

TOWNSHIP OF LITTLE EGG HARBOR

**AUDIT REPORT FOR THE YEAR
ENDED DECEMBER 31, 2015**

TOWNSHIP OF LITTLE EGG HARBOR

COUNTY OF OCEAN

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**TOWNSHIP OF LITTLE EGG HARBOR
COUNTY OF OCEAN**

PART I

**INDEPENDENT AUDITOR'S REPORTS
AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015**

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members
of the Township Committee
Township of Little Egg Harbor
County of Ocean
Little Egg Harbor, New Jersey 08087

Report on the Financial Statements

We have audited the accompanying comparative statements of assets, liabilities, reserves and fund balance--regulatory basis of the various funds and account group of the Little Egg Harbor Township, County of Ocean, State of New Jersey as of December 31, 2015 and 2014, and the related comparative statements of operations and changes in fund balance--regulatory basis for the years then ended, the related statements of revenues--regulatory basis, statement of expenditures--regulatory basis, and the related notes to the financial statements for the year ended December 31, 2015.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. 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

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and 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 prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

As discussed in Note 1 to the financial statements, the Little Egg Harbor Township prepares its financial statements using accounting practices that demonstrate compliance with regulatory basis of accounting and budget laws 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 our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Little Egg Harbor Township, County of Ocean, State of New Jersey, as of December 31, 2015 and 2014, or the results of its operations and changes in fund balance for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, reserves and fund balance--regulatory basis of the various funds and account group of the Little Egg Harbor Township, County of Ocean, State of New Jersey, as of December 31, 2015 and 2014, and the results of its operations and changes in fund balance of such funds--regulatory basis for the years then ended, and the related statements of revenues--regulatory basis, statements of expenditures--regulatory basis of the various funds, and the related notes to financial statements, for the year ended December 31, 2015 in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Emphasis of Matter

Change in Accounting Principle

As discussed in Note 1 to the financial statements, during the fiscal year ended December 31, 2015 the Little Egg Harbor Township adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No.27*. Our opinion on regulatory basis of accounting is not modified with respect to this matter.

Other Matters

Report on Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements referred to in the first paragraph as a whole. 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 is not a required part of the above financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and is also not a required part of the above financial statements.

Such information is the responsibility of management and was derived from and relates 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 financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements of each of the respective individual funds and account group taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 9, 2016, on our consideration of the Little Egg Harbor Township's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Little Egg Harbor Township's internal control over financial reporting and compliance.

Respectfully submitted,

HOLMAN FRENIA ALLISON, P.C.

Kevin P. Frenia
Certified Public Accountant
Registered Municipal Accountant
No. CR 435

June 9, 2016
Medford, New Jersey

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BASIC FINANCIAL STATEMENTS

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**TOWNSHIP OF LITTLE EGG HARBOR
CURRENT FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2015 AND 2014**

ASSETS	REFERENCE	2015	2014
Operating Fund:			
Cash:			
Treasurer	A-4	\$ 7,225,488	\$ 7,265,900
Change Fund	A	<u>1,325</u>	<u>1,325</u>
Total Cash		<u>7,226,813</u>	<u>7,267,225</u>
Other Receivables:			
Due From/(To) State of New Jersey	A	<u>169,991</u>	<u>150,355</u>
Total Other Receivables		<u>169,991</u>	<u>150,355</u>
Receivables & Other Assets With Full Reserves:			
Delinquent Property Taxes Receivable	A-5	32,587	27,002
Tax Title Liens Receivable	A-6	526,052	458,308
Property Acquired/Assessed Valuation	A-7	5,757,700	5,757,700
Revenue Accounts Receivable	A-8	13,441	12,474
Due from Trust Other	B	-	2,702
Due from Payroll	D	<u>7,445</u>	<u>22,889</u>
Total Receivables		<u>6,337,225</u>	<u>6,281,075</u>
Special Emergency Appropriations:			
Superstorm Sandy	A-15	1,257,194	2,983,500
Reassessment	A	480,000	600,000
Community Disaster Loan	A	<u>4,295,320</u>	<u>3,270,539</u>
Total Deferred Charges		<u>6,032,514</u>	<u>6,854,039</u>
Total Operating Fund Assets		<u>19,766,543</u>	<u>20,552,694</u>
Federal & State Grant Fund:			
Cash - Treasurer	A-4	560,427	368,435
Grants Receivable	A-9	3,318,478	490,701
Due from Current Fund	A	<u>2,597</u>	<u>-</u>
Total Federal & State Grant Fund Assets		<u>3,881,502</u>	<u>859,136</u>
Total Assets		<u>\$ 23,648,045</u>	<u>\$ 21,411,830</u>

**TOWNSHIP OF LITTLE EGG HARBOR
CURRENT FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2015 AND 2014**

LIABILITIES RESERVES & FUND BALANCE	REFERENCE	2015	2014
Operating Fund:			
Appropriation Reserve:			
Encumbered	A-3/A-9	\$ 79,382	\$ 80,730
Unencumbered	A-3	1,766,684	1,965,247
Prepaid Taxes	A-4	544,802	209,552
Tax Overpayments	A	85,077	159,649
Due County for Added & Omitted Taxes	A	106,502	59,025
Due Municipal Open Space Tax Fund	B	52,406	69,189
Local School Taxes Payable	A-13	797,440	432,241
Regional School Taxes Payable	A-14	211,670	219,298
Special District Taxes Payable	A	15,705	10,470
Due Bass River - UCC Fees	A	5,244	902
Reserve for Tax Appeals	A-17	-	215,112
Due to State - DCA Training Fees	A	28,502	34,733
Due General Capital Fund	C	34,913	-
Due to Grant Fund	A	2,597	-
Reserve for Debt Service - Special Emergency Note Premium	A	-	6,800
Reserve for Hurricane Sandy Emergency	A-17	-	1,294,176
Reserve for Sandy Insurance Proceeds	A-17	-	431,630
Reserve for Reassessment	A-17	100,047	236,220
Reserve for Closed Escrow Accounts	A-17	54,291	-
CDL - Loan Payable	A	4,250,000	3,250,000
CDL - Interest Payable	A	45,320	20,539
Special Emergency Notes Payable	A-16	-	1,670,000
		<u>8,180,582</u>	<u>10,365,513</u>
Total Operating Liabilities			
Reserve for Receivables	A	6,337,225	6,281,075
Fund Balance	A-1	5,248,736	3,906,106
		<u>19,766,543</u>	<u>20,552,694</u>
Total Operating Fund			
Federal & State Grant Fund:			
Reserve for State Grants:			
Appropriated Reserves	A-11	3,875,014	819,407
Unappropriated Reserves	A-12	6,488	33,650
Encumbrances Payable	A-11	-	6,079
		<u>3,881,502</u>	<u>859,136</u>
Total Federal & State Grant Fund			
		<u>\$ 23,648,045</u>	<u>\$ 21,411,830</u>
Total Liabilities Reserve & Fund Balance			

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

**TOWNSHIP OF LITTLE EGG HARBOR
CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES
IN FUND BALANCE - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

	2015	2014
Revenue & Other Income Realized:		
Fund Balance Utilized	\$ 1,719,000	\$ 1,423,476
Miscellaneous Revenues Anticipated	9,818,455	6,908,377
Receipts From Delinquent Taxes	29,004	189,783
Receipts From Current Taxes	53,756,015	51,587,977
Nonbudget Revenues	134,572	198,669
Other Credits to Income:		
Tax Overpayment Adjustment	-	69,737
Prior Year Accounts Payable Cancelled	3,188	-
Unexpended Balance of Appropriation Reserves	<u>1,213,495</u>	<u>1,042,797</u>
Total Revenue & Other Income	<u>66,673,729</u>	<u>61,420,816</u>
Expenditures:		
Budget & Emergency Appropriations:		
Appropriations Within "CAPS":		
Operations:		
Salaries and Wages	8,601,900	8,545,400
Other Expenses	7,564,600	7,563,400
Deferred Charges & Statutory Expenditures	2,004,666	1,939,408
Appropriations Excluded From "CAPS":		
Operations:		
Salaries and Wages	450,000	435,000
Other Expenses	3,492,913	800,973
Capital Improvement Fund	100,000	100,000
Municipal Debt Service	1,464,719	1,342,863
Deferred Charges	1,846,306	1,594,500
County Taxes	9,324,925	9,410,070
Local District School Tax	12,755,011	12,234,233
Regional High School Tax	14,478,340	14,194,726
Special District Taxes	1,473,013	1,434,447
Municipal Open Space	55,706	69,189
Prior Year Refunds	<u>-</u>	<u>1,601</u>
Total Expenditures	<u>63,612,099</u>	<u>59,665,810</u>
Excess/(Deficit) in Revenue	3,061,630	1,755,006
Adjustments to Income before Fund Balance		
Expenditures Included Above Which Are by Statute Deferred Charges to Budget of Succeeding Years	<u>-</u>	<u>600,000</u>
Statutory Excess to Fund Balance	3,061,630	2,355,006
Fund Balance January 1,	<u>3,906,106</u>	<u>2,974,576</u>
Total	6,967,736	5,329,582
Decreased by: Utilized as Anticipated Revenue	<u>1,719,000</u>	<u>1,423,476</u>
Fund Balance December 31, 2015	<u><u>\$ 5,248,736</u></u>	<u><u>\$ 3,906,106</u></u>

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

TOWNSHIP OF LITTLE EGG HARBOR
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015

	ANTICIPATED BUDGET	ADDED BY N.J.S.40A:4-87	REALIZED	EXCESS OR (DEFICIT)
Fund Balance Anticipated	\$ 1,719,000	\$ -	\$ 1,719,000	\$ -
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	10,564	-	10,565	1
Other	75,000	-	96,040	21,040
Municipal Court	195,500	-	205,591	10,091
Interest & Cost on Taxes	90,000	-	101,126	11,126
Payments in Lieu of Taxes	63,005	-	60,896	(2,109)
Energy Receipts Tax	1,299,939	-	1,299,939	-
Uniform Construction Code Fees	1,172,629	-	1,154,157	(18,472)
Garden State Trust	149,117	-	149,117	-
Tower Rental	23,971	-	258,109	234,138
SRO Reimbursement	224,579	-	163,076	(61,503)
CATV Franchise Fees	72,814	-	76,035	3,221
Reserve for Debt Service - General Capital Fund	28,020	-	28,020	-
Reserve for Debt Service - Current Fund SEN Premium	6,800	-	6,800	-
Community Disaster Loan Proceeds	1,069,506	-	1,000,000	(69,506)
FEMA Aid Received - Hurricane Sandy	1,726,306	-	1,725,806	(500)
Additional Revenues Offset With Appropriations:				
Clean Communities Program	-	55,002	55,002	-
Ocean County Recycling Revenue Share	-	9,707	9,707	-
Body Armor Replacement	-	3,952	3,952	-
Recycling Tonnage Grant	33,650	-	33,650	-
Safe and Secure Communities	-	60,000	60,000	-
National Fish & Wildlife	-	2,130,000	2,130,000	-
National Wildlife Refuge	-	2,130	2,130	-
NJDOT Grant	-	288,267	288,267	-
Child Restraint Grant	-	1,250	1,250	-
NJ Office of Emergency Management	-	12,288	12,288	-
Ocean County Recycling Share	-	8,932	8,932	-
CDBG - HUD	-	845,000	845,000	-
CDBG	-	33,000	33,000	-
Total Miscellaneous	6,241,400	3,449,528	9,818,455	127,527
Receipts from Delinquent Taxes	175,494	-	29,004	(146,490)
Subtotal General Revenues	8,135,894	3,449,528	11,566,459	(18,963)
Amount to be Raised by Taxes for Support to Municipal Budget - Local Tax for Municipal Purposes	15,289,051	-	17,018,033	1,728,982
Budget Totals	23,424,945	3,449,528	28,584,492	1,710,019
Nonbudget Revenues	-	-	134,572	134,572
Total	\$ 23,424,945	\$ 3,449,528	\$ 28,719,064	\$ 1,844,591

ANALYSIS OF REALIZED REVENUE

Allocation of Current Tax Collections:		
Revenue From Collections		\$ 53,756,015
Allocated to - School, County & Special District Taxes		<u>38,086,995</u>
Balance for Support of Municipal Budget Revenues		15,669,020
Add: Appropriation - "Reserve for Uncollected Taxes"		<u>1,349,013</u>
Amount for Support of Municipal Budget Appropriations		<u>\$ 17,018,033</u>
Receipts From Delinquent Taxes:		
Delinquent Tax Collections		\$ (9,877)
Tax Title Lien Collections		<u>38,881</u>
Total Receipts From Delinquent Taxes		<u>\$ 29,004</u>
Analysis of Nonbudget Revenue:		
Treasurer:		
Insurance Reimbursements		\$ 49,769
Trash Cans		13,040
Restitution		3,538
Government Deals		54,286
Recycling Receipts		9,660
Other		<u>4,279</u>
Total Analysis of Nonbudget Revenue		<u>\$ 134,572</u>

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

**TOWNSHIP OF LITTLE EGG HARBOR
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015**

OPERATIONS	APPROPRIATIONS		EXPENDED			CANCEL
	BUDGET	BUDGET AFTER MODIFICATION	PAID	ENCUMBERED	RESERVED	
General Government:						
General Administration:						
Salaries and Wages	\$ 108,500	\$ 108,500	\$ 77,945	\$ -	\$ 30,555	\$ -
Other Expenses	25,000	25,000	10,890	-	14,110	-
Mayor and Committee:						
Salaries and Wages	83,000	83,000	82,304	-	696	-
Other Expenses	4,517	4,517	3,720	571	226	-
Municipal Clerk:						
Salaries and Wages	220,500	220,500	216,976	-	3,524	-
Other Expenses	63,000	63,000	54,034	624	8,342	-
Financial Administration (Treasury):						
Salaries and Wages	240,000	240,000	239,515	-	485	-
Other Expenses	85,000	85,000	68,921	737	15,342	-
Audit Services:						
Other Expenses	67,500	67,500	51,407	-	16,093	-
Revenue Administration (Tax Collection)						
Salaries and Wages	170,000	170,000	160,144	-	9,856	-
Other Expenses:						
Tax Sale Costs	20,000	20,000	5,700	2,437	11,863	-
Miscellaneous Other Expenses	25,000	25,000	15,982	2,360	6,658	-
Tax Assessment Administration:						
Salaries and Wages	231,000	231,000	230,048	-	952	-
Other Expenses	7,500	7,500	3,498	277	3,725	-
Liquidation of Tax Title Liens & Foreclosec						
Property - Other Expenses	10,000	10,000	60	-	9,940	-
Legal Services (Legal Department)						
Other Expenses	255,000	255,000	217,409	-	37,591	-
Engineering Services:						
Other Expenses	170,000	170,000	122,366	-	47,634	-
Economic Development Agencies						
Salaries and Wages	1,200	1,200	200	-	1,000	-
Other Expenses	3,500	3,500	1,817	-	1,683	-
Land Use Administration:						
Planning Board:						
Salaries and Wages	26,000	26,000	20,900	-	5,100	-
Other Expenses	15,000	15,000	118	-	14,882	-
Zoning Board of Adjustment:						
Salaries and Wages	13,000	13,000	10,200	-	2,800	-
Other Expenses	15,000	15,000	3,180	-	11,820	-
Zoning Officer:						
Salaries and Wages	56,000	56,000	54,777	-	1,223	-
Other Expenses	5,000	5,000	2,689	600	1,711	-
Insurance:						
Liability Insurance	485,000	485,000	484,108	-	892	-
Unemployment Insurance	35,000	35,000	32,920	-	2,080	-
Group Insurance for Employees	2,283,483	2,283,483	2,070,811	-	212,672	-
Health Benefit Waiver	160,000	160,000	158,203	-	1,797	-

