

Report of Audit

on the

Financial Statements

of the

Township of Clinton

in the

County of Hunterdon
New Jersey

for the

Year Ended
December 31, 2017

TOWNSHIP OF CLINTON

INDEX

PAGES

PART I

Independent Auditor's Report	1-3
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	4-5

EXHIBITS

Financial Statements - Regulatory Basis

Current Fund:

Balance Sheets - Regulatory Basis	"A"
Statements of Operations and Change in Fund Balance - Regulatory Basis	"A-1"
Statement of Revenues - Regulatory Basis - Year Ended December 31, 2017	"A-2"
Statement of Expenditures - Regulatory Basis - Year Ended December 31, 2017	"A-3"

Trust Fund:

Balance Sheets - Regulatory Basis	"B"
Schedule of Assessment Fund Balance - Regulatory Basis	"B-1"

General Capital Fund:

Balance Sheets - Regulatory Basis	"C"
Statement of Capital Fund Balance - Regulatory Basis	"C-1"

General Fixed Assets Account Group:

Balance Sheets - Regulatory Basis	"F"
-----------------------------------	-----

PAGES

Notes to Financial Statements	6-36
-------------------------------	------

TOWNSHIP OF CLINTON

INDEX (CONTINUED)

EXHIBITS

Supplementary Schedules - All Funds

Current Fund:

Schedule of Cash - Collector-Treasurer	"A-4"
Schedule of Petty Cash	"A-5"
Schedule of Change Fund	"A-6"
Schedule of Due State of New Jersey for Senior Citizens and Veterans Deductions	"A-7"
Schedule of Taxes Receivable and Analysis of Property Tax Levy	"A-8"
Schedule of Tax Title Liens	"A-9"
Schedule of Property Acquired for Taxes - Assessed Valuation	"A-10"
Schedule of Reserve for Accounts Payable	"A-11"
Schedule of Interfunds	"A-12"
Schedule of Revenue Accounts Receivable	"A-13"
Schedule of 2016 Appropriation Reserves	"A-14"
Schedule of Reserve for Prepaid Revenue	"A-15"
Schedule of Reserve for Accounts Payable - Grant Fund	"A-16"
Schedule of Tax Overpayments	"A-17"
Schedule of Prepaid Taxes	"A-18"
Schedule of Reserve for Accumulated Absences	"A-19"
Schedule of Due State of New Jersey - Construction Code Official	"A-20"
Schedule of Deferred Charges	"A-21"
Schedule of Reserve for Credit Card Fees	"A-22"
Schedule of Grants Appropriated - Grant Fund	"A-23"
Schedule of Due State of New Jersey - Marriage Licenses	"A-24"
Schedule of Reserve for Gypsy Moth Spraying	"A-25"
Schedule of County Taxes Payable	"A-26"
Schedule of Local District School Taxes Payable	"A-27"
Schedule of Municipal Open Space Taxes Payable	"A-28"
Schedule of Regional District School Taxes Payable	"A-29"
Schedule of Grants Receivable - Grant Fund	"A-30"
Schedule of Reserve Grants Unappropriated - Grant Fund	"A-31"

Trust Fund:

Schedule of Cash - Treasurer	"B-2"
Schedule of Assessments Receivable	"B-3"
Analysis of Assessment Fund Cash	"B-4"
Schedule of Due Current Fund - Animal Control Trust	"B-5"
Schedule of Prepaid Dog Licenses - Animal Control Fund	"B-6"
Schedule of Reserve for Balanced Housing Trust	"B-7"
Schedule of Due Current Fund - Trust Fund	"B-8"
Schedule of Reserve for Assessments	"B-9"
Schedule of Deferred Charges - Deficit	"B-10"
Schedule of Reserve for Various Deposits	"B-11"
Schedule of Reserve for Animal Control Fund Expenditures	"B-12"
Schedule of Due State Department of Health - Animal Control Trust Fund	"B-13"
Schedule of Reserve for COAH Deposits	"B-14"
Schedule of Escrow Deposits	"B-15"
Schedule of Unemployment Insurance Compensation	"B-16"
Schedule of Reserve for Open Space Deposits	"B-17"

TOWNSHIP OF CLINTON

INDEX (CONTINUED)

EXHIBITS

Trust Fund (Continued):

Schedule of Reserve for Payroll Deductions Payable	"B-18"
Schedule of Reserve for Accounts Payable	"B-19"
Schedule of Reserve for Recreation Deposits	"B-20"
Schedule of Reserve for Redemption of Outside Liens	"B-21"
Schedule of Accounts Payable - Animal Control Fund	"B-22"
Schedule of Reserve for Municipal Alliance	"B-23"
Schedule of Due General Capital Fund	"B-24"

General Capital Fund:

Schedule of Cash - Treasurer	"C-2"
Analysis of Capital Cash and Investments	"C-3"
Schedule of Loans Payable	"C-4"
Schedule of Deferred Charges to Future Taxation - Funded	"C-5"
Schedule of Interfunds	"C-6"
Schedule of Deferred Charges to Future Taxation - Unfunded	"C-7"
Schedule of Capital Improvement Fund	"C-8"
Schedule of Improvement Authorizations	"C-9"
Schedule of Bond Anticipation Notes Payable	"C-10"
Schedule of Serial Bonds	"C-11"
Schedule of Reserve for Contracts Payable	"C-12"
Schedule of Bonds and Notes Authorized But Not Issued	"C-13"
Schedule of Reserve for Debt Service	"C-14"

PAGES

PART II

Statistical Data	37-39
Officials in Office and Surety Bonds	40
Comments and Recommendations	42-45

TOWNSHIP OF CLINTON

PART I

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

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

FINANCIAL STATEMENTS - REGULATORY BASIS - ALL FUNDS

NOTES TO FINANCIAL STATEMENTS - REGULATORY BASIS

SUPPLEMENTARY SCHEDULES - ALL FUNDS

YEARS ENDED DECEMBER 31, 2017 AND 2016



SUPLEE, CLOONEY & COMPANY

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INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Members
of the Township Council
Township of Clinton
County of Hunterdon
Lebanon, New Jersey 08833

Report on the Financial Statements

We have audited the accompanying balance sheets - regulatory basis of the various individual funds and account group of the Township of Clinton, as of December 31, 2017 and 2016, the related statement of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various individual funds for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Township's regulatory financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these regulatory financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

Opinion on Regulatory Basis of Accounting

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

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Other Matters

Other Information

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

The supplemental information and schedules listed above and also listed in the table of contents are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the regulatory financial statements. Such information has been subjected to the auditing procedures applied in the audit of the regulatory financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the regulatory financial statements or to the regulatory financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information and data listed in the table of contents are fairly stated, in all material respects, in relation to the regulatory financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 24, 2018 on our consideration of the Township of Clinton's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township of Clinton's internal control over financial reporting and compliance.


CERTIFIED PUBLIC ACCOUNTANTS


REGISTERED MUNICIPAL ACCOUNTANT NO. 419

July 24, 2018



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

The Honorable Mayor and Members
of the Township Council
Township of Clinton
County of Hunterdon
Lebanon, New Jersey 08833

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the regulatory financial statements of the various individual funds and the account group of the Township of Clinton, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Township's regulatory financial statements, and have issued our report thereon dated July 24, 2018. Our report disclosed that, as described in Note 1 to the financial statements, the Township of Clinton prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with a modified accrual basis and the budget laws of the State of New Jersey, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles.

Internal Control Over Financial Reporting

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

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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 Township of Clinton's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township's regulatory 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*. However, there were other instances of noncompliance which are discussed in Part II, General Comments and Recommendations Section of the audit report.

Purpose of This Report

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


CERTIFIED PUBLIC ACCOUNTANTS


REGISTERED MUNICIPAL ACCOUNTANT NO. 419

July 24, 2018

CURRENT FUND

TOWNSHIP OF CLINTON

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2017</u>	<u>BALANCE DECEMBER 31, 2016</u>
<u>ASSETS</u>			
Cash	A-4	\$ 5,540,525.74	\$ 362,346.88
Change Fund	A-6	380.00	380.00
Due State of New Jersey - Senior Citizens and Veterans	A-7	10,603.33	9,103.33
		<u>\$ 5,551,509.07</u>	<u>\$ 371,830.21</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-8	\$ 386,953.69	\$ 514,193.84
Tax Title Liens Receivable	A-9	31,885.05	30,659.68
Interfunds Receivable	A-12	3,000.00	126.72
Prepaid School Tax	A-27		1,863,028.20
Property Acquired for Taxes - Assessed Valuation	A-10	165,000.00	165,000.00
	A	<u>\$ 586,838.74</u>	<u>\$ 2,573,008.44</u>
Deferred Charges:			
Operating Deficit	A-21	\$ _____	\$ 909,122.84
		<u>\$ 6,138,347.81</u>	<u>\$ 3,853,961.49</u>
Grant Fund:			
Cash	A-4	\$ 137,519.93	\$ 91,436.51
Grants Receivable	A-30	240,300.00	212,300.60
		<u>\$ 377,819.93</u>	<u>\$ 303,737.11</u>
		<u>\$ 6,516,167.74</u>	<u>\$ 4,157,698.60</u>

