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TOWNSHIP OF SHAMONG
County of Burlington

Report of Audit of Financial Statements

For the Year Ended December 31, 2016

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, 2016

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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, 2016 and 2015, and the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis, statement of expenditures - regulatory basis, and statement of general fixed assets group of accounts for the year ended December 31, 2016 and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey. 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, 2016 and 2015, or the results of its operations and changes in fund balance for the years then ended.

Opinion on Regulatory Basis of Accounting

In 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, 2016 and 2015, and the results of its operations and changes in fund balance – regulatory basis of such funds for the years then ended, and the revenues - regulatory basis, expenditures - regulatory basis of the various funds, and general fixed assets, for the year ended December 31, 2016 in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Other 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 April 28, 2017 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
April 28, 2017

INVERSO & STEWART, LLC

Certified Public Accountants

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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, 2016, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements, and have issued my report thereon dated April 28, 2017. 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
April 28, 2017

TOWNSHIP OF SHAMONG
Current Fund

Statement of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis
For the Years Ended December 31, 2016 and 2015

<u>ASSETS</u>	<u>REFERENCE</u>	<u>2016</u>	<u>2015</u>
Regular Fund:			
Cash - Treasurer	A-4	\$ 7,229,849.33	\$ 7,074,960.17
Cash - Change Fund - Collector	A-5	60.00	160.00
Investments - Bond Anticipation Notes	C-7	<u>223,250.00</u>	<u>223,250.00</u>
Total		<u>7,453,159.33</u>	<u>7,298,370.17</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-7	220,679.56	203,548.00
Tax Title Liens Receivable	A-8	130,866.99	106,718.91
Property Acquired for Taxes - Assessed Valuation	A-9	1,050,325.00	1,050,325.00
Revenue Accounts Receivable	A-10	2,563.09	1,836.60
Due from Animal Control Fund	B	<u>382.02</u>	<u>8.02</u>
Total		<u>1,404,816.66</u>	<u>1,362,436.53</u>
Total Regular Fund		<u>8,857,975.99</u>	<u>8,660,806.70</u>
Federal and State Grant Fund:			
Cash - Treasurer	A-4	23,905.79	126,835.13
Federal and State Grants Receivable	A-19	419,210.00	244,848.48
Due from Current Fund	A	<u>8.17</u>	<u>8.17</u>
Total Federal and State Grant Fund		<u>443,123.96</u>	<u>371,691.78</u>
Total Assets		<u>\$ 9,301,099.95</u>	<u>\$ 9,032,498.48</u>

TOWNSHIP OF SHAMONG

Current Fund

Statement of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis
For the Years Ended December 31, 2016 and 2015

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>REFERENCE</u>	<u>2016</u>	<u>2015</u>
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3	\$ 682,609.21	\$ 522,928.81
Encumbrances Payable - Current Year	A-3	55,777.81	203,698.94
Encumbrances Payable - Prior Year	A-11	1,680.00	
Tax Overpayments	A-12	35,741.47	13,792.83
Prepaid Taxes	A-13	127,224.45	125,529.88
Tax Title Lien Redemption Payable		7,568.09	7,568.09
Local District School Taxes Payable	A-14	3,318,179.50	3,260,066.00
Regional High School Taxes Payable	A-15	1,919,399.81	1,882,003.31
Due County for Added and Omitted Taxes	A-16	4,013.60	4,194.34
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	77,111.41	95,615.18
Due to General Capital Fund	C		9,120.00
Due to Public Assistance Fund	D	12,665.00	12,665.00
Due State of New Jersey - Veterans and Senior Citizens	A-6	2,696.58	2,196.58
Due State of New Jersey - DCA Fees	A-17	3,368.00	3,050.00
Due State of New Jersey - Marriage License Fees	A-18	200.00	100.00
		<u>6,248,343.10</u>	<u>6,142,637.13</u>
Total Liabilities			
Reserve for Receivables and Other Assets	A	1,404,816.66	1,362,436.53
Fund Balance	A-1	<u>1,204,816.23</u>	<u>1,155,733.04</u>
		<u>8,857,975.99</u>	<u>8,660,806.70</u>
Total Regular Fund			
Federal and State Grant Fund:			
Encumbrances Payable - Current Year	A-21	34,603.45	260,578.76
Encumbrances Payable - Prior Year			650.00
Unappropriated Reserves	A-20		
Appropriated Reserves	A-21	<u>408,520.51</u>	<u>110,463.02</u>
		<u>443,123.96</u>	<u>371,691.78</u>
Total Federal and State Grant Fund			
		<u>\$ 9,301,099.95</u>	<u>\$ 9,032,498.48</u>
Total Liabilities, Reserves and Fund Balance			

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, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Revenue and Other Income Realized:		
Fund Balance Utilized	\$ 1,100,000.00	\$ 1,200,000.00
Miscellaneous Revenue Anticipated	1,437,265.61	1,279,733.53
Receipts from Delinquent Taxes	199,147.64	177,025.97
Receipts from Current Taxes	17,933,280.85	17,538,159.81
Nonbudget Revenues	115,320.68	228,508.11
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	482,666.72	447,476.06
Cancelation of Tax Overpayments		4,391.27
Liquidation of Interfund Receivables	8.02	4,720.78
Total Revenue and Other Income Realized	<u>21,267,689.52</u>	<u>20,880,015.53</u>
Expenditures:		
Operations Within "CAPS":		
Salaries and Wages	592,460.00	576,016.00
Other Expenses	1,226,134.73	1,335,300.00
Deferred Charges and Statutory Expenditures Within "CAPS"	114,122.27	118,787.00
Operations Excluded from "CAPS":		
Salaries and Wages	167,667.00	106,000.00
Other Expenses	444,718.30	409,557.36
Capital Improvements Excluded from "CAPS"	2,500.00	2,000.00
Municipal Debt Service Excluded from "CAPS"	54,335.68	54,335.68
Deferred Charges and Statutory Expenditures Excluded from "CAPS"	9,120.00	9,120.00
County Taxes	2,834,910.34	2,935,687.64
Due County for Added Taxes	4,013.60	4,194.34
Local District School District Tax	9,471,312.00	9,285,085.00
Regional High School Tax	5,064,658.00	4,959,865.00
Municipal Open Space Tax	132,467.00	132,745.00
Municipal Open Space - Added Taxes	187.41	191.18
Subtotal	<u>20,118,606.33</u>	<u>19,928,884.20</u>
Less: Expenditures to be Raised by Future Taxes		
Total Expenditures	<u>20,118,606.33</u>	<u>19,928,884.20</u>
Statutory Excess to Fund Balance (Carried Forward)	1,149,083.19	951,131.33

TOWNSHIP OF SHAMONG
Current Fund
Statement of Operations and Changes in Fund Balance - Regulatory Basis
For the Years Ended December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Statutory Excess to Fund Balance (Brought Forward)	\$ 1,149,083.19	\$ 951,131.33
Fund Balance January 1	<u>1,155,733.04</u>	<u>1,404,601.71</u>
Total	2,304,816.23	2,355,733.04
Decreased by Utilization as Anticipated Revenue	<u>1,100,000.00</u>	<u>1,200,000.00</u>
Fund Balance December 31	<u><u>\$ 1,204,816.23</u></u>	<u><u>\$ 1,155,733.04</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, 2016

	<u>BUDGET</u>	<u>SPECIAL NJS 40A:4-87</u>	<u>REALIZED</u>	<u>EXCESS (DEFICIT)</u>
Fund Balance Anticipated	\$ 1,100,000.00	\$ -	\$ 1,100,000.00	\$ -
Miscellaneous Revenues:				
Local Revenues:				
Licenses:				
Alcoholic Beverage	1,511.00		1,814.00	303.00
Fines and Costs:				
Municipal Court	25,000.00		36,143.07	11,143.07
Interest and Costs on Taxes	30,000.00		48,784.76	18,784.76
Interest on Investments and Deposits	1,000.00		15,567.87	14,567.87
Mobile Home Fees	30,000.00		37,293.00	7,293.00
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	75,303.00		114,844.00	39,541.00
Shared Service Agreements Offset with Appropriations				
Tax Assessor - Southampton Township	26,000.00		30,577.00	4,577.00
Tax Assessor - Tabernacle Township	35,484.00		34,755.35	(728.65)
Tax Assessor - Burlington Township	69,474.00		69,786.26	312.26
Construction Code - Southampton Township	73,440.00		67,320.00	(6,120.00)
Special Items Offset with Appropriations:				
Recycling Tonnage Grant	4,239.68		4,239.68	
Municipal Alcohol Education and Rehab		120.86	120.86	
Clean Communities Program		23,024.76	23,024.76	
Burlington County Memorial Park Grant	150,000.00		150,000.00	
New Jersey Department of Transportation	220,000.00		220,000.00	
Total	<u>1,324,446.68</u>	<u>23,145.62</u>	<u>1,437,265.61</u>	<u>89,673.31</u>
Receipts from Delinquent Taxes	190,000.00		199,147.64	9,147.64
Amount to be Raised by Taxes for Support of Municipal Budget -				
Local Tax for Municipal Purposes	554,994.14		705,915.92	150,921.78
Budget Totals	<u>3,169,440.82</u>	<u>23,145.62</u>	<u>3,442,329.17</u>	<u>\$ 249,742.73</u>
Nonbudget Revenues			115,320.68	
Total	<u>\$ 3,169,440.82</u>	<u>\$ 23,145.62</u>	<u>\$ 3,557,649.85</u>	