**TOWNSHIP OF LITTLE EGG HARBOR
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015**

OPERATIONS	APPROPRIATIONS		PAID	EXPENDED		CANCEL
	BUDGET	BUDGET AFTER MODIFICATION		ENCUMBERED	RESERVED	
Public Safety Functions:						
Police Department:						
Salaries and Wages	4,875,000	4,875,000	4,797,998	-	77,002	-
Other Expenses	200,000	200,000	180,182	8,361	11,457	-
Office of Emergency Management:						
Salaries and Wages	37,500	37,500	35,000	-	2,500	-
Other Expenses	15,000	15,000	-	-	15,000	-
Aid to Volunteer Fire Company in						
Adjoining Municipality	2,400	2,400	2,400	-	-	-
First Aid Squad Contribution	70,000	70,000	-	-	70,000	-
Municipal Prosecutor:						
Other Expenses	52,500	52,500	43,050	-	9,450	-
Supplemental Safe Neighborhood:						
State Share	16,000	16,000	-	-	16,000	-
Local Share	46,000	46,000	-	-	46,000	-
Public Works Functions:						
Streets & Roads Maintenance:						
Salaries and Wages	250,000	250,000	244,138	-	5,862	-
Other Expenses	165,000	165,000	107,395	3,529	54,076	-
Solid Waste Sanitation:						
Salaries and Wages	199,000	199,000	164,341	-	34,659	-
Other Expenses	174,500	174,500	72,009	18,950	83,541	-
Solid Waste Recycling:						
Salaries and Wages	420,000	420,000	374,620	-	45,380	-
Other Expenses	36,000	36,000	19,522	527	15,951	-
Buildings & Grounds:						
Salaries and Wages	310,000	310,000	307,993	-	2,007	-
Other Expenses	101,000	101,000	90,382	8,676	1,942	-
Vehicle Maintenance:						
Salaries and Wages	195,000	195,000	194,777	-	223	-
Other Expenses	135,000	135,000	71,968	6,248	56,784	-
Municipal Services Act:						
Other Expenses	45,000	45,000	42,466	-	2,534	-
County Mosquito Control Agency:						
Salaries and Wages	12,000	12,000	2,365	-	9,635	-
Other Expenses	60,000	60,000	13,755	-	46,245	-
Health & Human Services:						
Public Health Services (Board of Health):						
Salaries and Wages	35,000	35,000	400	-	34,600	-
Other Expenses	10,000	10,000	2,867	-	7,133	-
Environmental Health Services:						
Salaries and Wages	1,200	1,200	800	-	400	-
Other Expenses	200	200	144	-	56	-
Animal Control Services:						
Other Expenses	60,000	60,000	48,662	3,249	8,089	-
Contributions to Social Service Agencies - Statutory:						
Long Beach Island Community Center	1,500	1,500	-	-	1,500	-
Providence House	5,000	5,000	70	-	4,930	-

**TOWNSHIP OF LITTLE EGG HARBOR
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015**

OPERATIONS	APPROPRIATIONS		PAID	EXPENDED		CANCEL
	BUDGET	BUDGET AFTER MODIFICATION		ENCUMBERED	RESERVED	
Park & Recreation Functions:						
Recreation Services & Programs:						
Salaries and Wages	204,000	204,000	141,968	-	62,032	-
Other Expenses	49,000	49,000	44,481	2,120	2,399	-
Senior Center/Community Activities:						
Salaries and Wages	2,500	2,500	-	-	2,500	-
Other Expenses	7,500	7,500	2,770	-	4,730	-
Utility Expenses & Bulk Purchases:						
Electricity	175,000	175,000	174,476	-	524	-
Street Lighting	375,000	375,000	331,989	-	43,011	-
Telephone	185,000	185,000	183,564	195	1,241	-
Fuel Oil/Natural Gas	40,000	40,000	31,901	392	7,707	-
Gasoline	390,000	390,000	209,961	10,912	169,127	-
Landfill/Solid Waste Disposal Costs:						
Sanitary Landfill	850,000	850,000	675,000	-	175,000	-
Uniform Construction Code Enforcement Functions:						
Construction Code Official:						
Salaries and Wages	600,000	600,000	570,253	-	29,747	-
Other Expenses	15,000	15,000	9,776	4,372	852	-
Municipal Court:						
Salaries and Wages	311,500	311,500	295,955	-	15,545	-
Other Expenses	17,500	17,500	11,967	2,938	2,595	-
Public Defender:						
Other Expenses	42,500	42,500	32,225	-	10,275	-
Other Common Operating Functions (Unclassified):						
Purchase of Fleet Vehicles	150,000	150,000	150,000	-	-	-
Municipal Alliance Council	30,000	30,000	15,841	-	14,159	-
Celebration of Public Events:						
Other Expenses	8,000	8,000	6,037	-	1,963	-
Relocation Assistance:						
Other Expenses	500	500	-	-	500	-
Schedule "C":						
Other Expenses	200,000	200,000	168,056	-	31,944	-
Accumulated Sick & Vacation Fund	100,000	100,000	100,000	-	-	-
Total Operations Within "CAPS"	16,166,500	16,166,500	14,374,366	78,075	1,714,059	-
Detail:						
Salaries and Wages	8,663,900	8,601,900	8,381,820	-	378,283	-
Other Expenses	7,502,600	7,564,600	5,992,546	78,075	1,335,776	-
Deferred Charges & Statutory Expenditures - Municipal Within "CAPS":						
Statutory Expenditures:						
Social Security System (O.A.S.I.)	670,000	670,000	670,000	-	-	-
Defined Contribution Retirement Program	3,000	3,000	1,411	-	1,589	-
Consolidated Police & Firemen's Pension	939,963	939,963	939,963	-	-	-
Public Employees Retirement System	391,703	391,703	391,703	-	-	-
Total Deferred Charges & Statutory Expenditures Within "CAPS"	2,004,666	2,004,666	2,003,077	-	1,589	-
Total General Appropriations for Municipal Purposes Within "CAPS"	18,171,166	18,171,166	16,377,443	78,075	1,715,648	-

**TOWNSHIP OF LITTLE EGG HARBOR
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015**

OPERATIONS	APPROPRIATIONS		EXPENDED			CANCEL
	BUDGET	BUDGET AFTER MODIFICATION	PAID	ENCUMBERED	RESERVED	
Operations Excluded From "CAPS":						
Public & Private Programs Offset by Revenues						
Clean Communities Program Grant	-	55,002	55,002	-	-	-
Ocean County Recycling Revenue Share	-	9,707	9,707	-	-	-
Body Armor Replacement	-	3,952	3,952	-	-	-
Recycling Tonnage Grant	33,650	33,650	33,650	-	-	-
Safe & Secure Communities	-	60,000	60,000	-	-	-
National Wildlife Refuge	-	2,130	2,130	-	-	-
National Fish & Wildlife	-	2,130,000	2,130,000	-	-	-
NJDOT Grant	-	288,267	288,267	-	-	-
NJOEM Grant	-	12,288	12,288	-	-	-
Ocean County Recycling Share	-	8,932	8,932	-	-	-
Child Restraint Grant	-	1,250	1,250	-	-	-
CDBG	-	33,000	33,000	-	-	-
CDBG - HUD	-	845,000	845,000	-	-	-
Police Dispatch/911:						
Salaries and Wages	450,000	450,000	400,157	-	49,843	-
Other Expenses	4,500	4,500	2,000	1,307	1,193	-
Supplemental Aid to Fire Districts	5,235	5,235	5,235	-	-	-
Total Operations Excluded from "CAPS"	493,385	3,942,913	3,890,570	1,307	51,036	-
Detail:						
Salaries and Wages	450,000	450,000	400,157	-	49,843	-
Other Expenses	43,385	3,492,913	3,490,413	1,307	1,193	-
Capital Improvements - Excluded from "CAPS":						
Capital Improvement Fund	100,000	100,000	100,000	-	-	-
Total Capital Improvements - Excluded from CAPS	100,000	100,000	100,000	-	-	-
Municipal Debt Service - Excluded From "CAPS"						
Payment of Bond Principal	800,000	800,000	800,000	-	-	-
Payment of Bond Anticipation Notes & Capital Notes	245,000	245,000	245,000	-	-	-
Interest on Bonds	212,075	212,075	212,075	-	-	-
Interest on Notes	103,000	103,000	102,823	-	-	177
Interest on Special Emergency Notes	21,000	21,000	20,875	-	-	125
Green Acres Trust Loan Program: Principal & Interest	84,000	84,000	83,946	-	-	54
Total Municipal Debt Service Excluded From "CAPS"	1,465,075	1,465,075	1,464,719	-	-	356
Deferred Charges - Excluded from "CAPS":						
Reassessment Special Emergency - Appropriations - 5 Years	120,000	120,000	120,000	-	-	-
Special Emergency Authorizations - 5 Years	1,726,306	1,726,306	1,726,306	-	-	-
Total Deferred Charges - Municipal - Excluded from CAPS:	1,846,306	1,846,306	1,846,306	-	-	-
Total General Appropriations Excluded From "CAPS"	3,904,766	7,354,294	7,301,595	1,307	51,036	356
Subtotal General Appropriations	22,075,932	25,525,460	23,679,038	79,382	1,766,684	356
Reserve For Uncollected Taxes	1,349,013	1,349,013	1,349,013	-	-	-
Total General Appropriations	\$ 23,424,945	\$ 26,874,473	\$ 25,028,051	\$ 79,382	\$ 1,766,684	\$ 356

Adopted Budget	\$ 23,424,945
Added by N.J.S.40A:4-87	<u>3,449,528</u>
Total	<u>\$ 26,874,473</u>
Federal & State Grants	\$ 3,483,178
Reserve for Uncollected Taxes	1,349,013
Refunds	(411,400)
Deferred Charges	1,846,306
Disbursed	<u>18,760,954</u>
Total	<u>\$ 25,028,051</u>

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

**TOWNSHIP OF LITTLE EGG HARBOR
TRUST FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2015 AND 2014**

ASSETS	REFERENCE	2015	2014
Assessment Fund:			
Cash	B-1	\$ 54,096	\$ 54,087
Total Assessment Fund		<u>54,096</u>	<u>54,087</u>
Other Funds:			
Cash - Treasurer	B-1	4,004,284	4,174,135
Cash - Collector	B-2	2,310,241	2,233,771
CDBG Receivable	B	3,600	3,600
Due from Current Fund	A	<u>52,406</u>	<u>69,189</u>
Total Other Funds		<u>6,370,531</u>	<u>6,480,695</u>
Total Assets		<u>\$ 6,424,627</u>	<u>\$ 6,534,782</u>
LIABILITIES, RESERVES & FUND BALANCE			
Assessment Fund:			
Due Current Fund	A	\$ -	\$ -
Fund Balance	B	<u>54,096</u>	<u>54,087</u>
Total Assessment Fund		<u>54,096</u>	<u>54,087</u>
Other Funds:			
Reserves for:			
Deposits for Tax Title Redemptions	B-5	2,310,241	2,233,771
Escrow Deposits	B-6	1,357,570	1,739,309
Forfeited Property	B-7	13,048	14,246
Planning Board	B-8	164,081	28,821
Recreation Trust	B-9	2,057	1,954
COAH Funds	B-14	270,400	245,833
Open Space	B-10	2,155,993	2,099,897
Community Center	B-11	3,583	3,580
Federal Forfeiture Law Enforcement Funds	B-12	8,962	20,720
Sick/Vacation Funds	B-13	84,010	89,276
POAA Funds	B	586	586
Due to Current Fund	A	<u>-</u>	<u>2,702</u>
Total Other Funds		<u>6,370,531</u>	<u>6,480,695</u>
Total Liabilities, Reserves & Fund Balance		<u>\$ 6,424,627</u>	<u>\$ 6,534,782</u>

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

TOWNSHIP OF LITTLE EGG HARBOR
GENERAL CAPITAL FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2015 AND 2014

ASSETS	REFERENCE	2015	2014
Cash & Cash Equivalents	C-2	\$ 2,209,937	\$ 3,092,385
State Road Aid Allotments Receivable	C-12	170,498	170,498
Interfund Receivable - Current	A	34,913	
Deferred Charges to Future Taxation:			
Funded	C-4	6,618,528	7,489,832
Unfunded	C-5	13,006,166	13,251,550
		<u> </u>	<u> </u>
Total Assets		<u>\$ 22,040,042</u>	<u>\$ 24,004,265</u>
LIABILITIES, RESERVES & FUND BALANCE			
Bond Anticipation Notes Payable	C-8	\$ 9,674,537	9,919,921
General Serial Bond	C-9	6,040,000	6,840,000
Green Trust Loan Payable	C-10	578,528	649,832
Capital Improvement Fund	C-6	192,394	92,394
Encumbrances Payable	C-7	199,793	200,502
Due To Ocean County - CDBG	C	3,722	3,722
Improvement Authorizations:			
Funded	C-7	98,772	254,615
Unfunded	C-7	4,596,357	5,394,233
Reserve for Receivable-State Road Aid Receivable	C	170,498	170,498
Reserve for Debt Service	C	484,913	478,020
Fund Balance	C-1	528	528
		<u> </u>	<u> </u>
Total Liabilities, Reserves & Fund Balance		<u>\$ 22,040,042</u>	<u>\$ 24,004,265</u>

There were bonds and notes authorized but not issued on December 31, 2015 of \$3,331,629 and on December 31, 2014 of \$3,331,629.

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

**TOWNSHIP OF LITTLE EGG HARBOR
PAYROLL FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2015 AND 2014**

ASSETS	REFERENCE	2015	2014
Cash - Treasurer	D-1	<u>\$ 192,496</u>	<u>\$ 129,443</u>
Total		<u><u>\$ 192,496</u></u>	<u><u>\$ 129,443</u></u>
 LIABILITIES 			
Payroll Taxes Payable	D-2	\$ 185,051	\$ 106,554
Due to Current Fund	A	<u>7,445</u>	<u>22,889</u>
Total		<u><u>\$ 192,496</u></u>	<u><u>\$ 129,443</u></u>

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

**TOWNSHIP OF LITTLE EGG HARBOR
GENERAL FIXED ASSETS ACCOUNT GROUP
COMPARATIVE STATEMENT OF FIXED ASSETS AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2015 AND 2014**

ASSETS	2015	2014
Land and Improvements	\$ 7,789,600	\$ 7,789,600
Building	10,473,776	10,443,257
Equipment	<u>11,820,754</u>	<u>10,609,775</u>
Total	<u>\$ 30,084,130</u>	<u>\$ 28,842,632</u>
FUND BALANCE		
Investment in Fixed Assets	<u>\$ 30,084,130</u>	<u>\$ 28,842,632</u>

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

**TOWNSHIP OF LITTLE EGG HARBOR
COUNTY OF OCEAN**

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015**

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TOWNSHIP OF LITTLE EGG HARBOR

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2015

Note 1. Summary of Significant Accounting Policies

Description of Financial Reporting Entity - The Township of Little Egg Harbor was incorporated in 1798 and is located in the Ocean County, New Jersey. The population according to the 2010 census was 20,065.

The form of Government is known as a Township pursuant to N.J.S.A.40A:63-1 et seq. The government consists of five (5) Committee Members who are elected at large to three (3) year staggered terms. The Mayor is elected from and by the Members of the Committee and serves a one (1) year term. Under the statutes the Mayor is the head of the government and acts as the executive branch. The Committee acts as the legislative branch of government and has executive powers not assigned to the Mayor.