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

TOWNSHIP OF CLINTON

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2017</u>	<u>BALANCE DECEMBER 31, 2016</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Appropriation Reserves	A-3:A-14	\$ 151,041.42	\$ 215,691.35
Prepaid Taxes	A-18	4,156,896.00	348,814.64
Accounts Payable	A-11	172,629.96	92,189.93
Tax Overpayments	A-17	3,150.67	163,977.20
Reserve For:			
Prepaid Revenue	A-15	7,625.00	6,625.00
Gypsy Moth Spraying	A-25	4,366.29	4,366.29
Accumulated Absences	A-19	6,331.12	6,331.12
Credit Card Fees	A-22	15,063.98	472.59
Due State of New Jersey - Construction Code Official	A-20		3,616.00
Due State of New Jersey - Marriage Licenses	A-24		200.00
Interfunds Payable	A-12	411.53	378,186.09
County Taxes Payable	A-26	8,041.48	11,261.55
		\$ 4,525,557.45	\$ 1,231,731.76
Reserve for Receivables and Other Assets	A	586,838.74	2,573,008.44
Fund Balance	A-1	1,025,951.62	49,221.29
		\$ 6,138,347.81	\$ 3,853,961.49
Grant Fund:			
Reserve for Grants - Appropriated	A-23	\$ 142,715.01	\$ 298,931.82
Reserve for Grants - Unappropriated	A-31	10,989.17	
Reserve for Accounts Payable	A-16	224,115.75	4,805.29
		\$ 377,819.93	\$ 303,737.11
		\$ 6,516,167.74	\$ 4,157,698.60

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

TOWNSHIP OF CLINTON

CURRENT FUND

STATEMENTS OF OPERATIONS AND
CHANGE IN FUND BALANCE - REGULATORY BASIS

<u>REVENUE AND OTHER INCOME REALIZED</u>	REF.	YEAR ENDED DECEMBER 31, 2017	YEAR ENDED DECEMBER 31, 2016
Fund Balance Utilized		\$	\$ 800,000.00
Miscellaneous Revenue Anticipated	A-2	5,654,344.21	3,948,912.98
Receipts From Delinquent Taxes	A-2	492,101.81	433,486.24
Receipts From Current Taxes	A-2	54,262,924.15	54,009,058.43
Non-Budget Revenue	A-2	92,201.18	52,626.72
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-14	143,158.24	182,383.20
Accounts Payable Canceled	A-11	3,763.00	26,292.80
Tax Overpayments Canceled	A-17	69,029.52	
Interfunds Returned			4,188.48
<u>TOTAL REVENUE AND OTHER INCOME</u>		<u>\$ 60,717,522.11</u>	<u>\$ 59,456,948.85</u>
 <u>EXPENDITURES</u> 			
Budget and Emergency Appropriations:			
Operations Within "CAPS"	A-3	\$ 7,423,959.46	\$ 7,540,642.33
Deferred Charges and Statutory Expenditures - Municipal	A-3	2,218,399.74	1,392,058.00
State and Federal Programs Off-Set by Revenue	A-3	354,048.35	125,137.56
Municipal Debt Service	A-3	1,936,676.88	1,928,922.30
Capital Improvements	A-3	20,000.00	125,000.00
Open Space Tax	A-28	430,842.95	430,799.33
County Tax	A-26	8,407,603.64	8,242,570.46
County Share of Added Taxes	A-26	8,041.48	11,261.55
Local District School Tax	A-27	24,879,055.00	24,452,491.50
Regional District School Tax	A-29	14,059,291.00	14,232,846.50
Interfunds Advanced		2,873.28	
Refund of Prior Revenue			21,313.96
Prepaid School Tax			1,863,028.20
<u>TOTAL EXPENDITURES</u>		<u>\$ 59,740,791.78</u>	<u>\$ 60,366,071.69</u>
Excess in Revenue		\$ 976,730.33	\$
Deficit in Revenue			(909,122.84)
		<u>\$ 976,730.33</u>	<u>\$ (909,122.84)</u>
Adjustments to Income Before Surplus:			
Deficit in Operations to be Raised in Budget of Succeeding Year		\$	\$ 909,122.84
Statutory Excess to Fund Balance		\$ 976,730.33	\$
Fund Balance, January 1	A	\$ 49,221.29	\$ 849,221.29
Decreased by:			
Utilization as Anticipated Revenue			800,000.00
Fund Balance, December 31	A	<u>\$ 1,025,951.62</u>	<u>\$ 49,221.29</u>

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

TOWNSHIP OF CLINTON

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS

YEAR ENDED DECEMBER 31, 2017

	REF.	ANTICIPATED		REALIZED	EXCESS OR (DEFICIT)
		BUDGET	NJS 40A: 4-87		
Miscellaneous Revenues:					
Licenses:					
Alcoholic Beverages	A-13	\$ 25,500.00	\$	\$ 25,150.00	\$ (350.00)
Fees and Permits:					
Construction Code Official	A-13	412,000.00		462,029.00	50,029.00
Other	A-2	75,000.00		70,031.51	(4,968.49)
Municipal Court:					
Fines and Costs	A-13	202,700.00		206,369.47	3,669.47
Interest and Costs on Taxes	A-13	113,000.00		128,384.52	15,384.52
Interest on Investments and Deposits	A-13	30,400.00		44,579.66	14,179.66
Energy Receipts Tax	A-13	962,102.00		962,102.00	
Garden State Trust Fund	A-13	28,137.00		28,137.00	
Host Community Tonnage Fees	A-13	71,000.00		75,702.14	4,702.14
Franchise Fee	A-13	14,189.00		15,182.59	993.59
Court Rent	A-13	270,982.00		272,468.00	1,486.00
Recreation Trust	A-13	50,000.00		50,000.00	
Capital Fund Balance	A-13	578,000.00		578,000.00	
SRO Officer	A-13	92,000.00		90,000.00	(2,000.00)
North Hunterdon Agreement	A-13	13,000.00		18,801.94	5,801.94
Open Space Trust-Maintenance of Land	A-13	60,000.00		60,000.00	
Prepaid School Tax		1,863,028.20		1,863,028.20	
Off-Duty Police Admin Fees	A-13	25,000.00		12,000.00	(13,000.00)
RSH Condo Association Quarterly Payments	A-13	11,500.00		14,125.00	2,625.00
Fire Prevention Bureau	A-13	19,000.00		32,110.00	13,110.00
Division of Fire Safety Act LEA	A-13	20,000.00		25,504.71	5,504.71
Recreation Playground	A-13	12,356.56		12,356.56	
Special Assessment Fund Balance	A-13	37,000.00		37,000.00	
Reimbursement of Prior Escrow	A-13	217,233.56		217,233.56	
Impaired Driving Crackdown	A-30	23,400.00		23,400.00	
Body Armor Replacement Fund	A-30		2,267.59	2,267.59	
Recycling Tonnage	A-30	7,182.28	14,398.70	21,580.98	
Drunk Driving Enforcement Fund	A-30	5,451.71	10,895.84	16,347.55	
Clean Community Act	A-30		35,952.23	35,952.23	
NJDEP Recreation Trails	A-30		16,000.00	16,000.00	
Drive Sober or Get Pulled Over	A-30		11,000.00	11,000.00	
Distracted Driving Crackdown	A-30	5,500.00		5,500.00	
DOT Stanton Mountain Road	A-30	222,000.00		222,000.00	
<u>Total Miscellaneous Revenues</u>	A-1	\$ 5,466,662.31	\$ 90,514.36	\$ 5,654,344.21	\$ 97,167.54
Receipts From Delinquent Taxes	A-1:A-8	\$ 491,000.00		\$ 492,101.81	\$ 1,101.81
Amt. to be Raised by Taxes for Support of Municipal Budget:					
Local Tax for Municipal Purposes	A-2:A-8	\$ 6,854,907.76		\$ 7,460,420.08	\$ 605,512.32
<u>BUDGET TOTALS</u>		\$ 12,812,570.07	\$ 90,514.36	\$ 13,606,866.10	\$ 794,296.03
Non-Budget Revenues	A-2			\$ 92,201.18	\$ 92,201.18
		\$ 12,812,570.07	\$ 90,514.36	\$ 13,699,067.28	\$ 886,497.21
	REF.	A-3	A-3		

TOWNSHIP OF CLINTON

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS

YEAR ENDED DECEMBER 31, 2017

REF.

ANALYSIS OF REALIZED REVENUE

Allocation of Current Tax Collections:		
Revenue From Collections	A-1:A:8	\$ 54,262,924.15
Allocated To:		
County Taxes	A-8	\$ 8,415,645.12
Local District School Taxes	A-8	24,853,127.00
Regional District School Taxes	A-8	14,052,889.00
Municipal Open Space	A-8	<u>430,842.95</u>
Balance for Support of Municipal Budget Appropriations		\$ 6,510,420.08
Add: Appropriation "Reserve for Uncollected Taxes"	A-3	<u>950,000.00</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u><u>\$ 7,460,420.08</u></u>
Other - Fees and Permits:		
Clerk/Registrar	A-13	\$ 10,392.50
Board of Health	A-13	11,200.00
Zoning Board	A-13	12,630.00
Planning Board	A-13	7,154.50
Tax Assessor	A-13	310.00
Police	A-13	1,881.80
Board of Adjustments	A-13	4,052.00
Other Fees & Permits	A-13	<u>15,785.71</u>
		\$ <u>63,406.51</u>
Prepaid Revenue Applied	A-15	\$ <u>6,625.00</u>
	A-2	<u><u>\$ 70,031.51</u></u>

ANALYSIS OF NON-BUDGET REVENUE

Miscellaneous Revenue Not Anticipated:		
PILOT		\$ 9,986.18
Hotel Tax		560.34
Sale of Scrap/Auction		4,294.00
FEMA Aid		41,355.37
Senior/Veteran Deduction Admin Fee		1,435.00
Miscellaneous & Prior Year Refunds		<u>34,570.29</u>
<u>Total Non-Budget Revenue</u>	A-1:A-2:A-4	<u><u>\$ 92,201.18</u></u>

