

TOWNSHIP OF SHAMONG
County of Burlington

Report of Audit of Financial Statements

For the Year Ended December 31, 2018

TOWNSHIP OF SHAMONG
COUNTY OF BURLINGTON

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TOWNSHIP OF SHAMONG

PART I

Report of Audit of Financial Statements

For the Year Ended December 31, 2018

INVERSO & STEWART, LLC

Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Township Committee
Township of Shamong
County of Burlington
Shamong, New Jersey

Report on the Financial Statements

I have audited the accompanying statements of assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Township of Shamong, in the County of Burlington, State of New Jersey, as of December 31, 2018 and 2017, and the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis, statement of expenditures - regulatory basis, and statement of general fixed assets group of accounts for the year ended December 31, 2018 and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Those standards require that I 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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In my opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township of Shamong, in the County of Burlington, State of New Jersey, as of December 31, 2018 and 2017, or the results of its operations and changes in fund balance for the years then ended.

Opinion on Regulatory Basis of Accounting

In my opinion, the financial statements referred to previously present fairly, in all material respects, the assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Township of Shamong, in the County of Burlington, State of New Jersey, as of December 31, 2018 and 2017, and the results of its operations and changes in fund balance - regulatory basis of such funds for the years then ended, and the revenues - regulatory basis, expenditures - regulatory basis of the various funds, and general fixed assets, for the year ended December 31, 2018 in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Emphasis of Matter

As discussed in Note 8 to the financial statements, the Township of Shamong implemented Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* during the year ended December 31, 2018. My opinions are not modified with respect to this matter.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated July 19, 2019 on my consideration of the Township of Shamong's, in the County of Burlington, State of New Jersey, internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of my 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 of Shamong's internal control over financial reporting.

Respectfully submitted,

INVERSO & STEWART, LLC
Certified Public Accountants



Robert P. Inverso
Certified Public Accountant
Registered Municipal Accountant

Marlton, New Jersey
July 19, 2019

INVERSO & STEWART, LLC

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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 Shamong
County of Burlington
Shamong, New Jersey

I have audited, in accordance with the auditing standards generally accepted in the United States of America: the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey of the Township of Shamong, in the County of Burlington, State of New Jersey, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements, and have issued my report thereon dated July 19, 2019. That report indicated that the Township of Shamong's financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America, but were prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Internal Control Over Financial Reporting

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

~~A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or 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.~~

My 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 my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township of Shamong's financial statements are free from material misstatement, I 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 my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instance of noncompliance or other matters that are required to be reported under Government Auditing Standards or audit requirements as prescribed by the Division of Local Governments Services, Department of Community Affairs, State of New Jersey.

Purpose of this Report

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

Respectfully submitted,

INVERSO & STEWART, LLC
Certified Public Accountants



Robert P. Inverso
Certified Public Accountant
Registered Municipal Accountant

Marlton, New Jersey
July 19, 2019

TOWNSHIP OF SHAMONG
Current Fund
Statement of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis
For the Years Ended December 31, 2018 and 2017

<u>ASSETS</u>	<u>REFERENCE</u>	<u>2018</u>	<u>2017</u>
Regular Fund:			
Cash - Treasurer	A-4	\$ 8,050,795.79	\$ 8,720,582.75
Cash - Change Fund - Collector	A-5	60.00	60.00
Investments - Bond Anticipation Notes	C-7	<u>178,600.00</u>	<u>200,925.00</u>
Total		<u>8,229,455.79</u>	<u>8,921,567.75</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-7	169,593.91	216,433.27
Tax Title Liens Receivable	A-8	152,948.28	145,525.91
Property Acquired for Taxes - Assessed Valuation	A-9	1,050,325.00	1,050,325.00
Revenue Accounts Receivable	A-10	2,714.58	2,031.50
Due From Federal and State Grant Fund	A		16,781.92
Due from Animal Control Fund	B	106.53	2,861.49
Due from Other Trust Fund	B	<u>79.83</u>	
Total		<u>1,375,768.13</u>	<u>1,433,959.09</u>
Total Regular Fund		<u>9,605,223.92</u>	<u>10,355,526.84</u>
Federal and State Grant Fund:			
Cash - Treasurer	A-4	201,201.92	
Federal and State Grants Receivable	A-20	222,724.36	217,075.00
Due from Current Fund	A	<u>8.17</u>	<u>8.17</u>
Total Federal and State Grant Fund		<u>423,934.45</u>	<u>217,083.17</u>
Total Assets		<u>\$ 10,029,158.37</u>	<u>\$ 10,572,610.01</u>

Continued

TOWNSHIP OF SHAMONG
Current Fund
Statement of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis
For the Years Ended December 31, 2018 and 2017

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>REFERENCE</u>	<u>2018</u>	<u>2017</u>
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3	\$ 570,675.21	\$ 521,305.70
Encumbrances Payable	A-3	134,347.63	69,144.39
Tax Overpayments	A-12	107,625.44	72,130.09
Prepaid Taxes	A-13	133,962.18	881,650.16
Tax Title Lien Redemption Payable		7,568.09	7,568.09
Local District School Taxes Payable	A-14	3,303,192.48	3,556,978.52
Regional High School Taxes Payable	A-15	1,927,581.83	1,960,542.35
Due County for Added and Omitted Taxes	A-16	6,348.43	8,684.31
Due to Federal and State Grant Fund	A	8.17	8.17
Reserve for Large Animal Rescue		100.00	100.00
Due to Other Trust Fund	B	111,674.54	182,829.48
Due to Public Assistance Fund	D	12,665.00	12,665.00
Due State of New Jersey - Veterans and Senior Citizens	A-6	580.12	
Due State of New Jersey - DCA Fees	A-17	1,532.00	1,795.00
Due State of New Jersey - Marriage License Fees	A-18	150.00	200.00
Reserve for Preservation and Maintenance of Cemetary	A-19	8,500.00	
Total Liabilities		6,326,511.12	7,275,601.26
Reserve for Receivables and Other Assets	A	1,375,768.13	1,433,959.09
Fund Balance	A-1	1,902,944.67	1,645,966.49
Total Regular Fund		9,605,223.92	10,355,526.84
Federal and State Grant Fund:			
Due to Current Fund	A		16,781.92
Encumbrances Payable	A-22	304,388.00	16,562.63
Unappropriated Reserves	A-21		3,740.16
Appropriated Reserves	A-22	119,546.45	179,998.46
Total Federal and State Grant Fund		423,934.45	217,083.17
Total Liabilities, Reserves and Fund Balance		\$ 10,029,158.37	\$ 10,572,610.01

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

TOWNSHIP OF SHAMONG
Current Fund

Statement of Operations and Changes in Fund Balance - Regulatory Basis
For the Years Ended December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Revenue and Other Income Realized:		
Fund Balance Utilized	\$ 1,200,000.00	\$ 1,100,000.00
Miscellaneous Revenue Anticipated	1,375,592.67	1,097,535.80
Receipts from Delinquent Taxes	227,053.59	227,390.53
Receipts from Current Taxes	18,020,780.90	18,610,023.79
Nonbudget Revenues	206,971.54	236,692.67
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	534,960.96	681,799.47
Cancelation of Due to State	2,663.77	2,696.58
Cancelation of Tax Overpayments	1,253.97	
Liquidation of Interfund Receivables	19,643.41	382.02
	<u>21,588,920.81</u>	<u>21,956,520.86</u>
Total Revenue and Other Income Realized		
Expenditures:		
Operations Within "CAPS":		
Salaries and Wages	621,900.00	607,096.22
Other Expenses	1,156,315.03	1,064,206.00
Deferred Charges and Statutory Expenditures Within "CAPS"	130,097.47	124,435.78
Operations Excluded from "CAPS":		
Salaries and Wages	104,349.00	160,700.00
Other Expenses	364,045.92	52,154.43
Capital Improvements Excluded from "CAPS"	31,000.00	26,618.62
Municipal Debt Service Excluded from "CAPS"	164,073.58	177,460.68
Deferred Charges and Statutory Expenditures Excluded from "CAPS"		
County Taxes	2,798,399.63	2,848,207.56
Due County for Added Taxes	6,348.43	8,684.31
Local District School District Tax	9,511,338.00	10,018,910.00
Regional High School Tax	5,111,022.00	5,176,943.00
Municipal Open Space Tax	132,753.03	132,766.60
Municipal Open Space - Added Taxes	300.54	405.48
Interfunds Created		16,781.92
	<u>20,131,942.63</u>	<u>20,415,370.60</u>
Subtotal		
Less: Expenditures to be Raised by Future Taxes		
	<u>20,131,942.63</u>	<u>20,415,370.60</u>
Total Expenditures		
Statutory Excess to Fund Balance (Carried Forward)	1,456,978.18	1,541,150.26

TOWNSHIP OF SHAMONG
Current Fund
Statement of Operations and Changes in Fund Balance - Regulatory Basis
For the Years Ended December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Statutory Excess to Fund Balance (Brought Forward)	\$ 1,456,978.18	\$ 1,541,150.26
Fund Balance January 1	<u>1,645,966.49</u>	<u>1,204,816.23</u>
Total	3,102,944.67	2,745,966.49
Decreased by Utilization as Anticipated Revenue	<u>1,200,000.00</u>	<u>1,100,000.00</u>
Fund Balance December 31	<u><u>\$ 1,902,944.67</u></u>	<u><u>\$ 1,645,966.49</u></u>

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

TOWNSHIP OF SHAMONG
Current Fund
Statement of Revenues - Regulatory Basis
For the Year Ended December 31, 2018

	<u>BUDGET</u>	<u>SPECIAL NJS 40A:4-87</u>	<u>REALIZED</u>	<u>EXCESS (DEFICIT)</u>
Fund Balance Anticipated	\$ 1,200,000.00	\$ -	\$ 1,200,000.00	\$ -
Miscellaneous Revenues:				
Local Revenues:				
Licenses:				
Alcoholic Beverage	2,611.00		2,611.00	-
Fines and Costs:				
Municipal Court	30,000.00		34,440.65	4,440.65
Interest and Costs on Taxes	35,000.00		58,255.05	23,255.05
Interest on Investments and Deposits	10,000.00		109,387.38	99,387.38
Mobile Home Fees	25,000.00		23,896.00	(1,104.00)
State Aid Without Offsetting Appropriations:				
Consolidated Municipal Property Tax Relief Aid				
Energy Receipts Tax	470,649.00		470,649.00	
Garden State Trust	112,346.00		112,346.00	
Uniform Construction Code Fees	85,000.00		101,388.00	16,388.00
Shared Service Agreements Offset with Appropriations				
Tax Assessor - Tabernacle Township	35,484.00		36,316.43	832.43
Tax Assessor - Burlington Township	71,449.00		73,155.49	1,706.49
Construction Code - Southampton Township	20,257.00		19,101.75	(1,155.25)
Special Items Offset with Appropriations:				
Recycling Tonnage Grant	3,740.16		3,740.16	
Clean Communities Program		18,705.76	18,705.76	
NJ Department of transportation		311,600.00	311,600.00	
Total	<u>901,536.16</u>	<u>330,305.76</u>	<u>1,375,592.67</u>	<u>143,750.75</u>
Receipts from Delinquent Taxes	200,000.00		227,053.59	27,053.59
Amount to be Raised by Taxes for Support of Municipal Budget - Local Tax for Municipal Purposes	<u>626,525.87</u>		<u>864,251.06</u>	<u>237,725.19</u>
Budget Totals	2,928,062.03	330,305.76	3,666,897.32	<u>\$ 408,529.53</u>
Nonbudget Revenues			<u>206,971.54</u>	
Total	<u>\$ 2,928,062.03</u>	<u>\$ 330,305.76</u>	<u>\$ 3,873,868.86</u>	

TOWNSHIP OF SHAMONG
Current Fund
Statement of Revenues - Regulatory Basis
For the Year Ended December 31, 2018

ANALYSIS OF REALIZED REVENUE

Allocation of Current Tax Collections:	
Revenue from Collections	\$ 18,020,780.90
Allocated to School and County Taxes	<u>17,560,161.63</u>
Balance for Support of Municipal Budget Appropriations	460,619.27
Add Appropriation - Reserve for Uncollected Taxes	<u>403,631.79</u>
Amount for Support of Municipal Budget Appropriations	<u>\$ 864,251.06</u>
Receipts from Delinquent Taxes:	
Delinquent Tax Collections	\$ 217,319.98
Tax Title Liens	<u>9,733.61</u>
	<u>\$ 227,053.59</u>
Miscellaneous Revenue:	
Cable Fees	\$ 30,613.80
Copies	258.71
Resale CO's	6,075.00
JIF Safety Grant	3,863.70
Planning and Zoning Fees	6,680.00
Snow Plowing	64,860.00
Rentals	1,500.00
Road Opening Fees	2,301.00
Vets and Senior Citizen Administrative Fee	978.28
Sale of Property	6,389.49
Cemetery Fees	18,350.00
Refunds	15,267.77
Abandoned Properties	44,264.41
Refund of Prior Years Expense	5,459.38
Assessor's Lists	<u>110.00</u>
Total	<u>\$ 206,971.54</u>