Component Units - The financial statements of the component unit of the Township of Little Egg Harbor are not presented in accordance with Governmental Accounting Standards Board Statement No. 14, as amended by GASB Statements No. 39 and 61. If the provisions of GASBS No. 14, as amended by GASB Statements No. 39 and 61, had been complied with, the financial statements of the following component unit would have been either blended or discretely presented with the financial statements of the Township, the primary government:

Little Egg Harbor Municipal Utilities Authority
823 Radio Road
Post Office Box 660
Little Egg Harbor, New Jersey 08087-0660

Annual financial reports may be inspected directly at the office of this component unit during regular business hours.

Basis of Accounting, Measurement Focus and Basis of Presentation - The financial statements of the Township of Little Egg Harbor 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 of Audit 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 State of America applicable to local government units. The more significant differences are explained in this Note.

In accordance with the "Requirements", the Township of Little Egg Harbor 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 Fund – The various Trust Funds account for receipts, custodianship and disbursement of funds in accordance with the purpose for which each reserve was created.

TOWNSHIP OF LITTLE EGG HARBOR

NOTES TO THE FINANCIAL STATEMENTS (continued): FOR THE YEAR ENDED DECEMBER 31, 2015

Note 1. Summary of Significant Accounting Policies (continued):

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.

Payroll Fund – is used for the receipt and disbursements of funds used to meet obligations to employees and payroll tax liability.

General Fixed Assets Account Group – used to account for fixed assets used in general government operations.

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

An extension of the statutory dates for introduction, approval and adoption of the municipal budget may be granted by the Director of Local Government Services, with the permission of the Local Finance Board. Budgets are adopted on the same basis of accounting utilized for the preparation of the Township's financial statements. Once a budget is approved it may be amended after November 1, by a resolution adopted by the governing body.

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 and Supplies - The cost 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 balance sheets of assets, liabilities, reserves and fund balance.

General Fixed Assets – Property and equipment purchased by the Current and General Capital Fund are recorded as expenditures at the time of purchase and are not capitalized. All interest costs are recorded as expenditures when paid.

Accounting for governmental Fixed Assets, as promulgated by Technical Accounting Directive No. 85-2 as issued by the Division of Local Government Services, differs in certain respects from accounting principles generally accepted in the United States of America. The following is a brief description of the provisions of the Directive:

TOWNSHIP OF LITTLE EGG HARBOR

**NOTES TO THE FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED DECEMBER 31, 2015**

Note 1. Summary of Significant Accounting Policies (continued):

Fixed assets used in governmental operations (General Fixed Assets) are accounted for in the General Fixed Assets Account Group. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available, except for land, which is valued at estimated market value. No depreciation has been provided for in the financial statements. Donated general fixed assets are valued at their estimated fair market value on the date received.

Expenditures for construction in progress are recorded in the General Capital Fund until such time as the construction is completed and put into operation. Fixed assets acquired through grants-in-aid or contributed capital has not been accounted for separately.

	Balance December 31, <u>2014</u>	<u>Additions</u>	<u>Deletions</u>	Balance December 31, <u>2015</u>
General Fixed Assets				
Land & Improvements	\$ 7,789,600	\$ -	-	\$ 7,789,600
Buildings	10,443,257	30,519	-	10,473,776
Vehicles & Equipment	10,609,775	1,210,979	-	11,820,754
Total General Fixed Assets	\$ 28,842,632	\$ 1,241,498	\$ -	\$ 30,084,130

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.

Fund Balance – Fund Balance included in the Current Fund represent the amount available for anticipation as revenue in future year’s budgets, with certain restrictions.

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

TOWNSHIP OF LITTLE EGG HARBOR

NOTES TO THE FINANCIAL STATEMENTS (continued): FOR THE YEAR ENDED DECEMBER 31, 2015

Note 1. Summary of Significant Accounting Policies (continued):

Township's budget. Receivables for property taxes are recorded with offsetting reserves on the statement of assets, liabilities, reserves and fund balance of the Township's Current Fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due the Township, which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenues when received.

Property Tax Revenues – are collected in quarterly installments due February 1, May 1, August 1 and November 1. The amount of tax levied includes not only the amount required in support of the Township's annual budget, but also the amounts required in support of the budgets of the County of Ocean, Township of Little Egg Harbor School District and the Pineland's Regional School District. Unpaid property taxes are subject to tax sale in accordance with statutes.

School Taxes – The municipality is responsible for levying, collecting and remitting school taxes for the Township of Little Egg Harbor School District and its share of the Pinelands Regional School District. Operations is charged for the full amount required to be raised from taxation to operate the local school district and the Township's share of the Regional High School District for the period from July 1 to June 30, increased by the amount deferred at December 31, 2014 and decreased by the amount deferred at December 31, 2015.

County Taxes – The municipality is responsible for levying, collecting and remitting County taxes for the County of Ocean. 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 10th 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 10th of the current year and due to be paid to the County by February 15th of the following year.

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

Expenditures – are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when an amount is encumbered through the issuance of a numerically controlled purchase order or when a contract is executed as required by Technical Accounting Directive No. 85-1. When an expenditure is paid, the amount encumbered is simultaneously liquidated in its original amount. Encumbrances are offset by an account entitled reserve for encumbrances. The reserve is classified as a cash liability under New Jersey municipal accounting. At December 31, this reserve represents the portion of appropriation reserves that has been encumbered and is subject to the same statutory provisions as appropriation reserves.

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

TOWNSHIP OF LITTLE EGG HARBOR

NOTES TO THE FINANCIAL STATEMENTS (continued): FOR THE YEAR ENDED DECEMBER 31, 2015

Note 1. Summary of Significant Accounting Policies (continued):

Appropriation Reserves – Appropriation reserves covering unexpended appropriation balances are automatically created at year-end and recorded as liabilities, except for amounts, which may be cancelled 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.

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

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

Impact of Recently Issued Accounting Principles – *Adopted Accounting Pronouncements* – For the year ended December 31, 2015, the Township implemented GASB Statement No. 68 *Accounting and Financial Reporting for Pensions* – (Amendment to GASB Statement No. 27). The implementation of the Statement requires the Township to disclose its portion of the collective net pension liability of the New Jersey Public Employees’ Retirement System (PERS) and the New Jersey Police Firemen’s Retirement System (PFRS).

Subsequent Events – The Township has evaluated subsequent events occurring after December 31, 2015 through the date of June 9, 2016, which is the date the financial statements were available to be issued.

Note 2. Cash and Cash Equivalents

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of a bank failure, the Township’s deposits may not be recovered. Although the Township does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA is a supplemental insurance program set forth by the New Jersey Legislature to protect the deposits of local governmental agencies. The program is administered by the Commissioner of the New Jersey Department of Banking and Insurance. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Public funds owned by the Township in excess of FDIC insured amounts are protected by GUDPA.

TOWNSHIP OF LITTLE EGG HARBOR

**NOTES TO THE FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED DECEMBER 31, 2015**

Note 2. Cash and Cash Equivalents (continued):

However, GUDPA does not protect intermingled trust funds such as salary withholdings or funds that may pass to the Township relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below. As of December 31, 2015, the Township's bank balance of \$16,739,156 was exposed to custodial credit risk as follows:

Insured	\$ 450,630
Uninsured and uncollateralized	6,564,198
Collateralized in the District's Name Under GUDPA	<u>9,724,328</u>
Total	<u>\$16,739,156</u>

Note: 3: Property Taxes

The following is a three-year comparison of certain statistical information relative to property taxes and property tax collections for the current and previous two years.

Comparison of Tax Rate Information

	2015	2014	2013
Total Tax Rate	<u>\$2.349</u>	<u>\$1.862</u>	<u>\$1.804</u>
Apportionment of Tax Rate:			
Municipal	0.695	0.560	0.548
County	0.420	0.340	0.336
Local School	0.578	0.446	0.420
Regional School	0.656	0.516	0.500

Net Valuation Taxable:

2015	<u>\$ 2,206,556,290</u>	
2014		<u>\$ 2,746,713,463</u>
2013		<u>\$ 2,799,195,510</u>

Comparison of Tax Levies and Collection Currently

YEAR	TAX LEVY	CASH COLLECTIONS	PERCENTAGE OF COLLECTION
2015	\$ 53,930,406	\$ 53,756,015	99.68%
2014	52,918,979	51,587,978	97.48%
2013	52,130,022	50,799,566	97.45%

TOWNSHIP OF LITTLE EGG HARBOR

**NOTES TO THE FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED DECEMBER 31, 2015**

Note 3: Property Taxes (continued):

Delinquent Taxes and Tax Title Liens

YEAR ENDED DECEMBER 31	AMOUNT OF TAX TITLE LIENS	AMOUNT OF DELINQUENT TAXES	TOTAL DELINQUENT	PERCENTAGE OF TAX LEVY
2015	\$ 526,052	\$ 32,587	\$ 558,639	1.04%
2014	458,308	27,002	485,310	0.92%
2013	523,085	36,322	559,407	1.07%

Note 4. District School Taxes

Regulations provided for the deferral of not more than 50% of the annual levy when school taxes are raised for a school year and have not been requisitioned by the School District.

The Township has elected to defer school taxes as follows:

	BALANCE DECEMBER	
	<u>2015</u>	<u>2014</u>
Local School Taxes:		
Balance of Tax	\$6,033,737	\$5,668,538
Deferred	<u>5,236,297</u>	<u>5,236,297</u>
Tax Payable	<u>\$ 797,440</u>	<u>\$ 432,241</u>
Regional School Taxes:		
Balance of Tax	\$ 211,670	\$ 219,298
Deferred	<u>-0-</u>	<u>-0-</u>
Tax Payable	<u>\$ 211,670</u>	<u>\$ 219,298</u>

Note 5. 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 two years was as follows:

YEAR	AMOUNT
2015	\$ 5,757,700
2014	5,757,700
2013	5,757,700

TOWNSHIP OF LITTLE EGG HARBOR

NOTES TO THE FINANCIAL STATEMENTS (continued): FOR THE YEAR ENDED DECEMBER 31, 2015

Note 6. Pension Obligations

A. Public Employees' Retirement System (PERS)

Plan Description - The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PERS, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrprts.shtml.

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

The following represents the membership tiers for PERS:

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

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

Contributions - The contribution policy for PERS is set by *N.J.S.A. 15A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2015, the State's pension contribution was less than the actuarial determined amount. The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be

TOWNSHIP OF LITTLE EGG HARBOR

**NOTES TO THE FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED DECEMBER 31, 2015**

Note 6. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS) (continued):

adjusted by the rate of return on the actuarial value of assets. Township contributions to PERS amounted to \$391,703 for 2015.

The employee contribution rate was 6.92% effective July 1, 2014 and increased to 7.06% effective July 1, 2015. Subsequent increases after October 1, 2011 are being phased in over 7 years effective on each July 1st to bring the total pension contribution rate to 7.5% of base salary as of July 1, 2018.

Net Pension Liability and Pension Expense - At December 31, 2015, the Township's proportionate share of the PERS net pension liability is valued to be \$11,289,146. The net pension liability was measured as of June 30, 2015. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2014, to the measurement date of June 30, 2015. The Township's proportion of the net pension liability was based on the Township's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2015. The Township's proportion measured as of June 30, 2015, was .05029%, which was an increase of .00278% from its proportion measured as of June 30, 2014.

Balances at December 31, 2015 and December 31, 2014

	<u>12/31/15</u>	<u>12/31/14</u>
	July 1, 2015	July 1, 2014
Actuarial valuation date		
Net Pension Liability	11,289,146	8,896,021
Township's portion of the Plan's total net pension Liability	0.05029%	0.04751%

For the year ended December 31, 2015, the Township had an allocated pension expense of \$883,595.

Actuarial Assumptions – The collective total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. This actuarial valuation used the following actuarial assumptions:

	<u>PERS</u>
Measurement date	June 30, 2015
Actuarial valuation date	July 1, 2014
Investment rate of return	7.90%
Salary scale	2012-2021 - 2.15-4.40% Based on Age Thereafter - 3.15-5.40% Based on Age
Inflation rate	3.04%

TOWNSHIP OF LITTLE EGG HARBOR

**NOTES TO THE FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED DECEMBER 31, 2015**

Note 6. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS) (continued):

Mortality rates were based on the RP-2000 Combined Health Male and Female Mortality Tables (setback 1 year for males and females) for service retirement and beneficiaries of former members with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA. The RP-2000 Disabled Mortality Tables (setback 3 years for males and setback 1 year for females) are used to value disabled retirees.

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011. 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 is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	1.04%
U.S. Treasuries	1.75%	1.64%
Investment Grade Credit	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation-Indexed Bonds	1.50%	3.25%
Broad US Equities	27.25%	8.52%
Developed Foreign Equities	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds/Absolute Return	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt ex US	3.50%	-0.40%
REIT	4.25%	5.12%
Total	100.00%	

TOWNSHIP OF LITTLE EGG HARBOR

**NOTES TO THE FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED DECEMBER 31, 2015**

Note 6. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS) (continued):

Discount Rate - The discount rate used to measure the total pension liability was 4.90% as of June 30, 2015. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.90%, and a municipal bond rate of 3.80% as of June 30, 2015, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipals 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 average of the last five years of contributions made in relation to the last five years of 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 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, 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 calculated using the discount rate as disclosed above, 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 (3.90%) or 1-percentage-point higher (5.90%) than the current rate:

	<u>Decrease</u> <u>(3.90%)</u>	<u>Discount</u> <u>(4.90%)</u>	<u>Increase</u> <u>(5.90%)</u>
Township's proportionate share of the net pension liability	\$ 14,031,027	\$ 11,289,146	\$ 8,990,373

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial statements.

B. Police and Firemen's Retirement System (PFRS)

Plan Description – The State of New Jersey, Police and Firemen's Retirement System (PFRS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PFRS, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrpts.shtml.

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

TOWNSHIP OF LITTLE EGG HARBOR

**NOTES TO THE FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED DECEMBER 31, 2015**

Note 6. Pension Obligations (continued):

B. Police and Firemen’s Retirement System (PFRS) (continued):

The following represents the membership tiers for PFRS:

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

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

Contributions - The contribution policy for PFRS is set by *N.J.S.A. 43:16A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's contribution amount is based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. For fiscal year 2015, the State contributed an amount less than the actuarially determined amount. The Local employers’ contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PFRS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. Township contributions to PFRS amounted to \$939,963 for 2015.

The employee contributions for PFRS are 10.00% of employees’ annual compensation, as defined.

Special Funding Situation – Under *N.J.S.A. 43:16A-15*, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. The legislation which legally obligates the state is as follows: Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed on behalf of the local participating employers under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a non-employer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability to report in the financial statements of the local participating employers related to this legislation.

TOWNSHIP OF LITTLE EGG HARBOR

**NOTES TO THE FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED DECEMBER 31, 2015**

Note 6. Pension Obligations (continued):

B. Police and Firemen’s Retirement System (PFRS) (continued):

Net Pension Liability and Pension Expense - At December 31, 2015, the Township’s proportionate share of the PFRS net pension liability is valued to be \$21,232,756. The net pension liability was measured as of June 30, 2015. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2014, to the measurement date of June 30, 2015. The Township’s proportion of the net pension liability was based on the Township’s actual contributions to the plan relative to the total of all participating employers’ contributions for the year ended June 30, 2015. The Township’s proportion measured as of June 30, 2015, was .12747%, which was an increase of .00509% from its proportion measured as of June 30, 2014.

Balances at December 31, 2015 and December 31, 2014

	<u>12/31/15</u>	<u>12/31/14</u>
	July 1, 2015	July 1, 2014
Acturial valuation date		
Net Pension Liability	21,232,756	15,394,270
Township's portion of the Plan's total net pension Liability	0.10480%	0.10628%

For the year ended December 31, 2015, the Township had an allocated pension expense of \$2,127,550.