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

TOWNSHIP OF CLINTON

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

YEAR ENDED DECEMBER 31, 2017

	APPROPRIATIONS		EXPENDED	
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED
Mayor and Council:				
Salaries and Wages	\$ 15,200.00	\$ 15,200.00	\$ 14,757.72	\$ 442.28
Other Expenses	40,000.00	16,257.88	16,109.92	147.96
Administration:				
Salaries and Wages	156,000.00	156,253.00	156,102.67	150.33
Other Expenses	16,795.00	11,795.00	11,592.50	202.50
Clerk:				
Salaries and Wages	70,180.00	72,440.00	72,317.14	122.86
Other Expenses	27,800.00	22,800.00	22,798.33	1.67
Information Technology:				
Other Expenses	25,000.00	25,000.00	23,914.83	1,085.17
Elections:				
Other Expenses	8,000.00	8,000.00	6,903.82	1,096.18
Financial Administration:				
Salaries and Wages	156,800.00	149,800.00	143,029.00	6,771.00
Other Expenses	11,000.00	12,000.00	10,570.87	1,429.13
Audit	29,375.00	29,375.00	29,375.00	
Tax Collector:				
Salaries and Wages	104,000.00	104,000.00	102,742.40	1,257.60
Other Expenses	11,000.00	11,800.00	11,059.99	740.01
Tax Assessment Administration:				
Salaries and Wages	89,000.00	90,570.00	90,391.52	178.48
Other Expenses	19,000.00	12,000.00	11,388.56	611.44
Legal Services:				
Other Expenses	106,500.00	109,000.00	103,077.15	5,922.85
Engineering Services and Costs:				
Other Expenses	55,000.00	60,000.00	58,176.09	1,823.91
Historical Commission:				
Other Expenses	1,000.00	1,000.00	469.00	531.00
Planning Board:				
Salaries and Wages	51,200.00	51,200.00	51,000.09	199.91
Other Expenses	18,000.00	18,000.00	17,312.14	687.86
Board of Adjustment:				
Other Expenses	6,000.00	6,000.00	4,332.85	1,667.15
Zoning Officer:				
Salaries and Wages	12,240.00	12,350.00	12,342.00	8.00
Other Expenses	1,200.00	1,200.00	751.04	448.96
Open Space Commission:				
Other Expenses	500.00	500.00	56.94	443.06
Police:				
Salaries and Wages	2,761,000.00	2,767,500.00	2,753,595.18	13,904.82
Other Expenses	98,000.00	103,000.00	102,632.11	367.89
Emergency Management Services:				
Other Expenses	1,600.00	1,600.00	259.90	1,340.10
Division of Fire Safety:				
Fire Hydrant Rental	108,484.00	108,484.00	81,600.59	26,883.41
Miscellaneous Other Expenses	83,000.00	83,000.00	82,980.35	19.65
Fire Prevention:				
Salaries and Wages	23,000.00	20,000.00	19,660.63	339.37
Other Expenses	800.00	1,800.00	475.81	1,324.19
Aid to Volunteer Fire Companies	20,000.00	20,000.00	20,000.00	
Aid to Volunteer Aid Organizations	92,500.00	92,500.00	92,500.00	
Streets and Road Maintenance:				
Salaries and Wages	688,000.00	733,000.00	702,719.11	30,280.89
Other Expenses	115,000.00	115,000.00	110,031.63	4,968.37
Community Service Act:				
Other Expenses	30,000.00	26,000.00	24,881.69	1,118.31

TOWNSHIP OF CLINTON

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

YEAR ENDED DECEMBER 31, 2017

	APPROPRIATIONS		EXPENDED	
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED
Vehicle Maintenance:				
Other Expenses	\$ 85,000.00	\$ 77,000.00	\$ 72,024.60	\$ 4,975.40
Building and Grounds:				
Other Expenses	93,060.00	105,060.00	104,943.59	116.41
Environmental Commission:				
Other Expenses	500.00	500.00	320.00	180.00
Board of Health:				
Salaries and Wages	10,000.00	10,230.00	10,228.92	1.08
Other Expenses	5,000.00	5,000.00	3,455.47	1,544.53
Insurance:				
General Liability	336,872.34	321,872.34	320,610.83	1,261.51
Medical Waiver	10,000.00	10,000.00	10,000.00	
Employee Group Health	930,154.24	930,154.24	917,356.08	12,798.16
Recreation Commission:				
Salaries and Wages	87,500.00	97,500.00	93,017.26	4,482.74
Other Expenses	10,000.00	10,000.00	9,988.56	11.44
Municipal Court:				
Salaries and Wages	218,800.00	219,610.00	219,609.74	0.26
Other Expenses	21,000.00	26,000.00	25,473.17	526.83
Public Defender:				
Salaries and Wages	11,067.00	11,067.00	11,067.00	
Prosecutor:				
Salaries and Wages	43,700.00	43,720.00	43,700.16	19.84
Construction Code Department:				
Salaries and Wages	204,151.00	207,251.00	200,147.32	7,103.68
Other Expenses	31,750.00	26,750.00	21,834.64	4,915.36
<u>UNCLASSIFIED:</u>				
Electricity	66,000.00	62,000.00	61,840.81	159.19
Heating Oil	100.00	100.00	10.00	90.00
Natural Gas	24,300.00	18,300.00	18,049.34	250.66
Telephone	63,000.00	58,000.00	57,931.03	68.97
Gasoline	100,000.00	90,000.00	87,990.31	2,009.69
Water	2,000.00	2,000.00	1,937.04	62.96
Street Lighting	14,000.00	14,000.00	13,978.12	21.88
Sewer Services	4,320.00	4,320.00	4,320.00	
Reserve For Accumulated Absences	5,000.00	5,000.00	5,000.00	
<u>TOTAL OPERATIONS WITHIN "CAPS"</u>	<u>\$ 7,429,448.58</u>	<u>\$ 7,423,859.46</u>	<u>\$ 7,276,742.56</u>	<u>\$ 147,116.90</u>
Contingent	\$ 100.00	\$ 100.00	\$	\$ 100.00
<u>TOTAL OPERATIONS INCLUDING CONTINGENT-WITHIN "CAPS"</u>	<u>\$ 7,429,548.58</u>	<u>\$ 7,423,959.46</u>	<u>\$ 7,276,742.56</u>	<u>\$ 147,216.90</u>
<u>DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL - WITHIN "CAPS"</u>				
Prior Year Operating Deficit	\$ 909,122.84	\$ 909,122.84	\$ 909,122.84	\$
Public Employees Retirement System	249,276.00	250,611.93	250,611.93	
Social Security System (O.A.S.I)	366,000.00	366,000.00	362,675.48	3,324.52
Police and Firemen's Retirement System	548,073.00	552,326.19	552,326.19	
Defined Contribution Retirement Plan	500.00	500.00		500.00
<u>TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL - WITHIN "CAPS"</u>	<u>\$ 2,072,971.84</u>	<u>\$ 2,078,560.96</u>	<u>\$ 2,074,736.44</u>	<u>\$ 3,824.52</u>
<u>TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSE WITHIN "CAPS"</u>	<u>\$ 9,502,520.42</u>	<u>\$ 9,502,520.42</u>	<u>\$ 9,351,479.00</u>	<u>\$ 151,041.42</u>