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

TOWNSHIP OF SHAMONG
Current Fund
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2018

	<u>Appropriations</u>			<u>Expended</u>	<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>		
GENERAL APPROPRIATIONS:					
Operations Within "CAPS":					
General Government:					
General Administration					
Salaries and Wages	\$ 48,000.00	\$ 48,000.00	\$ 37,997.02	\$ -	\$ 10,002.98
Other Expenses	20,000.00	20,000.00	6,095.07	579.19	13,325.74
Mayor and Committee					
Salaries and Wages	16,000.00	16,000.00	12,126.36		3,873.64
Other Expenses	4,000.00	4,000.00	1,369.81		2,630.19
Municipal Clerk					
Salaries and Wages	90,000.00	90,000.00	83,360.13		6,639.87
Other Expenses	24,000.00	24,000.00	12,927.12		11,072.88
Financial Administration:					
Salaries and Wages	33,000.00	33,000.00	26,506.74		6,493.26
Other Expenses	11,000.00	11,000.00	7,072.77	118.25	3,808.98
Audit Services					
Other Expenses	22,500.00	22,500.00	21,500.00		1,000.00
Revenue Administration (Tax Collection)					
Salaries and Wages	53,000.00	53,000.00	48,658.48		4,341.52
Other Expenses	12,500.00	12,500.00	6,848.65		5,651.35
Tax Assessment Administration					
Salaries and Wages	22,500.00	22,500.00	22,297.76		202.24
Other Expenses	7,000.00	7,000.00	2,907.16	1,397.50	2,695.34
Interest on Appeals	100.00	100.00			100.00
Legal Services and Costs:					
Other Expenses	55,000.00	60,000.00	48,605.88		11,394.12
Engineering Services and Costs:					
Other Expenses	70,000.00	70,000.00	49,618.11	3,931.32	16,450.57
Municipal Land Use Law (N.J.S.A. 40:SSD-1):					
Joint Land Use Board					
Salaries and Wages	14,500.00	14,500.00	13,722.94		777.06
Other Expenses	10,000.00	10,000.00	7,964.66	939.80	1,095.54
Environmental Control					
Other Expenses	1,000.00	1,000.00			1,000.00
Rent Control					
Salaries and Wages	1,500.00	1,500.00	1,125.00		375.00
Other Expenses	5,500.00	5,500.00	4,305.70	750.00	444.30
Insurance:					
Liability Insurance	22,000.00	22,000.00	15,369.62		6,630.38
Workers Compensation	57,000.00	57,000.00	43,283.08		13,716.92
Employee Group Insurance	160,000.00	160,000.00	92,979.72		67,020.28
Other Insurance Premiums	18,200.00	18,200.00	6,466.31		11,733.69

TOWNSHIP OF SHAMONG

Current Fund

Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2018

	<u>Appropriations</u>		<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Expended Encumbered</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
	<u>Budget</u>						
GENERAL APPROPRIATIONS:							
Operations Within "CAPS":							
JF Commissioner	\$ 2,500.00	\$ 2,500.00	\$ 2,501.52	\$ -		198.48	\$ -
Salaries and Wages	5,800.00	5,800.00	5,281.13		518.87		
Office of Emergency Management	17,000.00	17,000.00	3,608.59		13,284.61		
Salaries and Wages	49,000.00	49,000.00	36,750.00		12,250.00	0.00	
Other Expenses	35,000.00	35,000.00	26,250.00		8,750.00	0.00	
Aid to Volunteer Fire Companies							
Aid to Volunteer Ambulance Companies							
Municipal Prosecutor:							
Salaries and Wages	500.00	500.00				500.00	
Other Expenses	100.00	100.00				100.00	
Discovery Clerk							
Salaries and Wages	100.00	100.00				100.00	
Public Buildings and Grounds							
Streets and Roads Maintenance							
Salaries and Wages	214,000.00	214,000.00	204,924.26			9,075.74	
Other Expenses	581,981.00	575,367.53	81,875.25		71,647.69	171,844.59	250,000.00
Recycling Program:							
Other Expenses	3,000.00	3,000.00				3,000.00	
Building and Grounds							
Salaries and Wages	500.00	500.00				500.00	
Other Expenses	16,500.00	16,500.00	10,630.56		1,392.77	4,476.67	
War Memorial							
Other Expenses	1,500.00	1,500.00	65.00			1,435.00	
Health and Human Services							
Board of Health							
Salaries and Wages	2,500.00	2,500.00	1,785.16			714.84	
Other Expenses	2,000.00	2,000.00	155.00			1,845.00	
Animal Control							
Other Expenses	11,000.00	11,000.00	3,170.00		290.00	7,540.00	
Parks and Recreation							
Maintenance of Parks							
Other Expenses	7,000.00	7,000.00	561.50			6,438.50	
Maintenance of Lake							
Other Expenses	13,500.00	13,500.00				13,500.00	

TOWNSHIP OF SHAMONG
Current Fund

Statement of Expenditures - Regulatory Basis
 For the Year Ended December 31, 2018

	Appropriations		Paid or Charged	Expended		Unexpended Balance Canceled
	Budget	Budget After Modification		Encumbered	Reserved	
GENERAL APPROPRIATIONS:						
Operations Within "CAPS":						
Utility Expense and Bulk Purchase						
Electricity	\$ 33,000.00	\$ 33,000.00	\$ 23,496.36	\$ 318.79	\$ 9,184.85	\$ -
Street Lights	12,500.00	12,500.00	8,043.54		4,456.46	
Telephone	8,300.00	8,300.00	7,292.00		1,008.00	
Natural Gas	9,700.00	9,700.00	5,907.94		3,792.06	
Telecommunications	3,200.00	3,200.00	2,170.69		1,029.31	
Gasoline/Diesel	22,000.00	22,000.00	13,415.10	118.02	8,466.88	
Uniform Construction Code Enforcement Function						
Construction Official						
Salaries and Wages	68,500.00	68,500.00	67,928.02		571.98	
Other Expenses	9,000.00	9,000.00	3,174.85		5,825.15	
Accumulated Sick Leave Compensation						
Salaries and Wages	1,000.00	1,000.00	1,000.00		0.00	
Township Cemetery						
Salaries and Wages	47,000.00	47,000.00	13,489.59		33,510.41	
Other Expenses	30,000.00	30,000.00	7,031.47	230.00	22,738.53	
Municipal Court						
Salaries and Wages	500.00	500.00			500.00	
Other Expenses	34,000.00	34,000.00	2,674.23	24,777.50	6,548.27	
Public Defender						
Salaries and Wages	500.00	500.00			500.00	
Other Expenses	500.00	500.00			500.00	
Prior Year Bill	1,347.50	1,347.50	1,347.50		0.00	
Contingent	7,000.00	7,000.00			7,000.00	
Total Operations Including Contingent - Within "CAPS"	2,029,828.50	2,028,215.03	1,107,437.35	127,597.63	543,180.05	250,000.00
Detail:						
Salaries and Wages	621,900.00	621,900.00	542,504.11	0.00	79,395.89	0.00
Other Expenses	1,407,928.50	1,406,315.03	564,933.24	127,597.63	463,784.16	250,000.00

TOWNSHIP OF SHAMONG
Current Fund

Statement of Expenditures - Regulatory Basis
 For the Year Ended December 31, 2018

	Appropriations		Paid or Charged	Expended Encumbered	Reserved	Unexpended Balance Canceled
	Budget	Budget After Modification				
Deferred Charges and Statutory Expenditures - Municipal - Within "CAPS":						
STATUTORY EXPENDITURES:						
Contribution to:						
Public Employees' Retirement System	\$ 74,165.00	\$ 74,597.47	\$ 74,597.23	\$ -	\$ 0.24	\$ -
Defined Contribution Retirement Plan	1,500.00	1,500.00	262.96		1,237.04	
Social Security System (O.A.S.I.)	54,000.00	54,000.00	48,194.95		5,805.05	
Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"	129,665.00	130,097.47	123,055.14		7,042.33	
Total General Appropriations - For Municipal Purposes Within "CAPS"	2,159,493.50	2,158,312.50	1,230,492.49	127,597.63	550,222.38	250,000.00
GENERAL APPROPRIATIONS:						
Operations Excluded from "CAPS":						
L.O.S.A.P.	30,000.00	30,000.00	23,166.00		6,834.00	
Interlocal Municipal Service Agreements:						
Shared Service - Agreements						
Construction Code, Building, and Zoning						
Salaries and Wages	12,668.00	13,849.00	13,848.60		0.40	
Other Expenses						
Tax Assessor						
Salaries and Wages	90,500.00	90,500.00	82,938.02		7,561.98	
Other Expenses						
Total Other Operations Excluded from "CAPS":	133,168.00	134,349.00	119,952.62		14,396.38	
GENERAL APPROPRIATIONS:						
Operations Excluded from "CAPS":						
Public and Private Programs Offset by Revenues:						
Clean Communities Program		18,705.76	18,705.76			
DOT - Oakshade 2018		311,600.00	311,600.00			
New Jersey Department of Transportation						
Burlington County Park Improvement						
Recycling Tonnage Grant	3,740.16	3,740.16	3,740.16			
Total Public and Private Programs Offset by Revenues	3,740.16	334,045.92	334,045.92			
Total Operations - Excluded From "CAPS"	136,908.16	468,394.92	453,998.54		14,396.38	
Detail:						
Salaries and Wages	103,168.00	104,349.00	96,786.62		7,562.38	
Other Expenses	33,740.16	364,045.92	357,211.92		6,834.00	

TOWNSHIP OF SHAMONG

Current Fund

Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2018

	Appropriations		Paid or Charged	Expended		Unexpended Balance Canceled
	Budget	Budget After Modification		Encumbered	Reserved	
Capital Improvements - Excluded From "CAPS"						
Capital Improvement Fund	\$ 12,500.00	\$ 12,500.00	\$ 12,500.00	\$ -	\$ -	\$ -
Computer Hardware & Software	18,500.00	18,500.00	5,693.55	6,750.00	6,056.45	30,000.00
Streets and Roads Equipment	30,000.00	30,000.00				
Total Capital Improvements - Excluded From "CAPS"	61,000.00	61,000.00	18,193.55	6,750.00	6,056.45	30,000.00
Municipal Debt Service - Excluded From "CAPS"						
Payment of Bond Anticipation Notes	114,200.00	114,200.00	112,325.00	-	-	1,875.00
Interest on Notes	10,800.00	10,800.00	9,720.00			1,080.00
Capital Lease Obligations	23,373.62	23,373.62	23,373.62			-
Green Trust Loan Program						
Loan Repayments for Principal & Interest	18,654.96	18,654.96	18,654.96			-
Total Municipal Debt Service - Excluded From "CAPS"	167,028.58	167,028.58	164,073.58	0.00		2,955.00
Total General Appropriations for Municipal Purposes Excluded From "CAPS"	364,936.74	696,423.50	636,265.67	6,750.00	20,452.83	32,955.00
Subtotal General Appropriations Reserve for Uncollected Taxes	2,524,430.24	2,854,736.00	1,866,758.16	134,347.63	570,675.21	282,955.00
	403,631.79	403,631.79	403,631.79			
TOTAL GENERAL APPROPRIATIONS	\$ 2,928,062.03	\$ 3,258,367.79	\$ 2,270,389.95	\$ 134,347.63	\$ 570,675.21	\$ 282,955.00

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

TOWNSHIP OF SHAMONG
Current Fund
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2018

Analysis of Budget After Modification:

Original Budget	\$ 2,928,062.03	
By Appropriation 40A:4-87	<u>330,305.76</u>	
		<u>\$ 3,258,367.79</u>

Analysis of Paid or Charged:

Reserve for Federal and State Grants - Appropriated	334,045.92	
Reserve for Uncollected Taxes	403,631.79	
Encumbrances Payable	134,347.63	
Reduction of Bond Anticipation Note held by the Township	22,325.00	
Cash Disbursed	<u>1,510,387.24</u>	
 Total		 <u>\$ 2,404,737.58</u>