Additionally, the State’s proportionate share of the net pension liability attributable to the Township is \$1,862,041 as of December 31, 2015. The net pension liability was measured as of June 30, 2015. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2014, to the measurement date of June 30, 2015. The State’s proportion of the net pension liability associated with the Township was based on a projection of the Township’s long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. The State’s proportion measured as of June 30, 2015 was .12747%, which was an increase of .00509% from its proportion measured as of June 30, 2014, which is the same proportion as the Township’s.

Township's Proportionate Share of the Net Pension Liability	\$ 21,232,756
State's Proportionate Share of the Net Pension Liability Associated with the Township	<u>1,862,041</u>
Total Net Pension Liability	<u><u>\$ 23,094,797</u></u>

For the year ended December 31, 2015, the Township’s total allocated pension expense was \$2,359,813.

Actuarial Assumptions – The collective total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. This actuarial valuation used the following actuarial assumptions:

TOWNSHIP OF LITTLE EGG HARBOR

**NOTES TO THE FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED DECEMBER 31, 2015**

Note 6. Pension Obligations (continued):

B. Police and Firemen's Retirement System (PFRS) (continued):

	<u>PFRS</u>
Measurement date	June 30, 2015
Actuarial valuation date	July 1, 2014
Investment rate of return	7.90%
Salary scale	2012-2021 - 2.60-9.48% Based on Age Thereafter - 3.60-10.48% Based on Age
Inflation rate	3.04%

Mortality rates were based on the RP-2000 Combined Healthy Mortality Tables projected one year using Projection Scale AA and one year using Projection Scale BB for male service retirements with adjustments for mortality improvements from the base year based on Projection Scale BB. Mortality rates were based on the RP-2000 Combined Health Mortality Tables projected fourteen years using Projection Scale BB for female service retirements and beneficiaries with adjustments for mortality improvements from the base year of 2014 based on Projection Scale BB.

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2013.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. 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 PFRS's target asset allocation as of June 30, 2015 are summarized in the following table:

TOWNSHIP OF LITTLE EGG HARBOR

**NOTES TO THE FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED DECEMBER 31, 2015**

Note 6. Pension Obligations (continued):

B. Police and Firemen’s Retirement System (PFRS) (continued):

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	1.04%
U.S. Treasuries	1.75%	1.64%
Investment Grade Credit	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation-Indexed Bonds	1.50%	3.25%
Broad US Equities	27.25%	8.52%
Developed Foreign Equities	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds/Absolute Return	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt ex US	3.50%	-0.40%
REIT	4.25%	5.12%
Total	100.00%	

Discount Rate - The discount rate used to measure the total pension liability was 5.79% as of June 30, 2015. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.90%, and a municipal bond rate of 3.80% as of June 30, 2015, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be made on the average of the last five years of 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 2045. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2045, 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 calculated using the discount rate as disclosed above, as well as what the Township’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.79%) or 1-percentage-point higher (6.79%) than the current rate:

Decrease	Discount Rate	Increase
(4.79%)	(5.79%)	(6.79%)

Township's proportionate share of the Net Pension Liability and the State's proportionate share of the			
Net Pension Liability associated with the Township	\$ 30,446,275	\$ 23,094,797	\$ 17,100,324

TOWNSHIP OF LITTLE EGG HARBOR

**NOTES TO THE FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED DECEMBER 31, 2015**

Note 6. Pension Obligations (continued):

B. Police and Firemen’s Retirement System (PFRS) (continued):

Pension Plan Fiduciary Net Position

Detailed information about the pension plan’s fiduciary net position is available in the separately issued PERS financial statements.

Note 7: Fund Balance Appropriated

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

YEAR	BALANCE DECEMBER 31,	UTILIZED IN BUDGET OF SUCCEEDING YEAR	PERCENTAGE OF FUND BALANCE USED
CURRENT FUND:			
2015	\$ 5,248,736	\$ 2,950,000	56.20%
2014	3,906,106	1,719,000	44.01%
2013	2,974,576	1,423,476	47.85%
2012	615,361	-	0.00%
2011	819,361	204,000	24.90%

Note 8. Accrued Sick and Vacation Benefits

The Township has permitted employees to accrue unused vacation and sick pay, which may be taken as time off or paid at a later date at an agreed upon rate. The monetary value of these earned and unused employee benefits has not been accrued by either charges to operations or to budgets of prior years, although in some cases they might be material. At December 31, 2015, the Township has estimated this liability to be approximately \$1,758,822. The realization of this liability may be affected by conditions, which could preclude an employee from receiving full payment of the accrual.

Note 9. Deferred Compensation

The Township has contracted with Valic Annuity Life Insurance Company for a deferred compensation program. The Division of Local Government Services has approved the plan and contract. The investment fund balance of the program as of December 31, 2015 is \$2,178,809. The assets of this program have not been included in the financial statements.

TOWNSHIP OF LITTLE EGG HARBOR

**NOTES TO THE FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED DECEMBER 31, 2015**

Note 10. Interfund Receivables and Payables

The following interfund balances were recorded on the various balance sheets as of December 31, 2015:

Fund	Interfunds Receivable	Interfunds Payable
Current Fund	\$ 7,445	\$ 89,916
State and Federal Grant Fund	2,597	-
Trust Fund	52,406	-
General Capital Fund	34,913	-
Payroll Fund	-	7,445
Total	<u>\$ 97,361</u>	<u>\$ 97,361</u>

The purpose of these interfunds is short-term borrowings.

Note 11. Long-Term Debt

During the fiscal year ended December 31, 2015 the following changes occurred in long-term debt:

	December 31, 2014	Accrued/ Increases	Retired/ Decreases	December 31, 2015	Due Within One Year
Bond Anticipation Notes	\$ 9,919,921	\$ 9,674,537	\$ (9,919,921)	\$ 9,674,537	\$ 9,919,921
General Capital Serial Bonds	6,840,000	-	(800,000)	6,040,000	830,000
Compensated Absences	1,852,913	-	(94,091)	1,758,822	-
Community Disaster Loan	3,250,000	1,000,000	-	4,250,000	-
Special Emergency Notes	1,670,000	-	(1,670,000)	-	-
Green Trust Loan Payable	649,832	-	(71,304)	578,528	66,815
Net Pension Liability - PFRS	15,394,270	5,838,486	-	21,232,756	-
Net Pension Liability - PERS	8,896,021	2,393,125	-	11,289,146	-
Total	<u>\$ 48,472,957</u>	<u>\$ 18,906,148</u>	<u>\$ (12,555,316)</u>	<u>\$ 54,823,789</u>	<u>\$ 10,816,736</u>

The Local Bond Law governs the issuance of bonds and notes to finance general municipal capital expenditures. Bonds are retired in serial installments with the statutory period of usefulness. Bonds issued by the Township are general obligations bonds backed by the full faith and credit of the Township. Bond anticipation notes are issued to temporarily finance capital projects prior to the issuance of serial bonds. The terms of the notes cannot exceed one year but the notes may be renewed from time to time for a period not exceeding one year. All such notes must be paid no later than the tenth anniversary of the date of the original note. The State of New Jersey also prescribes that on or before the third anniversary date of the original note a payment of at least equal to the first legally payable installment of the bonds in anticipation of which such notes were issued be paid. A second legal installment must be paid if the notes are to be renewed beyond the fourth anniversary date of the original issuance and so on.

TOWNSHIP OF LITTLE EGG HARBOR

**NOTES TO THE FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED DECEMBER 31, 2015**

Note 11. Long-Term Debt (continued):

Summary of Municipal Debt	<u>Year 2015</u>	<u>Year 2014</u>	<u>Year 2013</u>
Issued & Outstanding			
General:			
Bonds, Loans & Notes	\$ 16,293,065	\$ 17,409,753	\$ 14,945,431
Authorized But Not Issued			
General - Bonds & Notes	<u>3,331,629</u>	<u>3,331,629</u>	<u>4,742,222</u>
Total Issued & Authorized but Not Issued	19,624,694	20,741,382	19,687,653
Less: Deduction to Pay Bonds & Notes	<u>484,913</u>	<u>28,020</u>	<u>17,784</u>
Total	<u><u>\$ 19,139,781</u></u>	<u><u>\$ 20,713,362</u></u>	<u><u>\$ 19,669,869</u></u>

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 0.818%

	GROSS DEBT	DEDUCTIONS	NET DEBT
Local School District Debt	\$ 22,980,000	\$ 22,980,000	\$ -
Regional School District Debt	5,778,729	5,778,729	-
General Debt	<u>19,624,694</u>	<u>484,913</u>	<u>19,139,781</u>
Total	<u><u>\$ 48,383,423</u></u>	<u><u>\$ 29,243,642</u></u>	<u><u>\$ 19,139,781</u></u>

Net Debt, \$19,139,781 divided by Equalized Valuation Basis per N.J.S.A.40A:2-2, as amended, \$2,338,644,949 equals 0.818%.

Borrowing Power Under 40A:2-6:

3 1/2% of Equalized Valuation Bases (Municipal)	\$ 81,852,573
Net Debt	<u>19,139,781</u>
Remaining Borrowing Power	<u><u>\$ 62,712,792</u></u>

TOWNSHIP OF LITTLE EGG HARBOR

**NOTES TO THE FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED DECEMBER 31, 2015**

Note 11. Long-Term Debt (continued):

As of December 31, 2015, the Township's Capital Debt is as follows:

During 2012, the Township of Little Egg Harbor issued \$5,260,000 of General Obligation Refunding Bonds dated November 2, 2012. Bonds were issued to refund the 2003 General Improvement Bonds. Payments are due each November 15th with various interest rates (2.00% to 4.00%). Net present value savings of this issue is \$200,228.97.

Schedule of Annual Debt Service for Principal and Interest for Bonded Debt Issued and Outstanding as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 830,000	\$ 183,888	\$ 1,013,888
2017	840,000	162,638	1,002,638
2018	845,000	140,237	985,237
2019	845,000	107,188	952,188
2020	830,000	84,288	914,288
2021 to 2023	1,850,000	101,150	1,951,150
Total	<u>\$ 6,040,000</u>	<u>\$ 779,389</u>	<u>\$ 6,819,389</u>

Green Acres Assistance Loan

Schedule of loan repayment as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 66,815	\$ 11,239	\$ 78,054
2017	68,158	9,896	78,054
2018	69,528	8,526	78,054
2019	70,925	7,128	78,053
2020	72,352	5,702	78,054
2021 to 2025	215,434	10,627	226,061
2026	15,316	230	15,546
Total	<u>\$ 578,528</u>	<u>\$ 53,348</u>	<u>\$ 631,876</u>

Bond Anticipation Notes (See Exhibit C-8) – Notes mature February 3, 2016 @ 1.25%-1.00%.

<u>December 31, 2014</u>	<u>Issued</u>	<u>Retired</u>	<u>December 31, 2015</u>
\$ 9,919,921	\$ 9,674,537	\$ 9,919,921	\$ 9,674,537

TOWNSHIP OF LITTLE EGG HARBOR

**NOTES TO THE FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED DECEMBER 31, 2015**

Note 12. Risk Management

The Township is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; error and omission, injuries to employees; and natural disaster. It is the policy of the Township to purchase commercial insurance for the risks of loss to which it is exposed.

Note 13. Pending Litigation

The Township is a defendant in several legal proceedings that are in various stages of litigation. No liability has been recorded in these financial statements to cover any potential liability associated with this litigation.

Note 14. Post-Retirement Health Benefits – GASB 45

The Township of Little Egg Harbor provides post-employment medical, prescription drug, dental, and vision benefits to eligible retired employees and their spouses until Medicare age is attained by either the retired employee or the spouse in the case of spousal coverage. The Township of Little Egg Harbor pays 100% of the insurance cost for the retiree.

The Township of Little Egg Harbor’s annual Other Post-Employment Benefit cost is calculated based on the Annual Required Contribution. The actuarial cost method used to determine the Plan’s funding requirements is the “Unit Credit” method. Under this method, an actuarial accrued liability is determined as the present value of the earned benefits, which is allocated to service before the current plan year. The Plan is currently unfunded. The unfunded actuarial liability is amortized over thirty years. The following table shows the changes in the Township of Little Egg Harbor’s annual Other Post-Employment Benefit cost for the year, the amount actually contributed to the Plan and changes in their net Other Post-Employment Benefit obligation to the plan:

Annual Required Contribution	\$ 1,480,000
Interest on Net Other Post-Employment Benefit	340,000
Adjustment to Annual Required Contribution	<u>(450,000)</u>
Annual Other Post-Employment Benefit	1,370,000
Contributions Made	<u>(750,000)</u>
Increase in Net OPEB Obligation	620,000
Net OPEB, Beginning of Year	<u>7,710,000</u>
Net OPEB, End of Year	<u>\$ 8,330,000</u>

The Township of Little Egg Harbor’s annual Other Post-Employment Benefit cost, the percentage of annual Other Post Employment Benefit cost contributed to the Plan, and the net Other Post Employment Benefit obligation (OPEB) for the year ending December 31, 2015 is as follows:

YEAR ENDED	ANNUAL OPEB COST	PERCENTAGE CONTRIBUTED	NET OPEB OBLIGATION
12/31/15	\$1,370,000	54.7%	\$8,330,000

TOWNSHIP OF LITTLE EGG HARBOR

NOTES TO THE FINANCIAL STATEMENTS (continued): FOR THE YEAR ENDED DECEMBER 31, 2015

Note 14. Post-Retirement Health Benefits (continued):

Actuarial assumptions were used to value the post-retirement medical liabilities. Actuarial assumptions were based on the actual experience of the covered group, to the extent that creditable experience data was available, with an emphasis on expected long-term future trends rather than giving undue weight to recent past experience. The reasonableness of each actuarial assumption was considered independently based on its own merits, its consistency with each other assumption, and the combined impact of all assumptions.

Two economic assumptions used in the valuation are the discount rate and the health care cost trend rates. The economic assumptions are used to account for changes in the cost of benefits over time and to discount future benefit payments for the time value of money.

The investment return assumption (discount rate) should be the estimated long-term investment yield on the investments that are expected to be used to finance the payments of benefits. The investments expected to be used to finance the payments of benefits would be plan assets for funded plans, assets of the employer for pay-as-you-go plans, or a proportionate combination of the two for plans that being partially funded. We assumed a discount rate of 4.5 percent for purposes of developing the liabilities and Annual Required Contribution on the basis that the Plan would not be funded. We based medical claims cost for retirees on an annual average claims cost of approximately \$22,700 per covered retiree for family coverage and \$10,500 for single coverage. The average claims cost was based on an equitable blending of the Traditional and Direct Access benefit costs. We assumed health care costs would increase annually at a rate of 9.5% the first year, decrease by 0.5% per year through year 10 to 5% thereafter.

The Township of Little Egg Harbor currently has twelve eligible retired employees receiving retirement benefits. The net Other Post-Employment Benefit obligation to the Township of Little Egg Harbor to provide benefits to the retiree for the year ended December 31, 2015, was \$8,330,000.

Note 15. Hurricane Sandy and FEMA Aid

On October 29th of 2012, Hurricane Sandy made landfall on the New Jersey coast and caused significant damage to coastal towns including Little Egg Harbor Township. The extensive damage caused the Township to issue a Special Emergency in their 2012 budget in the amount of \$12 million in order to pay for all storm related costs. In addition, the Township issued a \$3 million special emergency note on December 19, 2012 and an additional \$9 million special emergency note on January 11, 2013 to provide necessary cash flow related to storm costs. The total cost of the storm is estimated to be \$6 million with the anticipation of seventy-five percent to be reimbursed by the federal government through FEMA aid. As of December 2015, \$4.6 million in FEMA aid has been received by the Township. In addition, during 2013, \$6 million of the \$12 million special emergency was cancelled by the Township.