TOWNSHIP OF CLINTON

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

YEAR ENDED DECEMBER 31, 2017

	APPROPRIATIONS		EXPENDED	
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED
<u>PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES</u>				
Impaired Driving Crackdown	\$ 23,400.00	\$ 23,400.00	\$ 23,400.00	\$
Body Armor Replacement Fund (NJSA 40A:4-87 \$2,267.59)		2,267.59	2,267.59	
Recycling Tonnage (NJSA 40A:4-87 \$14,398.70)	7,182.28	21,580.98	21,580.98	
Drunk Driving Enforcement Fund (NJSA 40A:4-87 \$10,895.84)	5,451.71	16,347.55	16,347.55	
Clean Community Act (NJSA 40A:4-87 \$35,952.23)		35,952.23	35,952.23	
NJDEP Recreation Trails (NJSA 40A:4-87 \$16,000.00)		16,000.00	16,000.00	
Drive Sober or Get Pulled Over (NJSA 40A:4-87 \$11,000.00)		11,000.00	11,000.00	
Distracted Driving Crackdown	5,500.00	5,500.00	5,500.00	
DOT Stanton Mountain Road	222,000.00	222,000.00	222,000.00	
<u>TOTAL PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES</u>	<u>\$ 263,533.99</u>	<u>\$ 354,048.35</u>	<u>\$ 354,048.35</u>	<u>\$</u>
<u>TOTAL OPERATIONS - EXCLUDED FROM "CAPS"</u>	<u>\$ 263,533.99</u>	<u>\$ 354,048.35</u>	<u>\$ 354,048.35</u>	<u>\$</u>
<u>CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"</u>				
Capital Improvement Fund	\$ 20,000.00	\$ 20,000.00	20,000.00	\$
<u>TOTAL CAPITAL IMPROVEMENTS</u>	<u>\$ 20,000.00</u>	<u>\$ 20,000.00</u>	<u>\$ 20,000.00</u>	<u>\$</u>
<u>MUNICIPAL DEBT SERVICE EXCLUDED FROM "CAPS"</u>				
Payment of Bond Principal	\$ 1,350,050.00	\$ 1,350,050.00	\$ 1,350,050.00	\$
Interest on Bonds	425,036.79	425,036.79	425,036.79	
Interest on Notes	161,590.09	161,590.09	161,590.09	
<u>TOTAL DEBT SERVICE</u>	<u>\$ 1,936,676.88</u>	<u>\$ 1,936,676.88</u>	<u>\$ 1,936,676.88</u>	<u>\$</u>
<u>DEFERRED CHARGES-MUNICIPAL- EXCLUDED FROM "CAPS"</u>				
Deferred Charges to Future Taxation Unfunded	\$ 139,838.78	\$ 139,838.78	\$ 139,838.78	\$
<u>TOTAL DEFERRED CHARGES-MUNICIPAL- EXCLUDED FROM "CAPS"</u>	<u>\$ 139,838.78</u>	<u>\$ 139,838.78</u>	<u>\$ 139,838.78</u>	<u>\$</u>
<u>SUBTOTAL GENERAL APPROPRIATIONS</u>	<u>\$ 11,862,570.07</u>	<u>\$ 11,953,084.43</u>	<u>\$ 11,802,043.01</u>	<u>\$ 151,041.42</u>
<u>RESERVE FOR UNCOLLECTED TAXES</u>	<u>950,000.00</u>	<u>950,000.00</u>	<u>950,000.00</u>	
<u>TOTAL GENERAL APPROPRIATIONS</u>	<u>\$ 12,812,570.07</u>	<u>\$ 12,903,084.43</u>	<u>\$ 12,752,043.01</u>	<u>\$ 151,041.42</u>
	REF.	A-2:A-3	A-1:A-3	A:A-1
Budget	A-3	\$ 12,812,570.07		
Amendment - NJSA 40A: 4-87	A-2	90,514.36		
		<u>\$ 12,903,084.43</u>		
Reserve for Accounts Payable	A-11		\$ 149,081.03	
Reserve for Grants Appropriated	A-23		354,048.35	
Reserve for Uncollected Taxes	A-2		950,000.00	
Deferred Charge - Prior Year Deficit	A-21		909,122.84	
Disbursements	A-4		10,389,790.79	
	A-3		<u>\$ 12,752,043.01</u>	

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TRUST FUND

"B"

TOWNSHIP OF CLINTON

TRUST FUND

BALANCE SHEETS - REGULATORY BASIS

<u>ASSETS</u>	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2017</u>	<u>BALANCE DECEMBER 31, 2016</u>
Assessment Fund:			
Cash	B-2:B-4	\$ 7,139.97	\$ 37,321.56
Assessments Receivable	B-3	8.82	7,418.85
	B	<u>\$ 7,148.79</u>	<u>\$ 44,740.41</u>
Animal Control Fund:			
Cash	B-2	\$ 2,711.79	\$ 8,757.95
Deferred Charge-Deficit	B-10	3,726.21	
	B	<u>\$ 6,438.00</u>	<u>\$ 8,757.95</u>
Other Funds:			
Cash	B-2	\$ 3,666,735.03	\$ 3,084,944.46
Due Current Fund	B-8	411.53	378,186.09
	B	<u>\$ 3,667,146.56</u>	<u>\$ 3,463,130.55</u>
		<u>\$ 3,680,733.35</u>	<u>\$ 3,516,628.91</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Assessment Fund:			
Reserve for Assessments	B-9	\$ 8.82	\$ 7,418.85
Fund Balance	B-1	7,139.97	37,321.56
	B	<u>\$ 7,148.79</u>	<u>\$ 44,740.41</u>
Animal Control Fund:			
Prepaid Dog Licenses	B-6	\$ 3,438.00	\$ 6,093.00
Due Current Fund	B-5	3,000.00	
Accounts Payable	B-22		1,918.00
Reserve for Animal Control Expenditures	B-12		746.95
	B	<u>\$ 6,438.00</u>	<u>\$ 8,757.95</u>
Other Funds:			
Reserves For:			
Various Deposits	B-11	\$ 412,100.97	\$ 667,611.33
Recreation Deposits	B-20	23,129.44	66,888.50
Balanced Housing Trust	B-7	1,738.69	1,738.69
Unemployment Insurance Compensation	B-16	27,880.59	21,917.09
Escrow Deposits	B-15	2,175,314.11	2,083,926.97
Open Space Deposits	B-17	175,537.27	447,605.40
COAH Deposits	B-14	55,168.03	326.99
Payroll Deductions Payable	B-18	43,783.89	36,359.13
Municipal Alliance	B-23	12,681.90	21,663.51
Redemption of Outside Liens	B-21	562.79	309.57
Accounts Payable	B-19	178,848.58	114,656.65
Due General Capital Fund	B-24	560,400.30	
Due Current Fund	B-8		126.72
	B	<u>\$ 3,667,146.56</u>	<u>\$ 3,463,130.55</u>
		<u>\$ 3,680,733.35</u>	<u>\$ 3,516,628.91</u>

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

TOWNSHIP OF CLINTON

TRUST FUND

SCHEDULE OF ASSESSMENT FUND BALANCE - REGULATORY BASIS

	<u>REF.</u>	<u>YEAR 2017</u>	<u>YEAR 2016</u>
Increased/(Decreased) by:			
Collections	B-9	\$ 6,818.41	\$ 7,980.98
Overpayments Canceled			29.96
Payment to Current Fund as Anticipated Revenue	B-2	<u>(37,000.00)</u>	<u> </u>
		(30,181.59)	8,010.94
Balance, January 1	B	\$ <u>37,321.56</u>	\$ <u>29,310.62</u>
Balance, December 31	B	\$ <u><u>7,139.97</u></u>	\$ <u><u>37,321.56</u></u>

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

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GENERAL CAPITAL FUND

TOWNSHIP OF CLINTONGENERAL CAPITAL FUNDBALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2017</u>	<u>BALANCE DECEMBER 31, 2016</u>
<u>ASSETS</u>			
Cash	C-2:C-3	\$ 4,196,144.32	\$ 2,444,069.10
Interfunds Receivable	C-6	560,400.30	
Deferred Charges to Future Taxation:			
Funded	C-5	18,108,486.87	9,248,256.72
Unfunded	C-7	<u>7,236,083.41</u>	<u>13,637,922.19</u>
		<u>\$ 30,101,114.90</u>	<u>\$ 25,330,248.01</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Serial Bonds Payable	C-11	\$ 17,954,000.00	\$ 8,890,000.00
Bond Anticipation Notes Payable	C-10	4,970,000.00	9,595,000.00
Loans Payable	C-4	154,486.87	358,256.72
Capital Improvement Fund	C-8	331.98	78,331.98
Improvement Authorizations:			
Funded	C-9	1,391,619.53	
Unfunded	C-7:C-9	4,226,326.28	5,459,279.87
Reserve for:			
Contracts Payable	C-12	248,440.58	370,635.23
Debt Service	C-14	1,155,165.45	
Fund Balance	C-1	<u>744.21</u>	<u>578,744.21</u>
		<u>\$ 30,101,114.90</u>	<u>\$ 25,330,248.01</u>

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

TOWNSHIP OF CLINTON

GENERAL CAPITAL FUND

STATEMENT OF CAPITAL FUND BALANCE - REGULATORY BASIS

	<u>REF.</u>	<u>YEAR 2017</u>	<u>YEAR 2016</u>
Increased by:			
Premium on Sale of Notes		\$	\$ 84,370.00
Funded Improvements Canceled			465,370.53
		<u>\$ 0.00</u>	<u>\$ 549,740.53</u>
Decreased by:			
Anticipated as Current Fund Revenue	C-2	<u>\$ 578,000.00</u>	<u>\$ 50,000.00</u>
		<u>\$ (578,000.00)</u>	<u>\$ 499,740.53</u>
Balance, January 1	C	<u>\$ 578,744.21</u>	<u>\$ 79,003.68</u>
Balance, December 31	C	<u><u>\$ 744.21</u></u>	<u><u>\$ 578,744.21</u></u>

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

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GENERAL FIXED ASSETS ACCOUNT GROUP

TOWNSHIP OF CLINTON

STATEMENT OF GENERAL FIXED ASSETS

BALANCE SHEETS - REGULATORY BASIS

	BALANCE DECEMBER <u>31, 2017</u>	BALANCE DECEMBER <u>31, 2016</u>
<u>FIXED ASSETS</u>		
Land	\$ 21,338,400.00	\$ 21,670,400.00
Buildings	7,238,500.00	7,397,205.00
Machinery and Equipment	<u>8,463,284.14</u>	<u>8,140,883.00</u>
<u>TOTAL FIXED ASSETS</u>	<u>\$ 37,040,184.14</u>	<u>\$ 37,208,488.00</u>
<u>RESERVE</u>		
Investments in General Fixed Assets	<u>\$ 37,040,184.14</u>	<u>\$ 37,208,488.00</u>

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

NOTES TO FINANCIAL STATEMENTS

TOWNSHIP OF CLINTON

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017 AND 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

B. Description of Funds

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB codification establishes three fund types and two account groups to be used by general purpose governmental units when reporting financial position and results of operations in accordance with U.S. Generally Accepted Accounting Principles (GAAP).

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Description of Funds (Continued)

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

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

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

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

C. Basis of Accounting

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

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

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

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

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

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

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

General Fixed Assets - N.J.A.C. 5:30-5.6, Accounting for Governmental Fixed Assets, which differs in certain respects from generally accepted accounting principles, requires the inclusion of a statement of general fixed assets of the Township as part of its basic financial statements. General fixed assets are defined as nonexpendable personal property having a physical existence, a useful life of more than one year and an acquisition cost of \$500.00 or more per unit.