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

TOWNSHIP OF SHAMONG
Trust Fund

Statement of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis
For the Years Ended December 31, 2018 and 2017

	<u>REFERENCE</u>	<u>2018</u>	<u>2017</u>
<u>ASSETS</u>			
Animal Control Fund:			
Cash - Treasurer	B-1	\$ 4,978.87	\$ 8,777.09
Due from State of New Jersey		2.40	1.20
Total Animal Control Fund		<u>4,981.27</u>	<u>8,778.29</u>
Other Funds:			
Cash - Treasurer	B-1	713,851.14	557,058.15
Due from Current Fund	A	111,674.54	182,829.48
Total Other Funds		<u>825,525.68</u>	<u>739,887.63</u>
Total Assets		<u>\$ 830,506.95</u>	<u>\$ 748,665.92</u>
<u>LIABILITIES AND RESERVES</u>			
Animal Control Fund:			
Due to Current Fund	A	\$ 106.53	\$ 2,861.49
Prepaid License Fees		10.80	17.60
Reserve for Dog Fund Expenditures	B-2	4,863.94	5,899.20
Total Animal Control Fund		<u>4,981.27</u>	<u>8,778.29</u>
Other Funds:			
Due to Current Fund	A	79.83	
Payroll Deductions Payable	B-13	669.65	4,458.97
Reserve for :			
Unemployment Compensation Insurance	B-3	20,795.03	19,716.32
Recreation Escrow	B-4	6,244.73	6,576.11
S.T.A.S.A. - Municipal Alliance	B-5	7,819.82	7,722.74
Public Defender Fees	B-6	1,535.96	562.86
Open Space Trust	B-7	600,817.17	476,394.34
Tax Sale Premiums	B-8	57,800.00	129,300.00
Multi - Escrow	B-9	52,704.40	19,833.30
Accumulated Absences	B-10	23,485.09	22,198.99
POAA	B-11	500.00	500.00
Planning Board Subdivision:			
Escrow for Professional Fees	B-12	53,074.00	52,624.00
Total Other Funds		<u>825,525.68</u>	<u>739,887.63</u>
Total Liabilities and Reserves		<u>\$ 830,506.95</u>	<u>\$ 748,665.92</u>

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

TOWNSHIP OF SHAMONG
General Capital Fund
Statement of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis
For the Years Ended December 31, 2018 and 2017

	<u>REFERENCE</u>	<u>2018</u>	<u>2017</u>
<u>ASSETS</u>			
Cash - Treasurer	C-2	\$ 372,136.01	\$ 294,025.56
Deferred Charges to Future Taxation:			
Funded	C-4	152,954.50	168,319.51
Unfunded	C-5	<u>1,136,100.00</u>	<u>1,010,925.00</u>
Total		<u>\$ 1,661,190.51</u>	<u>\$ 1,473,270.07</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Green Trust Loan Payable	C-6	\$ 152,954.50	\$ 168,319.51
Bond Anticipation Notes Payable	C-7	1,136,100.00	1,010,925.00
Improvement Authorizations:			
Funded	C-8	37,767.98	37,767.98
Unfunded	C-8	108,362.34	51,507.04
Reserve for Encumbrances	C-8	95,141.13	73,886.08
Capital Improvement Fund	C-9	38,747.00	38,747.00
Down Payment on Capital Improvements		200.00	200.00
Fund Balance	C-1	<u>91,917.56</u>	<u>91,917.56</u>
Total		<u>\$ 1,661,190.51</u>	<u>\$ 1,473,270.17</u>

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

TOWNSHIP OF SHAMONG
General Capital Fund
Statement of Fund Balance - Regulatory Basis
For the Year Ended December 31, 2018

Balance December 31, 2017 and 2018

\$ 91,917.56

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

TOWNSHIP OF SHAMONG
Public Assistance Fund
Statement of Assets, Liabilities and Reserves
For the Years Ended December 31, 2018 and 2017

	<u>REFERENCE</u>	<u>2018</u>	<u>2017</u>
<u>ASSETS</u>			
Due From Current Fund	A	<u>\$ 12,665.00</u>	<u>\$ 12,665.00</u>
Total		<u>\$ 12,665.00</u>	<u>\$ 12,665.00</u>
 <u>LIABILITIES AND RESERVES</u>			
Reserve for Public Assistance		<u>\$ 12,665.00</u>	<u>\$ 12,665.00</u>

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

TOWNSHIP OF SHAMONG
GENERAL FIXED ASSETS ACCOUNT GROUP
Statement of Changes in General Fixed Assets - Regulatory Basis
For the Year Ended December 31, 2018

	Balance December 31, 2017	Additions	Retirements	Balance December 31, 2018
General Fixed Assets:				
Land and Land Improvements	\$ 1,230,084.68	\$ -	\$ -	\$ 1,230,084.68
Building and Building Improvements	529,421.00			529,421.00
Machinery and Equipment	<u>2,111,821.54</u>	<u>159,239.00</u>		<u>2,271,060.54</u>
Total	<u>\$ 3,871,327.22</u>	<u>\$ 159,239.00</u>	<u>\$ -</u>	<u>\$ 4,030,566.22</u>
 Investment in General Fixed Assets	 <u>\$ 3,871,327.22</u>	 <u>\$ 159,239.00</u>	 <u>\$ -</u>	 <u>\$ 4,030,566.22</u>

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

**TOWNSHIP OF SHAMONG
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Financial Reporting Entity - The Township of Shamong (hereafter referred to as the "Township") is located in the southwest portion of the County of Burlington, State of New Jersey. The present population according to the 2010 census is 6,419.

The Township was incorporated in 1852 and is governed by a Committee form of government which consists of five members elected at large by the voters. The Committee members serve three-year terms that are staggered. Two members are elected in two successive years and one member is elected in the third year. The Mayor is selected annually by the Committee and acts as the Chief Executive Officer of the Township. The legislative powers rest with the Township Committee. The Township Administrator/Clerk and Chief Financial Officer are appointed by the Township Committee and monitor the daily administrative and financial responsibilities, including but not limited to, staffing and personnel issues and budget preparation and implementation.

Component Units – GASB Statement No. 14, *The Financial Reporting Entity* and GASB Statement No. 39, *Determining Whether Certain Organizations are Component Unit*, provide guidance that all entities associated with a primary government are potential component units and should be evaluated for inclusion in the financial reporting entity. A primary government is financially accountable not only for the organizations that make up its legal entity, but also for legally separate organizations that meet the criteria established by GASB Statements No. 14 and No. 39. In addition, GASB Statement No. 61, provides additional guidance for organizations that do not meet the financial accountability criteria for inclusion as component units but that nevertheless should be included because the primary government's management determines that it would be misleading to exclude them. GASB Statement No. 80, *Blending Requirements for Certain Component Units* - an Amendment of GASB Statement No. 14 amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criteria requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. There were no additional entities required to be included in the reporting entity under the criteria as described above. Furthermore, the Township is not includable in any other reporting entity on the basis of such criteria.

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

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

Current Fund - The Current Fund accounts for resources and expenditures for governmental operations of a general nature, including Federal and State Grant funds.

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

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

**TOWNSHIP OF SHAMONG
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

Cash, Cash Equivalents and Investments - Cash and cash equivalents, for all funds, include petty cash, change funds and cash on deposit with public depositories. All certificates of deposit are recorded as cash regardless of the date of maturity. Investments are stated at cost. Consequently, unrealized gain or loss on investments has not been recorded in accordance with Governmental Accounting Standards Board Statement No. 31.

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

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

The cash management plan adopted by the Township requires it to deposit funds in public depositories protected from loss under the provisions of the Act.

Interfunds - Interfund receivables and payables that arise from transactions between funds are recorded by all funds affected by such transactions in the period in which the transaction is executed. Interfund receivables in the Current Fund are recorded with offsetting reserves which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves.

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

General Fixed Assets - Accounting for Governmental Fixed Assets, as required by N.J.A.C. 5:30-5.6, differs in certain respects from accounting principles generally accepted in the United States of America. In accordance with the regulations, all local units, including municipalities, must maintain a general fixed assets reporting system that establishes and maintains a physical inventory of nonexpendable, tangible property as defined and limited by the U.S. Office of Management and Budget Circular A-87 (Attachment B, Section 19), except that the useful life of such property is at least five years. The Township has adopted a capitalization threshold of \$5,000 the maximum amount allowed by the Circular.

TOWNSHIP OF SHAMONG
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

General Fixed Assets (Continued) - Generally, assets are valued at historical cost; however, assets acquired prior to December 31, 1985 are valued at actual historical cost or estimated historical cost. Donated general fixed assets are recorded at their estimated fair market value on the acquisition date. Interest costs relative to the acquisition of general fixed assets are recorded as expenditures when paid. Public domain ("infrastructure") general fixed assets consisting of certain improvements, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. Expenditures for construction in progress are recorded in the Capital Funds until such time as the construction is completed and put into operation. The Township is required to maintain a subsidiary ledger detailing fixed assets records to control additions, retirements and transfers of fixed assets.

In addition, a Statement of General Fixed Assets, reflecting the activity for the year, must be included in the basic financial statements.

The regulations require that general fixed assets, whether constructed or acquired through purchase, grant or gift be included in the aforementioned inventory. In addition, property management standards must be maintained that includes accurate records indicating asset description, source, ownership, acquisition cost and date, the percentage of Federal participation (if any), and the location, use, and condition of the asset. Periodically, physical inventories must be taken and reconciled with these records. Lastly, all fixed assets must be adequately controlled to safeguard against loss, damage or theft. No depreciation of general fixed assets is recorded.

Foreclosed Property - Foreclosed property is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved. Ordinarily it is the intention of the municipality to resell foreclosed property in order to recover all or a portion of the delinquent taxes or assessments and to return the property to a taxpaying basis. For this reason, the value of foreclosed property has not been included in the General Fixed Assets Account Group. If such property is converted to a municipal use, it will be recorded in the General Fixed Assets Account Group.

Deferred Charges - The recognition of certain expenditures is deferred to future periods. These expenditures, or deferred charges, are generally overexpenditures of legally adopted budget appropriations or emergency appropriations made in accordance with N.J.S.A. 40A:4-46 et seq. Deferred charges are subsequently raised as items of appropriation in budgets of succeeding years.

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

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

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

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

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

**TOWNSHIP OF SHAMONG
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

School Taxes - The Township is responsible for levying, collecting and remitting school taxes for the Shamong Township School District and the Lenape Regional High School District. Operations is charged for the full amount required to be raised from taxation to operate the local school district for the period from January 1 to December 31 and for the regional high school district the share of the amount required to be raised by taxation for the period from July 1 to June 30, increased by the amount deferred at December 31, 2017 and decreased by the amount deferred at December 31, 2018.

County Taxes - The Township is responsible for levying, collecting and remitting county taxes for the County of Burlington. Operations is charged for the amount due the County for the year, based upon the ratables required to be certified to the County Board of Taxation by January 10 of the current year. In addition, operations is charged for the County share of Added and Omitted Taxes certified to the County Board of Taxation by October 10 of the current year and due to be paid to the County by February 15 of the following year.

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

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

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

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

Interest on Delinquent Taxes - It is the policy of the Township to collect interest for the nonpayment of taxes or assessments on or before the date when they would become delinquent. The Tax Collector is authorized to charge eight percent (8%) per annum on the first \$1,500 of taxes becoming delinquent after due date and eighteen percent (18%) per annum on any amount of taxes in excess of \$1,500 becoming delinquent after the due date and if a delinquency is in excess of \$10,000 and remains in arrears beyond December 31st, an additional penalty of six percent (6%) shall be charged against the delinquency. There is a ten (10) day grace period.

Comparative Data - Comparative total data for the prior year have been presented in the accompanying statements of assets, liabilities, reserves and fund balance and statement of operations in order to provide an understanding of changes in the financial position. However, comparative (i.e., presentation of prior year totals by fund type) data has not been presented in the statement of revenues - regulatory basis and the statement of expenditures - regulatory basis since their inclusion would make the statements unduly complex and difficult to read.

**TOWNSHIP OF SHAMONG
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

NOTE 2. CASH AND CASH EQUIVALENTS

Custodial Credit Risk Related to Deposits – Custodial credit risk refers to the risk that, in the event of a bank failure, the Municipality’s deposits may not be recovered. Although the Municipality does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Unit. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the municipality in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings or funds that may pass to the Municipality relative to the happening of a future condition. Such funds are shown as uninsured and uncollateralized. Of the Municipality’s amount on deposit of \$9,355,789 as of December 31, 2018, \$250,000 was insured under FDIC and the remaining balance of \$9,105,789 was collateralized under GUDPA.