TOWNSHIP OF SHAMONG
Current Fund
Statement of Revenues - Regulatory Basis
For the Year Ended December 31, 2016

ANALYSIS OF REALIZED REVENUE

Allocation of Current Tax Collections:	
Revenue from Collections	\$ 17,933,280.85
Allocated to School and County Taxes	<u>17,607,548.35</u>
Balance for Support of Municipal Budget Appropriations	325,732.50
Add Appropriation - Reserve for Uncollected Taxes	<u>380,183.42</u>
Amount for Support of Municipal Budget Appropriations	<u>\$ 705,915.92</u>
Receipts from Delinquent Taxes:	
Delinquent Tax Collections	<u>\$ 199,147.64</u>
Miscellaneous Revenue:	
Cable Fees	\$ 21,693.77
Copies	1,448.55
Resale CO's	6,376.00
JIF Safety Grant	2,400.00
Land Use Fees	2,000.00
Zoning Fees	3,350.00
Snow Plowing	26,887.00
Rentals	500.00
Road Opening Fees	1,800.00
Vets and Senior Citizen Administrative Fee	950.00
Refunds	15,209.86
Abandoned Properties	10,500.00
Refund of Prior Years Expense	4,978.13
Miscellaneous	<u>17,227.37</u>
Total	<u>\$ 115,320.68</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, 2016

	Appropriations		Expended		Unexpended
	Budget	Budget After Modification	Paid or Charged	Reserved	Balance Canceled
GENERAL APPROPRIATIONS:					
Operations Within "CAPS":					
General Government:					
General Administration					
Salaries and Wages	\$ 56,700.00	\$ 56,700.00	\$ 55,870.81	\$ 829.19	\$ -
Other Expenses	21,000.00	19,840.73	5,718.33	14,122.40	
Mayor and Committee					
Salaries and Wages	15,300.00	15,300.00	14,301.64	998.36	
Other Expenses	4,000.00	4,000.00	1,110.99	2,889.01	
Municipal Clerk					
Salaries and Wages	118,910.00	118,910.00	101,347.44	17,562.56	
Other Expenses	25,000.00	25,000.00	11,606.08	13,393.92	
Financial Administration:					
Salaries and Wages	32,500.00	32,500.00	18,468.90	14,031.10	
Other Expenses	10,500.00	10,500.00	7,083.64	3,416.36	
Audit Services					
Other Expenses	21,700.00	21,700.00	20,600.00	1,100.00	
Revenue Administration (Tax Collection)					
Salaries and Wages	51,000.00	51,000.00	45,288.61	5,711.39	
Other Expenses	12,500.00	12,500.00	7,606.23	4,893.77	
Tax Assessment Administration					
Salaries and Wages	21,700.00	21,700.00	21,016.59	683.41	
Other Expenses	6,000.00	6,000.00	3,120.67	2,879.33	
Interest on Appeals	100.00	100.00		100.00	
Legal Services and Costs:					
Other Expenses	65,000.00	62,000.00	33,231.97	28,768.03	
Engineering Services and Costs:					
Other Expenses	85,000.00	125,000.00	116,291.75	8,708.25	
Municipal Land Use Law (N.J.S.A. 40:SSD-1):					
Joint Land Use Board					
Salaries and Wages	14,200.00	14,200.00	12,998.10	1,201.90	
Other Expenses	10,500.00	10,500.00	2,312.20	8,187.80	
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	5,000.00	8,000.00	4,813.64	3,186.36	
Insurance:					
Liability Insurance	23,000.00	23,000.00	15,339.10	7,660.90	
Workers Compensation	56,000.00	56,000.00	41,310.84	14,689.16	
Employee Group Insurance	157,000.00	157,000.00	94,704.62	62,295.38	
Other Insurance Premiums	18,000.00	18,000.00	5,757.00	12,243.00	

TOWNSHIP OF SHAMONG
Current Fund
 Statement of Expenditures - Regulatory Basis
 For the Year Ended December 31, 2016

	Appropriations		Paid or Charged	Expended	Reserved	Unexpended Balance Canceled
	Budget	Budget After Modification				
GENERAL APPROPRIATIONS:						
Operations Within "CAPS":						
JIF Commissioner	\$ 2,350.00	\$ 2,350.00	\$ 2,188.96	\$	161.04	\$ -
Salaries and Wages						
Office of Emergency Management						
Salaries and Wages	5,600.00	5,600.00	5,002.25		597.75	
Other Expenses	17,000.00	17,000.00	817.13		16,182.87	
Aid to Volunteer Fire Companies	49,000.00	49,000.00	49,000.00			
Aid to Volunteer Ambulance Companies	35,000.00	35,000.00	35,000.00			
Municipal Prosecutor:						
Salaries and Wages	500.00	500.00			500.00	
Other Expenses	500.00	500.00			500.00	
Discovery Clerk						
Salaries and Wages	500.00	500.00			500.00	
Public Buildings and Grounds						
Streets and Roads Maintenance						
Salaries and Wages	204,000.00	204,000.00	184,147.96		19,852.04	
Other Expenses	507,674.00	467,674.00	91,713.76		280,960.24	95,000.00
Recycling Program:						
Other Expenses	5,000.00	5,000.00			5,000.00	
Building and Grounds						
Salaries and Wages	500.00	500.00			500.00	
Other Expenses	16,000.00	16,000.00	9,828.86		6,171.14	
War Memorial						
Other Expenses	1,500.00	1,500.00			1,500.00	
Health and Human Services						
Board of Health						
Salaries and Wages	2,500.00	2,500.00	1,495.48		1,004.52	
Other Expenses	2,000.00	2,000.00	347.20		1,652.80	
Animal Control						
Other Expenses	10,500.00	10,500.00	3,355.00		7,145.00	
Parks and Recreation						
Maintenance of Parks						
Other Expenses	7,000.00	7,000.00	48.00		6,952.00	
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, 2016

	Appropriations		Expended		Unexpended
	Budget	Budget After Modification	Paid or Charged	Reserved	Balance Canceled
GENERAL APPROPRIATIONS:					
Operations Within "CAPS":					
Utility Expense and Bulk Purchase	\$ 33,000.00	\$ 33,000.00	\$ 23,904.73	\$ 9,095.27	\$ -
Electricity					
Street Lights	11,000.00	11,000.00	7,495.55	3,504.45	
Telephone	8,000.00	8,000.00	5,862.28	2,137.72	
Natural Gas	9,500.00	9,500.00	4,928.00	4,572.00	
Telecommunications	2,700.00	2,700.00	1,794.80	905.20	
Gasoline/Diesel	22,500.00	22,500.00	9,227.98	13,272.02	
Uniform Construction Code Enforcement Function					
Construction Official					
Salaries and Wages	63,700.00	63,700.00	60,128.18	3,571.82	
Other Expenses	10,000.00	10,000.00	4,808.01	5,191.99	
Accumulated Sick Leave Compensation					
Salaries and Wages	1,000.00	1,000.00	1,000.00		
Municipal Court					
Salaries and Wages	500.00	500.00		500.00	
Other Expenses	31,620.00	31,620.00	30,588.99	1,031.01	
Public Defender					
Salaries and Wages	500.00	500.00		500.00	
Other Expenses	500.00	500.00		500.00	
Contingent	6,500.00	6,500.00		6,500.00	
Total Operations Including Contingent - Within "CAPS"	1,914,754.00	1,913,594.73	1,173,707.27	644,887.46	95,000.00
Detail:					
Salaries and Wages	592,460.00	592,460.00	523,379.92	69,080.08	
Other Expenses	1,322,294.00	1,321,134.73	650,327.35	575,807.38	95,000.00
Deferred Charges and Statutory Expenditures - Municipal - Within "CAPS":					
STATUTORY EXPENDITURES:					
Contribution to:					
Public Employees' Retirement System	57,463.00	58,622.27	58,622.27		
Defined Contribution Retirement Plan	1,500.00	1,500.00	517.95	982.05	
Social Security System (O.A.S.I.)	54,000.00	54,000.00	51,374.35	2,625.65	
Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"	112,963.00	114,122.27	110,514.57	3,607.70	
Total General Appropriations - For Municipal Purposes Within "CAPS"	2,027,717.00	2,027,717.00	1,284,221.84	648,495.16	95,000.00

TOWNSHIP OF SHAMONG
Current Fund
 Statement of Expenditures - Regulatory Basis
 For the Year Ended December 31, 2016