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

The Township has developed a fixed assets accounting and reporting system based on an inventory of all Township assets. Fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Buildings and land are stated at the assessed value contained in the Township's most recent property revaluation. General Fixed Assets that have been acquired and are utilized in a governmental fund operation are accounted for in the General Fixed Assets Account Group rather than in a governmental fund.

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

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Accounting and Financial Reporting for Pensions - The Governmental Accounting Standards Board (GASB) approved Statement No. 68 Accounting and financial reporting for pensions administered by state and local government employers. This Statement improves accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local government employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency.

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

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

D. Basic Financial Statements

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

NOTE 2: CASH AND CASH EQUIVALENTS

The Township considers petty cash, change funds, cash in banks and certificates of deposit, and short-term investments with original maturities of three months or less as cash and cash equivalents. Investments are stated at cost, which approximates market.

A. Deposits

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

Under GUDPA, if a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of the deposits to the governmental until.

The Township of Clinton had the following cash and cash equivalents at December 31, 2017:

<u>Fund</u>	<u>Cash In Bank</u>	<u>Reconciling Items</u>	<u>Total</u>
Current Fund	\$ 3,931,832.72	\$ 1,608,693.02	\$ 5,540,525.74
Grant Fund	137,519.93		137,519.93
Assessment Trust Fund	7,139.97		7,139.97
Animal Control Trust Fund	2,738.19	(26.40)	2,711.79
Other Trust Fund	3,704,752.55	(38,017.52)	3,666,735.03
General Capital Fund	<u>4,619,025.54</u>	<u>(422,881.22)</u>	<u>4,196,144.32</u>
<u>Total December 31, 2017</u>	<u>\$ 12,403,008.90</u>	<u>\$ 1,147,767.88</u>	<u>\$ 13,550,776.78</u>

Custodial Credit Risk - Deposits - Custodial credit risk is the risk that in the event of a bank failure, the deposits may not be returned. The Township does not have a specific deposit for custodial credit risk other than those policies that adhere to the requirements of statute. As of December 31, 2017, based upon the coverage provided by FDIC and NJGUDPA, no amount of the bank balance was exposed to custodial credit risk. Of the cash balance in the bank, \$263,071.90 was covered by Federal Depository Insurance and \$12,139,937.00 was covered by NJGUDPA.

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

B. Investments

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

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

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

B. Investments (Continued)

8. Agreements for the repurchase of fully collateralized securities if:
- a. the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection;
 - b. the custody of collateral is transferred to a third party;
 - c. the maturity of the agreement is not more than 30 days;
 - d. the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C. 17:19-41); and
 - e. a master repurchase agreement providing for the custody and security of collateral is executed.

Based upon the limitation set forth by New Jersey Statutes 40A:55.1 and existing investment practices, the Township is generally not exposed to credit risks and interest rate risks for its investments, nor is it exposed to foreign currency risk for its deposits and investments.

NOTE 3: LONG-TERM DEBT

The Local Bond Law, Chapter 40A:2, governs the issuance of bonds to finance general municipal capital expenditures. All bonds are retired in annual installments within the statutory period of usefulness. All bonds issued by the Township are general obligation bonds, backed by the full faith and credit of the Township. Bond Anticipation Notes, which are issued to temporarily finance capital projects, shall mature and be paid off within ten years or financed by the issuance of bonds.

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 1.045%.

	<u>GROSS DEBT</u>		<u>DEDUCTIONS</u>		<u>NET DEBT</u>
Local School District Debt	\$ 26,430,000.00	\$	26,430,000.00	\$	
Regional School District Debt	2,698,686.76		2,698,686.76		
General Debt	<u>25,982,571.00</u>		<u>2,319,172.54</u>		<u>23,663,398.46</u>
	<u>\$ 55,111,257.76</u>	\$	<u>31,447,859.30</u>	\$	<u>23,663,398.46</u>

NET DEBT \$23,663,398.46 DIVIDED BY EQUALIZED VALUATION BASIS PER N.J.S.A. 40A:2-2, \$2,264,060,779.67 EQUALS 1.045%.

NOTE 3: LONG-TERM DEBT (CONTINUED)

SUMMARY OF MUNICIPAL DEBT

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Issued:			
Bonds, Loans, Notes:			
General	\$ <u>23,078,487.59</u>	\$ <u>18,843,257.08</u>	\$ <u>17,858,011.50</u>
Total Issued	\$ <u>23,078,487.59</u>	\$ <u>18,843,257.08</u>	\$ <u>17,858,011.50</u>
Authorized But Not Issued:			
Bonds and Notes:			
General	\$ <u>2,904,083.41</u>	\$ <u>4,042,922.19</u>	\$ <u>5,884,767.03</u>
Net Bonds and Notes Issued and Authorized But Not Issued	\$ <u>25,982,571.00</u>	\$ <u>22,886,179.27</u>	\$ <u>23,742,778.53</u>
Less:			
Debt to be Paid By Open Space Reserve for Debt Service	\$ <u>1,164,007.09</u> <u>1,155,165.45</u>	\$ <u>1,547,726.58</u>	\$ <u>1,923,832.00</u>
Net Debt Issued and Authorized But Not Issued	\$ <u>23,663,398.46</u>	\$ <u>21,338,452.69</u>	\$ <u>21,818,946.53</u>

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

Equalized Valuation Basis* - December 31, 2017	\$ <u>2,264,060,779.67</u>
3-1/2 of Equalized Valuation Basis (Municipal)	\$ 79,242,127.29
Net Debt	<u>23,663,398.46</u>
Remaining Borrowing Power	\$ <u>55,578,728.83</u>

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

NOTE 3: LONG-TERM DEBT (CONTINUED)

General Serial Bonds:

\$2,245,000.00 of 2013 Refunding Bonds due in annual installments of \$340,000.00 to \$415,000.00 through July 2019 at an interest rate of 3%. \$ 805,000.00

\$8,000,000.00 of 2009 General Obligation Bonds due in annual installments of \$400,000.00 to \$800,000.00 through January 2022 at a variable interest rate of 2.25% to 3.75%. 3,750,000.00

\$5,295,000.00 of 2011 Refunding Bonds due in annual installments of \$35,000.00 to \$595,000.00 through July 2022 at variable interest rates of 2% to 5%. 2,805,000.00

\$10,594,000.00 of 2017 General Obligation Bonds due in annual Installments of \$350,000.00 to \$700,000.00 through January 2033 at variable interest rates of 2% to 4% 10,594,000.00

\$ 17,954,000.00

Green Acres Trust Loans:

\$364,340.24 of 2012 Green Acres Trust Loan due in semi-annual installments of \$16,546.63 to \$19,990.13 through July 2021 at an interest rate of 2.0%. \$ 154,487.59

\$ 154,487.59

NOTE 3: LONG-TERM DEBT (CONTINUED)

Bonds and Notes Authorized But Not Issued

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

General Capital Fund	<u>\$2,904,083.41</u>
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SCHEDULE OF GREEN ACRES TRUST LOANS PAYABLE
AS OF DECEMBER 31, 2017

<u>YEAR</u>	<u>2012 LOANS</u>		<u>TOTAL</u>
	<u>PRINCIPAL</u>	<u>INTEREST</u>	
2018	\$ 37,476.75	\$ 2,903.30	\$ 40,380.05
2019	38,230.04	2,150.02	40,380.06
2020	38,998.46	1,381.60	40,380.06
2021	<u>39,782.34</u>	<u>597.71</u>	<u>40,380.05</u>
TOTAL	<u>\$ 154,487.59</u>	<u>\$ 7,032.63</u>	<u>\$ 161,520.22</u>

NOTE 3: LONG-TERM DEBT (CONTINUED)

SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND INTEREST
FOR BONDED DEBT ISSUED AND OUTSTANDING DECEMBER 31, 2017

<u>YEAR</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
2018	\$ 1,970,000.00	\$ 583,411.26	\$ 2,553,411.26
2019	2,114,000.00	523,371.26	2,637,371.26
2020	2,015,000.00	443,100.01	2,458,100.01
2021	2,060,000.00	377,025.01	2,437,025.01
2022	2,095,000.00	309,962.50	2,404,962.50
2023	700,000.00	252,875.00	952,875.00
2024	700,000.00	221,375.00	921,375.00
2025	700,000.00	189,875.00	889,875.00
2026	700,000.00	161,875.00	861,875.00
2027	700,000.00	137,375.00	837,375.00
2028	700,000.00	116,375.00	816,375.00
2029	700,000.00	95,375.00	795,375.00
2030	700,000.00	74,375.00	774,375.00
2031	700,000.00	53,375.00	753,375.00
2032	700,000.00	32,375.00	732,375.00
2033	700,000.00	10,937.50	710,937.50
	<u>\$ 17,954,000.00</u>	<u>\$ 3,583,057.54</u>	<u>\$ 21,537,057.54</u>

NOTE 4: SHORT-TERM DEBT

In accordance with N.J.S.A. 40A:2-8.1, a local unit may, in anticipation of the issuance of bonds, borrow money and issue notes if the bond ordinance or subsequent resolution so provides. Any such note shall be designated as a "bond anticipation note" and shall be subject to the following provisions:

- (1) every note shall contain a recital that it is issued for a period not exceeding one year and may be renewed from time to time for additional periods, none of which shall exceed one year;
- (2) all such notes, including renewals, shall mature and be paid not later than the first day of the fifth month following the close of the tenth fiscal year next following the date of the original notes; and
- (3) no such notes shall be renewed beyond the third anniversary date of the original notes unless an amount of such notes, at least equal to the first legally payable installment of the bonds in anticipation of which those notes are issued, is paid and retired on or before each subsequent anniversary date beyond which such notes are renewed from funds other than the proceeds of obligations.