NOTE 3. PROPERTY TAXES

The following is a comparison of certain statistical information relative to property taxes and property tax collections for the current and previous four years ending December 31.

<u>Comparative Schedule of Tax Rates</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total Tax Rate	\$ 2.739	\$ 2.833	\$ 2.738	\$ 2.673	* \$ 2.509
Apportionment of Tax Rate:					
Municipal Open Space	.020	.020	.020	.020	.020
Municipal Local Purpose	.095	.094	.084	.064	.048
County	.421	.430	.428	.443	.401
Regional School	.770	.780	.768	.747	.673
Local School	1.433	1.509	1.438	1.399	1.367

<u>Assessed Valuation</u>	<u>Amount</u>
2018	\$ 663,765,144
2017	663,833,016
2016	663,421,016
2015	663,723,231
2014	663,739,219

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2018	\$ 18,224,651	\$ 18,020,781	98.88%
2017	18,862,810	18,610,024	98.65
2016	18,190,112	17,933,281	98.59
2015	17,766,718	17,538,160	98.71
2014	16,677,587	16,468,708	98.75

TOWNSHIP OF SHAMONG
 NOTES TO BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 3. PROPERTY TAXES (CONTINUED)

Delinquent Taxes and Tax Title Liens

<u>Year</u>	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2018	\$ 152,948	\$ 169,594	\$ 322,542	1.76%
2017	145,526	216,433	361,959	1.91
2016	130,867	220,680	351,547	1.96
2015	106,719	203,548	310,267	1.75
2014	76,665	188,861	265,526	1.59

The following comparison is made of the number of tax title liens receivable on December 31, of the current year and previous four years.

<u>Year</u>	<u>Number</u>
2018	17
2017	19
2016	19
2015	16
2014	12

NOTE 4. PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

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

<u>Year</u>	<u>Amount</u>
2018	\$ 1,050,325
2017	1,050,325
2016	1,050,325
2015	1,050,025
2014	1,050,025

NOTE 5. FUND BALANCES APPROPRIATED

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

<u>Year</u>	<u>Balance December 31</u>	<u>Utilized In Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
<u>Current Fund</u>			
2018	\$ 1,902,945	\$ 1,400,000	73.57%
2017	1,645,966	1,200,000	72.90
2016	1,204,816	1,100,000	91.30
2015	1,155,733	1,100,000	95.18
2014	1,404,602	1,200,000	85.43

**TOWNSHIP OF SHAMONG
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

NOTE 6. INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances were recorded on the various statements of assets, liabilities, reserves and fund balances as of December 31, 2018:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Current Fund	\$ 187	\$ 124,348
Federal & State Grant Fund	8	
Trust Fund:		
Animal Control Fund		107
Other Funds	111,675	80
Public Assistance Fund	12,665	
	\$ 124,535	\$ 124,535

7. PENSION PLANS

Substantially all of the Township's employees participate in one of the following pension plans which have been established by State statute and are administered by the New Jersey Division of Pensions and Benefits (Division): the Public Employees' Retirement System (PERS) or the Defined Contribution Retirement Program (DCRP). Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the State of New Jersey, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey, 08625-0295.

Public Employees' Retirement System (PERS)

Plan Description - The Public Employees' Retirement System is a cost-sharing multiple-employer defined benefit pension plan which was established on January 1, 1955. The PERS provides retirement, death and disability, and medical benefits to certain qualified members. Vesting Membership in the PERS is mandatory for substantially all full-time employees of the Township, provided the employee is not required to be a member of another state-administered retirement system or other state pension fund or local jurisdiction's pension fund. The PERS's Board of Trustees is primarily responsible for the administration of the PERS.

Vesting and Benefit Provisions - The vesting and benefit provisions are set by N.J.S.A. 43:15A and 43:3B. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

The following represents the membership tiers for PERS:

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

Service retirement benefits of 1/55th 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 tier 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 before age 65 with 30 or more years of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for his/her respective tier.

**TOWNSHIP OF SHAMONG
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

7. PENSION PLANS (CONTINUED)

Public Employees' Retirement System (PERS) (continued)

Vesting and Benefit Provisions (Continues) – Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for their respective tier.

Contributions - The contribution requirements of plan members are determined by N.J.S.A 43:15A and requires contributions by active members and contributing employers. Members contribute at a uniform rate. Pursuant to the provisions of Chapter 78, P.L. 2011, effective October 1, 2011, the active member contribution rate was increased to 6.5%. An additional 1.0% increase is being phased-in over seven years beginning on July 1, 2012. The member contribution rate was 7.34% in State fiscal year 2018. The phase-in of the additional incremental member contribution rate takes place in July of each subsequent State fiscal year. The rate for members who are eligible for the Prosecutors Part of PERS (Chapter 336, P.L. 2001) increased from 8.5% of base salary to 10%. Employers' contribution amounts are based on an actuarially determined rate. The Township's contribution amounts are based on an actuarially determined rate which included the normal cost and unfunded accrued liability.

The Township's contractually required contribution rate for the year ended December 31, 2018 was 15.96% of the Township's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PERS measurement date of June 30, 2018, the Township's contractually required contribution to the pension plan for the fiscal year ended December 31 2018 was \$83,909 and is payable by April 1, 2019. Based on the PERS measurement date of June 30, 2017, the Township's contractually required contribution to the pension plan for the year ended December 31, 2017 was \$73,833, which was paid by April 1, 2018. Employee contributions to the pension plan during the year ended December 31, 2018 were \$39,005.

The Township is billed annually for its normal contributions plus any accrued liability. These contributions, equal to the required contributions are detailed below.

<u>Fiscal Year</u>	<u>Normal Contributions</u>	<u>Accrued Liability</u>	<u>Non Contributory Life</u>	<u>Long-Term Disability</u>	<u>Total Liability Paid by Township</u>
2018	\$ 9,718	\$ 60,516	\$ 3,599	\$ 332	\$ 74,165
2017	10,680	54,350	3,246	-	68,276
2016	15,472	71,274	4,644		91,390

Pension Liabilities, Pension Expense, and Deferred Outflow of Resources and Deferred Inflows of Resources Related to Pensions – For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the PERS and additions to/deductions from PERS fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

At December 31, 2018, the Township's proportionate share of the PERS net pension liability was \$1,660,968. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017. The Township's proportion of the of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

For the year ended December 31, 2018, the Township's proportionate share of the PERS pension expense, calculated by the plan as of the June 30, 2018 measurement date is \$155,738. This expense is not recognized by the Township because of the regulatory basis of accounting as described in note 1.

**TOWNSHIP OF SHAMONG
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

7. PENSION PLANS (CONTINUED)

Public Employees' Retirement System (PERS) (continued)

At December 31, 2018, the Township proportionate share of the PERS net pension liability was \$1,660,968 and deferred outflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 31,675	\$ 8,564
Changes of assumptions	273,700	531,089
Net Difference between projected and actual earnings on pension plan investments		15,580
Changes in proportion	268,042	64,500
Township contributions subsequent to the measurement date	83,909	
Total	\$ 657,326	\$ 619,733

\$83,909 included in deferred outflows of resources, will be included as a reduction of the net pension liability in the year ending December 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

For the year ended:	Net Deferred Outflows (Inflows) of Resources
2019	\$ 33,184
2020	33,184
2021	68,060
2022	(116,564)
2023	(64,180)
Total	\$ (46,316)

**TOWNSHIP OF SHAMONG
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

7. PENSION PLANS (CONTINUED)

Public Employees' Retirement System (PERS) (Continued)

The amortization of the above other deferred outflows of resources and deferred inflows of resources related to pensions will be over the following number of years:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	5.48	-
June 30, 2018	-	5.63
Changes of assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	-	5.48
June 30, 2018	-	5.63
Net Difference between projected and actual earnings on pension plan investments		
Year of Pension Plan Deferral:		
June 30, 2014	-	5.00
June 30, 2015	-	5.00
June 30, 2016	5.00	-
June 30, 2017	5.00	-
June 30, 2018	5.00	5.00
Changes in proportion		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	6.44
June 30, 2015	5.72	5.72
June 30, 2016	5.57	5.57

Additional Information

Collective balances at June 30, 2018 and 2017 are as follows:

	<u>6/30/2018</u>	<u>6/30/2017</u>
Collective deferred outflows of resources	\$ 4,684,852,302	\$ 6,424,455,842
Collective deferred inflows of resources	\$ 7,646,736,226	\$ 5,700,625,981
Collective net pension liability	\$ 19,689,501,539	\$ 23,278,401,588
Township's Proportion	.0000843580%	.0079699419%

Actuarial assumptions – The total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018.

**TOWNSHIP OF SHAMONG
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

7. PENSION PLANS (CONTINUED)

Public Employees' Retirement System (PERS) (Continued)

This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

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

Pre-retirement mortality rates were based on the RP-2000 Employee Pre-retirement Mortality Table for male and female active employees. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the Conduent modified 2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from 2012 to 2013 using Projection Scale AA and using a generational approach based on the Conduent 2014 projection scale thereafter. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disables Mortality Table (set back 3 years for males and set forward 1 year for females).

The actuarial assumptions used in the July 1, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2018) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk mitigation strategies	05.00%	05.51%
Cash equivalents	05.50%	01.00%
U.S. Treasuries	03.00%	01.87%
Investment grade credit	10.00%	03.78%
Public high yield	02.50%	06.82%
Global diversified credit	05.00%	07.10%
Credit oriented hedge funds	01.00%	06.60%
Debt related private equity	02.00%	10.63%
Debt related real estate	01.00%	06.61%
Private real assets	02.50%	11.83%
Equity related real estate	06.25%	09.23%
U.S. Equity	30.00%	08.19%
Non-U.S. developed markets equity	11.50%	09.00%
Emerging markets equity	06.50%	11.64%
Buyouts/venture capital	08.25%	13.08%
	<u>100.00%</u>	

**TOWNSHIP OF SHAMONG
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

7. PENSION PLANS (CONTINUED)

Public Employees' Retirement System (PERS) (Continued)

Discount rate. The discount rate used to measure the State's total pension liability was 5.66% as of June 30, 2018. 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 3.87% as of June 30, 2018, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The state employer contributed 50% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2046. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2046, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the Township's proportionate share of the net pension liability to changes in the discount rate. The following presents the Township's proportionate share of the net pension liability measured as of June 30, 2018, calculated using the discount rate of 5.66%, as well as what the Township's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (4.66%) or 1 percentage point higher (6.66%) than the current rate:

	1% Decrease (4.66%)	Current Discount Rate (5.66%)	1% Increase (6.66%)
Township's proportionate share of the net pension liability	\$ 2,088,476	\$ 1,660,968	\$ 1,302,316

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 Division of Pensions and Benefits financial report.

Defined Contribution Retirement Program (DCRP)

The Defined Contribution Retirement Program is a cost-sharing multiple-employer defined contribution pension plan which was established on July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (N.J.S.A.43:15C-1 et. seq), and expanded under the provisions of Chapter 89, P.L. 2008 and Chapter 1, P.L. 2010. The Defined Contribution Retirement Program Board oversees the DCRP, which is administered for the Divisions of Pensions and Benefits by Prudential Financial. 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. In addition to the employee contributions, the Township's contribution amounts for each pay period are transmitted to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period.

The Township's contributions, equal to the required contribution for each fiscal year, were as follows:

	<u>Employer</u>
2018	\$ 577
2017	536
2016	-

**TOWNSHIP OF SHAMONG
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

NOTE 8. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

Plan Description

The Township contributes to the State Health Benefit Program (SHBP), a cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) administered by the State of New Jersey Division of Pensions and Benefits. It covers employees of local government employers that have adopted a resolution to participate in the Plan. The plan meets the definition of an equivalent arrangement as defined in paragraph 4 of (GASB Statement No. 75), therefore, assets are accumulated to pay associated benefits. For additional information about the Plan, please refer to the State of New Jersey (the State), Division of Pensions and Benefits' (the Division) Comprehensive Annual Financial Report (CAFR), which can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

The Plan provides medical and prescription drug to retirees and their covered dependents of the participating employers. Under the provisions of Chapter 88, P.L. 1974 and Chapter 48, P.L. 1999, local government employers electing to provide postretirement medical coverage to their employees must file a resolution with the Division. Under Chapter 88, local employers elect to provide benefit coverage based on the eligibility rules and regulations promulgated by the State Health Benefits Commission. Chapter 48 allows local employers to establish their own age and service eligibility for employer paid health benefits coverage for retired employees. Under Chapter 48, the employer may assume the cost of postretirement medical coverage for employees and their dependents who: 1) retired on a disability pension; or 2) retired with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 3) retired and reached the age of 65 with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 4) retired and reached age 62 with at least 15 years of service with the employer. Further, the law provides that the employer paid obligations for retiree coverage may be determined by means of a collective negotiations agreement.