	Appropriations		Expended	Unexpended
	Budget	Budget After Modification	Paid or Charged	Balance Canceled
GENERAL APPROPRIATIONS:				
Operations Excluded from "CAPS":				
L.O.S.A.P.	\$ 30,000.00	\$ 30,000.00	\$ 18,330.00	\$ -
Interlocal Municipal Service Agreements:				
Shared Service - Agreements				
Construction Code, Building, and Zoning	60,667.00	60,667.00	57,120.24	3,546.76
Salaries and Wages	9,333.00	9,333.00		9,333.00
Other Expenses				
Tax Assessor				
Salaries and Wages	107,000.00	107,000.00	105,435.71	1,564.29
Other Expenses	8,000.00	8,000.00		8,000.00
Total Other Operations Excluded from "CAPS":	215,000.00	215,000.00	180,885.95	34,114.05
GENERAL APPROPRIATIONS:				
Operations Excluded from "CAPS":				
Public and Private Programs Offset by Revenues:				
Clean Communities Program		23,024.76	23,024.76	
Alcohol Ed and Rehab		120.86	120.86	
New Jersey Department of Transportation	220,000.00	220,000.00	220,000.00	
Burlington County Park Improvement	150,000.00	150,000.00	150,000.00	
Recycling Tonnage Grant	4,239.68	4,239.68	4,239.68	
Total Public and Private Programs Offset by Revenues	374,239.68	397,385.30	397,385.30	
Total Operations - Excluded From "CAPS"	589,239.68	612,385.30	578,271.25	34,114.05
Detail:				
Salaries and Wages	167,667.00	167,667.00	162,555.95	5,111.05
Other Expenses	421,572.68	444,718.30	415,715.30	29,003.00
Capital Improvements - Excluded From "CAPS"				
Capital Improvement Fund	80,000.00	80,000.00		80,000.00
Computer Hardware & Software	2,500.00	2,500.00	2,500.00	
Purchase of Ambulance	25,000.00	25,000.00		25,000.00
Total Capital Improvements - Excluded From "CAPS"	107,500.00	107,500.00	2,500.00	105,000.00

TOWNSHIP OF SHAMONG
Current Fund
 Statement of Expenditures - Regulatory Basis
 For the Year Ended December 31, 2016

	Appropriations		Expended		Unexpended
	Budget	Budget After Modification	Paid or Charged	Reserved	Balance Canceled
Municipal Debt Service - Excluded From "CAPS"					
Capital Lease Obligations	\$ 35,680.72	\$ 35,680.72	\$ 35,680.72	\$ -	\$ -
Green Trust Loan Program					
Loan Repayments for Principal & Interest	20,000.00	20,000.00	18,654.96		1,345.04
Total Municipal Debt Service - Excluded From "CAPS"	<u>55,680.72</u>	<u>55,680.72</u>	<u>54,335.68</u>		<u>1,345.04</u>
Deferred Charges - Municipal					
Deferred Charges Ordinance 2011-09	9,120.00	9,120.00	9,120.00		
Total Deferred Charges -Municipal - Excluded From "CAPS"	<u>9,120.00</u>	<u>9,120.00</u>	<u>9,120.00</u>		
Total General Appropriations for Municipal Purposes Excluded From "CAPS"	<u>761,540.40</u>	<u>784,686.02</u>	<u>644,226.93</u>	<u>34,114.05</u>	<u>106,345.04</u>
Subtotal General Appropriations Reserve for Uncollected Taxes	2,789,257.40	2,812,403.02	1,928,448.77	682,609.21	201,345.04
	<u>380,183.42</u>	<u>380,183.42</u>	<u>380,183.42</u>		
TOTAL GENERAL APPROPRIATIONS	<u>\$ 3,169,440.82</u>	<u>\$ 3,192,586.44</u>	<u>\$ 2,308,632.19</u>	<u>\$ 682,609.21</u>	<u>\$ 201,345.04</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, 2016

Analysis of Budget After Modification:		
Original Budget	\$ 3,169,440.82	
By Appropriation 40A:4-87	<u>23,145.62</u>	
		<u>\$ 3,192,586.44</u>
Analysis of Paid or Charged:		
Reserve for Federal and State Grants - Appropriated	397,385.30	
Reserve for Uncollected Taxes	380,183.42	
Encumbrances Payable	55,777.81	
Cash Disbursed	<u>1,475,285.66</u>	
		<u>\$ 2,308,632.19</u>
Total		<u>\$ 2,308,632.19</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, 2016 and 2015

	<u>REFERENCE</u>	<u>2016</u>	<u>2015</u>
<u>ASSETS</u>			
Animal Control Fund:			
Cash - Treasurer	B-1	\$ 7,734.02	\$ 5,326.93
Due from State of New Jersey			22.80
Total Animal Control Fund		<u>7,734.02</u>	<u>5,349.73</u>
Other Funds:			
Cash - Treasurer	B-1	901,547.67	751,642.10
Due from Current Fund	A	77,111.41	95,615.18
Total Other Funds		<u>978,659.08</u>	<u>847,257.28</u>
Total Assets		<u>\$ 986,393.10</u>	<u>\$ 852,607.01</u>
<u>LIABILITIES AND RESERVES</u>			
Animal Control Fund:			
Due to Current Fund	A	\$ 382.02	\$ 8.02
Prepaid License Fees		35.20	113.00
Reserve for Dog Fund Expenditures	B-2	7,316.80	5,228.71
Total Animal Control Fund		<u>7,734.02</u>	<u>5,349.73</u>
Other Funds:			
Payroll Deductions Payable	B-13	4,991.30	5,661.41
Reserve for :			
Unemployment Compensation Insurance	B-3	19,210.27	19,253.68
Recreation Escrow	B-4	6,522.03	7,395.06
S.T.A.S.A. - Municipal Alliance	B-5	7,659.23	7,639.87
Public Defender Fees	B-6	629.47	390.51
Open Space Trust	B-7	812,318.02	691,895.94
Tax Sale Premiums	B-8	23,800.00	42,300.00
Multi - Escrow	B-9	19,400.45	19,596.81
Accumulated Absences	B-10	31,004.31	
POAA	B-11	500.00	500.00
Planning Board Subdivision:			
Escrow for Professional Fees	B-12	52,624.00	52,624.00
Total Other Funds		<u>978,659.08</u>	<u>847,257.28</u>
Total Liabilities and Reserves		<u>\$ 986,393.10</u>	<u>\$ 852,607.01</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, 2016 and 2015

	<u>REFERENCE</u>	<u>2016</u>	<u>2015</u>
<u>ASSETS</u>			
Cash - Treasurer	C-2	\$ 407,024.23	\$ 250,392.54
Due from Current Fund	A		9,120.00
Deferred Charges to Future Taxation:			
Funded	C-4	183,381.77	198,147.25
Unfunded	C-5	<u>1,123,250.00</u>	<u>482,370.00</u>
Total		<u>\$ 1,713,656.00</u>	<u>\$ 940,029.79</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Green Trust Loan Payable	C-6	\$ 183,381.77	\$ 198,147.25
Bond Anticipation Notes Payable	C-7	1,123,250.00	223,250.00
Improvement Authorizations:			
Funded	C-8	37,767.98	37,767.98
Unfunded	C-8	238,391.69	250,010.00
Capital Improvement Fund	C-9	38,747.00	138,747.00
Down Payment on Capital Improvements		200.00	200.00
Fund Balance	C-1	<u>91,917.56</u>	<u>91,907.56</u>
Total		<u>\$ 1,713,656.00</u>	<u>\$ 940,029.79</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, 2016

Balance December 31, 2015	\$ 91,907.56
Increased by:	
Funded Improvement Authorizations Canceled	10.00
Balance December 31, 2016	\$ 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, 2016 and 2015

	<u>REFERENCE</u>	<u>2016</u>	<u>2015</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, 2016

	Balance December 31, 2015	Additions	Retirements	Balance December 31, 2016
General Fixed Assets:				
Land and Land Improvements	\$ 770,922.40	\$ -	\$ -	\$ 770,922.40
Building and Building Improvements	529,421.00			529,421.00
Machinery and Equipment	2,359,584.00	110,737.54	\$358,500.00	2,111,821.54
Total	<u>\$ 3,659,927.40</u>	<u>\$ 110,737.54</u>	<u>\$ 358,500.00</u>	<u>\$ 3,412,164.94</u>
 Investment in General Fixed Assets	 <u>\$ 3,659,927.40</u>	 <u>\$ 110,737.54</u>	 <u>\$ 358,500.00</u>	 <u>\$ 3,412,164.94</u>

**TOWNSHIP OF SHAMONG
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

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 estimated population at July 1, 2015 according to the New Jersey Department of Labor and Workforce Development 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.

Criteria for determining if other entities are potential component units which should be reported within the basic financial statements are identified and described in the Governmental Accounting Standards Board's (GASB) Codification of Governmental Accounting and Financial Reporting Standards, Section 2100 and 2600. The application of these criteria provides for identification of any entities for which the Township is financially accountable and other organizations that the nature and significance of their relationship with the Township are such that exclusion would cause the basic financial statements to be misleading or incomplete.

Based on the application of these criteria, there were no organizations that are considered to be component units.

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.

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.

**TOWNSHIP OF SHAMONG
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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.