NOTE 4: SHORT-TERM DEBT (CONTINUED)

The Township had the following outstanding note(s) at year end:

<u>Fund</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Amount</u>
General Capital	2.25%	3/23/18	\$ 2,732,000.00
General Capital	2.25%	3/23/18	<u>2,238,000.00</u>
			<u>\$ 4,970,000.00</u>

In accordance with NJSA 40A:4 sections 64 through 73, in any fiscal year, in anticipation of the collection of taxes for such year, whether levied in such year, or in anticipation of other revenue for such year, the Township may, by resolution, borrow money and issue its negotiable notes, each of which shall be designated by the fiscal year to which it pertains. The proceeds may be used to pay outstanding previous notes of same purpose, or for purposes provided for in the budget or for which taxes are levied or to be levied for in such year. The amount outstanding shall not exceed an amount certified as the gross borrowing power, and no such notes shall be authorized in excess of an amount certified as the net borrowing power. Tax anticipation notes may be renewed from time to time, but any note shall mature within 120 days after the beginning of the succeeding fiscal year, and bear an interest rate that does not exceed 6%. The Township did not have any Tax Anticipation Notes in 2017.

NOTE 5: FUND BALANCES APPROPRIATED

Fund balances at December 31, 2017, which were appropriated and included as anticipated revenue in their own respective funds for the year ending December 31, 2018 was \$717,000.00.

NOTE 6: PROPERTY TAXES

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

NOTE 6: PROPERTY TAXES (CONTINUED)

Taxes Collected in Advance - Taxes collected in advance and recorded as cash liabilities in the financial statements are as follows:

	BALANCE DECEMBER <u>31, 2017</u>	BALANCE DECEMBER <u>31, 2016</u>
Prepaid Taxes	\$ <u>4,156,896.00</u>	\$ <u>348,814.64</u>

NOTE 7: PENSION PLANS

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

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

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

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

NOTE 7: PENSION PLANS (CONTINUED)

Vesting and Benefit Provisions

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

The vesting and benefit provisions for PFRS are set by N.J.S.A. 43:16A and 43:36. All benefits vest after ten years of service, except for disability benefits, which vest after four years of service. Retirement benefits for age and service are available at age 55. Members may seek special retirement after achieving 25 years of creditable service or they may elect deferred retirement after achieving ten years of service. Newly elected or appointed officials that have an existing DCRP account, or are a member of another State-administered retirement system are immediately invested in the DCRP. For newly elected or appointed officials that do not qualify for immediate vesting in the DCRP, employee and employer contributions are held during the initial year of membership. Upon commencing the second year of DCRP membership, the member is fully invested. However, if a member is not eligible to continue in the DCRP for a second year of membership, the member may apply for a refund of the employee contributions from the DCRP, while the employer contributions will revert back to the employer. Employees are required to contribute 5.5% of their base salary and employers contribute 3.0%.

Funding Policy

The contribution policy is set by New Jersey State Statutes and contributions are required by active members and contributing employers. Plan members and employer contributions may be amended by State of New Jersey legislation. Effective July 2017 PERS provides for employee contributions of 7.35% of employees' annual compensation. Employers are required to contribute at an actuarially determined rate. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums.

The contribution policy for PFRS is set by N.J.S.A. 43:16A and requires contributions by active members and contributing employers. Plan member and employer contributions *may* be amended by State of New Jersey legislation. Employers are required to contribute at an actuarially determined rate. The annual employer contribution includes funding for basic retirement allowances, cost-of-living adjustments and noncontributory death benefits. During 2016, members contributed at a uniform rate of 10.00% of base salary.

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

Certain Township employees are also covered by the Federal Insurance Contribution Act. The Township's share of pension costs, which is based upon the annual billings received from the State, amounted to \$802,938.12 for 2017, \$801,558 for 2016, and \$734,408 for 2015.

NOTE 7: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions – GASB #68

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

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

Public Employees Retirement System (PERS)

At June 30, 2017, the State reported a net pension liability of \$6,645,148.00 for the Township of Clinton’s proportionate share of the total net pension liability. The total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. The Township’s proportion of the net pension liability was based on a projection of the Township’s long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2017, the Township’s proportion was 0.0285464099 percent, which was a increase of 0.0005335776 percent from its proportion measured as of June 30, 2016.

For the year ended June 30, 2017, the State recognized an actuarially determined pension expense of \$514,943.00 for the Township of Clinton’s proportionate share of the total pension expense. The pension expense recognized in the Township’s financial statement based on the April 1, 2017 billing was \$248,862.00.

NOTE 7: PENSION PLANS (CONTINUED)

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

Public Employees Retirement System (PERS) (Continued)

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

	<u>Deferred Inflow of Resources</u>	<u>Deferred Outflow of Resources</u>
Differences between expected and actual experience	-	\$156,470.00
Changes of assumptions	\$1,333,860.00	1,338,768.00
Net difference between projected and actual earnings on pension plan investments		45,249.00
Changes in proportion and differences between Township contributions and proportionate share of contributions	<u>48,905.00</u>	<u>172,479.00</u>
	<u><u>\$1,382,765.00</u></u>	<u><u>\$1,712,966.00</u></u>

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

Year Ended <u>June 30,</u>	<u>Amount</u>
2018	\$186,181.00
2019	265,369.00
2020	165,224.00
2021	(160,998.00)
2022	<u>(125,575.00)</u>
	<u><u>\$330,201.00</u></u>

NOTE 7: PENSION PLANS (CONTINUED)

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

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions

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

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

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

NOTE 7: PENSION PLANS (CONTINUED)

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

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions (Continued)

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

Long-Term Rate of Return

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

NOTE 7: PENSION PLANS (CONTINUED)

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

Public Employees Retirement System (PERS) (Continued)

Long-Term Rate of Return (Continued)

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

NOTE 7: PENSION PLANS (CONTINUED)

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

Public Employees Retirement System (PERS) (Continued)

Discount Rate

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

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

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

	June 30, 2017		
	1% Decrease <u>4.00%</u>	At Current Discount Rate <u>5.00%</u>	1% Increase <u>6.00%</u>
Township's proportionate share of the pension liability	\$8,243,757.00	\$6,645,148.00	\$5,313,308.00

Pension plan fiduciary net position

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

NOTE 7: PENSION PLANS (CONTINUED)

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

Police and Firemen's Retirement System (PFRS)

At June 30, 2017, the State reported a net pension liability of \$10,134,644.00 for the Township of Clinton's proportionate share of the total PFRS net pension liability. The total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2017, the Township's proportion was 0.0656471054 percent, which was an increase of 0.0015730238 percent from its proportion measured as of June 30, 2016.

For the year ended June 30, 2017, the State recognized an actuarially determined pension expense of \$1,018,891.00. The pension expense recognized in the Township's financial statement based on the April 1, 2017 billing was \$548,073.00.

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

	Deferred Inflow of <u>Resources</u>	Deferred Outflow of <u>Resources</u>
Differences between expected and actual experience	\$59,482.00	\$65,748.00
Changes of assumptions	1,659,758.00	1,249,715.00
Net difference between projected and actual earnings on pension plan investments		193,393.00
Changes in proportion and differences between the Township's contributions and proportionate share of contributions	<u>370,410.00</u>	<u>438,493.00</u>
	<u>\$2,089,650.00</u>	<u>\$1,947,349.00</u>

NOTE 7: PENSION PLANS (CONTINUED)

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

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

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

Year Ended	
<u>June 30</u>	<u>Amount</u>
2018	\$227,277.00
2019	436,344.00
2020	(23,793.00)
2021	(548,606.00)
2022	<u>(233,523.00)</u>
	<u>(\$142,301.00)</u>

NOTE 7: PENSION PLANS (CONTINUED)

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

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

Actuarial Assumptions

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

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

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

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

NOTE 7: PENSION PLANS (CONTINUED)

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

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

Long-Term Rate of Return

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

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

NOTE 7: PENSION PLANS (CONTINUED)

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

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

Discount Rate

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

The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 40% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

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

	June 30, 2017		
	1% Decrease <u>5.14%</u>	At Current Discount Rate <u>6.14%</u>	1% Increase <u>7.14%</u>
Township's proportionate share of the PFRS pension liability	\$13,353,228.00	\$10,134,644.00	\$7,490,211.0

NOTE 7: PENSION PLANS (CONTINUED)

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

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

Special Funding Situation

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

At June 30, 2017 and 2016, the State's proportionate share of the net pension liability attributable to the Township for the PFRS special funding situation is \$1,135,165.00 and \$1,078,306.00 respectively.

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

Township's Proportionate Share of Net Pension Liability	\$10,134,644.00
State of New Jersey Proportionate Share of Net Pension Liability Associated with the Township	<u>1,135,165.00</u>
	<u>\$11,269,809.00</u>

Pension plan fiduciary net position

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

NOTE 8: COMPENSATED ABSENCES

The Township only allows a carryover of vacation days if prior approval has been obtained from the Township Council. Unused sick days are available to be carried over into a following year up to a maximum of 90 days for all Township employees, except the Police Department employees, who are entitled to accumulate 120 sick days. Employees that retire are entitled to be paid for their unused accumulated sick days at a rate equal to one-half their current pay rate. The accumulated cost of such unpaid compensation is not required to be reported in the financial statements as presented and has not been determined, but is probably material.

