise or fall of the index rate as that term is defined in N.J.S.40A:11-3(c), and shall round the adjustment to the nearest \$1,000. The Governor shall notify all municipal units of the adjustment no later than June 1 of every fifth year. The adjustment shall become effective on July 1 of the year in which it is made.

N.J.S.A.40A:11-4 (as amended) states, "Every contract or agreement for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body to the lowest responsible bidder after public advertising for bids and bidding therefore, except as is provided otherwise in this chapter or specifically by any other law."

Effective July 1, 2015, the bid threshold in accordance with N.J.S.A.40A:11-3(c) (as amended) is increased to \$40,000 for Qualified Purchasing Agents (QPA), and \$17,500 for units without QPA's.

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

The Minutes indicate that resolutions were adopted and advertised authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S.40A:11-5.

The system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not determine whether any clear-cut violations existed.

My examination of expenditures did not reveal any individual payments, contracts or agreements in excess of the statutory thresholds "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.40A:11-6.

Collection of Interest on Delinquent Taxes and Assessments

The statute provides the method of authorizing interest and the maximum rates to be charged for the nonpayment of taxes or assessments on or before the date when they would become delinquent.

The governing body, on January 2, 2017, adopted the following resolution authorizing interest to be charged on delinquent taxes:

Resolved, that commencing with the installment payments due on February 1, 2017, for real and/or personal property taxes and thereafter during each and every succeeding quarterly period, interest shall be charged at the rate of eight (8) per cent per annum on the first \$1,500 and eighteen (18) per cent per annum any amount in excess of \$1,500 upon all unpaid installments when the same became delinquent, provided, however, that no interest shall be charged if payment of any installment is made within ten (10) days after the date upon which the same became payable.

Under provisions of C.75, P.L. 1991 (amending N.J.S. 54:4-67), enacted March 28, 1991, the definition of tax delinquency was defined as the sum of all taxes and municipal charges due on a given parcel or property covering any number of quarters or years. In addition, the governing body may also fix a penalty to be charged to a taxpayer with a delinquency in excess of \$10,000 who fails to pay that delinquency prior to the end of the calendar year. The penalty so fixed shall not exceed six (6%) per cent of the amount of the delinquency.

The governing body, on January 2, 2017, adopted a resolution enabling the \$10,000 delinquency penalty provisions.

The audit of the Collector's records on a test basis indicated no differences between the amount of interest payable on delinquent tax payments, based on our calculations, and the amount of interest charged.

Delinquent Taxes and Tax Title Liens

The delinquent taxes at December 31, 2017, include only real property items on the 2017 tax levy.

The last tax sale was held October 12, 2017 and was complete.

Inspection of tax sale certificates on file revealed that all tax sale certificates from tax sales were available for audit.

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

<u>Year</u>	<u>Number of Liens</u>
2017	22
2016	23
2015	20

Verification of Delinquent Taxes and Other Charges

Verification notices were mailed to confirm balances as of December 31, 2017. The items that were returned were compared to and are in agreement with the Township's records. For items not returned, alternative procedures were performed.

A test verification of delinquent charges and current payments was made in accordance with verification procedures approved by the Division of Local Government Services. A summary of such verification is as follows:

Type of Receivable - Real Property Tax Date of Circulars - December 31, 2017				
Verification <u>Type</u>	Request <u>Form</u>	Total No. <u>of Items</u>	Total No. of <u>Circular</u>	Total No. <u>Returned</u>
2017 Property Tax	Positive	3,150	60	18
2018 Property Tax	Positive	3,150	60	18

Technical Accounting Directives

During the calendar year 1984, the Division of Local Government Services initiated as part of the Single Audit Law, a planned revision of the Requirements of Audit to provide new accounting requirements mandated for most local government units. The revision to the Requirements of Audit and Accounting would be in order to improve fiscal accountability for all local governments, satisfy federal-state audit requirements and enhance the credibility for New Jersey municipal accounting practices with federal-state funding sources and bond rating agencies. The new requirements for most local units started January 1, 1986, unless exemption, based upon amount of federal aid received and population size, was formally secured. The Division in 1988 notified those exempted municipal units of a transition requirement for fully implementation of all accounting directives beginning in the 1989 fiscal periods. The identity and compliance status of the Township of West Amwell to these directives are as follows:

<u>Requirement</u>	FY 2017 Required	
	<u>Implementation</u>	
	<u>Yes</u>	<u>No</u>
A. General Ledger Accounting System	X	
B. Encumbrance Accounting	X	
C. Purchase Order System	X	
D. Fixed Asset Accounting and Reporting System	X	

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

REVENUE AND OTHER INCOME REALIZED

	<u>YEAR 2017</u>	<u>%</u>	<u>YEAR 2016</u>	<u>%</u>
Fund Balance Utilized	\$ 263,000	1.93%	\$ 255,000	1.85%
Miscellaneous - From Other Than				
Local Property Tax Levies	2,046,639	14.99%	2,110,321	15.29%
Collection of Delinquent Taxes and				
Tax Title Liens	188,527	1.38%	161,368	1.17%
Collection of Current Tax Levy	<u>11,157,742</u>	<u>81.71%</u>	<u>11,270,962</u>	<u>81.69%</u>
Total Income	<u>13,655,908</u>	<u>100.00%</u>	<u>13,797,651</u>	<u>100.00%</u>

EXPENDITURES

Budget Expenditures:				
Municipal Purposes	3,612,193	26.67%	3,565,190	26.60%
County Taxes	1,821,970	13.45%	1,880,119	14.03%
Local and Regional Taxes	7,803,825	57.61%	7,569,556	56.49%
Municipal Open Space Tax	304,842	2.25%	307,276	2.29%
Other Expenditures	<u>1,975</u>	<u>0.01%</u>	<u>78,501</u>	<u>0.59%</u>
Total Expenditures	<u>\$ 13,544,805</u>	<u>100.00%</u>	<u>\$ 13,400,642</u>	<u>100.00%</u>

Excess in Revenue	111,103	397,009
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Adjustments to Income Before Fund Balance:

Expenditures Included Above Which are by Statute Deferred Charges to Budget of Succeeding Year	<u>-</u>	<u>60,000</u>
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Statutory Excess to Fund Balance	111,103	457,009
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Fund Balance January 1	505,840	303,831
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Less:

Utilization as Anticipated Revenue	<u>263,000</u>	<u>255,000</u>
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Fund Balance December 31	<u>\$ 353,943</u>	<u>\$ 505,840</u>
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Comparative Schedule of Tax Rate Information

	<u>2017</u>	<u>2016</u>	<u>2015</u>
<u>Tax Rate</u>	<u>\$2.240</u>	<u>\$2.258</u>	<u>\$2.296</u>
<u>Apportionment of Tax Rate:</u>			
Municipal	\$0.280	\$0.269	\$0.260
County	\$0.359	\$0.371	\$0.386
Regional School	\$1.541	\$1.558	\$1.590
Municipal Open Space Tax	\$0.060	\$0.060	\$0.060

Assessed Valuation:

<u>Year</u>	<u>Amount</u>
2017	\$506,401,600
2016	\$507,823,160
2015	\$492,043,416

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>Collections</u>	<u>Percentage of Collections</u>
2017	\$11,380,778	\$11,157,742	98.04%
2016	\$11,488,539	\$11,270,962	98.10%
2015	\$11,379,848	\$11,184,201	98.28%

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>Dec.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	\$192,081	\$178,786	\$370,867	3.26%
2016	\$175,972	\$191,482	\$367,454	3.20%
2015	\$158,727	\$167,876	\$326,603	2.87%

Property Acquired by Tax Title Lien Liquidation

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

<u>Year</u>	<u>Amount</u>
2017	\$3,150
2016	\$3,150
2015	\$3,150

Comparative Schedule of Fund Balances

<u>Year</u>	<u>Balance December 31</u>	<u>Utilized In Budget of Succeeding Year</u>	
		<u>Regular</u>	<u>Defer School Tax</u>
2017	\$ 353,943	\$ 211,000	NONE
2016	\$ 505,840	\$ 263,000	NONE
2015	\$ 303,831	\$ 255,000	NONE
2014	\$ 484,986	\$ 282,881	NONE
2013	\$ 833,654	\$ 386,880	NONE
2012	\$ 875,911	\$ 361,000	NONE
2011	\$ 603,106	\$ 96,000	NONE
2010	\$ 306,013	\$ 85,000	NONE