**TOWNSHIP OF SHAMONG
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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, 2015 and decreased by the amount deferred at December 31, 2016.

**TOWNSHIP OF SHAMONG
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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 \$8,552,673 as of December 31, 2016, \$250,000 was insured under FDIC and the remaining balance of \$8,302,673 was collateralized under GUDPA.

**TOWNSHIP OF SHAMONG
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

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>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Total Tax Rate	\$ 2.738	\$ 2.673	\$ 2.509 *	\$ 2.430	\$ 2.441
Apportionment of Tax Rate:					
Municipal Open Space	.020	.020	.020	.019	.020
Municipal Local Purpose	.084	.064	.048	.039	.025
County	.428	.443	.401	.403	.423
Regional School	.768	.747	.673	.632	.632
Local School	1.438	1.399	1.367	1.337	1.341

* Revaluation

<u>Assessed Valuation</u>	<u>Amount</u>
2016	\$ 663,421,016
2015	663,723,231
2014	663,739,219
2013	665,720,511
2012	* 665,524,537

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
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
2013	16,188,741	16,012,822	98.91
2012	16,298,677	16,025,068	98.32

Delinquent Taxes and Tax Title Liens

<u>Year</u>	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2016	\$ 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
2013	71,673	147,516	219,189	1.35
2012	68,222	236,683	304,905	1.87

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>
2016	19
2015	16
2014	12
2013	11
2012	8

TOWNSHIP OF SHAMONG
 NOTES TO BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 4. PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

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

<u>Year</u>	<u>Amount</u>
2016	\$ 1,050,325
2015	1,050,325
2014	1,050,025
2013	1,033,025
2012	1,028,025

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>			
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
2013	1,403,819	1,200,000	85.48
2012	1,486,984	1,200,000	80.70

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, 2016:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Current Fund	\$ 382	\$ 89,784
Federal & State Grant Fund	8	
Trust Fund:		
Animal Control Fund		382
Other Funds	77,111	
Public Assistance Fund	12,665	
	\$ 90,166	\$ 90,166

**TOWNSHIP OF SHAMONG
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

NOTE 7. PENSION PLANS

Substantially all of the 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.

Significant Legislation

P.L. 2011, c.78, effective June 28, 2011, made various changes to the manner in which PERS operates and to the benefit provisions of the system.

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

- For new members of PERS hired on or after June 28, 2011 (Tier 5 members), the years of creditable service needed for early retirement benefits increased from 25 to 30 years and the early retirement age from age 55 to 65 for Tier 5 members
- The eligible age to qualify for a service retirement in the PERS increased from age 62 to 65 for Tier 5 members
- It increases in active member contribution rates for PERS active members from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years. For fiscal year 2012, the member contribution rates will increase in 2011. The phase-in of the additional incremental member contribution rates for PERS members will take place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by law.
- New employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4 year period for those employed prior to Chapter 78's effective date with a minimum contribution required to be at least 1.5% of salary
- In addition, this new legislation changes the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay.)

Public Employees' Retirement System (PERS)

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 and benefit provisions are established by N.J.S.A. 43:15A and 43:3B.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 62, P.L. 1994, plan members enrolled in the Public Employees' Retirement System were required to contribute 5% of their annual covered salary. Effective July 1, 2008, however, 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. For employees enrolled in the retirement system prior to July 1, 2008, the increase is effective with the payroll period that begins immediately after July 1, 2008.

Pursuant to the provisions of Chapter 78, P.L. 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 and increases each subsequent July 1. The State Treasurer has the right under the current law to make temporary reductions in rates based on the existence of surplus pension assets in the retirement system; however, statute also requires the return to the normal rate when such surplus pension assets no longer exist.

**TOWNSHIP OF SHAMONG
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

NOTE 7. PENSION PLANS (CONTINUED)

Public Employees' Retirement System (PERS) (Continued)

The Township is billed annually for its normal contribution plus any accrued liability. The Township's contributions, equal to the required contribution for each fiscal year, were as follows:

Year	Public Employee's Retirement System				
	Township Contributions				
	Normal Contribution	Pension Percentage of Covered Payrolls	Accrued Liability	Non-Contributory Life Insurance	Employee Contributions
2016	\$ 9,728	1.62%	\$ 44,815	\$ 2,920	\$ 42,792
2015	10,702	1.86%	49,507	4,078	40,295
2014	9,085	1.76%	39,944	834	35,306

At June 30, 2016, the Township's net pension liability for PERS was \$2,276,195.

Actuarial assumptions – The total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

- Inflation rate: 3.08%
- Salary Increases:
 - Through 2026: 1.65-4.15% based on age
 - Thereafter: 2.65-5.15% based on age
- Investment Rate of Return: 7.65%

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 2014 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on mortality improvement Scale AA.

In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disables Mortality Table (set back 3 years for males and set forward 1 year for females).

The actuarial assumptions used in the July 1, 2015 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 (7.65% at June 30, 2016) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries.

**TOWNSHIP OF SHAMONG
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

NOTE 7. PENSION PLANS (CONTINUED)

Public Employees' Retirement System (PERS) (Continued)

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, 2016 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	05.00%	00.87%
U.S. Treasuries	01.50%	01.74%
Investment Grade Credit	08.00%	01.79%
Mortgages	02.00%	01.67%
High Yield Bonds	02.00%	04.56%
Inflation Indexed Bonds	01.50%	03.44%
Broad US Equities	26.00%	08.53%
Developed Foreign Equities	13.25%	06.83%
Emerging Market Equities	06.50%	09.95%
Private Equity	09.00%	12.40%
Hedge Funds/Absolute Ret	12.50%	04.68%
Real Estate (Property)	02.00%	06.91%
Commodities	00.50%	05.45%
Global Debt ex US	05.00%	-0.25%
REIT	05.25%	05.63%
	100.00%	

Discount rate. The discount rate used to measure the State's total pension liability was 3.98% as of June 30, 2016. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.65%, and a municipal bond rate of 2.85% as of June 30, 2016, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount 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 30% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2034. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2034, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the 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, 2016, calculated using the discount rate of 3.98%, as well as what the Township's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.98%) or 1 percentage point higher (4.98%) than the current rate:

	<u>1% Decrease (2.98%)</u>	<u>Current Discount Rate (3.98%)</u>	<u>1% Increase (4.98%)</u>
Township's proportionate share of the net pension liability	\$ 2,789,211	\$ 2,276,195	\$ 1,852,656

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.

**TOWNSHIP OF SHAMONG
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

NOTE 7. PENSION PLANS (CONTINUED)

Defined Contribution Retirement Program (DCRP)

The Defined Contribution Retirement Program was established in 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 by Prudential Financial on behalf of the Divisions of Pensions and Benefits. 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. Pursuant to the provisions of Chapter 78 P.L. 2011, the active member contribution rate was increased to 6.5% plus an additional 1.0% phased-in over seven years beginning in the first year. The phase-in of the additional incremental member contribution amount will take place in July of each subsequent year. The State Treasurer has the right under the current law to make temporary reductions in rates based on the existence of surplus pension assets in the retirement system; however, state statute also requires the return to the normal rate when such surplus pension assets no longer exist. The employee contributions along with the Township's contribution 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>Year</u>	<u>Total Liability</u>	<u>Paid by District</u>
2016	\$ 550	\$ 550
2015	450	450
2014	336	336

Related Party Investments – The Division of Pensions and Benefits does not invest in securities issued by the Township.

NOTE 8. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

The financial statements of the Township are not prepared in accordance with Governmental Standards Board Statement No. 45. The following information is provided in accordance with the requirements of the Statement.

Plan Description – The Township contributes to the State Health Benefits Program (“SHBP”), a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by the State of New Jersey Division of Pension and Benefits. SHBP was established in 1961 under N.J.S.A. 52:14-17.25 et seq. to provide health benefits to State employees, retirees, and their dependents. Rules governing the operation and administration of the program are found in Title 17, chapter 9 of the New Jersey Administrative code.

The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the SHBP. The defined benefit postemployment healthcare plan provides post employment health care benefits, at its cost, to certain retired employees for a period not to exceed (7) seven years from the date of retirement.

A Township employee will receive paid health insurance benefits upon retirement from the Township provided they 1) retire from the Township with at least twenty-five years of service in the New Jersey Public Employees Retirement System, and 2) retire from the Township with at least twenty years of service with the Township. The post retirement health care benefits shall be provided to eligible employees at one hundred percent (100%) and at eighty percent (80%) for dependents and/or surviving spouse. The employee, the dependent and/or surviving spouse shall be responsible for paying the remaining twenty percent (20%) of the cost for dependent and/or surviving spouse cost.

TOWNSHIP OF SHAMONG
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

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

The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for SHBP. 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.

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

Contributions to pay for the health premiums of participating retirees in the SHBP are billed to the Township on a monthly basis. The Township funds these benefits on a pay-as-you-go basis and therefore does not record accrued expenses related to these benefits. During the year 2015 and 2014, there was one retired employee who received this benefit resulting in the payments of \$13,642.90 and \$14,680.32, in related to health care premiums. For 2016 no retired employees received Township paid health benefits.