NOTE 9: LITIGATION

The Township Attorney's letter did not indicate any litigation, claims, or contingent liabilities that are either not covered by the Township's insurance carrier or would have a material financial impact on the Township.

NOTE 10: CONTINGENT LIABILITIES

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

NOTE 11: TAX APPEALS

There are tax appeals filed with the County and State Tax Court of New Jersey requesting a reduction of assessments for the years 2017 and prior. Any reduction in assessed valuation will result in a refund of prior years taxes in the year of a reserve or by the issuance of refunding bonds per N.J.S. 40A:2-51.

NOTE 12: RISK MANAGEMENT

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Township maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Township. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

New Jersey Unemployment Compensation Insurance - The Township has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the Township is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The Township is billed quarterly for amounts due to the State. Below is a summary of Township contributions, employee contributions, reimbursements to the State for benefits paid, and the ending balance of the Township's expendable trust fund for the current and previous two years:

<u>Year</u>	<u>Interest Earned</u>	<u>Appropriated & Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2017	\$	\$ 6,211.50	\$ 248.00	\$ 27,880.59
2016		17,131.66	1,020.91	21,917.09
2015	13.75	10,870.62	10,938.32	5,806.34

NOTE 13: INTERFUND RECEIVABLES AND PAYABLES

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

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Current Fund	\$ 3,000.00	\$ 411.53
Animal Control Trust Fund		3,000.00
Trust Other Fund	411.53	560,400.30
General Capital Fund	<u>560,400.30</u>	<u> </u>
	\$ <u>563,811.83</u>	\$ <u>563,811.83</u>

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

NOTE 14: DEFERRED COMPENSATION PLAN

The Township offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all Township employees, permits them to defer a portion of their salaries until future years. The Township does not make any contribution to the plan. The deferred compensation is not available to employees until retirement, death, disability, termination or financial hardships.

In accordance with the requirements of the Small Business Job Protection Act of 1996 and the funding requirements of Internal Revenue Code Section 457(g), the Township's Plan was amended to require that all amounts of compensation deferred under the Plan are held for the exclusive benefits of plan participants and beneficiaries. All assets and income under the Plan are held in trust, in annuity contracts or custodial accounts.

The Plan is administered by National Plan Coordinators. The accompanying financial statements do not include the Township's Deferred Compensation Plan activities.

NOTE 15: GASB 45: OTHER POST-EMPLOYMENT BENEFITS

The Township is required to implement the note disclosure provision of GASB Statement 45, "Accounting and Financial Reporting by Employers for Post Employment Benefits Other Than Pension." This statement which was adopted during 2004 by the Government Accounting Standard Board (GASB) requires the Township to disclose in the notes of the financial statements the future cost of the other post employment benefits (OPEB) on a present value basis instead of the present pay as you go method. OPEB obligations are non-pension benefits that the Township has contractually agreed to provide employees once they have retired. The Township does not provide post retirement benefits other than pension to its employees which is provided through the New Jersey pension system.

NOTE 16: DEFERRED SCHOOL TAXES

New Jersey statutes provide for the deferral of liability for not more than 50% of the annual levy when school taxes are raised on a school year basis and such taxes have not been requisitioned by the school district.

LOCAL DISTRICT SCHOOL TAX

	DECEMBER <u>31, 2017</u>	DECEMBER <u>31, 2016</u>
Balance of Tax	\$12,426,563.50	\$10,589,463.30
Deferred	<u>12,426,563.50</u>	<u>12,452,491.50</u>
School Tax Payable/(Prepaid)	<u><u>\$0.00</u></u>	<u><u>(\$1,863,028.20)</u></u>

REGIONAL DISTRICT SCHOOL TAX

	DECEMBER <u>31, 2017</u>	DECEMBER <u>31, 2016</u>
Balance of Tax	\$7,026,444.50	\$7,044,903.00
Deferred	<u>7,026,444.50</u>	<u>7,040,000.00</u>
School Tax Payable	<u><u>\$0.00</u></u>	<u><u>\$4,903.00</u></u>

NOTE 17: SUBSEQUENT EVENTS

The Township has evaluated subsequent events occurring after the financial statement date through July 24, 2018 which is the date the financial statements were available to be issued. Based upon this evaluation, the Township has determined that there are no subsequent events that need to be disclosed.

TOWNSHIP OF CLINTON

SUPPLEMENTARY SCHEDULES – ALL FUNDS

YEAR ENDED DECEMBER 31, 2017

TOWNSHIP OF CLINTON

CURRENT FUND

SCHEDULE OF CASH - COLLECTOR-TREASURER

	<u>REF.</u>	<u>CURRENT FUND</u>	<u>GRANT FUND</u>
Balance, December 31, 2016	A	\$ 362,346.88	\$ 91,436.51
Increased by Receipts:			
Taxes Receivable	A-8	\$ 54,329,878.74	\$
State of New Jersey-Senior Citizens and Veterans Deductions	A-7	70,750.00	
Interfunds	A-12	578,538.25	
Revenue Accounts Receivable	A-13	3,430,642.66	
Miscellaneous Revenue Not Anticipated	A-2	92,201.18	
Tax Overpayments	A-17	25,319.75	
Prepaid Taxes	A-18	4,156,896.00	
Grants Receivable	A-30		306,639.75
Grants Unappropriated	A-31		10,989.17
Reserve for Prepaid Revenue	A-15	7,625.00	
Due State of NJ - Construction Code Official	A-20	23,035.00	
Due State of NJ - Marriage Licenses	A-24	1,350.00	
Petty Cash	A-5	350.00	
Reserve for Credit Card Fees	A-22	198,057.79	
		<u>62,914,644.37</u>	<u>317,628.92</u>
		\$ 63,276,991.25	\$ 409,065.43
Decreased by Disbursements:			
Appropriations	A-3	\$ 10,389,790.79	\$
Appropriation Reserves	A-14	152,728.04	
Accounts Payable	A-11	8,232.00	
Tax Overpayments	A-17	97,048.25	
Local District School Taxes Payable	A-27	23,016,026.80	
County Taxes Payable	A-26	8,418,865.19	
Municipal Open Space Taxes Payable	A-28	430,842.95	
Regional District School Taxes Payable	A-29	14,059,291.00	
Due State of NJ - Marriage Licenses	A-24	1,425.00	
Due State of NJ - Construction Code Official	A-20	19,213.00	
Interfunds	A-12	959,186.09	
Petty Cash	A-5	350.00	
Reserve for Credit Card Fees	A-22	183,466.40	
Reserve for Grants-Appropriated	A-23		271,545.50
		<u>57,736,465.51</u>	<u>271,545.50</u>
Balance, December 31, 2017	A	\$ <u>5,540,525.74</u>	\$ <u>137,519.93</u>

"A-5"

TOWNSHIP OF CLINTON
CURRENT FUND
SCHEDULE OF PETTY CASH

<u>OFFICE</u>	<u>INCREASED</u>	<u>DECREASED</u>
Finance Department	\$ 250.00	\$ 250.00
Police Department	100.00	100.00
	<u>\$ 350.00</u>	<u>\$ 350.00</u>
<u>REF.</u>	A-4	A-4

"A-6"

SCHEDULE OF CHANGE FUND

<u>OFFICE</u>	<u>BALANCE</u> <u>DECEMBER 31,</u> <u>2016 AND 2017</u>
Tax Collector	\$ 100.00
Township Clerk	50.00
Municipal Court	100.00
Construction	100.00
Recreation	30.00
	<u>\$ 380.00</u>
<u>REF.</u>	A

TOWNSHIP OF CLINTON

CURRENT FUND

SCHEDULE OF DUE STATE OF NEW JERSEY
FOR SENIOR CITIZENS AND VETERANS DEDUCTIONS

	<u>REF.</u>	
Balance, December 31, 2016 (Due From)	A	\$ 9,103.33
Increased by:		
Senior & Veteran Deductions Per Tax Billing	A-7:A-8	<u>72,250.00</u>
		\$ <u>81,353.33</u>
Decreased by:		
Received From State	A-4	<u>70,750.00</u>
Balance, December 31, 2017 (Due From)	A	\$ <u><u>10,603.33</u></u>

ANALYSIS OF STATE SHARE OF 2017 SENIOR
CITIZENS AND VETERANS DEDUCTIONS

Senior Citizens Per Tax Billing		\$ 3,000.00
Disabled Person Per Tax Billing		500.00
Veterans Per Tax Billing		59,750.00
Widow of Veteran Per Tax Billing		<u>9,000.00</u>
	A-7:A-8	\$ <u><u>72,250.00</u></u>

TOWNSHIP OF CLINTON

CURRENT FUND

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

YEAR	BALANCE DECEMBER 31, 2016	2017 LEVY	ADDED TAXES	COLLECTIONS 2017	CANCELED	TRANSFERRED TO TAX TITLE LIENS	BALANCE DECEMBER 31, 2017
Prior	\$ 514,193.84	\$	\$	\$ 492,101.81	\$ 9,281.67	\$	\$ 12,810.36
2017		54,600,225.63	52,188.76	53,914,109.51	14,121.54	1,225.37	374,143.33
	\$ 514,193.84	\$ 54,600,225.63	\$ 52,188.76	\$ 54,406,211.32	\$ 23,403.21	\$ 1,225.37	\$ 386,953.69

REF. A

A-2:A-18

A-2

A-9

A

REF.