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 Corporate Surety</u>
John Dale	Mayor		
Zachary T. Rich	Committeeperson		
Stephen Bergenfeld	Committeeperson		
Gary Hoyer	Committeeperson		
James Cally	Committeeperson		
Lora L. Olsen	Clerk; Registrar of Vital Statistics; Assessment Search Officer; Board of Health Secretary; Clean Comm. Coordinator; Affirmative Action Officer; Certifying Officer for Health Benefits		

<u>Name</u>	<u>Title</u>	<u>Amount of Bond</u>	<u>Name Of Corporate Surety</u>
Sandy Haberle	Deputy Clerk; Deputy Registrar of Vital Statistics; Assessment Purchasing Agent; Deputy Board of Health Secretary; Assistant Treasurer; Payroll Clerk; Dog Registrar		
Mary Hyland	Tax Collector; Tax Search Officer	\$1,000,000	Statewide Insurance Fund; Carrier: Zurich Ins. Co.
Thomas J. Carro	Certified Municipal Finance Officer; Treasurer	\$1,000,000	Statewide Insurance Fund; Carrier: Zurich Ins. Co.
David Gill	Assessor		
Phillip Faherty III	Attorney		
Raymond Barson	Magistrate	\$1,000,000	Statewide Insurance Fund; Carrier: Zurich Ins. Co.
Christopher Rose	Construction Code Official; Zoning Official; Plumbing Sub-Code Official		
Phillip Langon	Fire Sub-Code Official and Inspector		
Michael Janoski	Electric Sub-Code Official and Inspector		
Phil Langon	Fire Official		
Mary Loretta Hoagland	Court Administrator	\$1,000,000	Statewide Insurance Fund; Carrier: Zurich Ins. Co.
Nate Barson	Animal Control Officer		

The minimum bond coverage for the Tax Collector based on prior year tax levies is as follows:

<u>Year</u>	<u>Amount</u>
2017	\$108,221

Blanket bond coverage was provided for other officials handling monies in the amount of \$50,000 by the Statewide Insurance Fund.

All the bonds were examined and were properly executed.



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Anthony Ardito, CPA, RMA, CMFO, PSA
Douglas R. Williams, CPA, RMA, PSA

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

Independent Auditor's Report

The Honorable Mayor and
Members of the Township Committee
Township of West Amwell
150 Rocktown Lambertville Road
County of Hunterdon, New Jersey
Lambertville, NJ 08530

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division of Local Governments Services, Department of Community Affairs, State of New Jersey, the regulatory-basis financial statements of the Township of West Amwell in the County of Hunterdon, State of New Jersey, as of and for the years ended December 31, 2017 and 2016, and the related notes to the financial statements, which collectively comprise the Township of West Amwell's basic financial statements, and have issued our report thereon dated April 15, 2018, which indicated that the financial statements have been prepared in conformity with accounting practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Internal Control Over Financial Reporting

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

-Continued-

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

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

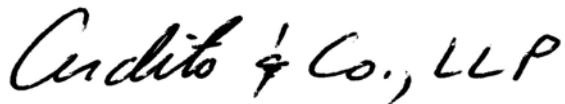
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township's financial statements are free of 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*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

ARDITO & CO., LLP



Frenchtown, New Jersey
April 15, 2018



Certified Public Accountant
Registered Municipal Accountant No.524
ARDITO & CO., LLP
Frenchtown, New Jersey
April 15, 2018