NOTE 9. COMPENSATED ABSENCES

The Township does not record accrued expenses related to compensated absences. However, it is estimated that, at December 31, 2016, accrued benefits for compensated absences are valued at \$83,335.

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, 2016, which can be obtained by writing to:

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

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.

**TOWNSHIP OF SHAMONG
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

NOTE 11. NEW JERSEY UNEMPLOYMENT COMPENSATION INSURANCE (CONTINUED)

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>
2016	\$ 47	\$ -	\$ 1,015	\$ 1,105	\$ 19,210
2015	18		987	368	19,253
2014	18		917	19	18,616

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:

	Local District School Tax		Regional High School Tax	
	Balance Dec. 31,		Balance Dec. 31,	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Balance of Tax	\$ 4,783,413.50	\$ 4,655,300.00	\$ 2,549,061.81	\$ 2,481,665.31
Deferred	<u>1,465,234.00</u>	<u>1,395,234.00</u>	<u>629,662.00</u>	<u>599,662.00</u>
Tax Payable	<u>\$ 3,318,179.50</u>	<u>\$ 3,260,066.00</u>	<u>\$ 1,919,399.81</u>	<u>\$ 1,882,003.31</u>

NOTE 13. CAPITAL DEBT

Summary of Municipal Debt

	<u>Year 2016</u>	<u>Year 2015</u>	<u>Year 2014</u>
Issued:			
General:			
Green Trust Loan	<u>\$ 183,382</u>	<u>\$ 198,147</u>	<u>\$ 212,622</u>
Total Issued	<u>183,382</u>	<u>198,147</u>	<u>212,622</u>
Authorized but not Issued			
General:			
Bonds and Notes	<u> </u>	<u>259,120</u>	<u>271,240</u>
Total Authorized but not Issued	<u> </u>	<u>259,120</u>	<u>271,240</u>
Net Debt	<u>\$ 183,382</u>	<u>\$ 457,267</u>	<u>\$ 483,862</u>

**TOWNSHIP OF SHAMONG
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

NOTE 13. CAPITAL DEBT (CONTINUED)

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 .186%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$ 2,814,000	\$ 2,814,000	\$ -
Regional High School District	2,397,679	2,397,679	
General Debt	1,306,632		1,306,632
Total	\$ 6,518,311	\$ 5,211,679	\$ 1,306,632

Net Debt, \$1,306,632 divided by Equalized Valuation Basis per N.J.S.A. 40A:2-2, as amended, \$701,479,993 equals .186%.

Equalized Valuation Basis:

2014	\$ 709,193,300
2015	695,397,460
2016	699,849,218
Average	\$ 701,479,993

Borrowing Power under N.J.S.A. 40A:2-6 as amended

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 24,551,800
Net Debt	1,306,632
Remaining Borrowing Power	\$ 23,245,168

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

Schedule of Annual Debt Service for Principal and Interest for Bonded Debt 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>
2017	\$ 15,062	\$ 3,593	\$ 18,655
2018	15,365	3,290	18,655
2019	15,674	2,981	18,655
2020	15,989	2,666	18,655
2021	16,310	2,355	18,655
2022-2026	86,603	6,672	93,275
2027	18,379	276	18,655
Total	\$ 183,382	\$ 21,823	\$ 205,205

CURRENT FUND

TOWNSHIP OF SHAMONG
Current Fund
Statement of Cash - Treasurer
For the Year Ended December 31, 2016

	<u>CURRENT FUND</u>	<u>FEDERAL AND STATE GRANT FUND</u>
Balance December 31, 2015	\$ 7,074,960.17	\$ 126,835.13
Receipts:		
Taxes Receivable	\$ 17,946,105.78	\$ -
Tax Title Liens Receivable		
Prepaid Taxes	127,224.45	
Tax Overpayments	40,531.79	
Revenue Accounts Receivable	1,039,880.31	
Tax Sale Premiums	13,900.00	
Due State of New Jersey:		
Marriage License Fees	850.00	
UCC Fees	9,005.00	
Due from State of New Jersey for Senior Citizens and Veterans Deductions	47,500.00	
Due from Animal Control Fund	8.02	
Miscellaneous Revenues Not Anticipated	115,320.68	
Contra	402,509.46	
Budget Refunds		341.73
Federal and State Grants Receivable		171,903.71
Total Receipts	<u>19,742,835.49</u>	<u>172,245.44</u>
Sub-Total	26,817,795.66	299,080.57
Disbursements:		
2016 Appropriations	1,475,285.66	
2015 Appropriation Reserves/Encumbrances Payable	242,281.03	
County Taxes	2,839,104.68	
Local School Taxes Payable	9,413,198.50	
Regional High School Taxes Payable	5,027,261.50	
Tax Overpayments	4,790.32	
Due State of New Jersey:		
Marriage License Fees	750.00	
UCC Fees	8,687.00	
Due to Other Trust Fund	164,958.18	
Due to Capital Fund	9,120.00	
Contra	402,509.46	
Budget Refunds		341.73
Federal and State Appropriated Reserves		274,833.05
Total Disbursements	<u>19,587,946.33</u>	<u>275,174.78</u>
Balance December 31, 2016	<u>\$ 7,229,849.33</u>	<u>\$ 23,905.79</u>

TOWNSHIP OF SHAMONG
Current Fund
Schedule of Change Fund
For the Year Ended December 31, 2016

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

EXHIBIT A-6

Schedule of Due to State of New Jersey
for Senior Citizens and Veterans Deductions
For the Year Ended December 31, 2016

Balance Due from /(to) December 31, 2015		\$ (2,196.58)
Increased by:		
Senior Citizen Deductions per Duplicate	\$ 2,750.00	
Veterans Deductions per Duplicate	43,250.00	
Veteran and Senior Citizen Deductions Allowed by Collector	<u>1,250.00</u>	
Subtotal	47,250.00	
Less - Disallowed Senior Citizens	250.00	
		<u>47,000.00</u>
Subtotal		44,803.42
Decreased by:		
Collected		<u>47,500.00</u>
Balance Due from /(to) December 31, 2016		<u>\$ (2,696.58)</u>

TOWNSHIP OF SHAMONG
Current Fund
 Schedule of Taxes Receivable and Analysis of Property Tax Levy
 For the Year Ended December 31, 2016

Year	Balance Dec. 31, 2015	2016 Levy	Added Taxes	COLLECTIONS BY CASH		State Share of 2016 Senior Citizens and Veterans Deductions Allowed	Overpayments Applied	Transferred to Tax Title Lien	Canceled	Balance Dec. 31, 2016
				2015	2016					
2012	\$ 2,536.15	\$ -	\$ -	\$ 2,130.57	\$ -	\$ -	\$ -	\$ -	\$ 348.32	\$ 57.26
2013	1,763.62			246.83						1,516.79
2014	2,434.14			2,384.34					49.80	
2015	196,814.09			194,385.90				2,334.39	93.80	
Subtotal	203,548.00	-	-	199,147.64	-	-	-	2,334.39	491.92	1,574.05
2016	-	18,190,112.47		17,746,958.14	47,000.00	13,792.83	21,515.20	16,210.91		219,105.51
Total	\$ 203,548.00	\$ 18,190,112.47	\$ -	\$ 17,946,105.78	\$ 47,000.00	\$ 13,792.83	\$ 23,849.59	\$ 16,702.83		\$ 220,679.56

Analysis of Property Tax Levy

Tax Yield:	
General Purpose Tax	\$ 18,164,467.54
Added Taxes	25,644.93
Total	<u>\$ 18,190,112.47</u>
Tax Levy:	
Local District School Tax (Abstract)	\$ 9,541,312.00
Regional High School Tax (Abstract)	5,094,658.00
Municipal Open Space Tax	132,467.00
Municipal Open Space Tax Added Taxes	187.41
County Tax (Abstract)	2,338,883.66
County Library Tax (Abstract)	217,565.26
County Open Space Tax (Abstract)	278,461.42
County Added Taxes	4,013.60
Local Tax for Municipal Purposes	554,994.14
Additional Tax Levies	27,569.98
Total	<u>\$ 18,190,112.47</u>

TOWNSHIP OF SHAMONG
Current Fund
 Schedule of Tax Title Liens Receivable
 For the Year Ended December 31, 2016

Balance December 31, 2015		\$ 106,718.91
Increased by:		
Interest and Costs from th October 19, 2016 Tax Sale	\$ 298.49	
Transfers from Taxes Receivable	23,849.59	24,148.08
		130,866.99
Decreased by:		
Collected		
Balance December 31, 2016		\$ 130,866.99

EXHIBIT A-9

Schedule of Property Acquired for Taxes
 For the Year Ended December 31, 2016

Balance December 31, 2016 and 2015		\$ 1,050,325.00
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TOWNSHIP OF SHAMONG
Current Fund
Schedule of Revenue Accounts Receivable
For the Year Ended December 31, 2016