In accordance with Chapter 330, P.L. 1997, which is codified in N.J.S.A 52:14-17.32i, the State provides medical and prescription coverage to local police officers and firefighters, who retire with 25 years of service or on a disability from an employer who does not provide postretirement medical coverage. Local employers were required to file a resolution with the Division in order for their employees to qualify for State-paid retiree health benefits coverage under Chapter 330. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L.1989.

Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

The Municipality has adopted a resolution to participate in the SHBP.

Funding policy - Participating employers are contractually required to contribute based on the amount of premiums attributable to their retirees. Postretirement 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 Municipality monthly. Premiums are funded entirely by the Municipality and are based on the type of coverage selected by the employee. The Municipality's contributions to the SHBP for post-retirement benefits for the years ended December 31, 2018 and 2017 were \$11,349.12 and \$-0- respectively, which equaled the required benefit contribution for each year. There was one retired participant eligible at December 31, 2018.

TOWNSHIP OF SHAMONG
 NOTES TO BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 8. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

Allocation Methodology

GASB Statement No. 75 requires participating employers in the Plan to recognize their proportionate share of the collective net OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective OPEB expense. The special funding situation's and nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense are based on separately calculated total OPEB liabilities. For the special funding situation and the nonspecial funding situation, the total OPEB liabilities for the year ended June 30, 2018 and June 30, 2017 were \$1,512,769 and \$2,058,816, respectively. The nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense are further allocated to employers based on the ratio of the plan members of an individual employer to the total members of the Plan's nonspecial funding situation during the measurement period July 1, 2017 through June 30, 2018.

Components of net OPEB liability

The components of the collective net OPEB liability of the participating employers in the SHBP as of December 31, 2018 and 2017 were as follows:

	2018	2017
Total OPEB liability	\$ 1,543,136	\$ 1,769,559
Plan fiduciary net position	30,367	18,293
Net OPEB liability	<u>\$ 1,512,769</u>	<u>\$ 1,751,266</u>

Plan fiduciary net position as a percentage of the
 total OPEB liability

1.97%

1.03%

Actuarial assumptions and other imputes - The total OPEB liability as of the June 30, 2018 was determined by an actuarial valuation as of June 30, 2017, which was rolled forward to June 30, 2018. The actuarial assumptions vary for each plan member depending on the pension plan the member enrolled in.

This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation	2.50%
Salary increases*	
Through 2026	1.65% to 8.98%
Thereafter	2.65% to 9.98%

Preretirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Employee Male/Female mortality table with fully generational mortality improvement projections from the central year using the MP-2017 scale. Postretirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2006 Headcount-Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale.

Certain actuarial assumptions used in the June 30, 2017 valuation were based on the results of pension plans' experience studies for which the members are eligible for coverage under this Plan - the Police and Firemen Retirement System (PFRS) and the Public Employees Retirement System (PERS). The PFRS and PERS experience studies were prepared for the periods July 1, 2010 – June 30, 2013 and July 1, 2011 – June 30, 2014, respectively.

**TOWNSHIP OF SHAMONG
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

NOTE 8. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

Health Care Trend Assumptions - For pre-Medicare preferred provider organization (PPO) and health maintenance organization (HMO) medical benefits, the trend rate is initially 5.8% and decreases to a 5.0% long-term trend rate after eight years. For self-insured post-65 PPO and HMO medical benefits, the trend rate is 4.5%. For prescription drug benefits, the initial trend rate is 8.0% decreasing to a 5.0% long-term trend rate after seven years. The Medicare Advantage trend rate is 4.5%.

Discount Rate - The discount rate for June 30, 2018 was 3.87%. This represent the municipal bond return rate as chosen by the State. The source is 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. As the long-term rate of return is less than the municipal bond rate it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Retirees' Share of Benefit Related Costs - Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retirees will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

Sensitivity of the Net OPEB liability to changes in the discount rate - The following presents the collective net OPEB liability to the Municipality as of December 31, 2018 and December 31, 2017, calculated using a discount rate that is 1-percentage -point lower or 1-percentage-point higher than the current discount rate:

December 31, 2018	1% Decrease (2.87%)	Discount Rate (3.87%)	1% Increase (4.87%)
Proportionate Share Attributable to the Municipality	\$ 1,774,878	\$ 1,512,769	\$ 1,303,403
December 31, 2017	1% Decrease (2.58%)	Discount Rate (3.58%)	1% Increase (4.58%)
Proportionate Share Attributable to the Municipality	\$ 2,065,670	\$ 1,751,266	\$ 1,501,791

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates - The following presents the net OPEB liability as of June 30, 2018, as well as what the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage point higher than the current healthcare cost trend rates:

**TOWNSHIP OF SHAMONG
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

NOTE 8. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

December 31, 2018	<u>1% Decrease</u>	<u>Healthcare cost trend rate</u>	<u>1% Increase</u>
Proportionate Share Attributable to the Municipality	\$ 1,261,892	\$ 1,512,769	\$ 1,837,441

December 31, 2017	<u>1% Decrease</u>	<u>Healthcare cost trend rate</u>	<u>1% Increase</u>
Proportionate Share Attributable to the Authority	\$ 2,065,670	\$ 1,751,266	\$ 1,501,791

At December 31, 2018 and 2017, the Municipality reported deferred outflows of resources and referred inflows of resources related to OPEB from the following sources:

	<u>2018</u>		<u>2017</u>	
	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Net differences between projected and actual investment earnings on OPEB plan investments	\$ 799	\$ -	\$ 300	\$ -
Changes in proportion	24,865			
Differences between expected and actual experience		307,146		
Changes of assumptions		383,734		194,376
Changes in proportion		163,477		171,527
Total	<u>\$ 25,664</u>	<u>\$ 854,357</u>	<u>\$ 300</u>	<u>\$ 365,903</u>

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

For the year ended:	
2019	\$ 121,682
2020	121,682
2021	121,682
2022	121,784
2023	121,948
Thereafter	219,915
Total	\$ 828,693

**TOWNSHIP OF SHAMONG
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

NOTE 8. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

The components of allocable plan OPEB expense, which exclude OPEB expense related to specific liabilities of individual employers, and total OPEB expense for the year ended December 31, 2018 and 2017 are as follows:

	2018	2017
Service cost	\$ 86,540	\$ 91,315
Interest on total OPEB liability	73,780	55,622
Expected investment return	(907)	(443)
Administrative expense	792	763
Current period recognition (amortization) of deferred inflows/outflows of resources	(43,018)	
Changes of assumptions	(58,532)	(27,610)
Differences between projected and actual investment earnings on OPEB plan investments	221	75
Total Allocable Plan OPEB expense	58,876	119,722
Net amortization of deferred amounts from changes in proportion	5,668	(24,365)
Total OPEB expense	\$ 64,544	\$ 95,357

This expense is not recognized by the Township because of the regulatory basis of accounting as described in note 1.

NOTE 9. COMPENSATED ABSENCES

The Township does not record accrued expenses related to compensated absences. However, it is estimated that, at December 31, 2018, accrued benefits for compensated absences are valued at \$80,968.

NOTE 10. RISK MANAGEMENT

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; employee health and accident claims; and natural disasters.

Joint Insurance Pool - The Township is a member of the Burlington County Municipal Joint Insurance Fund. The Fund offers the following lines of coverage to its members: general liability, automobile liability, property, fidelity and performance, boiler and machinery, workers' compensation, police professional, public officials and employment practices liability.

Annual contributions to the Fund are based on actuarial assumptions determined by the Fund's actuary. The Township is jointly and personally liable for claims insured by the Fund and its members during the period of its membership, including liability for supplemental assessments, if necessary. The Fund's Board of Trustees may authorize refunds to its members in any fund year for which contributions exceed the amount necessary to fund all obligations for that year.

The Fund publishes its own financial report for December 31, 2018, which can be obtained by writing to:

Burlington County Municipal Joint Insurance Fund
P.O. Box 489
Marlton, New Jersey 08053.

**TOWNSHIP OF SHAMONG
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

NOTE 11. NEW JERSEY UNEMPLOYMENT COMPENSATION INSURANCE

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

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

<u>Year</u>	<u>Interest Earned</u>	<u>Current Fund Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2018	\$ 255	\$ -	\$ 1,171	\$ 347	\$ 20,795
2017	163		1,167	824	19,716
2016	47		1,015	1,105	19,210

NOTE 12. SCHOOL TAXES

Local District School Tax and Regional High School Tax has been raised and liabilities deferred by statute, resulting in the school taxes payable set forth in the Current Fund Liabilities as follows:

	<u>Local District School Tax</u> <u>Balance Dec. 31,</u>		<u>Regional High School Tax</u> <u>Balance Dec. 31,</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Balance of Tax	\$ 4,768,426	\$ 5,022,213	\$ 2,557,244	\$ 2,590,204
Deferred	<u>1,465,234</u>	<u>1,465,234</u>	<u>629,662</u>	<u>629,662</u>
Tax Payable	<u>\$ 3,303,192</u>	<u>\$ 3,556,979</u>	<u>\$ 1,927,582</u>	<u>\$ 1,960,542</u>

NOTE 13. CAPITAL DEBT

Summary of Municipal Debt

	<u>Year 2018</u>	<u>Year 2017</u>	<u>Year 2016</u>
Issued:			
General:			
Green Trust Loan	\$ 152,955	\$ 168,320	\$ 183,382
Bond and Notes	<u>1,136,100</u>	<u>1,010,925</u>	<u>1,123,250</u>
Total Issued	<u>1,289,055</u>	<u>1,179,245</u>	<u>1,306,632</u>
Authorized but not Issued			
General:			
Bonds and Notes	<u> </u>	<u> </u>	<u> </u>
Total Authorized but not Issued	<u> </u>	<u> </u>	<u> </u>
Net Debt	<u>\$ 1,289,055</u>	<u>\$ 1,179,245</u>	<u>\$ 1,306,632</u>

**TOWNSHIP OF SHAMONG
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

NOTE 13. CAPITAL DEBT (CONTINUED)

Bond Anticipation Notes Payable

The Township issues bond anticipation notes to temporarily fund various capital projects prior to the issuance of serial bonds. The term of the notes cannot exceed one year from the date of issuance, however the Notes may be renewed from time to time for a period not to exceed one year. Generally, such notes must be paid no later than the first day of the fifth month following the close of the tenth fiscal year following the date of the original notes. The State of New Jersey also prescribes that on or before the third anniversary date of the original note a payment of an amount at least equal to the first legally payable installment of the bonds in anticipation of which such notes were issued be paid or retired. A second and third legal installment must be paid if the notes are to be renewed beyond the fourth and fifth anniversary date of the original issuance.

As of December 31, 2018, the Township had outstanding general capital bond anticipation notes of \$178,600, \$720,000 and \$237,500. The notes mature on November 30, 2019, August 13, 2019, and August 13, 2019 respectively, with an interest rate of 0.00%, 2.91%, and 2.91% respectively.

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 .183%.

	Gross Debt	Deductions	Net Debt
Local School District Debt	\$ 1,264,000	\$ 1,264,000	\$ -
Regional School District Debt	1,959,194	1,959,194	
General Debt	1,289,055		1,289,055
Total	\$ 4,512,249	\$ 3,223,194	\$ 1,289,055

Net Debt, \$1,289,055 divided by Equalized Valuation Basis per N.J.S.A. 40A:2-2, as amended, \$702,650,166 equals .183%.

Equalized Valuation Basis:

2016	\$ 699,849,218
2017	699,032,802
2018	709,068,478
Average	\$ 702,650,166

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 24,592,756
Net Debt	1,289,055
Remaining Borrowing Power	\$ 23,303,701

The foregoing debt information is in agreement with the Annual Debt Statement filed by the Chief Financial Officer.