On March 24, 2014 the Office of Inspector General issued its audit report on the FEMA Debris Removal project. The report identified \$689,138 of costs claimed by the Township that would be disallowed unless the Township provided FEMA with supporting or additional documentation for the costs. The Township expects the majority of these costs to be reimbursed once the additional documentation is reviewed.

TOWNSHIP OF LITTLE EGG HARBOR

**NOTES TO THE FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED DECEMBER 31, 2015**

Note 16. Community Disaster Loan

On April 5, 2013, the Township submitted a formal request for a FEMA Community Disaster Loan (CDL) in the amount of \$4,319,506 in relation to Hurricane Sandy losses and expenditures. On March 28, 2013, the Township approved a resolution to amend the 2013 Budget by \$1,750,000, the amount of the CDL that was awarded in 2013. During 2014, an additional \$1,500,000 was received. During 2015, an additional \$1,000,000 was received.

The interest rate on the loan is the U.S. Treasury rate for 5-year maturities on the date the Promissory Note is executed, in this case June 13, 2013 when the interest rate was 0.625%. The term of the loan is usually 5 years, but may be extended. Interest accrues on the funds as they are disbursed. When applicable, the Assistance Administrator of the Disaster Assistance Directorate may cancel repayment of all or part of the loan if the revenues of the applicant in the three fiscal years following the financial year of the disaster are insufficient to meet the operating budget because of disaster related revenue losses and un-reimbursed disaster related operating expenses. As of December 31, 2015 the Current Fund has recorded a loan payable in the amount of \$4,250,000 with \$45,320 of accrued interest. The loan comes to maturity on May 1, 2018.

SUPPLEMENTARY EXHIBITS

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CURRENT FUND

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**TOWNSHIP OF LITTLE EGG HARBOR
CURRENT FUND
SCHEDULE OF CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2015**

	CURRENT FUND	STATE & FEDERAL GRANT FUND
Balance December 31, 2014	\$ 7,265,900	\$ 368,435
Increased by Receipts:		
Taxes Receivable	\$ 52,836,768	
Tax Title Liens Receivable	38,881	
Due From State - Senior Citizen & Veteran Deductions	361,984	
Revenue Accounts Receivable	4,602,671	
Miscellaneous Revenue Not Anticipated	134,572	
Prepaid Taxes	544,802	
Tax Sale - Utility	351,562	
Refunds of Current Year Appropriations	411,400	
Due Bass River	5,604	
Construction Fees Due State of New Jersey	65,209	
Due to Grant Fund	2,597	
Interfund Received	15,660	
Reserve for Closed Escrow	54,291	
Tax Overpayments Received	174,619	\$ -
Federal & State Grants Unappropriated		6,488
Federal & State Grants Receivable		619,155
	59,600,620	625,643
Total Receipts		
Subtotal	66,866,520	994,078
Decreased by Disbursements:		
2015 Appropriations	18,760,954	
Appropriation Reserves	751,752	
Encumbrances Payable	80,730	
County Taxes Payable	9,342,449	
Due County for Added & Omitted Taxes	59,025	
Local District School Tax	12,389,812	
Regional High School Tax	14,485,968	
Special District Taxes	1,467,778	
Construction Fees Due State of NJ	71,440	
Refund Tax Overpayments	93,031	
Bass River Construction Fees	1,262	
Reserve for Reassessment	40,482	
Reserve for Tax Appeals	5,598	
Due MUA	351,562	
Due to Open Space	69,189	
Special Emergency Notes	1,670,000	
Federal & State Grants - Appropriated		433,651
	59,641,032	433,651
Total Disbursements		
Balance December 31, 2015	\$ 7,225,488	\$ 560,427

**TOWNSHIP OF LITTLE EGG HARBOR
CURRENT FUND
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY
FOR THE YEAR ENDED DECEMBER 31, 2015**

YEAR	BALANCE DECEMBER 31, 2014	2015 LEVY	ADDED TAXES	COLLECTED 2014	COLLECTED 2015	SENIOR CITIZENS & VETERANS	OVERPAYMENT APPLIED	OVERPAYMENT CREATED	CANCELED	TRANSFERRED TO TAX TITLE LIENS	BALANCE DECEMBER 31, 2015
2009	\$ 1,626		\$ -	\$ -	\$ -	\$ -	\$ 6,975	\$ 6,975	\$ -	\$ -	\$ 1,626
2010	1,761		-	-	-	-	6,975	6,975	-	-	1,761
2011	1,803		-	-	250	(250)	6,975	6,975	-	-	1,803
2012	3,124		-	-	250	(250)	8,647	15,714	7,067	-	3,124
2013	4,458		-	-	606	(606)	14,979	14,979	6,330	-	4,458
2014	14,230		-	-	16,396	(7,322)	19,666	25,220	6,553	(1,470)	5,627
Total 2015	27,002	53,335,794	594,612	546,208	17,502 52,819,266	(8,428) 390,049	57,887 98,273	76,838 97,781	19,950 52,108	(1,470) 108,095	18,399 14,188
Total	\$ 27,002	\$53,335,794	\$ 594,612	\$ 546,208	\$ 52,836,768	\$ 381,621	\$ 156,160	\$ 174,619	\$ 72,058	\$ 106,625	\$ 32,587

ANALYSIS OF 2015 PROPERTY TAX LEVY:

Tax Yield:	
General Property Tax	\$ 51,862,781
Special District	1,473,013
Added Taxes (54:4-63.1 et. seq.)	<u>\$ 53,930,406</u>
Total Tax Yield	<u><u>\$ 53,930,406</u></u>

Tax Levy:	
Local School District Tax (Abstract)	\$ 12,755,011
Regional High School Tax (Abstract)	14,478,340
Municipal Open Space (Abstract)	55,163
Municipal Open Space (Added)	543
County Taxes:	
County Tax (Abstract)	\$ 7,817,249
County Library Tax (Abstract)	845,976
County Health Services (Abstract)	304,455
County Open Space	267,495
Due County for Added Taxes (54:4-63.1 et.seq.)	<u>89,750</u>
Total County Taxes	9,324,925

Fire District #1 (Amount Certified)	570,268
Fire District #2 (Amount Certified)	573,145
Fire District #3 (Amount Certified)	<u>329,600</u>
Total Special District Taxes	1,473,013
Local Tax for Municipal Purposes	
Add: Additional Tax Levied	<u>15,843,411</u>
Total Tax Levy	<u><u>\$ 53,930,406</u></u>

**TOWNSHIP OF LITTLE EGG HARBOR
CURRENT FUND
SCHEDULE OF TAX TITLE LIENS
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014		\$ 458,308
Increased by:		
Transfers from Taxes Receivable	\$ 106,625	
Adjustment to Liens	-	
Interest & Costs Accrued by Sale	-	106,625
Subtotal		564,933
Decreased by:		
Collections		38,881
Balance December 31, 2015		\$ 526,052

**SCHEDULE OF PROPERTY ACQUIRED FOR TAXES
(AT ASSESSED VALUATION)
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2015 and 2014		\$ 5,757,700
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**TOWNSHIP OF LITTLE EGG HARBOR
CURRENT FUND
STATEMENT OF REVENUE ACCOUNTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2015**

	BALANCE DECEMBER 31, 2014	ACCRUED IN 2015	TREASURER	BALANCE DECEMBER 31, 2015
Miscellaneous Revenue Anticipated:				
Licenses - Alcoholic Beverages	\$ -	\$ 10,565	\$ 10,565	\$ -
Fees & Permits	-	96,040	96,040	-
Municipal Court	12,474	206,558	205,591	13,441
Interest & Costs on Taxes	-	101,126	101,126	-
Payments in Lieu of Taxes	-	60,896	60,896	-
Energy Receipts Tax	-	1,299,939	1,299,939	-
Garden State Trust	-	149,117	149,117	-
Uniform Construction Code Fees	-	1,154,157	1,154,157	-
Tower Rental	-	258,109	258,109	-
SRO Officer	-	163,076	163,076	-
Cable TV	-	76,035	76,035	-
Community Disaster Loan	-	1,000,000	1,000,000	-
Reserve for Debt Service	-	28,020	28,020	-
	<hr/>			
Total	\$ 12,474	\$ 4,603,638	\$ 4,602,671	\$ 13,441
	<hr/>			
			\$ 4,602,671	
			<hr/>	
			\$ 4,602,671	
			<hr/>	

**TOWNSHIP OF LITTLE EGG HARBOR
CURRENT FUND
SCHEDULE OF 2014 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2015**

	BALANCE DECEMBER 31, 2014	BALANCE AFTER TRANSFERS	PAID OR CHARGED	BALANCE LAPSED
General Government:				
General Administration:				
Other Expenses	\$ 22,456	\$ 22,456	\$ 1,000	\$ 21,456
Mayor and Committee:				
Other Expenses	1,828	1,828	683	1,145
Municipal Clerk:				
Other Expenses	5,596	5,596	4,553	1,043
Financial Administration (Treasury)				
Other Expenses	18,487	18,487	11,071	7,416
Audit Services:				
Other Expenses	11,000	11,000	10,000	1,000
Revenue Administration (Tax Collection):				
Other Expenses:				
Tax Sale Costs	12,600	12,600	517	12,083
Miscellaneous Other Expenses	6,166	6,166	1,380	4,786
Tax Assessment Administration:				
Other Expenses	5,822	5,822	278	5,544
Liquidation of Tax Title Liens & Foreclosed				
Property - Other Expenses	7,908	7,908	7,000	908
Legal Services (Legal Department):				
Other Expenses	64,939	64,939	15,948	48,991
Engineering Services:				
Other Expenses	25,083	25,083	4,162	20,921
Land Use Administration:				
Zoning Board of Adjustment:				
Other Expenses	8,698	8,698	1,339	7,359
Zoning Officer:				
Other Expenses	3,167	3,167	1,071	2,096
Insurance:				
Group Insurance for Employees	404,054	404,054	198,007	206,047
Health Benefit Waiver	3,041	3,041	3,041	-
Public Safety Functions:				
Police Department:				
Salaries and Wages	293,153	293,153	293,153	-
Other Expenses	20,325	20,325	20,025	300
Municipal Prosecutor:				
Other Expenses	17,500	17,500	3,750	13,750
Public Works Functions:				
Streets & Roads Maintenance:				
Other Expenses	74,086	74,086	46,673	27,413
Solid Waste Sanitation:				
Salaries and Wages	16,865	16,865	10,000	6,865
Other Expenses	21,090	21,090	20,275	815
Solid Waste Recycling:				
Other Expenses	10,773	10,773	5,849	4,924
Buildings & Grounds:				
Other Expenses	13,123	13,123	12,249	874
Vehicle Maintenance:				
Other Expenses	13,961	13,961	9,870	4,091
County Mosquito Control Agency:				
Other Expenses	44,977	44,977	2,475	42,502
Health & Human Services:				
Public Health Services (Board of Health):				
Other Expenses	7,461	7,461	760	6,701
Environmental Health Services:				
Other Expenses	2,000	2,000	290	1,710
Animal Control Services:				
Other Expenses	11,618	11,618	1,529	10,089
Contributions to Social Service Agencies - Statutory				
Providence House	3,670	3,670	210	3,460
Park & Recreation Functions:				
Recreation Services & Programs:				
Other Expenses	3,311	3,311	1,533	1,778
Senior Center/Community Activities				
Other Expenses	6,237	6,237	306	5,931
Utility Expenses & Bulk Purchases:				
Electricity	25,846	25,846	14,908	10,938
Street Lighting	31,533	31,533	31,533	-
Telephone	64,468	64,468	22,696	41,772
Gasoline	104,236	104,236	1,551	102,685
Natural Gas	15,662	15,662	1,979	13,683
Landfill/Solid Waste Disposal Costs:				
Sanitary Landfill	116,809	116,809	50,000	66,809
Uniform Construction Code Enforcement Functions:				
Construction Code Official:				
Other Expenses	4,239	4,239	1,119	3,120
Municipal Court:				
Other Expenses	4,579	4,579	1,945	2,634
Public Defender:				
Other Expenses	2,850	2,850	2,850	-
Other Common Operating Functions (Unclassified):				
Schedule "C":				
Other Expenses	31,100	31,100	7,367	23,733
Deferred Charges & Statutory Expenditures -				
Municipal Within "CAPS":				
Public Employees Retirement				
System	38,780	38,780	7,537	31,243
All Others	444,880	444,880	-	444,880
Total	<u>\$ 2,045,977</u>	<u>\$ 2,045,977</u>	<u>\$ 832,482</u>	<u>\$ 1,213,495</u>
2014 Appropriation Reserves	\$ 1,965,247			
2014 Encumbrances	<u>80,730</u>			
Total	<u>\$ 2,045,977</u>			

**TOWNSHIP OF LITTLE EGG HARBOR
CURRENT FUND
SCHEDULE OF STATE AND FEDERAL GRANTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2015**

GRANT	BALANCE DECEMBER 31, 2014	ANTICIPATED REVENUE	RECEIVED	TRANSFERRED FROM UNAPPROPRIATED	BALANCE DECEMBER 31, 2015
NJOEM Grant	\$ -	\$ 12,288	\$ 12,267	-	\$ 21
Safe & Secure Communities Program	60,000	-	60,000	-	-
CDBG - 2015	-	33,000	7,151	-	25,849
966 Reimbursement Grant	787	-	-	-	787
Recycling Tonnage Grant	-	33,650	-	33,650	-
Neighborhood Community Revitalization Grant	-	845,000	-	-	845,000
Coastal Zone Management	15,000	-	-	-	15,000
Municipal Recycling Grant	15,875	-	15,875	-	-
Child Restraint Grant	-	1,250	-	-	1,250
Municipal Aid Road Program - Oak Lane	-	288,267	-	-	288,267
National Fish & Wildlife	-	2,130,000	274,620	-	1,855,380
Recycling Revenue Sharing 2015	-	8,933	8,933	-	-
Safe & Secure Communities - 2015	-	60,000	60,000	-	-
Recycling Revenue Share	-	9,707	9,707	-	-
National Wildlife Refuge	-	2,130	2,130	-	-
Clean Communities Program	-	55,002	55,002	-	-
NJ DOT Municipal Aid Program	47,500	-	47,500	-	-
Post Sandy Planning Assistance	267,094	-	-	-	267,094
CDBG	84,445	-	64,615	-	19,830
Body Armor Grant	-	3,952	3,952	-	-
Total	\$ 490,701	\$ 3,483,179	\$ 621,752	\$ 33,650	\$ 3,318,478

Cash Receipts
Due from Current Fund

Total

\$ 619,155
<u>2,597</u>
<u>\$ 621,752</u>

TOWNSHIP OF LITTLE EGG HARBOR
CURRENT FUND
SCHEDULE OF RESERVES FOR STATE AND FEDERAL GRANTS - APPROPRIATED
FOR THE YEAR ENDED DECEMBER 31, 2015