	Balance <u>Dec. 31, 2015</u>	Accrued in <u>2016</u>	Collected By <u>Treasurer</u>	Balance <u>Dec. 31, 2016</u>
Alcoholic Beverage Licenses	\$ -	\$ 1,814.00	\$ 1,814.00	\$ -
Municipal Court - Fines and Costs	1,836.60	36,869.56	36,143.07	2,563.09
Interest and Costs on Taxes		48,784.76	48,784.76	
Interest on Investments and Deposits		15,567.87	15,567.87	
Mobile Home Fees		37,293.00	37,293.00	
Energy Receipts Tax		470,649.00	470,649.00	
Garden State Preservation Trust		112,346.00	112,346.00	
Uniform Construction Code		114,844.00	114,844.00	
Shared Service Agreements:				
Tax Assessor - Southampton Township		30,577.00	30,577.00	
Tax Assessor - Tabernacle Township		34,755.35	34,755.35	
Tax Assessor - Burlington Township		69,786.26	69,786.26	
Construction Code, Building and Zoning Southampton Township		<u>67,320.00</u>	<u>67,320.00</u>	
Total	<u>\$ 1,836.60</u>	<u>\$ 1,040,606.80</u>	<u>\$ 1,039,880.31</u>	<u>\$ 2,563.09</u>

TOWNSHIP OF SHAMONG
Current Fund
Statement of 2015 Appropriation Reserves
For the Year Ended December 31, 2016

	BALANCE 12/31/15	Balance After Transfers	Reserve for Encumbrances	Paid or Charged	Balance Lapsed
Operations Within "CAPS":					
General Government Functions:					
Salaries and Wages - No Change	\$ 46,073.10	\$ 46,073.10	\$ -	\$ -	\$ 46,073.10
Accumulated Sick Leave Compensation	30,000.00	30,000.00		30,000.00	-
Other Expenses					
General Administration	14,756.81	14,756.81	454.42	318.91	14,892.32
Mayor and Committee	3,228.30	3,228.30			3,228.30
Municipal Clerk	11,214.67	11,214.67	534.90	534.90	11,214.67
Financial Administration	3,488.93	3,488.93	452.00	452.00	3,488.93
Audit Services	1,000.00	1,000.00			1,000.00
Revenue Administration (Tax Collection)	3,894.97	3,894.97	206.69	89.70	4,011.96
Tax Assessment Administration	14,223.00	14,223.00			14,223.00
Interest on Appeals	100.00	100.00			100.00
Legal Services & Costs	20,060.92	15,060.92	13,500.00	19,240.00	9,320.92
Engineering Services & Costs	1,291.33	6,291.33	11,139.60	17,182.49	248.44
Joint Land Use Administration (Planning Board)	6,396.36	6,396.36	2,537.64	3,754.64	5,179.36
Environmental Control	1,000.00	1,000.00			1,000.00
Rent Control	5,000.00	5,000.00			5,000.00
Liability Insurance	7,769.76	7,769.76			7,769.76
Workers Compensation	14,477.73	14,477.73			14,477.73
Employee Group Insurance	49,425.86	49,425.86			49,425.86
Other Insurance Premiums	12,388.24	12,388.24			12,388.24
Office of Emergency Management	16,638.00	16,638.00			16,638.00
Municipal Prosecutor	500.00	500.00			500.00
Streets & Roads Maintenance	127,778.27	127,778.27	171,378.39	169,050.32	130,106.34
Recycling Program	4,900.00	4,900.00			4,900.00
Buildings & Grounds	4,433.91	4,433.91	1,295.75	460.62	5,269.04
War Memorial	267.15	267.15	372.85	372.85	267.15
Board of Health	659.10	659.10			659.10
Animal Control	7,004.00	7,004.00		245.00	6,759.00
Maintenance of Parks	5,150.00	5,150.00	1,250.00	1,250.00	5,150.00
Maintenance of Lake	13,000.00	13,000.00			13,000.00
Celebration of Public Events	1,000.00	1,000.00			1,000.00
Electricity	6,459.67	6,459.67		259.58	6,200.09
Street Lights	3,276.07	3,276.07			3,276.07
Telephone	2,664.32	2,664.32			2,664.32
Natural Gas	1,674.22	1,674.22			1,674.22
Telecommunications	705.20	705.20			705.20
Gasoline/Diesel	7,597.89	7,597.89	52.00	52.00	7,597.89
Construction Official	3,215.75	3,215.75	524.70	436.32	3,304.13
Public Defender	277.08	277.08			277.08
Municipal Court	1,270.69	1,270.69		261.70	1,008.99
Contingent	5,500.00	5,500.00			5,500.00
Total Operations Including Contingent	<u>459,781.30</u>	<u>459,781.30</u>	<u>203,698.94</u>	<u>243,961.03</u>	<u>419,499.21</u>
Deferred Charges and Statutory Expenditures-					
 Municipal - Within "CAPS"					
Defined Contribution Retirement Plan	1,041.61	1,041.61			1,041.61
Social Security System (O.A.S.I.)	2,685.34	2,685.34			2,685.34
Total General Appropriations					
For Municipal Purposes Within "CAPS"	<u>463,488.25</u>	<u>463,488.25</u>	<u>203,698.94</u>	<u>243,961.03</u>	<u>423,226.16</u>
GENERAL APPROPRIATIONS:					
 Operations Excluded from "CAPS"					
L.O.S.A.P.	11,110.00	11,110.00			11,110.00
 Interlocal Municipal Service Agreements:					
Construction Code, Building & Zoning -Salaries	32,333.26	32,333.26			32,333.26
Construction Code, Building and Zoning - OE	3,000.00	3,000.00			3,000.00
Tax Assessor - Salaries	1,997.30	1,997.30			1,997.30
Tax Assessor - Other Expenses	9,000.00	9,000.00			9,000.00
Total Other Operations Excluded From "CAPS":	<u>57,440.56</u>	<u>57,440.56</u>			<u>57,440.56</u>
 Capital Improvements - Excluded From "CAPS"					
 Capital Improvement Fund					
Computer Hardware & Software	2,000.00	2,000.00			2,000.00
Total Capital Improvements - Excluded From "CAPS"	<u>2,000.00</u>	<u>2,000.00</u>			<u>2,000.00</u>
Total General Appropriations	<u>\$ 522,928.81</u>	<u>\$ 522,928.81</u>	<u>\$ 203,698.94</u>	<u>\$ 243,961.03</u>	<u>\$ 482,666.72</u>
				\$ 242,281.03	
Cash Disbursed				1,680.00	
Encumbrances Payable				<u>\$ 243,961.03</u>	

TOWNSHIP OF SHAMONG
Current Fund
 Schedule of Tax Overpayments
 For the Year Ended December 31, 2016

Balance December 31, 2015		\$ 13,792.83
Increased by:		
Collected		40,531.79
Subtotal		54,324.62
Decreased by:		
Refunds	\$ 4,790.32	
Overpayments Applied	13,792.83	18,583.15
Balance December 31, 2016		\$ 35,741.47

EXHIBIT A-13

Schedule of Prepaid Taxes
 For the Year Ended December 31, 2016

Balance December 31, 2015		\$ 125,529.88
Increased by:		
Collected		127,224.45
Subtotal		252,754.33
Decreased by:		
Applied to 2016 Taxes		125,529.88
Balance December 31, 2016		\$ 127,224.45

TOWNSHIP OF SHAMONG
Current Fund
Schedule of Local District School Taxes Payable
For the Year Ended December 31, 2016

<hr/>		
Balance December 31, 2015		
School Tax Payable	\$ 3,260,066.00	
School Tax Deferred	<u>1,395,234.00</u>	\$ 4,655,300.00
Increased by:		
Levy: School Year July 1, 2016 to June 30, 2017		<u>9,541,312.00</u>
Subtotal		14,196,612.00
Decreased by:		
Payments		<u>9,413,198.50</u>
Balance December 31, 2016		
School Tax Payable	3,318,179.50	
School Tax Deferred	<u>1,465,234.00</u>	<u>\$ 4,783,413.50</u>
2016 Liability for Local District School Tax:		
Tax Paid		\$ 9,413,198.50
Tax Payable December 31, 2016		<u>3,318,179.50</u>
Subtotal		12,731,378.00
Less:		
Tax Payable December 31, 2015		<u>3,260,066.00</u>
Amount Charged to 2016 Operations		<u>\$ 9,471,312.00</u>

TOWNSHIP OF SHAMONG
Current Fund
 Schedule of Regional High School Taxes Payable
 For the Year Ended December 31, 2016

<hr/>		
Balance December 31, 2015		
School Tax Payable	\$ 1,882,003.31	
School Tax Deferred	<u>599,662.00</u>	\$ 2,481,665.31
Increased by:		
Levy: School Year July 1, 2016 to June 30, 2017		<u>5,094,658.00</u>
Subtotal		7,576,323.31
Decreased by:		
Payments		<u>5,027,261.50</u>
Balance December 31, 2016		
School Tax Payable	1,919,399.81	
School Tax Deferred	<u>629,662.00</u>	<u>\$ 2,549,061.81</u>
2016 Liability for Regional High School Tax:		
Tax Paid		\$ 5,027,261.50
Tax Payable December 31, 2016		<u>1,919,399.81</u>
Subtotal		6,946,661.31
Less:		
Tax Payable December 31, 2015		<u>1,882,003.31</u>
Amount Charged to 2016 Operations		<u>\$ 5,064,658.00</u>