**TOWNSHIP OF SHAMONG
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

NOTE 13. CAPITAL DEBT (CONTINUED)

Schedule of Annual Debt Service for Principal and Interest for Green Trust Loan Issued and Outstanding

Green Trust Loan Payable

The Township has received \$300,000.00 in loan proceeds from the State of New Jersey Green Trust Loan Program. The loan has a stated interest rate of 2.00% with a final maturity on July 29, 2027. The repayment schedule of this debt is as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 15,674	\$ 2,981	\$ 18,655
2020	15,989	2,666	18,655
2021	16,310	2,345	18,655
2022	16,638	2,017	18,655
2023	16,973	1,682	18,655
2024-2027	<u>71,371</u>	<u>3,249</u>	<u>74,620</u>
	<u>\$ 152,955</u>	<u>\$ 14,940</u>	<u>\$ 167,895</u>

NOTE 14. CONTINGENCIES

The Township participates in a number of state and federally assisted grant programs. The programs are subject to compliance audits under the single audit approach. Such audits could lead to requests for reimbursement by the grantor agency for expenditures disallowed under terms of the grants. Management believes that the amount from future audits, if any, would not be material.

SUPPLEMENTAL EXHIBITS

CURRENT FUND

TOWNSHIP OF SHAMONG
Current Fund
Statement of Cash - Treasurer
For the Year Ended December 31, 2018

	<u>CURRENT FUND</u>		<u>FEDERAL AND STATE GRANT FUND</u>
Balance December 31, 2017	\$ 8,720,582.75		\$ -
Receipts:			
Taxes Receivable	\$ 17,240,462.18		\$ -
Tax Title Liens Receivable	9,733.61		
Prepaid Taxes	133,962.18		
Tax Overpayments	123,008.11		
Revenue Accounts Receivable	1,041,546.75		
Due State of New Jersey:			
Marriage License Fees	700.00		
UCC Fees	6,403.00		
Due from State of New Jersey for Senior Citizens and Veterans Deductions	48,913.77		
Miscellaneous Revenues Not Anticipated	206,971.54		
Contra	225,935.71		
Budget Refunds	905.94		
Due from Federal and State Grant Fund	16,781.92		
Due from Animal Control Fund	2,861.49		
Due to Trust Fund	450.00		
Reserve for Cemetary Preservation and Maintenance	8,500.00		
Federal and State Grants Receivable		324,656.40	
Total Receipts	<u>19,067,136.20</u>		<u>324,656.40</u>
Sub-Total	27,787,718.95		324,656.40
Disbursements:			
2018 Appropriations	1,510,387.24		
2017 Appropriation Reserves/Encumbrances Payable	55,489.13		
County Taxes	2,807,083.94		
Local School Taxes Payable	9,765,124.04		
Regional High School Taxes Payable	5,143,982.52		
Municipal Open Space Tax Payable	133,158.51		
Tax Overpayments	15,940.13		
Due State of New Jersey:			
Marriage License Fees	750.00		
UCC Fees	6,666.00		
Due to Other Trust Fund	71,500.00		
Due from Federal and State Grant Fund			
Contra	225,935.71		
Budget Refunds	905.94		
Due to Current Fund		16,781.92	
Federal and State Appropriated Reserves		<u>106,672.56</u>	
Total Disbursements	<u>19,736,923.16</u>		<u>123,454.48</u>
Balance December 31, 2018	<u>\$ 8,050,795.79</u>		<u>\$ 201,201.92</u>

TOWNSHIP OF SHAMONG
Current Fund
 Schedule of Change Fund
 For the Year Ended December 31, 2018

<u>Analysis by Office</u>		
Municipal Clerk		\$ 40.00
Construction Code		20.00
Total		<u>\$ 60.00</u>

Schedule of Due to State of New Jersey
 for Senior Citizens and Veterans Deductions
 For the Year Ended December 31, 2018

Balance Due from /(to) December 31, 2017		\$ -
Increased by:		
Senior Citizen Deductions per Duplicate	\$ 2,500.00	
Veterans Deductions per Duplicate	44,000.00	
Veteran and Senior Citizen Deductions Allowed by Collector	<u>250.00</u>	
Subtotal	46,750.00	
Less - Disallowed Senior Citizens	916.35	
Add - Canceled	<u>2,500.00</u>	<u>48,333.65</u>
Subtotal		48,333.65
Decreased by:		
Collected		<u>48,913.77</u>
Balance Due from /(to) December 31, 2018		<u>\$ (580.12)</u>

TOWNSHIP OF SHAMONG
Current Fund
 Schedule of Taxes Receivable and Analysis of Property Tax Levy
 For the Year Ended December 31, 2018

Year	Balance Dec. 31, 2017	2018 Levy	Added Taxes	COLLECTIONS BY CASH 2017	COLLECTIONS BY CASH 2018	State Share of 2018 Senior Citizens and Veterans Deductions Allowed	Overpayments Applied	Transferred to Tax Title Lien	Canceled	Balance Dec. 31, 2018
2013	\$ 402.35	-	\$ -	\$ -	\$ 324.21	-	-	\$ -	\$ -	\$ 78.14
2016	0.78	-	-	-	-	-	-	-	0.78	-
2017	216,030.14	-	1,106.23	-	216,985.77	-	-	-	140.60	-
Subtotal	216,433.27	-	1,106.23	-	217,319.98	-	-	-	141.38	78.14
2018	-	18,224,650.83	-	881,650.16	17,023,142.20	45,669.88	70,318.66	17,155.98	17,198.18	169,515.77
Total	\$ 216,433.27	\$ 18,224,650.83	\$ 1,106.23	\$ 881,650.16	\$ 17,240,462.18	\$ 45,669.88	\$ 70,318.66	\$ 17,155.98	\$ 17,339.56	\$ 169,593.91

Analysis of Property Tax Levy

Tax Yield:	
General Purpose Tax	\$ 18,180,528.52
Added Taxes	44,122.31
Total	\$ 18,224,650.83
Tax Levy:	
Local District School Tax (Abstract)	\$ 9,511,338.00
Regional High School Tax (Abstract)	5,111,022.00
Municipal Open Space Tax	132,753.03
Municipal Open Space Tax Added Taxes	300.54
County Tax (Abstract)	\$ 2,410,746.67
County Library Tax (Abstract)	212,689.25
County Open Space Tax (Abstract)	174,963.71
County Added Taxes	6,348.43
Local Tax for Municipal Purposes	626,525.87
Additional Tax Levies	37,963.33
Total	\$ 18,224,650.83

TOWNSHIP OF SHAMONG
Current Fund
 Schedule of Tax Title Liens Receivable
 For the Year Ended December 31, 2018

Balance December 31, 2017	\$ 145,525.91
Increased by:	
Transfers from Taxes Receivable	17,155.98
	162,681.89
Decreased by:	
Collected	9,733.61
	9,733.61
Balance December 31, 2018	\$ 152,948.28

EXHIBIT A-9

Schedule of Property Acquired for Taxes
 For the Year Ended December 31, 2018

Balance December 31, 2018 and 2017	\$ 1,050,325.00
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TOWNSHIP OF SHAMONG
Current Fund
 Schedule of Revenue Accounts Receivable
 For the Year Ended December 31, 2018

	<u>Balance</u> <u>Dec. 31, 2017</u>	<u>Accrued in</u> <u>2018</u>	<u>Collected</u> <u>By</u> <u>Treasurer</u>	<u>Balance</u> <u>Dec. 31, 2018</u>
Alcoholic Beverage Licenses	\$ -	\$ 2,611.00	\$ 2,611.00	\$ -
Municipal Court - Fines and Costs	2,031.50	35,123.73	34,440.65	2,714.58
Interest and Costs on Taxes		58,255.05	58,255.05	
Interest on Investments and Deposits		109,387.38	109,387.38	
Mobile Home Fees		23,896.00	23,896.00	
Energy Receipts Tax		470,649.00	470,649.00	
Garden State Preservation Trust		112,346.00	112,346.00	
Uniform Construction Code		101,388.00	101,388.00	
Shared Service Agreements:				
Tax Assessor - Tabernacle Township		36,316.43	36,316.43	
Tax Assessor - Burlington Township		73,155.49	73,155.49	
Construction Code, Building and Zoning Southampton Township		19,101.75	19,101.75	
Total	<u>\$ 2,031.50</u>	<u>\$ 1,042,229.83</u>	<u>\$ 1,041,546.75</u>	<u>\$ 2,714.58</u>

TOWNSHIP OF SHAMONG
Current Fund
Statement of 2017 Appropriation Reserves
For the Year Ended December 31, 2018

	BALANCE 12/31/17	Balance After Transfers	Reserve for Encumbrances	Paid or Charged	Balance Lapsed
Operations Within "CAPS":					
General Government Functions:					
Salaries and Wages - No Change	\$ 93,348.48	\$ 93,348.48	\$ -	\$ (286.00)	\$ 93,634.48
Other Expenses					
General Administration	12,211.64	12,211.64	753.53	753.53	12,211.64
Mayor and Committee	2,274.30	2,274.30			2,274.30
Municipal Clerk	12,837.95	12,837.95	1,319.86	1,319.86	12,837.95
Financial Administration	3,243.79	3,243.79			3,243.79
Audit Services	1,000.00	1,000.00			1,000.00
Revenue Administration (Tax Collection)	4,556.65	4,556.65	347.76	347.76	4,556.65
Tax Assessment Administration	1,082.96	1,082.96	2,206.00	1,350.32	1,938.64
Interest on Appeals	100.00	100.00			100.00
Legal Services & Costs	27,114.00	27,114.00		3,134.00	23,980.00
Engineering Services & Costs	37,533.10	37,533.10	2,663.65	14,829.05	25,367.70
Joint Land Use Administration (Planning Board)	8,572.09	8,572.09	108.26	1,679.36	7,000.99
Environmental Control	1,000.00	1,000.00			1,000.00
Rent Control	4,718.87	4,718.87		(16.84)	4,735.71
Liability Insurance	6,139.74	6,139.74			6,139.74
Workers Compensation	13,495.56	13,495.56			13,495.56
Employee Group Insurance	64,524.43	64,524.43		(273.59)	64,798.02
Other Insurance Premiums	12,364.99	12,364.99		34.50	12,330.49
Office of Emergency Management	8,657.94	8,657.94	1,767.01	1,767.01	8,657.94
Aid to Volunteer Fire Companies					
Aid to Volunteer Ambulance Companies					
Municipal Prosecutor	500.00	500.00			500.00
Streets & Roads Maintenance	90,104.42	90,104.42	51,015.87	25,808.99	115,311.30
Recycling Program	3,000.00	3,000.00			3,000.00
Buildings & Grounds	1,077.27	1,077.27	6,316.76	2,205.14	5,188.89
War Memorial	1,335.00	1,335.00			1,335.00
Board of Health	458.00	458.00			458.00
Animal Control	7,040.00	7,040.00	245.00	245.00	7,040.00
Maintenance of Parks	7,000.00	7,000.00			7,000.00
Maintenance of Lake	12,416.50	12,416.50			12,416.50
Electricity	10,013.99	10,013.99	304.80	304.80	10,013.99
Street Lights	2,677.68	2,677.68			2,677.68
Telephone	1,909.38	1,909.38			1,909.38
Natural Gas	3,603.20	3,603.20	1,147.39	1,147.39	3,603.20
Telecommunications	749.79	749.79			749.79
Gasoline/Diesel	11,498.83	11,498.83	948.50	948.50	11,498.83
Construction Official	4,132.85	4,132.85			4,132.85
Public Defender	500.00	500.00			500.00
Municipal Court	2,404.73	2,404.73		190.35	2,214.38
Contingent	6,600.00	6,600.00			6,600.00
Total Operations Including Contingent	481,798.13	481,798.13	69,144.39	55,489.13	498,773.52
Deferred Charges and Statutory Expenditures-					
Municipal - Within "CAPS"					
Defined Contribution Retirement Plan	1,063.15	1,063.15			1,063.15
Social Security System (O.A.S.I.)	2,256.98	2,256.98			2,256.98
Total General Appropriations					
For Municipal Purposes Within "CAPS"	485,118.26	485,118.26	69,144.39	55,489.13	498,773.52
GENERAL APPROPRIATIONS:					
Operations Excluded from "CAPS"					
L.O.S.A.P.	13,138.00	13,138.00			13,138.00
Interlocal Municipal Service Agreements:					
Construction Code, Building & Zoning -Salaries	12,037.41	12,037.41			12,037.41
Tax Assessor - Salaries	8,199.03	8,199.03			8,199.03
Total Other Operations Excluded From "CAPS":	33,374.44	33,374.44			33,374.44
Capital Improvements - Excluded From "CAPS"					
Computer Hardware & Software	2,813.00	2,813.00			2,813.00
Total Capital Improvements - Excluded From "CAPS"	2,813.00	2,813.00			2,813.00
Total General Appropriations	\$ 521,305.70	\$ 521,305.70	\$ 69,144.39	\$ 55,489.13	\$ 534,960.96
Cash Disbursed				\$ 55,489.13	

TOWNSHIP OF SHAMONG
Current Fund
 Schedule of Tax Overpayments
 For the Year Ended December 31, 2018