APPROPRIATION	BALANCE DECEMBER 31, 2014	2015 BUDGET APPROPRIATION	ENCUMBRANCES RECLASSIFIED	EXPENDED	ADJUSTED	BALANCE DECEMBER 31, 2015
State:						
Clean Communities - 2014	\$ 37,467	\$ -	\$ -	\$ 37,467	\$ -	\$ -
Body Armor Replacement Fund - 2015	-	3,952	-	-	-	3,952
Alcohol Education & Rehabilitation	6,455	-	-	-	-	6,455
Safe and Secure Communities	45,000	-	-	-	-	45,000
Bulletproof Vest Program	-	-	18	18	-	-
NJOEM Grant	-	12,288	-	12,267	-	21
Drunk Driving Enforcement Fund	3,000	-	-	-	-	3,000
Clean Communities - 2015	-	55,002	-	14,505	-	40,497
Safe and Secure Communities - 2015	-	60,000	-	-	-	60,000
NJDOT Municipal Aid Program - 2014	188,466	-	-	348	-	188,118
NJDEP - Recycling Tonnage	15,875	-	-	-	-	15,875
Recycling Revenue and Residue	18,600	-	-	-	-	18,600
Body Armor Replacement Fund	7,878	-	6,061	8,427	-	5,512
Child Restraint Grant	-	1,250	-	-	-	1,250
Safe and Secure Communities	120,000	-	-	-	-	120,000
Municipal Road Program - Oak Lane	-	288,267	-	1,810	-	286,457
NJ EDA - Neighborhood Community Revitalization Grant	-	845,000	-	25,853	-	819,147
966 Reimbursement	811	-	-	-	-	811
Costal Zone Management	15,000	-	-	-	-	15,000
Post Sandy Planning Assistance	243,271	-	-	179,267	-	64,004
Total State	701,823	1,265,759	6,079	279,962	-	1,693,699
Federal:						
National Fish & Wildlife	-	2,130,000	-	116,072	-	2,013,928
CDBG 2015	-	33,000	-	-	-	33,000
CDBG 2013	37,000	-	-	37,000	-	-
National Wildlife Refuge	-	2,130	-	-	-	2,130
CDBG 2014	41,254	-	-	617	-	40,637
Total Federal	78,254	2,165,130	-	153,689	-	2,089,695
Local:						
Recycling Tonnage Grant - County	13,498	-	-	-	-	13,498
Recycling Tonnage Grant - 2015	-	33,650	-	-	-	33,650
Ocean County Recycling Revenue and Residue	-	8,933	-	-	-	8,933
Ocean County Recycling Revenue Sharing - 2015	-	9,707	-	-	-	9,707
Ocean County Recycling Revenue Sharing	25,832	-	-	-	-	25,832
Total Local	39,330	52,290	-	-	-	91,620
Total	\$ 819,407	\$ 3,483,179	\$ 6,079	\$ 433,651	\$ -	\$ 3,875,014
Cash Disbursements				\$ 433,651		
Encumbrances				-		
Total				\$ 433,651		

TOWNSHIP OF LITTLE EGG HARBOR
FEDERAL AND STATE GRANT FUND
SCHEDULE OF RESERVES FOR STATE GRANTS - UNAPPROPRIATED
FOR THE YEAR ENDED DECEMBER 31, 2015

GRANT	BALANCE DECEMBER 31, 2014	TRANSFERRED TO 2015 GRANT APPROPRIATED	RECEIVED	BALANCE DECEMBER 31, 2015
State Grants:				
Recycling Tonnage Grant	\$ 33,650	\$ 33,650	\$ -	\$ -
Department of Justice Grant	-	-	1,488	1,488
Safe and Secure Communities	-	-	5,000	5,000
Total Grants	\$ 33,650	\$ 33,650	\$ 6,488	\$ 6,488

**TOWNSHIP OF LITTLE EGG HARBOR
CURRENT FUND
SCHEDULE OF LOCAL DISTRICT TAX
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014:		
School Tax Deferred	\$ 5,236,297	
School Tax Payable	<u>432,241</u>	5,668,538
Increased by Levy:		
School Year July 1, 2015 - June 30, 2016		<u>12,755,011</u>
Subtotal		18,423,549
Decreased by:		
Payments		<u>12,389,812</u>
Subtotal		6,033,737
Balance December 31, 2015:		
School Tax Deferred	5,236,297	
School Tax Payable	<u>797,440</u>	
Balance December 31, 2015		<u><u>\$ 6,033,737</u></u>

ANALYSIS OF AMOUNT CHARGED TO OPERATIONS

2015 Payments	\$ 12,389,812
Less School Taxes Payable at December 31, 2014	432,241
Plus School Taxes Payable at December 31, 2015	<u>797,440</u>
Amount Charged to 2015 Operations	<u><u>\$ 12,755,011</u></u>

**SCHEDULE OF REGIONAL HIGH SCHOOL TAX PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014	\$ 219,298
Increased by:	
Levy - July 1, 2015 to June 30, 2016	<u>14,478,340</u>
Subtotal	14,697,638
Decreased by:	
Payments	<u>14,485,968</u>
Balance December 31, 2015	<u><u>\$ 211,670</u></u>

**TOWNSHIP OF LITTLE EGG HARBOR
CURRENT FUND
SCHEDULE OF SPECIAL EMERGENCY APPROPRIATIONS N.J.S. 40A:4-53
FOR THE YEAR ENDED DECEMBER 31, 2015**

DATE AUTHORIZED	PURPOSE	NET AMOUNT AUTHORIZED	1/5 OF NET AMOUNT AUTHORIZED	BALANCE DECEMBER 31, 2014	ADDED IN 2015	DECREASED BY RAISED IN BUDGET	BALANCE DECEMBER 31, 2015
11/19/2012	Superstorm Sandy	\$ 12,000,000	\$ 2,400,000	\$ 2,983,500	\$ -	\$ 1,726,306	\$ 1,257,194
	Total			\$ 12,203,480	\$ -	\$ 1,726,306	\$ 1,257,194

**TOWNSHIP OF LITTLE EGG HARBOR
CURRENT FUND
SCHEDULE OF SPECIAL EMERGENCY NOTES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2015**

<u>Description</u>	<u>DATE OF ISSUE</u>	<u>DATE OF MATURITY</u>	<u>INTEREST RATE</u>	BALANCE DECEMBER 31, 2014	CASH <u>RECEIPTS</u>	CASH <u>DISBURSEMENTS</u>	BALANCE DECEMBER 31, 2015
Special Emergency Note Payable	12/18/14	12/18/15	1.25%	\$ 1,670,000	\$ -	\$ 1,670,000	\$ -
Total				\$ 1,670,000	\$ -	\$ 1,670,000	\$ -

**TOWNSHIP OF LITTLE EGG HARBOR
CURRENT FUND
SCHEDULE OF VARIOUS RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2015**

	BALANCE DECEMBER 31, <u>2014</u>	<u>INCREASED</u>	<u>DECREASED</u>	BALANCE DECEMBER 31, <u>2015</u>
Reserve for Tax Appeals	\$ 215,112	\$ -	\$ 215,112	\$ -
Reserve for Hurricane Sandy Emergency	1,294,176	-	1,294,176	-
Reserve for Sandy Insurance Proceeds	431,630	-	431,630	-
Reserve for Closed Escrow Accounts	-	54,291	-	54,291
Reserve for Reassessment	<u>236,220</u>	<u>-</u>	<u>136,173</u>	<u>100,047</u>
	<u>\$ 2,177,138</u>	<u>\$ 54,291</u>	<u>\$ 2,077,091</u>	<u>\$ 154,338</u>

TRUST FUND

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**TOWNSHIP OF LITTLE EGG HARBOR
TRUST FUND
SCHEDULE OF CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2015**

	TRUST OTHER		TRUST ASSESSMENT
Balance December 31, 2014	\$ 4,174,135		\$ 54,087
Increased by Receipts:			
Escrow Fees	\$ 615,208		\$ -
Planning Board	162,770		-
Open Space	1,275,830		-
Community Center	3		-
Forfeited Funds	4,499		-
COAH Fees	61,996		-
Sick/Vacation Funds	382,991		-
Federal Forfeiture	3,221		-
Interfunds Received	69,890		-
Interest	-		9
	2,576,408		9
Subtotal	6,750,543		54,096
Decreased by Disbursements:			
Escrow Fees	996,947		-
Planning Board	27,510		-
Open Space	1,275,440		-
COAH Fees	37,429		-
Sick/Vacation Funds	388,257		-
Federal Forfeiture	14,979		-
Forfeited Funds	5,697		-
	2,746,259		-
Balance December 31, 2015	\$ 4,004,284		\$ 54,096

**SCHEDULE OF CASH - COLLECTOR - TAX TITLE LIEN REDEMPTION
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014			\$ 2,233,771
Increased by Receipts:			
Due from Current Fund		\$ -	
Deposits for Redemption of Tax Sale Certificates		3,688,836	3,688,836
Subtotal			5,922,607
Decreased by Disbursements:			
Refunds - Tax Sale Certificates Redeemed			3,612,366
Balance December 31, 2015			\$ 2,310,241

**TOWNSHIP OF LITTLE EGG HARBOR
TRUST FUND
SCHEDULE OF CASH - DOG WARDEN
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014	\$	-
Increased by Receipts:		
Dog License Fees	\$	1,339
State Dog License Fees		7,797
		7,797
Subtotal		
		7,797
Decreased by Disbursements:		
Disbursements to State of New Jersey		1,339
Disbursements for Dog License Expenses		6,458
		7,797
Balance December 31, 2015	\$	-

**SCHEDULE OF RESERVE FOR DOG FUND EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2015**

LICENSE FEES COLLECTED

YEAR	AMOUNT
2014	\$ 7,145
2013	6,989
	14,134
Total	\$ 14,134

**SCHEDULE OF DEPOSITS FOR REDEMPTION OF TAX SALE CERTIFICATES
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014	\$	2,233,771
Increased by Receipts:		
Deposits Received - Collector		3,688,836
		3,688,836
Subtotal		
		5,922,607
Decreased by Disbursements:		
Refunds - Tax Sale Certificates		3,612,366
		3,612,366
Balance December 31, 2015	\$	2,310,241

**TOWNSHIP OF LITTLE EGG HARBOR
TRUST FUND
SCHEDULE OF RESERVE FOR ESCROW DEPOSITS
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014	\$ 1,739,309
Increased by:	
Escrow Deposits Received	615,208
Subtotal	2,354,517
Decreased by:	
Disbursements	996,947
Balance December 31, 2015	\$ 1,357,570

**SCHEDULE OF RESERVE FOR FORFEITED PROPERTY
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014	\$ 14,246
Increased by:	
Cash Receipts	4,499
Subtotal	18,745
Decreased by:	
Disbursements	5,697
Balance December 31, 2015	\$ 13,048

**TOWNSHIP OF LITTLE EGG HARBOR
TRUST FUND
SCHEDULE OF RESERVE FOR PLANNING BOARD
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014	\$ 28,821
Increased by:	
Planning Board Fees	<u>162,770</u>
Subtotal	191,591
Decreased by:	
Escrow Fees	<u>27,510</u>
Balance December 31, 2015	<u><u>\$ 164,081</u></u>

**SCHEDULE OF RESERVE FOR RECREATION
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014	\$ 1,954
Increased by:	
Interest Earnings	<u>103</u>
Balance December 31, 2015	<u><u>\$ 2,057</u></u>

**TOWNSHIP OF LITTLE EGG HARBOR
 SCHEDULE OF RESERVE FOR OPEN SPACE
 FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014		\$ 2,099,897
Increased by:		
Tax Levy - Due from Current Fund	\$ 55,706	
Cash Receipts	1,275,830	1,331,536
		<hr/>
Subtotal		3,431,433
Decreased by:		
Disbursements		1,275,440
		<hr/>
Balance December 31, 2015		<u><u>\$ 2,155,993</u></u>

**SCHEDULE OF RESERVE FOR COMMUNITY CENTER
 FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014		\$ 3,580
Increased by:		
Donations		3
		<hr/>
Balance December 31, 2015		<u><u>\$ 3,583</u></u>

TOWNSHIP OF LITTLE EGG HARBOR
SCHEDULE OF RESERVE FOR FEDERAL FORFEITURE LAW ENFORCEMENT FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015

Balance December 31, 2014	\$ 20,720
Increased by:	
Receipts	<u>3,221</u>
Subtotal	23,941
Decreased by:	
Disbursements	<u>14,979</u>
Balance December 31, 2015	<u><u>\$ 8,962</u></u>

SCHEDULE OF RESERVE FOR SICK AND VACATION TIME TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

Balance December 31, 2014	\$ 89,276
Increased by:	
Receipts	<u>382,991</u>
Subtotal	472,267
Decreased by:	
Disbursements	<u>388,257</u>
Balance December 31, 2015	<u><u>\$ 84,010</u></u>

**TOWNSHIP OF LITTLE EGG HARBOR
SCHEDULE OF RESERVE FOR COAH TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014	\$	245,833
Increased by:		
Receipts		<u>61,996</u>
Subtotal		307,829
Decreased by:		
Disbursements		<u>37,429</u>
Balance December 31, 2015	\$	<u><u>270,400</u></u>

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GENERAL CAPITAL FUND

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**TOWNSHIP OF LITTLE EGG HARBOR
GENERAL CAPITAL FUND
SCHEDULE OF FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2015 & 2014	<u><u>\$ 528</u></u>
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**SCHEDULE OF CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014		\$ 3,092,385
Increased by Receipts:		
Capital Improvement Fund		<u>100,000</u>
Subtotal		3,192,385
Decreased by Disbursements:		
Improvement Authorizations	954,428	
Reserve to Pay Debt	<u>28,020</u>	<u>982,448</u>
Balance December 31, 2015		<u><u>\$ 2,209,937</u></u>

**TOWNSHIP OF LITTLE EGG HARBOR
GENERAL CAPITAL FUND
ANALYSIS OF CASH
AT DECEMBER 31, 2015**

	BALANCE (OVERDRAFT) DECEMBER 31, 2014	BOND ANTICIPATION NOTES/BONDS	RECEIPTS		DISBURSEMENTS		TRANSFERS FROM	TO	BALANCE (OVERDRAFT) DECEMBER 31, 2015
			MISCELLANEOUS	AUTHORIZATIONS	IMPROVEMENT	MISCELLANEOUS			
Fund Balance	\$ 528	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 528
Reserve for Debt Service	478,020	-	-	-	28,020	-	34,913	-	484,913
Capital Improvement Fund	92,394	-	100,000	-	-	-	-	-	192,394
Due Current Fund	-	-	-	-	-	34,913	-	-	(34,913)
Due to County - CDBG	3,722	-	-	-	-	-	-	-	3,722
IMPROVEMENT AUTHORIZATIONS:									
ORDINANCE									
NUMBER									
96-10	Satellite Repeaters & Logging Recorders	(250)	-	-	-	-	-	-	(250)
99-23	Municipal Complex	(2,230)	-	-	-	-	-	-	(2,230)
00-05	Sewer Line Extension - Atlantis	(4,571)	-	-	-	-	-	-	(4,571)
00-06	Water Line Extension - Atlantis	5,562	-	-	-	-	-	-	5,562
02-22	Purchase of Street Sweeper	(80)	-	-	-	-	-	-	(80)
02-23	Acquisition of Land - Parker Run	18,566	-	-	-	-	-	-	18,566
02-41	Construction of Municipal Complex	4,594	-	-	-	-	-	-	4,594
03-06	Acquisition of Trash Trucks & Cans	36,475	-	-	35,208	-	-	-	1,267
Subtotal	632,730	-	100,000	-	28,020	35,208	34,913	34,913	669,502