TOWNSHIP OF SHAMONG
Current Fund
 Schedule of County Taxes Payable
 For the Year Ended December 31, 2016

Balance December 31, 2015		\$ 4,194.34
Increased by:		
2016 Levy:		
General County	\$ 2,338,883.66	
County Library	217,565.26	
County Open Space	278,461.42	
Added and Omitted Taxes	<u>4,013.60</u>	
Subtotal		<u>2,838,923.94</u>
		2,843,118.28
Decreased by:		
Payments		<u>2,839,104.68</u>
Balance December 31, 2016		<u><u>\$ 4,013.60</u></u>

TOWNSHIP OF SHAMONG
Current Fund
Schedule of Due to State of NJ - UCC Fees
For the Year Ended December 31, 2016

Balance December 31, 2015	\$	3,050.00
Increased by:		
State Portion of UCC Fees		9,005.00
		12,055.00
Decreased by:		
Disbursements		8,687.00
		8,687.00
Balance December 31, 2016	\$	3,368.00

EXHIBIT A-18

Schedule of Due to State of New Jersey
for Marriage License Fees
For the Year Ended December 31, 2016

Balance December 31, 2015	\$	100.00
Increased by:		
State Portion of 2016 Marriage Licenses Fees		850.00
		850.00
Subtotal		950.00
Decreased by:		
Disbursed to State of New Jersey		750.00
		750.00
Balance December 31, 2016	\$	200.00

TOWNSHIP OF SHAMONG
Federal and State Grant Fund
 Schedule of Federal and State Grants Receivable
 For the Year Ended December 31, 2016

	Balance Dec. 31, 2015	Accrued	Received	Canceled	Balance Dec. 31, 2016
State Grants:					
Clean Communities	\$ -	\$ 23,024.76	\$ 23,024.76	-	\$ -
Municipal Alcohol Education/Rehabilitation		120.86	120.86		
Recycling Tonnage Grant		4,239.68	4,239.68		
NJDOT Tabernacle/Tuckerton Road	69,518.41		69,518.41		-
NJDOT Forked Neck Road	49,210.00				49,210.00
NJDOT Oak Shade Road		220,000.00			220,000.00
Burlington County Memorial Park Grant - 2016		150,000.00			150,000.00
Burlington County Memorial Park Grant	75,000.00		75,000.00		-
Subtotal - State Grants	<u>193,728.41</u>	<u>397,385.30</u>	<u>171,903.71</u>	<u>-</u>	<u>419,210.00</u>
Federal Grants:					
NJTTF - Old Indian Mills Road Phase 3	51,120.07			51,120.07	-
Subtotal - Federal Grants	<u>51,120.07</u>	<u>-</u>	<u>-</u>	<u>51,120.07</u>	<u>-</u>
Total	<u>\$ 244,848.48</u>	<u>\$ 397,385.30</u>	<u>\$ 171,903.71</u>	<u>\$ 51,120.07</u>	<u>\$ 419,210.00</u>

TOWNSHIP OF SHAMONG
Federal and State Grant Fund
 Schedule of Reserve For Federal and State Grants - Unappropriated
 For the Year Ended December 31, 2016

	<u>Balance Dec. 31, 2015</u>	<u>Federal and State Grant Receivable</u>	<u>Realized as Revenue In 2016</u>	<u>Balance Dec. 31, 2016</u>
State Grants:				
Recycling Tonnage Grant	\$ -	\$ -	\$ -	\$ -
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

TRUST FUND

TOWNSHIP OF SHAMONG
Trust Fund
Statement of Cash - Treasurer
For the Year Ended December 31, 2016

	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
Balance December 31, 2015	\$ 5,326.93	\$ 751,642.10	\$ 7,395.06	\$ 7,639.87	\$ 390.51	\$ 691,704.76	\$ 19,596.81	\$ 18,266.56	\$ 6,648.53	\$ -
Receipts:										
Dog License Fees:										
Municipal Licenses	2,472.80									
State Registration Fees	604.20									
Prepaid Licenses	40.00									
Municipal Alliance		0.00								
Unemployment Compensation		940.14			1,884.89			940.14		
Public Defender Fees		1,884.89								
Open Space Trust		132,658.18				132,658.18				
Multi Escrows		17,752.52					17,752.52			
Net Payroll		483,153.58						987.12	482,166.46	
Payroll Deductions		260,699.66							260,699.66	
Accumulated Absences		31,000.00								31,000.00
Due to Current Fund		0.00								
Interest Earned	18.37	1,923.31	18.02	19.36	4.07	1,818.28	12.68	46.59		4.31
Total Receipts	3,135.37	930,012.28	18.02	19.36	1,888.96	134,476.46	17,765.20	1,973.85	742,866.12	31,004.31
Disbursements:										
Expenditures Under RS4-19-15.11	128.66									
State Registration Fees	591.60									
Due from State of New Jersey		1,105.30						1,105.30		
Unemployment Claims		14,050.61				14,050.61				
Open Space Trust		17,961.56					17,961.56			
Multi Escrows		1,650.00			1,650.00				482,166.46	
Public Defender Fees		482,166.46							262,281.73	
Net Payroll		262,281.73								
Payroll Deductions Payable										
Accumulated Absences										
Due to Current Fund	8.02	891.05	891.05							
Total Disbursements	728.28	780,106.71	891.05	-	1,650.00	14,050.61	17,961.56	1,105.30	744,448.19	-
Balance December 31, 2016	\$ 7,734.02	\$ 901,547.67	\$ 6,522.03	\$ 7,659.23	\$ 629.47	\$ 812,130.61	\$ 19,400.45	\$ 19,135.11	\$ 5,066.46	\$ 31,004.31

TOWNSHIP OF SHAMONG
Trust Fund
 Statement of Reserve for Animal Control Expenditures
 For the Year Ended December 31, 2016

Balance (Deficit) December 31, 2015		\$ 5,228.71
Increased by:		
2016 Dog License Fees Collected	\$ 2,467.40	
Prepaid Applied	113.00	
		2,580.40
Total		7,809.11
Decreased by:		
Expenditures Under R.S. 4:19-15.11:		
Cash disbursed	128.66	
Statutory Excess - Due to Current Fund	363.65	
		492.31
Balance (Deficit) December 31, 2016		\$ 7,316.80

LICENSE FEES COLLECTED

<u>Year</u>	<u>Amount</u>
2014	\$ 3,998.00
2015	3,318.80
	\$ 7,316.80

TOWNSHIP OF SHAMONG
Trust - Other Funds
Statement of Reserve for Unemployment Compensation
For the Year Ended December 31, 2016

Balance December 31, 2015		\$ 19,253.68
Increased by:		
Employee Withholdings	\$ 1,015.30	
Interest Earned	<u>46.59</u>	<u>1,061.89</u>
Subtotal		20,315.57
Decreased by:		
Claims Paid		<u>1,105.30</u>
Balance December 31, 2016		<u><u>\$ 19,210.27</u></u>

EXHIBIT B-4

Statement of Reserve for Recreation Escrows
For the Year Ended December 31, 2016

Balance December 31, 2015		\$ 7,395.06
Increased by:		
Interest Earned		<u>18.02</u>
Subtotal		7,413.08
Decreased by:		
Disbursements		<u>891.05</u>
Balance December 31, 2016		<u><u>\$ 6,522.03</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, 2016

Balance December 31, 2015		\$ 7,639.87
Increased by:		
Interest Earned		19.36
Balance December 31, 2016		\$ 7,659.23

Statement of Reserve for Public Defender Fees
 For the Year Ended December 31, 2016

Balance December 31, 2015		\$ 390.51
Increased by:		
Public Defender Fees	\$ 1,884.89	
Interest Earned	4.07	1,888.96
Subtotal		2,279.47
Decreased by:		
Cash Disbursements		1,650.00
Balance December 31, 2016		\$ 629.47

TOWNSHIP OF SHAMONG
Trust - Other Funds
 Statement of Reserve for Open Space Trust
 For the Year Ended December 31, 2016

Balance December 31, 2015		\$ 691,895.94
Increased by:		
Open Space Tax Levy	\$ 132,467.00	
Added Taxes	187.41	
Interest Earned	1,818.28	134,472.69
Subtotal		826,368.63
Decreased by:		
Cash Disbursements		14,050.61
Balance December 31, 2016		\$ 812,318.02

Statement of Reserve for Tax Sale Premiums
 For the Year Ended December 31, 2016

Balance December 31, 2015		\$ 42,300.00
Increased by:		
Tax Sale Premiums		13,900.00
Subtotal		56,200.00
Decreased by:		
Disbursements		32,400.00
Balance December 31, 2016		\$ 23,800.00

TOWNSHIP OF SHAMONG
Trust - Other Funds
Statement of Reserve for Multi - Escrows
For the Year Ended December 31, 2016