Balance December 31, 2017		\$ 72,130.09
Increased by:		
Collected		<u>123,008.11</u>
Subtotal		195,138.20
Decreased by:		
Refunds	\$ 15,940.13	
Canceled	1,253.97	
Overpayments Applied	<u>70,318.66</u>	<u>87,512.76</u>
Balance December 31, 2018		<u><u>\$ 107,625.44</u></u>

EXHIBIT A-13

Schedule of Prepaid Taxes
 For the Year Ended December 31, 2018

Balance December 31, 2017		\$ 881,650.16
Increased by:		
Collected		<u>133,962.18</u>
Subtotal		1,015,612.34
Decreased by:		
Applied to 2018 Taxes		<u>881,650.16</u>
Balance December 31, 2018		<u><u>\$ 133,962.18</u></u>

TOWNSHIP OF SHAMONG
Current Fund
 Schedule of Local District School Taxes Payable
 For the Year Ended December 31, 2018

<hr/>		
Balance December 31, 2017		
Lev School Tax Payable	\$ 3,556,978.52	
School Tax Deferred	<u>1,465,234.00</u>	\$ 5,022,212.52
Increased by:		
Levy: School Year July 1, 2018 to June 30, 2019		<u>9,511,338.00</u>
Subtotal		14,533,550.52
Decreased by:		
Payments		<u>9,765,124.04</u>
Balance December 31, 2018		
School Tax Payable	3,303,192.48	
School Tax Deferred	<u>1,465,234.00</u>	<u>\$ 4,768,426.48</u>
 2018 Liability for Local District School Tax:		
Tax Paid		\$ 9,765,124.04
Tax Payable December 31, 2018		<u>3,303,192.48</u>
Subtotal		13,068,316.52
Less:		
Tax Payable December 31, 2017		<u>3,556,978.52</u>
Amount Charged to 2018 Operations		<u>\$ 9,511,338.00</u>

TOWNSHIP OF SHAMONG
Current Fund
 Schedule of Regional High School Taxes Payable
 For the Year Ended December 31, 2018

<hr/>		
Balance December 31, 2017		
School Tax Payable	\$ 1,960,542.35	
School Tax Deferred	<u>629,662.00</u>	\$ 2,590,204.35
Increased by:		
Levy: School Year July 1, 2018 to June 30, 2019		<u>5,111,022.00</u>
Subtotal		7,701,226.35
Decreased by:		
Payments		<u>5,143,982.52</u>
Balance December 31, 2018		
School Tax Payable	1,927,581.83	
School Tax Deferred	<u>629,662.00</u>	<u>\$ 2,557,243.83</u>
2018 Liability for Regional High School Tax:		
Tax Paid		\$ 5,143,982.52
Tax Payable December 31, 2018		<u>1,927,581.83</u>
Subtotal		7,071,564.35
Less:		
Tax Payable December 31, 2017		<u>1,960,542.35</u>
Amount Charged to 2018 Operations		<u>\$ 5,111,022.00</u>

TOWNSHIP OF SHAMONG
Current Fund
Schedule of County Taxes Payable
For the Year Ended December 31, 2018

Balance December 31, 2017		\$ 8,684.31
Increased by:		
2018 Levy:		
General County	\$ 2,410,746.67	
County Library	212,689.25	
County Open Space	174,963.71	
Added and Omitted Taxes	<u>6,348.43</u>	
Subtotal		<u>2,804,748.06</u>
		2,813,432.37
Decreased by:		
Payments		<u>2,807,083.94</u>
Balance December 31, 2018		<u><u>\$ 6,348.43</u></u>

Exhibit A-17

TOWNSHIP OF SHAMONG
Current Fund
Schedule of Due to State of NJ - UCC Fees
For the Year Ended December 31, 2018

Balance December 31, 2017		\$ 1,795.00
Increased		
State Portion of UCC Fees	<u>6,403.00</u>	
		8,198.00
Decreased by:		
Disbursements		<u>6,666.00</u>
Balance December 31, 2018		<u><u>\$ 1,532.00</u></u>

TOWNSHIP OF SHAMONG
Current Fund
 Schedule of Due to State of New Jersey
 for Marriage License Fees
 For the Year Ended December 31, 2018

Balance December 31, 2017	\$	200.00
Increased by:		
State Portion of 2018 Marriage Licenses Fees		700.00
Subtotal		900.00
Decreased by:		
Disbursed to State of New Jersey		750.00
Balance December 31, 2018	\$	150.00

Schedule of Reserve for Preservation
 and Maintenance of Cemetary
 For the Year Ended December 31, 2018

Balance December 31, 2017	\$	-
Increased by:		
Cemetary Fees Collected		8,500.00
Balance December 31, 2018	\$	8,500.00

TOWNSHIP OF SHAMONG
Federal and State Grant Fund
 Schedule of Federal and State Grants Receivable
 For the Year Ended December 31, 2018

	Balance Dec. 31, 2017	Accrued	Received	Transfer from Unappropriated Reserves	Canceled	Balance Dec. 31, 2018
State Grants:						
Clean Communities						
Recycling Tonnage Grant	\$ -	\$ 18,705.76	\$ 18,705.76	\$ -	\$ -	\$ -
NJDOT Oak Shade Road	67,075.00	3,740.16	67,075.00	3,740.16	-	-
NJDOT Oak Shade Road		311,600.00	176,250.00			135,350.00
Burlington County Memorial Park Grant - 2016	150,000.00		62,625.64			87,374.36
Burlington County Memorial Park Grant						
Subtotal - State Grants	<u>217,075.00</u>	<u>334,045.92</u>	<u>324,656.40</u>	<u>3,740.16</u>	<u>-</u>	<u>222,724.36</u>
Total	<u>\$ 217,075.00</u>	<u>\$ 334,045.92</u>	<u>\$ 324,656.40</u>	<u>\$ 3,740.16</u>	<u>\$ -</u>	<u>\$ 222,724.36</u>

TOWNSHIP OF SHAMONG
Federal and State Grant Fund
 Schedule of Reserve For Federal and State Grants - Unappropriated
 For the Year Ended December 31, 2018

	<u>Balance Dec. 31, 2017</u>	<u>Federal and State Grant Receivable</u>	<u>Realized as Revenue In 2018</u>	<u>Balance Dec. 31, 2018</u>
State Grants:				
Recycling Tonnage Grant	\$ 3,740.16	\$ -	\$ 3,740.16	\$ -
Total	<u>\$ 3,740.16</u>	<u>\$ -</u>	<u>\$ 3,740.16</u>	<u>\$ -</u>

TRUST FUND

TOWNSHIP OF SHAMONG
Trust Fund

Statement of Cash - Treasurer
For the Year Ended December 31, 2018

	Animal Control	Total Other Trust Funds	Recreation Fund	S.T.A.S.A. Municipal Alliance	Public Defender	Open Space Trust	Multi - Escrow Account	Unemployment Compensation	Payroll Fund	Accumulated Absences	Tax Title Lien Redemp.	
Balance December 31, 2017	\$ 8,777.09	\$ 557,058.15	\$ 6,576.11	\$ 7,722.74	\$ 562.86	\$ 475,988.86	\$ 19,833.30	\$ 19,616.87	\$ 4,558.42	\$ 22,198.99	\$ -	
Receipts:												
Dog License Fees:												
Municipal Licenses	2,358.40											
State Registration Fees	609.60											
Prepaid Licenses	12.00											
Municipal Alliance												
Unemployment Compensation		1,086.00						1,086.00				
Public Defender Fees		1,350.00			1,350.00							
Open Space Trust		139,167.77				139,167.77						
Multi Escrows		58,173.15				58,173.15						
Net Payroll		419,459.16							419,459.16			
Payroll Deductions		271,432.60							271,432.60			
Accumulated Absences		1,000.00								1,000.00		
Tax Title Lien Redemption		101,075.95									101,075.95	
Due to Current Fund		447.81							447.81			
Donation	150.00											
Interest Earned	123.34	7,187.81	78.93	97.08	12.35	6,307.09	11.75	254.35		286.10	140.16	
Total Receipts	3,253.34	1,000,380.25	78.93	97.08	1,362.35	145,474.86	58,184.90	1,340.35	691,339.57	1,286.10	101,216.11	
Disbursements:												
Expenditures Under RS4:19-15.11	3,578.07											
State Registration Fees	612.00											
Due from State of New Jersey												
Unemployment Claims		247.46						247.46				
Open Space Trust		20,947.09				20,947.09						
Multi Escrows		25,313.80					25,313.80					
Public Defender Fees		389.25			389.25							
Net Payroll		419,459.16							419,459.16			
Payroll Deductions Payable		275,469.80							275,469.80			
Accumulated Absences		0.00										
Recreation		410.31	410.31									
Tax Title Lien Redemption		101,075.95									101,075.95	
Due to Current Fund	2,861.49	274.44							214.11		60.33	
Total Disbursements	7,051.56	843,687.26	410.31	-	389.25	20,947.09	25,313.80	247.46	695,143.07	-	101,136.28	
Balance December 31, 2018	\$ 4,978.87	\$ 713,851.14	\$ 6,244.73	\$ 7,819.82	\$ 1,535.96	\$ 600,516.63	\$ 52,704.40	\$ 20,709.76	\$ 754.92	\$ 23,485.09	\$ 79.83	

TOWNSHIP OF SHAMONG
Trust Fund
 Statement of Reserve for Animal Control Expenditures
 For the Year Ended December 31, 2018

Balance (Deficit) December 31, 2017		\$ 5,899.20
Increased by:		
2018 Dog License Fees Collected	\$ 2,358.40	
Donations	\$ 150.00	
Prepaid Applied	17.60	
		2,526.00
Total		8,425.20
Decreased by:		
Expenditures Under R.S. 4:19-15.11:		
Cash disbursed	3,561.26	
Statutory Excess - Due to Current Fund		
		3,561.26
Balance (Deficit) December 31, 2018		\$ 4,863.94

LICENSE FEES COLLECTED

<u>Year</u>	<u>Amount</u>
2016	\$ 2,580.40
2017	2,464.00
	\$ 5,044.40

TOWNSHIP OF SHAMONG
Trust - Other Funds
Statement of Reserve for Unemployment Compensation
For the Year Ended December 31, 2018

Balance December 31, 2017		\$ 19,716.32
Increased by:		
Employee Withholdings	\$ 1,171.27	
Interest Earned	<u>254.35</u>	<u>1,425.62</u>
Subtotal		21,141.94
Decreased by:		
Claims Paid		<u>346.91</u>
Balance December 31, 2018		<u><u>\$ 20,795.03</u></u>

EXHIBIT B-4

Statement of Reserve for Recreation Escrows
For the Year Ended December 31, 2018

Balance December 31, 2017		\$ 6,576.11
Increased by:		
Interest Earned		<u>78.93</u>
Subtotal		6,655.04
Decreased by:		
Disbursements		<u>410.31</u>
Balance December 31, 2018		<u><u>\$ 6,244.73</u></u>

TOWNSHIP OF SHAMONG
Trust - Other Funds
 Schedule of Reserve for S.T.A.S.A. - Municipal Alliance
 For the Year Ended December 31, 2018

Balance December 31, 2017	\$	7,722.74
Increased by:		
Interest Earned		97.08
Balance December 31, 2018	\$	7,819.82

EXHIBIT B-6

Statement of Reserve for Public Defender Fees
 For the Year Ended December 31, 2018

Balance December 31, 2017	\$	562.86
Increased by:		
Public Defender Fees	\$	1,350.00
Interest Earned		12.35
Subtotal		1,362.35
Decreased by:		
Cash Disbursements		389.25
Balance December 31, 2018	\$	1,535.96

TOWNSHIP OF SHAMONG
Trust - Other Funds
Statement of Reserve for Open Space Trust
For the Year Ended December 31, 2018

Balance December 31, 2017		\$ 476,394.34
Increased by:		
Open Space Tax Levy	\$ 132,753.03	
Added Taxes	300.54	
Miscellaneous	6,009.26	
Interest Earned	6,307.09	145,369.92
Subtotal		621,764.26
Decreased by:		
Cash Disbursements		20,947.09
Balance December 31, 2018		\$ 600,817.17

EXHIBIT B-8

Statement of Reserve for Tax Sale Premiums
For the Year Ended December 31, 2018

Balance December 31, 2017		\$ 129,300.00
Increased by:		
Tax Sale Premiums		
Subtotal		129,300.00
Decreased by:		
Disbursements		71,500.00
Balance December 31, 2018		\$ 57,800.00