**TOWNSHIP OF LITTLE EGG HARBOR
GENERAL CAPITAL FUND
ANALYSIS OF CASH
AT DECEMBER 31, 2015**

ORDINANCE NUMBER	BALANCE (OVERDRAFT) DECEMBER 31, 2014	BOND ANTICIPATION NOTES/BONDS	RECEIPTS		DISBURSEMENTS		TRANSFERS		BALANCE (OVERDRAFT) DECEMBER 31, 2015
			MISCELLANEOUS	MISCELLANEOUS	IMPROVEMENT	MISCELLANEOUS	FROM	TO	
04-04	13,236	-	-	-	10,770	-	-	-	2,466
04-15	15,805	-	-	-	13,539	-	-	-	2,266
05-05									
	13,837	-	-	-	-	-	-	-	13,837
05-16	925	-	-	-	-	-	-	-	925
05-22	1,221	-	-	-	-	-	-	-	1,221
05-33	5,805	-	-	5,805	-	-	-	-	-
06-07	243,048	-	-	-	-	-	-	-	243,048
06-15									
	131	-	-	-	-	-	-	-	131
07-04	32,446	-	-	-	-	-	-	-	32,446
07-10	28,000	-	-	-	-	-	-	-	28,000
07-25	67,500	-	-	-	-	-	-	-	67,500
08-03									
	14,890	-	-	-	-	-	-	-	14,890
08-04	161,439	-	-	-	-	-	-	-	161,439
09-05	92,617	-	-	-	-	-	-	-	92,617
09-06	59,026	-	-	-	-	-	-	-	59,026
09-13	323,539	-	-	-	-	-	-	-	323,539
10-20	-	-	-	-	-	-	-	-	-
11-15	175,957	-	-	-	-	-	-	-	175,957
12-12	449,422	-	-	299,723	-	-	-	-	149,699
13-14	665,461	-	-	235,618	-	-	-	-	429,843
14-10	95,350	-	-	353,765	-	-	-	-	(258,415)
Subtotal	2,459,655	-	-	919,220	-	-	-	-	1,540,435
Total Analysis of Cash									
	\$ 3,092,385	\$ -	\$ 100,000	\$ 954,428	\$ 28,020	\$ 34,913	\$ 34,913	\$ 2,209,937	

**TOWNSHIP OF LITTLE EGG HARBOR
GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014		\$ 7,489,832
Decreased by:		
2015 Budget Appropriation to Pay General Serial Bonds	\$ 800,000	
Green Trust Loan Bonds	71,304	871,304
Balance December 31, 2015		<u><u>\$ 6,618,528</u></u>

**TOWNSHIP OF LITTLE EGG HARBOR
GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED
FOR THE YEAR ENDED DECEMBER 31, 2015**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	ANALYSIS OF BALANCE DECEMBER 31, 2015							
		BALANCE DECEMBER 31, 2014	2015 AUTHORIZATIONS	REDUCTIONS	BALANCE DECEMBER 31, 2015	UNEXPENDED IMPROVEMENT AUTHORIZATION	EXPENDED	EXCESS FINANCING	BOND ANTICIPATION NOTES
96-10/99-09	Satellite Repeaters & Logging Recorders	\$ 250	\$ -	\$ -	\$ 250	\$ -	\$ 250	\$ -	-
99-23	Municipal Complex	2,230	-	-	2,230	-	2,230	-	-
00-05	Sewer Line Extension - Atlantis	4,571	-	-	4,571	-	4,571	-	-
02-08	Improvements to Cherrywood Drive	30,666	-	-	30,666	-	-	-	30,666
02-14,36	Construction of Recreation Facilities	40,730	-	-	40,730	-	-	-	40,730
02-22	Purchase of Street Sweeper	80	-	-	80	-	80	-	-
02-23	Acquisition of Land - Parker Run	46,550	-	-	46,550	-	-	-	46,550
03-07	Acquisition of Sport Utility Vehicles	730	-	-	730	-	-	-	730
05-19	Road Improvements - Various	117,500	-	-	117,500	-	-	-	117,500
06-07	Various Road Improvements	576,797	-	-	576,797	-	-	-	576,797
06-15	Construction of Softball Field & Tot Lot	225,853	-	-	225,853	-	-	-	225,853
07-04	Construction of North Bargee Drive	170,000	-	-	170,000	-	-	-	170,000
07-10	Acquisition of Garbage Truck	171,000	-	-	171,000	-	-	-	171,000
07-25	Acquisition of Land	1,282,500	-	-	1,282,500	-	-	-	-
08-03	Acquisition & Installation of Automatic Doors	24,130	-	-	24,130	-	-	-	24,130
08-04	Improvements to Lexington Drive	395,675	-	-	395,675	-	-	-	395,675
09-05	Improvements to Forest Edge Drive	204,250	-	-	204,250	-	-	-	204,250
09-06	Improvements to Frog Pond Road	409,458	-	-	409,458	-	-	-	209,000
09-13	Various Capital Improvements	1,154,870	-	73,670	1,081,200	-	141,432	(29,960)	1,111,160
10-20	Various Capital Improvements	1,254,600	-	69,700	1,184,900	-	-	-	1,184,900
11-15	Various Capital Improvements	1,610,250	-	102,014	1,508,236	-	-	-	1,508,236
12-12	Various Capital Improvements	1,615,000	-	-	1,615,000	-	-	-	1,615,000
13-14	Various Capital Improvements	2,042,360	-	-	2,042,360	-	-	-	2,042,360
14-10	Various Capital Improvements	1,871,500	-	-	1,871,500	-	258,415	-	-
	Total	\$ 13,251,550	\$ -	\$ 245,384	\$ 13,006,166	\$ 2,954,611	\$ 406,978	\$ (29,960)	\$ 9,674,537

Improvement Authorizations Unfunded \$ 4,596,357

Less - Unexpended Proceeds of Bond Anticipation

Notes Issued:

Ordinance 2002-23	18,566
Ordinance 2006-07	243,048
Ordinance 2006-15	131
Ordinance 2007-04	32,446
Ordinance 2007-10	28,000
Ordinance 2008-03	14,890
Ordinance 2008-04	161,439
Ordinance 2009-05	92,617
Ordinance 2009-13	494,037
Ordinance 2012-12	126,729
Ordinance 2013-14	429,843
	<u>\$ 2,954,611</u>

**TOWNSHIP OF LITTLE EGG HARBOR
GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014	\$ 92,394
Increased By:	
Transfer from Current Fund Budget	<u>100,000</u>
Balance December 31, 2015	<u><u>\$ 192,394</u></u>

TOWNSHIP OF LITTLE EGG HARBOR
GENERAL CAPITAL FUND
STATEMENT OF IMPROVEMENT AUTHORIZATIONS
FOR THE YEAR ENDED DECEMBER 31, 2015

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	ORDINANCE DATE	ORDINANCE AMOUNT	BALANCE DECEMBER 31, 2014		2015 AUTHORIZATIONS	RECLASSIFICATION PRIOR YEAR PAYABLES	EXPENDED	CURRENT YEAR ENCUMBRANCES PAYABLE	ADJUSTMENTS	BALANCE DECEMBER 31, 2015	
				FUNDED	UNFUNDED						FUNDED	UNFUNDED
00-06	Water Line Extension - Atlantis	5/11/00	\$ 177,800	\$ 5,562	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,562	\$ -
02-23	Acquisition of Land - Parker Run	5/23/02	49,000	-	18,566	-	-	-	-	-	-	18,566
02-41	Construction of Municipal Complex	11/25/02	6,550,000	4,594	-	-	-	-	-	-	4,594	-
03-06	Acquisition of Trash Trucks & Cans	4/10/03	800,000	36,475	-	-	-	35,208	866	-	401	-
04-04	Acquisition of Trash Trucks			8,241	-	-	4,995	10,770	-	-	2,466	-
04-15	Acquisition of Fuel Depot			15,805	-	-	-	13,539	-	-	2,266	-
05-05	Bulkhead Construction at Parkertown Dock	2/24/05	225,150	13,837	-	-	-	-	-	-	13,837	-
05-16	Acquisition of a Tractor	6/23/05	56,000	925	-	-	-	-	-	-	925	-
05-22	Construction of Recreation Trail	9/22/05	60,000	1,221	-	-	-	-	-	-	1,221	-
05-33	Purchase of Motorcycles	12/8/05	40,000	5,805	-	-	-	-	-	-	-	-
06-07	Various Road Improvements	6/22/06	1,170,000	-	243,048	-	-	5,805	-	-	-	243,048
06-15	Construction of Softball Field & Tot Lot	8/10/06	470,000	-	131	-	-	-	-	-	-	131
07-04	Construction of North Borgee Drive	3/08/07	325,000	-	32,446	-	-	-	-	-	-	32,446
07-10	Acquisition of Garbage Truck	6/14/07	180,000	-	28,000	-	-	-	-	-	-	28,000
07-25	Acquisition of Land	12/13/07	1,350,000	67,500	-	-	-	-	-	-	67,500	-
08-03	Acquisition & Installation of Automatic Doors	3/13/08	60,400	-	14,890	-	-	-	-	-	-	14,890
08-04	Improvements to Lexington Drive	3/13/08	566,500	-	161,439	-	-	-	-	-	-	161,439
09-05	Improvements to Forest Edge Drive	4/9/09	440,000	-	92,617	-	-	-	-	-	-	92,617
09-06	Improvements for Frog Pond Road	4/9/09	520,000	-	59,026	-	-	-	-	-	-	59,026
09-13	Various Capital Improvements	12/10/09	1,730,000	-	494,037	-	-	-	-	-	-	494,037
10-20	Various Capital Improvements	1/13/11	1,394,000	-	-	-	-	-	-	-	-	-
11-15	Various Capital Improvements	12/22/11	1,820,000	-	-	-	175,257	-	175,257	-	-	-
12-12	Various Capital Improvements	12/13/12	1,700,000	-	450,122	-	-	299,723	23,670	-	-	126,729
13-14	Various Capital Improvements	9/12/13	2,149,850	-	645,911	-	19,550	235,618	-	-	-	429,843
14-10	Various Capital Improvements	7/10/14	1,970,000	94,650	1,871,500	-	700	353,765	-	-	-	1,613,085
Total				\$ 254,615	\$ 5,394,233	\$ -	\$ 200,502	\$ 954,428	\$ 199,793	\$ -	\$ 98,772	\$ 4,596,357

TOWNSHIP OF LITTLE EGG HARBOR
GENERAL CAPITAL FUND
STATEMENT OF BOND ANTICIPATION NOTES
AT DECEMBER 31, 2015

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	DATE OF ORIGINAL ISSUE	AMOUNT		DATE OF ISSUE	DATE OF MATURITY	INTEREST RATE	BALANCE			BALANCE DECEMBER 31, 2015
			OF ORIGINAL ISSUE	DATE OF ISSUE				DECEMBER 31, 2014	INCREASED	DECREASED	
02-08	Improvements to Cherrywood Drive	2/04/14	\$ 30,666	2/04/14	2/03/15	1.25%	\$ 30,666	\$ -	\$ 30,666	\$ -	
				2/04/15	2/03/16	1.25%	-	30,666	-	30,666	
02-14/36	Construction of Recreation Facilities	2/04/14	40,730	2/04/14	2/03/15	1.25%	40,730	-	40,730	-	
				2/04/15	2/03/16	1.25%	-	40,730	-	40,730	
02-23	Acquisition of Land - Parker Run	2/04/14	46,550	2/04/14	2/03/15	1.25%	46,550	-	46,550	-	
				2/04/15	2/03/16	1.25%	-	46,550	-	46,550	
03-07	Acquisition of Sport Utility Vehicles	2/04/14	730	2/04/14	2/03/15	1.25%	730	-	730	-	
				2/04/15	2/03/16	1.25%	-	730	-	730	
05-19	Road Improvements - Various	2/04/14	117,500	2/04/14	2/03/15	1.25%	117,500	-	117,500	-	
				2/04/15	2/03/16	1.25%	-	117,500	-	117,500	
06-07	Various Road Improvements	4/05/07	1,111,500	2/04/14	2/03/15	1.00%	576,797	-	576,797	-	
				2/04/15	2/03/16	1.00%	-	576,797	-	576,797	
06-15	Construction of Softball Field & Tot Lot	4/05/07	446,500	2/04/14	2/03/15	1.00%	225,853	-	225,853	-	
				2/04/15	2/03/16	1.00%	-	225,853	-	225,853	
07-04	Road & Drainage Improvemnts North Burgee Drive	2/04/14	170,000	2/04/14	2/03/15	1.25%	170,000	-	170,000	-	
				2/04/15	2/03/16	1.25%	-	170,000	-	170,000	
07-10	Acquisition of Garbage Truck	2/04/14	171,000	2/04/14	2/03/15	1.25%	171,000	-	171,000	-	
				2/04/15	2/03/16	1.25%	-	171,000	-	171,000	
08-03	Acquisition & Installation of Automatic Doors for Handicap Access	2/04/14	24,130	2/04/14	2/03/15	1.25%	24,130	-	24,130	-	
				2/04/15	2/03/16	1.25%	-	24,130	-	24,130	
08-04	Improvements to Lexington Drive	2/04/14	395,675	2/04/14	2/03/15	1.25%	395,675	-	395,675	-	
				2/04/15	2/03/16	1.25%	-	395,675	-	395,675	
09-05	Improvements to Forest Edge Drive	2/04/14	204,250	2/04/14	2/03/15	1.25%	204,250	-	204,250	-	
				2/04/15	2/03/16	1.25%	-	204,250	-	204,250	
09-06	Improvements to Frog Pond Road	2/04/14	209,000	2/04/14	2/03/15	1.25%	209,000	-	209,000	-	
				2/04/15	2/03/16	1.25%	-	209,000	-	209,000	
09-13	Various Capital Improvements	2/18/10	1,358,500	2/04/14	2/03/15	1.00%	1,184,830	-	1,184,830	-	
				2/04/15	2/03/16	1.00%	-	1,111,160	-	1,111,160	
10-20	Various Capital Improvements	6/14/11	1,324,300	2/04/14	2/03/15	1.00%	1,254,600	-	1,254,600	-	
				2/04/15	2/03/16	1.00%	-	1,184,900	-	1,184,900	
11-15	Various Capital Improvements	2/10/12	1,610,250	2/04/14	2/03/15	1.00%	1,610,250	-	1,610,250	-	
				2/04/15	2/03/16	1.00%	-	1,508,236	-	1,508,236	
12-12	Various Capital Improvements	2/08/13	1,615,000	2/04/14	2/03/15	1.00%	1,615,000	-	1,615,000	-	
				2/04/15	2/03/16	1.00%	-	1,615,000	-	1,615,000	
13-14	Various Capital Improvements	2/04/14	2,042,360	2/04/14	2/03/15	1.00%	2,042,360	-	2,042,360	-	
				2/04/15	2/03/16	1.00%	-	2,042,360	-	2,042,360	
Total								\$ 9,919,921	\$ 9,674,537	\$ 9,919,921	\$ 9,674,537
								Bond Anticipation Note Renewal	\$ 9,674,537		
								Paid Down by Current Fund	245,384		
									<u>\$ 9,919,921</u>		

**TOWNSHIP OF LITTLE EGG HARBOR
GENERAL CAPITAL FUND
SCHEDULE OF GENERAL SERIAL BONDS
AT DECEMBER 31, 2015**

PURPOSE	DATE OF ISSUE	AMOUNT OF ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING			BALANCE DECEMBER 31, 2015			
			DATE	AMOUNT	INTEREST RATE		BALANCE DECEMBER 31, 2014	INCREASED	DECREASED
General Obligation Refunding Bonds	2/01/10	3,275,000	08/01/16	310,000	3.500%	\$ 2,110,000	\$ -	\$ 305,000	\$ 1,805,000
			08/01/17	305,000	3.836%				
			08/01/18	300,000	3.750%				
			08/01/19	300,000	4.000%				
			08/01/20	295,000	5.000%				
			08/01/21	295,000	5.000%				
General Obligation Refunding Bonds	5/02/12	5,260,000	11/15/16	520,000	2.000%	4,730,000	-	495,000	4,235,000
			11/15/17	535,000	2.000%				
			11/15/18	545,000	4.000%				
			11/15/19	545,000	2.000%				
			11/15/20	535,000	2.250%				
			11/15/21	525,000	2.500%				
		11/15/22	520,000	3.000%					
		11/15/23	510,000	2.750%					
Totals						\$ 6,840,000	\$ -	\$ 800,000	\$ 6,040,000
Paid from Current Fund								<u>800,000</u>	
Total								<u>\$ 800,000</u>	