Balance December 31, 2015		\$ 19,596.81
Increased by:		
Escrow Deposits	\$ 17,752.52	
Interest Earned	<u>12.68</u>	<u>17,765.20</u>
Subtotal		37,362.01
Decreased by:		
Disbursements		<u>17,961.56</u>
Balance December 31, 2016		<u><u>\$ 19,400.45</u></u>

EXHIBIT B-10

Statement of Reserve for Accumulated Absences
For the Year Ended December 31, 2016

Balance December 31, 2015		\$ -
Increased by:		
Escrow Deposits	\$ 31,000.00	
Interest Earned	<u>4.31</u>	<u>31,004.31</u>
Subtotal		31,004.31
Decreased by:		
Disbursements		<u> </u>
Balance December 31, 2016		<u><u>\$ 31,004.31</u></u>

TOWNSHIP OF SHAMONG
Trust - Other Funds
Statement of Reserve for POAA
For the Year Ended December 31, 2016

Balance December 31, 2015 and 2016	\$ <u>500.00</u>
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EXHIBIT B-12

Statement of Reserve for Professional Escrows
For the Year Ended December 31, 2016

Balance December 31, 2015 and 2016	\$ <u>52,624.00</u>
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EXHIBIT B-13

Statment of Payroll Deductions Payable
For the Year Ended December 31, 2016

Balance December 31, 2015	\$ 5,661.41
Increased by:	
Payroll Deductions Withheld	<u>260,699.66</u>
	266,361.07
Decreased by:	
Payroll Deductions Disbursed	<u>261,369.77</u>
Balance December 31, 2016	<u>\$ 4,991.30</u>

GENERAL CAPITAL FUND

TOWNSHIP OF SHAMONG
General Capital Fund
Schedule of Cash - Treasurer
For the Year Ended December 31, 2016

Balance December 31, 2015		\$ 250,392.54
Receipts:		
Due From Current Fund	\$ 9,120.00	
Current Fund - Budget Appropriation	9,120.00	
Bond Anticipation Notes	900,000.00	
Due To Current Fund	<u>301,006.95</u>	
Total Receipts		<u>1,219,246.95</u>
Subtotal		1,469,639.49
Disbursements:		
Due to Current Fund	301,006.95	
Improvement Authorizations	<u>761,608.31</u>	<u>1,062,615.26</u>
Balance December 31, 2016		<u><u>\$ 407,024.23</u></u>

TOWNSHIP OF SHAMONG
General Capital Fund
 Analysis of General Capital Cash and Investments
 For the Year Ended December 31, 2016

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	238,391.69
Total		\$ 407,024.23

TOWNSHIP OF SHAMONG
General Capital Fund
Statement of Deferred Charges to Future Taxation - Funded
For the Year Ended December 31, 2016

Balance December 31, 2015	\$ 198,147.25
Decreased By:	
Green Trust Loan Principal Paid	<u>14,765.48</u>
Balance December 31, 2016	<u>\$ 183,381.77</u>

TOWNSHIP OF SHAMONG
 General Capital Fund
 Schedule of Deferred Charges to Future Taxation - Unfunded
 For the Year Ended December 31, 2016

Ordinance Number	Improvement Description	Balance Dec. 31, 2015	2016 Authorizations	Funded By Budget Appropriation	Canceled	Balance Dec. 31, 2016	ANALYSIS OF BALANCE		
							Funded by Bond Anticipation Notes	Expenditures	Unexpended Improvement Authorizations
2011-08	Various Road and Related Improvements	\$ 250,000.00	\$ -	\$ -	\$ 250,000.00	\$ -	\$ -	\$ -	\$ -
2011-09	Acquisition of F450 Truck	9,120.00		9,120.00					
2011-09	Acquisition of Real Property	223,250.00				223,250.00	223,250.00		
2016-06	2016 Road Program		900,000.00			900,000.00	900,000.00		
	Total	\$ 482,370.00	\$ 900,000.00	\$ 9,120.00	\$ 250,000.00	\$ 1,123,250.00	\$ 1,123,250.00	\$ -	\$ -

Improvement Authorizations - Unfunded
 Less - Unexpended Proceeds from Bond Anticipation Notes:
 Ord. 2016-06
 Total \$ 238,391.69

TOWNSHIP OF SHAMONG
General Capital Fund

Statement of 1989 Green Trust Loan Payable
 For the Year Ended December 31, 2016

Purpose	Date of Issue	Original Issue	Maturities of Loan		Interest Rate	Balance Dec. 31, 2015	Increased	Decreased	Balance Dec. 31, 2016
			Outstanding December 31, 2016	Amount					
Dingletown II Recreation Area	05/01/94	\$ 3,000,000.00			2.00%	\$ 198,147.25	\$ -	\$ 14,765.48	\$ 183,381.77
	01/29/17		\$ 7,493.66		2.00%				
	07/29/17		7,568.80		2.00%				
	01/29/18		7,644.28		2.00%				
	07/29/18		7,720.73		2.00%				
	01/29/19		7,797.93		2.00%				
	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%				

TOWNSHIP OF SHAMONG
General Capital Fund
 Schedule of Improvement Authorizations
 For the Year Ended December 31, 2016

Ordinance Number	Improvement Description	Date	Ordinance Amount	Balance December 31, 2015		Capital Improvement Fund	Deferred Charges To Future Taxation - Unfunded	Paid or Charged	Canceled	Balance December 31, 2016	
				Funded	Unfunded					Funded	Unfunded
2010-09	Stoney Creek Recreation Center	08/03/10	340,000.00	\$ -	\$ 250,000.00	\$ -	\$ -	\$ 250,000.00	-	\$ -	\$ -
2011-07	Improvements to Municipal Building	07/05/11	150,000.00	37,767.98						37,767.98	
2011-09	Acquisition of F450 Truck	10/04/11	48,000.00	10.00				10.00			
2016-06	2016 Road Program	06/14/16	1,000,000.00			100,000.00	900,000.00	761,608.31			238,391.69
	Total			<u>\$ 37,767.98</u>	<u>\$ 250,010.00</u>	<u>\$ 100,000.00</u>	<u>\$ 900,000.00</u>	<u>\$ 761,608.31</u>	<u>\$ 250,010.00</u>	<u>\$ 37,767.98</u>	<u>\$ 238,391.69</u>
	Cash Disbursed							<u>\$ 761,608.31</u>			
	Deferred Charges Unfunded Fund Balance								<u>\$ 250,000.00</u>		
									<u>10.00</u>		
									<u>\$ 250,010.00</u>		

TOWNSHIP OF SHAMONG
General Capital Fund
Schedule of Capital Improvement Fund
For the Year Ended December 31, 2016

Balance December 31, 2015	\$ 138,747.00
Increased by:	
Budget Appropriation	<u>138,747.00</u>
Decreased by:	
Appropriated to Finance Improvement Authorizations	<u>100,000.00</u>
Balance December 31, 2016	<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, 2016

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2015</u>	<u>2016 Authorizations</u>	<u>Bond Anticipation Notes Issued</u>	<u>Authorization Funded</u>	<u>Canceled</u>	<u>Balance Dec. 31, 2016</u>
2010-09	Stoney Creek Recreation Center	\$ 250,000.00	-	-	-	\$ 250,000.00	-
2011-09	Acquisition of F-450 Truck	9,120.00			9,120.00		
2016-06	2016 Road Program		900,000.00	900,000.00			
	Total	<u>\$ 259,120.00</u>	<u>\$ 900,000.00</u>	<u>\$ 900,000.00</u>	<u>\$ 9,120.00</u>	<u>\$ 250,000.00</u>	<u>\$ -</u>

TOWNSHIP OF SHAMONG

PART II

Schedule of Findings and Recommendations

For the Year Ended December 31, 2016

TOWNSHIP OF SHAMONG
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2016

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, 2016

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, 2016

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

This section identifies audit findings required to be reported by 2 CFR 200 section .516 of the *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Award* and NJOMB Circular Letter 15-08, as applicable.

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, 2016:

<u>Name</u>	<u>Title</u>	<u>Amount of Coverage</u>	<u>Name Of Surety</u>
Timothy Gimbel	Mayor	*	(A)
Michael DiCroce	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)
Barbara Valenzano	Deputy Clerk	\$1,000,000.00	(A)
Cathy Lezzi	Court Administrator	\$1,000,000.00	(A)
Richard Andronici	Magistrate	*	(A)
John Holroyd	Electrical Sub-Code Official	*	(A)
Edward Toussaint	Building Sub-Code Official	*	(A)
	Construction Official	*	(A)
Patricia Coucoules	Construction Control Person	*	(A)
John Holroyd	Plumbing Sub-Code Official	*	(A)
John Holroyd	Fire Sub-Code Official	*	(A)
Douglas Heinold	Solicitor		
Dante Guzzi	Engineer		

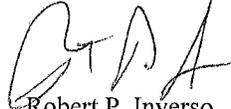
(A) All Officials & Employees are covered under Blanket Coverage with the Burlington County Joint Insurance Fund.

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. Inverso', is written over the printed name.

Robert P. Inverso
Certified Public Accountant
Registered Municipal Accountant

April 28, 2017