TOWNSHIP OF SHAMONG
Trust - Other Funds
Statement of Reserve for Multi - Escrows
For the Year Ended December 31, 2018

<hr/>		
Balance December 31, 2017		\$ 19,833.30
Increased by:		
Escrow Deposits	\$ 58,173.15	
Interest Earned	<u>11.75</u>	<u>58,184.90</u>
Subtotal		78,018.20
Decreased by:		
Disbursements		<u>25,313.80</u>
Balance December 31, 2018		<u><u>\$ 52,704.40</u></u>

EXHIBIT B-10

Statement of Reserve for Accumulated Absences
For the Year Ended December 31, 2018

<hr/>		
Balance December 31, 2017		\$ 22,198.99
Increased by:		
Escrow Deposits	\$ 1,000.00	
Interest Earned	<u>286.10</u>	<u>1,286.10</u>
Subtotal		23,485.09
Decreased by:		
Disbursements		<u>-</u>
Balance December 31, 2018		<u><u>\$ 23,485.09</u></u>

TOWNSHIP OF SHAMONG
Trust - Other Funds
Statement of Reserve for POAA
For the Year Ended December 31, 2018

Balance December 31, 2017 and 2018	\$ <u>500.00</u>
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EXHIBIT B-12

Statement of Reserve for Professional Escrows
For the Year Ended December 31, 2018

Balance December 31, 2017	\$ 52,624.00
Increased by:	
Due from Current Fund	<u>450.00</u>
Balance December 31, 2018	<u>53,074.00</u>

EXHIBIT B-13

Statment of Payroll Deductions Payable
For the Year Ended December 31, 2018

Balance December 31, 2017	\$ 4,458.97
Increased by:	
Payroll Deductions Withheld	<u>271,979.86</u>
	276,438.83
Decreased by:	
Payroll Deductions Disbursed	<u>275,769.18</u>
Balance December 31, 2018	<u>\$ 669.65</u>

TOWNSHIP OF SHAMONG
Trust - Other Funds
Statement of Reserve for Tax Title Lien Redemption
For the Year Ended December 31, 2018

Balance December 31, 2017		\$ -
Increased by:		
Tax Redemptions	\$ 101,075.95	
Interest Earned	<u>140.16</u>	<u>101,216.11</u>
Subtotal		101,216.11
Decreased by:		
Payments	101,075.95	
Due to Current	<u>140.16</u>	<u>101,216.11</u>
Balance December 31, 2018		<u><u>\$ -</u></u>

GENERAL CAPITAL FUND

TOWNSHIP OF SHAMONG
General Capital Fund
 Schedule of Cash - Treasurer
 For the Year Ended December 31, 2018

Balance December 31, 2017		\$ 294,025.66
Receipts:		
Bond Anticipation Notes	\$ 957,500.00	
Budget Appropriation - Current Fund	12,500.00	
Due To Current Fund	4,485.75	
Total Receipts		974,485.75
Subtotal		1,268,511.41
Disbursements:		
Bond Anticipation Notes	720,000.00	
Due to Current Fund	4,485.75	
Improvement Authorizations	171,889.65	896,375.40
Balance December 31, 2018		\$ 372,136.01

TOWNSHIP OF SHAMONG
General Capital Fund
 Analysis of General Capital Cash and Investments
 For the Year Ended December 31, 2018

Capital Improvement Fund		\$ 38,747.00
Down Payment on Capital Improvements		200.00
Fund Balance		91,917.56
Improvement Authorizations:		
Ordinance		
<u>Number</u>		
2011-07	Improvements to Municipal Building	37,767.98
2016-06	2016 Road Program	124,862.74
2018-05	Municipal Cemetary	<u>78,640.73</u>
	Total	<u><u>\$ 372,136.01</u></u>

TOWNSHIP OF SHAMONG
General Capital Fund
Statement of Deferred Charges to Future Taxation - Funded
For the Year Ended December 31, 2018

Balance December 31, 2017	\$ 168,319.51
Decreased By:	
Green Trust Loan Principal Paid	<u>15,365.01</u>
Balance December 31, 2018	<u>\$ 152,954.50</u>

TOWNSHIP OF SHAMONG
General Capital Fund

Statement of 1989 Green Trust Loan Payable
For the Year Ended December 31, 2018

Purpose	Date of Issue	Original Issue	Maturities of Loan Outstanding December 31, 2018	Interest Rate	Balance	
					Dec. 31, 2017	Dec. 31, 2018
Dingletown II Recreation Area	05/01/94	\$ 3,000,000.00	\$ 7,797.93	2.00%	\$ 188,319.51	\$ 152,954.50
	07/29/19		7,875.91	2.00%		
	01/29/20		7,954.67	2.00%		
	07/29/20		8,034.22	2.00%		
	01/29/21		8,114.56	2.00%		
	07/29/21		8,195.71	2.00%		
	01/29/22		8,277.66	2.00%		
	07/29/22		8,360.44	2.00%		
	01/29/23		8,444.04	2.00%		
	07/29/23		8,528.49	2.00%		
	01/29/24		8,613.77	2.00%		
	07/29/24		8,699.91	2.00%		
	01/29/25		8,786.91	2.00%		
	07/29/25		8,874.78	2.00%		
	01/29/26		8,963.52	2.00%		
	07/29/26		9,053.16	2.00%		
	01/29/27		9,143.69	2.00%		
	07/29/27		9,235.13	2.00%		
					\$ -	\$ 15,365.01
					\$ 188,319.51	\$ 152,954.50

TOWNSHIP OF SHAMONG
General Capital Fund
 Schedule of Bond Anticipation Notes Payable
 For the Year Ended December 31, 2018

Improvement Description	Date of Issue of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance		Increased	Decreased	Balance Dec. 31, 2018
					Dec. 31, 2017	Dec. 31, 2018			
Acquisition of Real Property	11/30/2015	11/30/2017	11/30/2018	0.00%	\$ 200,925.00	\$ -	\$ 178,600.00	\$ 200,925.00	\$ -
Acquisition of Real Property	11/30/2015	11/30/2018	11/30/2019	0.00%					178,600.00
2016 Road Program	08/16/16	8/15/2017	8/14/2018	1.20%	810,000.00		720,000.00	810,000.00	720,000.00
2016 Road Program	08/16/16	8/14/2018	8/13/2019	2.91%					
Municipal Cemetery	08/07/18	8/14/2018	8/13/2019	2.91%			237,500.00		237,500.00
					<u>\$ 1,010,925.00</u>	<u>\$ 1,136,100.00</u>	<u>\$ 1,010,925.00</u>	<u>\$ 1,010,925.00</u>	<u>\$ 1,136,100.00</u>
								\$ 898,600.00	\$ 898,600.00
								237,500.00	237,500.00
									112,925.00
									<u>\$ 1,136,100.00</u>
									<u>\$ 1,010,925.00</u>

TOWNSHIP OF SHAMONG
General Capital Fund
 Schedule of Improvement Authorizations
 For the Year Ended December 31, 2018

2018 AUTHORIZATIONS

Ordinance Number	Improvement Description	Date	Ordinance Amount	Balance December 31, 2017		Capital Improvement Fund	Deferred Charges To Future Taxation - Unfunded	Prior Year Encumbrances	Paid or Charged	Canceled	Balance December 31, 2018	
				Funded	Unfunded						Funded	Unfunded
2011-07	Improvements to Municipal Building	07/05/11	\$ 150,000.00	\$ 37,767.98	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 37,767.98	\$ -
2016-06	2016 Road Program	06/14/16	1,000,000.00	51,507.04	51,507.04	12,500.00	73,886.08	74,416.46	-	-	37,767.98	50,976.66
2018-05	Municipal Cemetery	03/13/18	250,000.00					192,614.32				57,385.68
	Total			<u>\$ 37,767.98</u>	<u>\$ 51,507.04</u>	<u>\$ 12,500.00</u>	<u>\$ 237,500.00</u>	<u>\$ 73,886.08</u>	<u>\$ 267,030.78</u>	<u>\$ -</u>	<u>\$ 37,767.98</u>	<u>\$ 108,362.34</u>
	Cash Disbursed							\$ 171,889.65				
	Encumbrances Payable							95,141.13				
	Total							<u>\$ 267,030.78</u>				

TOWNSHIP OF SHAMONG
General Capital Fund
Schedule of Capital Improvement Fund
For the Year Ended December 31, 2018

Balance December 31, 2017	\$ 38,747.00
Increased by:	
Budget Appropriation	<u>12,500.00</u>
	51,247.00
Decreased by:	
Appropriated to Finance Improvement Authorizations	<u>12,500.00</u>
Balance December 31, 2018	<u><u>\$ 38,747.00</u></u>

TOWNSHIP OF SHAMONG
General Capital Fund
 Statement of Bonds and Notes Authorized But Not Issued
 For the Year Ended December 31, 2018

Ordinance Number	Improvement Description	Balance Dec. 31, 2017	2018 Authorizations	Bond Anticipation			Balance Dec. 31, 2018
				Notes Issued	Authorization Funded	Canceled	
2018-5	Municipal Cemetery	\$ -	\$ 237,500.00	\$ 237,500.00	\$ -	\$ -	\$ -
	Total	\$ -	\$ 237,500.00	\$ 237,500.00	\$ -	\$ -	\$ -

TOWNSHIP OF SHAMONG

PART II

Schedule of Findings and Recommendations

For the Year Ended December 31, 2018

TOWNSHIP OF SHAMONG
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2018

Section 1 -- Summary of Auditor's Results

Financial Statement Section

Type of auditor's report issued:

_____ Unmodified _____

Internal control over financial reporting:

1) Material weaknesses identified?

_____ yes X no

2) Were reportable conditions identified that were not considered to be material weaknesses?

_____ yes X none reported

Noncompliance material to financial statements noted?

_____ yes X no

Federal Awards

A Federal Single Audit was not required

State Awards

A State Single Audit was not required

TOWNSHIP OF SHAMONG
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2018

Schedule of Financial Statement Findings

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

No Findings Identified.

TOWNSHIP OF SHAMONG
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2018

Schedule of Federal Awards and State Financial Assistance
Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey Circular 15-08-OMB.

FEDERAL AWARDS

A federal single audit was not required.

STATE AWARDS

A state single audit was not required.

TOWNSHIP OF SHAMONG
Summary Schedule of Prior Year Audit Findings
And Recommendations as Prepared by Management

This section identifies the status of prior year findings related to the financial statements and federal and state grant awards that are required to be reported in accordance with *Government Auditing Standards* and New Jersey OMB's Circular 15-08.

FINANCIAL STATEMENT FINDINGS

There were no financial statement findings in the prior year.

FEDERAL AWARDS

A Federal Single Audit was not required.

STATE AWARDS

A State Single Audit was not required.

TOWNSHIP OF SHAMONG

OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office at December 31, 2018:

<u>Name</u>	<u>Title</u>	<u>Amount of Coverage</u>	<u>Name Of Surety</u>
Michael DiCroce	Mayor	*	(A)
Timothy Gimbel	Deputy Mayor	*	(A)
Michael Cooney	Committeeman	*	(A)
Sean Gray	Committeeman	*	(A)
Martin Mozitis	Committeeman	*	(A)
Christina Chambers	Chief Financial Officer	\$1,000,000.00	(A)
Susan Onorato	Administrator/Municipal Clerk	*	(A)
Kathryn Taylor	Tax Collector	\$1,000,000.00	(A)
Joanne Robertson	Deputy Clerk	\$1,000,000.00	(A)
Catherine Iezzi	Court Administrator	\$1,000,000.00	(A)
Peter C. Lange, Jr.	Magistrate	*	(A)
Edward Toussaint	Building Sub-Code Official	*	(A)
	Construction Official	*	(A)
Patricia Coucoules	Construction Control Person	*	(A)
John Holroyd	Plumbing Sub-Code Official	*	(A)
	Fire Sub-Code Official	*	(A)
	Electrical Sub-Code Official	*	(A)
Douglas Heinold	Solicitor		
Dante Guzzi	Engineer		

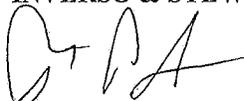
(A) All Officials & Employees are covered under Blanket Coverage with the Burlington County Joint Insurance Fund.

ACKNOWLEDGMENT

I express my appreciation for the assistance and courtesies extended to the audit team by the Township Officials during the course of the audit.

Respectfully submitted,

INVERSO & STEWART, LLC

A handwritten signature in black ink, appearing to read 'R. P. Inverso', is written over the printed name.

Robert P. Inverso
Certified Public Accountant
Registered Municipal Accountant

July 19, 2019