**TOWNSHIP OF LITTLE EGG HARBOR
GENERAL CAPITAL FUND
SCHEDULE OF GREEN TRUST LOAN PAYABLE
AT DECEMBER 31, 2015**

PURPOSE	DATE OF ISSUE	AMOUNT OF ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING		INTEREST RATE	BALANCE DECEMBER 31, 2014	DECREASED	BALANCE DECEMBER 31, 2015		
			DECEMBER 31, 2015	AMOUNT						
Mystic Beach Acquisition	02/13/96	\$ 94,760			\$	5,806	5,806	\$ -		
	Open Space Acquisition	10/22/02	255,220	2016	13,876	2.00%	116,791	13,602	103,189	
				2017	14,154					
				2018	14,439					
				2019	14,729					
				2020	15,026					
			2021	15,327						
		2022	15,638							
Recreation Complex	7/18/02	500,000	2016	27,455	2.00%	215,543	26,914	188,629		
			2017	28,008						
			2018	28,570						
			2019	29,145						
			2020	29,730						
			2021	30,328						
			2022	15,392						
			2016	12,932	2.00%	146,571	12,677	133,894		
			2017	13,192						
			2018	13,457						
Construction of Softball Field & Tot Lot	11/27/06	250,000	2019	13,727						
			2020	14,004						
			2021	14,285						
			2022	14,572						
			2023	14,865						
			2024	15,164						
			2025	7,696						
			2016	12,552	2.00%	165,121	12,305	152,816		
			2017	12,804						
			2018	13,061						
			2019	13,324						
			2020	13,592						
2021	13,865									
2022	14,144									
2023	14,428									
2024	14,718									
2025	15,014									
2026	15,314									
Total								\$ 649,832	\$ 71,304	\$ 578,528

**TOWNSHIP OF LITTLE EGG HARBOR
GENERAL CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
AT DECEMBER 31, 2015**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2014	2015 AUTHORIZATIONS /INCREASES	2015 REDUCTIONS	NOTES ISSUED	BALANCE DECEMBER 31, 2015
96-10/99-09	Satellite Repeaters & Logging Recorders	\$ 250	\$ -	-	-	250
99-23	Municipal Complex	2,230	-	-	-	2,230
00-06	Water Line Extension - Atlantis	4,571	-	-	-	4,571
02-22	Purchase of Street Sweeper	80	-	-	-	80
07-25	Acquisition of Land	1,282,500	-	-	-	1,282,500
09-06	Improvements to Frog Pond Road	170,498	-	-	-	170,498
14-10	Various Capital Improvements	1,871,500	-	-	-	1,871,500
	Total	\$ 3,331,629	\$ -	-	-	\$ 3,331,629

**TOWNSHIP OF LITTLE EGG HARBOR
GENERAL CAPITAL FUND
SCHEDULE OF STATE ROAD AID ALLOTMENTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014	\$ 170,498
Decreased By:	
Road Aid Received	<u>-</u>
Balance December 31, 2015	<u>\$ 170,498</u>

ANALYSIS OF BALANCE

2009-13 Various Capital Improvements - Frog Pond Road Phase 1	<u>\$ 170,498</u>
Total	<u>\$ 170,498</u>

PAYROLL FUND

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**TOWNSHIP OF LITTLE EGG HARBOR
PAYROLL FUND
STATEMENT OF PAYROLL FUND CASH
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014		\$ 129,443
Increased by:		
Receipts		<u>13,305,680</u>
Subtotal		13,435,123
Decreased by:		
Disbursements:		
Net Pay	\$ 5,677,618	
Paid to Current	15,445	
Payment to Agencies	<u>7,549,564</u>	<u>13,242,627</u>
Balance December 31, 2015		<u><u>\$ 192,496</u></u>

**STATEMENT OF PAYROLL TAXES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014		\$ 106,554
Increased by:		
Payroll Deductions		<u>7,628,061</u>
Subtotal		7,734,615
Decreased by:		
Due Current Fund	\$ 7,445	
Disbursements	<u>7,542,119</u>	<u>7,549,564</u>
Balance December 31, 2015		<u><u>\$ 185,051</u></u>

ANALYSIS OF BALANCE

Federal Tax Liability	\$ 98,768
State Tax Liability	12,687
PERS	26,499
PFRS	<u>47,097</u>
Balance December 31, 2015	<u><u>\$ 185,051</u></u>

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SINGLE AUDIT SECTION

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

Honorable Mayor and Members
of the Township Committee
Township of Little Egg Harbor
County of Ocean
Little Egg Harbor, New Jersey 08087

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements- regulatory basis of the Township of Little Harbor as of and for the fiscal year ended December 31, 2015 and the related notes to the financial statements, and have issued our report thereon dated June 9, 2016. Our report on the financial statements-regulatory basis was modified to indicate that the financial statements were not prepared and presented in accordance with accounting principles generally accepted in the United States of America but rather prepared and presented in accordance with the regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States, to meet the requirements of the State of New Jersey for municipal government entities as described in Note 1 .

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Municipality's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Purpose of this Report

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

Respectfully submitted,

HOLMAN FRENIA ALLISON, P.C.

Kevin P. Frenia
Certified Public Accountant
Registered Municipal Accountant
CR 435

June 9, 2016
Medford, New Jersey



**INDEPENDENT AUDITORS’S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY
THE UNIFORM GUIDANCE**

Honorable Mayor and Members
of the Township Committee
Township of Little Egg Harbor
County of Ocean
Little Egg Harbor, New Jersey 08087

Report on Compliance for Each Major Federal Program

We have audited the Township of Little Egg Harbor’s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Township of Little Egg Harbor’s major federal programs for the year ended December 31, 2015. The Township of Little Egg Harbor’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

Management’s Responsibility

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

Auditor’s Responsibility

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

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Township of Little Egg Harbor’s compliance with those requirements.

Opinion on Each Major Federal Program

In our opinion, the Township of Little Egg Harbor complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2015.

Other Matters

The results of our auditing procedures disclosed no instances of noncompliance, which are required to be reported in accordance with Uniform Guidance.

Report on Internal Control Over Compliance

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

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

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

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

Report on Schedule of Expenditures of Federal Awards Required by Uniform Guidance

We have audited the financial statements of the as of and for the year ended December 31, 2015, and have issued our report thereon dated June 9, 2016, which contained a qualified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of

additional analysis as required by Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

Respectfully submitted,

HOLMAN FRENIA ALLISON, P.C.

Kevin P. Frenia
Certified Public Accountant
Registered Municipal Accountant
CR #435

June 9, 2016
Medford, New Jersey

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**TOWNSHIP OF LITTLE EGGS HARBOR
SCHEDULE OF FEDERAL AWARDS
FOR YEAR ENDED DECEMBER 31, 2015**

<u>DEPARTMENT/PROGRAM TITLE</u>	<u>CFDA NUMBER</u>	<u>PASS-THROUGH GRANTOR'S NUMBER</u>	<u>AWARD AMOUNT</u>	<u>GRANT PERIOD</u>	<u>CASH RECEIVED</u>	<u>CURRENT YEAR EXPENDITURES</u>	<u>CUMULATIVE EXPENDITURES</u>
U.S. Department of Homeland Security: Community Disaster Loans	97.030	N/A	\$ 4,319,506	Open	\$ 1,000,000	\$ 1,000,000	\$ 4,250,000
Total Department of Homeland Security					1,000,000	1,000,000	10,231,387
U.S. Department of Housing and Urban Development Hurricane Sandy Community Development Block Grant	14.269	022-8022-100-001	Ongoing	Open	71,766	37,617	58,978
Total Department of Housing and Urban Development					71,766	37,617	58,978
U.S. Department of the Interior: Hurricane Sandy Coastal Resiliency Grant	15.153	N/A	2,130,000	Open	274,620	116,072	116,072
Total Department of Justice					274,620	116,072	116,072
Total Federal Financial Assistance					\$ 1,346,386	\$ 1,153,689	\$ 10,406,437

TOWNSHIP OF LITTLE EGG HARBOR
NOTES TO SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2015

Note 1. General

The accompanying schedule of expenditures of federal financial assistance presents the activity of federal financial assistance of the Township of Little Egg Harbor, County of Ocean, State of New Jersey. The Township is defined in Note 1 to the Township's financial statements.

Note 2. Basis of Accounting

The accompanying schedule of expenditures of federal financial assistance are presented using the modified accrual basis of accounting as promulgated by the State of New Jersey, Department of Community Affairs, Division of Local Government Services, which is described in the Notes to the Financial Statements, Note 1.

Note 3. Relationship to Financial Statements – Statutory Basis

Amounts reported in the accompanying schedules agree with amounts reported in the Township's general-purpose financial statements. Expenditures from awards are reported in the Township's financial statement as follows:

	Federal
State & Federal Grant Fund	\$ 153,689
Current Fund – CDL Loan	<u>1,000,000</u>
Total	<u>\$1,153,689</u>

Note 4. Relationship to Federal Financial Report

Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial report.

Note 5. Major Programs

The two major programs are identified in the Schedule of Findings and Questioned Costs section.

**TOWNSHIP OF LITTLE EGG HARBOR
SCHEDULE OF FINDINGS & QUESTIONED COSTS
For the Fiscal Year Ended December 31, 2015**

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued: Unmodified – Regulatory Basis

Internal control over financial reporting:

1) Material weakness(es) identified? No

2) Significant deficiencies identified that are not considered to be material weaknesses? No

Noncompliance material to basic financial Statements noted? No

Federal Awards

Dollar threshold used to distinguish between type A programs: \$750,000

Auditee qualified as low-risk auditee? Yes

Internal Control over major programs:

1) Material weakness(es) identified? No

2) Significant deficiencies identified that are not considered to be material weaknesses? None Reported

Type of auditor’s report issued on compliance for major programs Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200 (Uniform Guidance) No

Federal CFDA Number

97.030

Name of Federal Program

Community Disaster Loans

TOWNSHIP OF LITTLE EGG HARBOR
SCHEDULE OF FINDINGS & QUESTIONED COSTS
For the Fiscal Year Ended December 31, 2015

Section II – Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance related to the basic financial statements that are required to be reported in accordance with Chapter 5.18 through 5.20 of *Government Auditing Standards*.

No Current Year Findings

Section III – Federal Financial Assistance Finding & Questioned Costs

This section identifies audit findings required to be reported by Uniform Guidance.

No Current Year Findings

**TOWNSHIP OF LITTLE EGG HARBOR
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
For the Fiscal Year Ended December 31, 2015**

This section identifies the status of prior-year findings related to the basic financial statements and state awards that are required to be reported in accordance with Chapter 6.12 of Government Auditing Standards and Uniform Guidance.

No Prior Year Findings

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**TOWNSHIP OF LITTLE EGG HARBOR
COUNTY OF OCEAN**

PART II

**COMMENTS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2015**

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To the Honorable Mayor and
Members of the Township Committee
Township of Little Egg Harbor
Little Egg Harbor, New Jersey 08087

We have audited the financial statements of the Township of Little Egg Harbor in the County of Ocean on for the year ended December 31, 2015, in accordance with requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the following are the *General Comments* and *Recommendations* for the year then ended.

GENERAL COMMENTS

Contracts and Agreements Required to be advertised by (N.J.S.A.40A:11-4)

N.J.S.A.40A:11-4 - Every contract or agreement, for the performance of any work or furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only by the governing body of the contracting unit after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other Law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate \$17,500 except by contract or agreement.

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

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

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

Contracts and Agreements Requiring Solicitation of Quotations

The examination of expenditures did not reveal any individual payments, contracts or agreements in excess of \$2,625 thereafter "for the performance of any work or the furnishing or hiring of any materials or supplies", other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provision of (*N.J.S.A.40A:11-6.1*).

Collection of Interest on Delinquent Taxes

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

The governing body on January 1, 2015 adopted the following resolution authorizing interest to be charged on delinquent taxes:

“**BE IT RESOLVED** by the Township Committee of the Township of Little Egg Harbor, County of Ocean, State of New Jersey, the rate of interest charged on delinquent taxes or assessments on any installment made ten (10) days after the date upon which the same became payable, shall not exceed eight (8) percent per annum of the first One Thousand Five Hundred Dollars (\$1,500.00) of the delinquency, and eighteen (18) percent per annum on any amount in excess of One Thousand Five Hundred Dollars (\$1,500.00).

BE IT FURTHER RESOLVED, that where interest on delinquent tax payments is one dollar (\$1.00) or less, payment and collection of said interest is hereby waived.”

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

Delinquent Taxes and Tax Title Liens

The delinquent taxes at December 31, 2015, included 2015, 2014, 2013, 2012, 2011, 2010 and 2009 real estate taxes only.

The last tax sale was held on December 16, 2015 and was complete.

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

YEAR	NUMBER OF LIENS
2015	135
2014	135
2013	159

Examination of Bills

A test check of paid bills was made and each bill, upon proper approval, was considered as a separate and individual contract unless the records disclosed it to be a part payment or estimate.

Municipal Court

The Township of Little Egg Harbor entered into an Interlocal Municipal Court Agreement with the Township of Eagleswood effective January 1, 2009 in accordance with *N.J.S.A.2B:12-1*.

The Township of Little Egg Harbor assumed all administrative responsibility as well the responsibility of obtaining an audit of Eagleswood Township's Municipal Court.

A separate report of the Municipal Court transactions for both Little Egg Harbor and Eagleswood Township was filed in accordance with the requirements of the Local Finance Board.

As part of the test of the Municipal Court records, no attempt was made to differentiate between fines due the Township, County, or State, or to pass upon the authenticity of the preparation and procedures for complaints issued.

Payroll Fund

The examination of the payroll fund included testing the detail computation of various deductions or other credits from the payroll of Township employees; also, the examination ascertained that the accumulated withholdings were distributed to the proper agencies.

Prior Year Findings

In accordance with Government Auditing Standards, our procedures included a review of all prior year findings. There were no prior year findings.

OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office at December 31, 2015:

NAME	TITLE	AMOUNT OF BOND	NAME OF CORPORATE SURETY
Arthur Midgley	Mayor		
Eugene Kobryn	Deputy Mayor		
Edward Nuttall	Committeeman		
John Kehm, Jr.	Committeeman		
Ray Gormley	Committeeman		
Dayna Wilson	Tax Collector, & Tax Search Officer	A	
Joseph Sorrentino	Tax Assessor		
Garrett Loesch	Chief Financial Officer/ Township Administrator	A	
Diana McCracken	Township Clerk	A	
Deborah O'Brien	Court Administrator	A	
Damian Murray	Court Magistrate	A	
Gilmore & Monahan	Solicitor		
Jim Oris of T & M Associates	Engineer		

(A) All employees are covered by a public employee dishonesty bond in the amount of \$1,000,000 by the Ocean County Municipal Joint Insurance Fund.

Acknowledgment

We received the complete cooperation of all the Township Officials and employees and we greatly appreciate the courtesies extended to the members of the audit team.

Respectfully submitted,

HOLMAN FRENIA ALLISON, P. C.

Kevin P. Frenia
Certified Public Accountant
Registered Municipal Accountant
CR 435

Medford Office
June 9, 2016