SCHEDULE OF FEDERAL/STATE AWARDS

SCHEDULE OF STATE AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2017

K-4

<u>STATE GRANTOR/PROGRAM TITLE</u>	<u>STATE ACCOUNT NUMBER</u>	<u>PROGRAM OR AWARD AMOUNT</u>	<u>GRANT PERIOD</u>	<u>FUND REF.</u>	<u>CASH ACCRUED OR DEFERRED REVENUE BALANCE AT 1/1/17</u>	<u>RECEIPTS PROGRAM</u>	<u>OTHER</u>	<u>DISBURSEMENTS</u>	<u>CASH ACCRUED OR DEFERRED REVENUE BALANCE AT 12/31/17</u>
<u>DEPT. OF ENVIR. PROTECTION</u>									
Solid Waste Admin.-Clean Communities Program	042490076500410	\$ 12,487	2017	A	-	\$ 12,487		\$ 12,487	-
<u>DEPT. OF PUBLIC SAFETY</u>									
Drunk Driving Enforcement Fund	4250-760-050000-63	Various	Various	A	\$ 2,955			326	\$ 2,629
<u>DEPT. OF TRANSPORTATION</u>									
NJ Transportation Fund Authority Act									
Alexauken Creek Watershed Plan I		239,300	2005	A	4,510				4,510
Alexauken Creek Watershed Plan II		541,300	2013	A	(80,786)	161,035		57,968	22,281
<u>OTHER STATE AIDS</u>									
Body Armor Grant	N/A	1,090	2014	A	943			943	-
Body Armor Grant	N/A	1,089	2015	A	1,089			1,089	-
Body Armor Grant	N/A	1,061	2016	A	1,061			499	562
Body Armor Grant	N/A	1,062	2017	A		1,062			1,062
Click it or Ticket	N/A	1,650	2017	A	-	1,650		1,650	-
Distracted Driver Grant	N/A	4,400	2017	A		4,400		4,400	
Hazards Emergency Program	N/A		2004	A	1,667				1,667
Recycling Tonnage Grant	N/A	6,353	2017	A	-	6,353		6,353	-
Municipal Alliance	Local Grant	528	2016	A	588				588
TOTAL STATE ASSISTANCE					\$ (67,973)	\$ 186,987	-	\$ 85,715	\$ 33,299

The accompanying Notes to Schedules of Expenditures of Awards and Financial Assistance are an integral part of this schedule.

Note: This Schedule was not subject to an audit in accordance with NJOMB Circular 15-08.

TOWNSHIP OF WEST AMWELL

NOTES TO THE SCHEDULES OF FEDERAL AND STATE AWARDS
DECEMBER 31, 2017

NOTE 1. GENERAL

The accompanying Schedules of Expenditures of State Awards present the activity of all state award programs of the Township of West Amwell. The Township of West Amwell is defined in Note 1 to the Township's financial statements. All federal and state awards received directly from federal and state agencies, as well as federal and state awards passed through other government agencies, are included on the schedules of expenditures of federal and state awards.

NOTE 2. BASIS OF ACCOUNTING

The accompanying Schedules of Expenditures of State Awards are presented using the modified accrual basis of accounting. The information in these schedules is presented in accordance with the requirements of federal OMB Uniform Guidance, Audits of States, Local Governments and Nonprofit Organizations. However, the Township was not subject to the single audit provisions of Federal OMB Uniform Guidance or New Jersey OMB Circular NJOMB 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid for 2017 as grant expenditures were less than the single audit thresholds of \$750,000, identified in the Circulars.

NOTE 3. RELATIONSHIP TO THE FINANCIAL STATEMENTS

The accompanying Schedules of Expenditures of State Awards are presented using the modified accrual basis of accounting. Therefore, some amounts presented in these schedules may differ from amounts presented in, or used in the preparation of, the financial statements.

STATUS OF PRIOR AUDIT FINDINGS

STATUS OF PRIOR AUDIT FINDINGS

Finding

- 2016-1 Various payroll processing errors were noted during the calendar year including pension withholding errors, NJSUI tax rate errors, W-2 errors, timeliness of ACA reporting, differences between 941's, W-3 and payroll registers, and differences between pension deductions and quarterly contribution reports.

processing.

Finding Status - Finding Cleared

SCHEDULE OF FINDINGS AND RESPONSES
GENERAL FINDINGS

SCHEDULE OF FINDINGS AND RESPONSES

GENERAL FINDINGS

YEAR ENDED DECEMBER 31, 2017

Summary of Auditor's Results

The Township prepares its financial statements in conformity with accounting practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a comprehensive basis of accounting other than generally accepted accounting principles.

The audit did not disclose any material weaknesses in the internal controls of the Township.

The audit did not disclose any noncompliance that is material to the financial statements of the Township.

The Township was not subject to the single audit provisions of Federal OMB Uniform Guidance and New Jersey OMB Circular NJOMB 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid for 2017 as grant expenditures were less than the single audit thresholds of \$750,000, identified in the Circulars.

Findings Relating to the Financial Statements which are required to be Reported in Accordance with Generally Accepted Government Auditing Standards:

Finding

None