Collector (Including Homestead Credit)	A-4	\$ 54,329,878.74
Overpayments Applied	A-17	4,082.58
Senior Citizens and Veterans Deductions	A-7	72,250.00
		\$ 54,406,211.32

ANALYSIS OF 2017 PROPERTY TAX LEVY

TAX YIELD

General Property Tax	\$ 54,600,225.63
Added Taxes (54:4-63.1 et.seq.)	52,188.76
	\$ 54,652,414.39

TAX LEVY

Local District School Tax (Abstract)	A-2:A-27	\$ 24,853,127.00
Regional District School Tax (Abstract)	A-2:A-29	14,052,889.00
County Tax (Abstract)		7,021,112.43
County Library Tax (Abstract)		702,879.47
County Open Space (Abstract)		683,611.74
		\$ 8,407,603.64
Due County for Added Taxes (54:4-63.1 et.seq.)		8,041.48
<u>Total County Taxes</u>		8,415,645.12

Municipal Open Space Tax

		430,842.95
Local Tax for Municipal Purposes (Abstract)		\$ 6,854,907.76
Add: Additional Tax Levied		45,002.56
Local Tax for Municipal Purposes Levied		6,899,910.32
		\$ 54,652,414.39

"A-9"

TOWNSHIP OF CLINTON
CURRENT FUND
SCHEDULE OF TAX TITLE LIENS

	<u>REF.</u>	
Balance, December 31, 2016	A	\$ 30,659.68
Increased by:		
Taxes Accrued	A-8	<u>1,225.37</u>
Balance, December 31, 2017	A	<u>\$ 31,885.05</u>

"A-10"

SCHEDULE OF PROPERTY ACQUIRED FOR TAXES - ASSESSED VALUATION

Balance, December 31, 2016 and December 31, 2017	A	<u>\$ 165,000.00</u>
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TOWNSHIP OF CLINTON

CURRENT FUND

SCHEDULE OF RESERVE FOR ACCOUNTS PAYABLE

	<u>REF.</u>		
Balance, December 31, 2016	A		\$ 92,189.93
Increased by:			
2017 Budget Appropriations	A-3	\$ 149,081.03	
Tax Overpayments	A-17	15,985.93	
Due State - Marriage Licenses	A-24	125.00	
Due State - Construction DCA Fees	A-20	<u>7,438.00</u>	
			<u>172,629.96</u>
			\$ <u>264,819.89</u>
Decreased by:			
Disbursements	A-4	\$ 8,232.00	
Transferred to Appropriation Reserves	A-14	80,194.93	
Canceled	A-1	<u>3,763.00</u>	
			<u>92,189.93</u>
Balance, December 31, 2017	A		\$ <u><u>172,629.96</u></u>

TOWNSHIP OF CLINTON

CURRENT FUND

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

<u>ACCOUNTS</u>	<u>REF.</u>	<u>ACCRUED IN 2017</u>	<u>COLLECTED</u>
Clerk/Registrar:			
Licenses:			
Alcoholic Beverages	A-2	\$ 25,150.00	\$ 25,150.00
Fees and Permits	A-2	10,392.50	10,392.50
Other Fees & Permits	A-2	15,785.71	15,785.71
Tax Collector:			
Interest and Costs on Taxes	A-2	128,384.52	128,384.52
Construction Code Official	A-2	462,029.00	462,029.00
Planning Board:			
Fees and Permits	A-2	7,154.50	7,154.50
Board of Adjustments:			
Fees and Permits	A-2	4,052.00	4,052.00
Zoning Board:			
Fees and Permits	A-2	12,630.00	12,630.00
Board of Health:			
Fees and Permits	A-2	11,200.00	11,200.00
Tax Assessor:			
Fees and Permits	A-2	310.00	310.00
Municipal Court:			
Fines and Costs	A-2	206,369.47	206,369.47
Fire Prevention:			
Fees and Permits	A-2	32,110.00	32,110.00
Police:			
Fees and Permits	A-2	1,881.80	1,881.80
Division of Fire Safety Act LEA	A-2	25,504.71	25,504.71
Recreation Playground	A-2	12,356.56	12,356.56
Special Assessment Fund Balance	A-2	37,000.00	37,000.00
Reimbursement of Prior Escrow	A-2	217,233.56	217,233.56
Interest on Investments and Deposits	A-2	44,579.66	44,579.66
Recreation Trust Surplus	A-2	50,000.00	50,000.00
SRO Officer	A-2	90,000.00	90,000.00
Energy Receipts Tax	A-2	962,102.00	962,102.00
Garden State Trust Fund	A-2	28,137.00	28,137.00
North Hunterdon Agreement	A-2	18,801.94	18,801.94
Host Community Tonnage Fees	A-2	75,702.14	75,702.14
Capital Fund Balance	A-2	578,000.00	578,000.00
Open Space Trust - Maintenance of Land	A-2	60,000.00	60,000.00
Court Rent	A-2	272,468.00	272,468.00
Police Off Duty Admin Fees	A-2	12,000.00	12,000.00
RSH Condo Association Fees	A-2	14,125.00	14,125.00
Franchise Fees	A-2	15,182.59	15,182.59
		<u>\$ 3,430,642.66</u>	<u>\$ 3,430,642.66</u>

TOWNSHIP OF CLINTON

CURRENT FUND

SCHEDULE OF 2016 APPROPRIATION RESERVES

	BALANCE DECEMBER 31, 2016	ACCOUNTS PAYABLE	BALANCE AFTER MODIFICATION	PAID OR CHARGED	BALANCE LAPSED
<u>SALARIES AND WAGES</u>					
Mayor and Council	\$ 322.40	\$	\$ 322.40	\$	\$ 322.40
Administration	1,759.27		59.27		59.27
Clerk	3,448.81		448.81		448.81
Financial Administration	299.96		299.96		299.96
Collection of Taxes	28.90		28.90		28.90
Tax Assessment Administration	738.92		738.92		738.92
Planning Board	1,199.94		199.94		199.94
Zoning Officer	40.01		40.01		40.01
Police	58,620.06		58,620.06	30,075.20	28,544.86
Fire Prevention	1,986.22		1,386.22		1,386.22
Streets and Road Maintenance	99.78		99.78		99.78
Board of Health	1,744.47		44.47		44.47
Recreation Commission	8,580.39		580.39		580.39
Municipal Court	387.39		387.39		387.39
Prosecutor	0.03		0.03		0.03
Construction Code Department	874.80		874.80		874.80
<u>OTHER EXPENSES</u>					
Mayor and Council	588.46	130.00	718.46	130.00	588.46
Administration	935.00		935.00		935.00
Clerk	789.55	1,466.54	2,256.09	418.91	1,837.18
Information Technology	483.36	742.83	1,226.19	492.83	733.36
Elections	898.15		898.15		898.15
Financial Administration	1,500.10	450.00	1,950.10	992.23	957.87
Collection of Taxes	807.28		807.28	8.17	799.11
Tax Assessment Administration	1,122.95	8,000.00	9,122.95	72.21	9,050.74
Legal Services	18,926.60	1,600.00	26,526.60	5,500.25	21,026.35
Engineering Services	6,081.47		12,081.47	4,761.70	7,319.77
Planning Board	3,623.21	474.89	4,098.10	357.47	3,740.63
Board of Adjustments	124.69	150.00	274.69	127.99	146.70
Zoning Officer	650.20		650.20		650.20
Open Space Commission	487.31		487.31		487.31
Police	2,241.23	2,683.52	4,924.75	3,605.76	1,318.99
Emergency Management Services	212.56	60.05	272.61		272.61
Division of Fire Safety-Fire Hydrant Rental	26,964.64		26,964.64	26,964.64	
Division of Fire Safety-Miscellaneous	933.58	17,273.36	18,206.94	16,291.69	1,915.25
Fire Prevention	645.89		645.89		645.89
Aid to Volunteer Fire Companies	500.00		500.00		500.00
Aid to Volunteer First Aid Organizations	5,000.00		5,000.00		5,000.00
Streets and Road Maintenance-Miscellaneous	12,985.34	3,293.79	16,279.13	11,942.82	4,336.31
Community Services Act	793.60		793.60		793.60
Vehicle Maintenance	2,763.95	14,206.95	16,970.90	14,842.51	2,128.39
Buildings and Grounds	73.72	4,416.17	10,489.89	9,964.64	525.25
Environmental Commission	200.00		200.00		200.00
Board of Health	651.25		651.25	650.32	0.93
Insurance-General Liability	2.05		2.05		2.05
Insurance-Medical Waiver	7,741.56		741.56		741.56
Insurance-Employee Group Health	44.38	686.22	730.60	686.22	44.38
Recreation Commission	962.64	83.04	1,045.68	150.00	895.68
Municipal Court	5,272.96	1,119.41	6,392.37	2,055.23	4,337.14
Construction Code Department	4,281.68	10,075.00	14,356.68	3,466.87	10,889.81
Heating Oil	100.00		100.00		100.00
Electricity	965.09		5,965.09	3,731.02	2,234.07
Natural Gas	4,284.46	262.72	4,547.18	2,090.99	2,456.19
Telephone	1,756.61	1,000.00	2,756.61	1,738.50	1,018.11
Gasoline	6,742.36	12,020.44	18,762.80	10,354.11	8,408.69
Water	132.22		132.22		132.22
Street Lighting	1,616.01		1,616.01	1,255.76	360.25
Contingent	100.00		100.00		100.00
Social Security Systems (O.A.S.I.)	10,573.89		10,573.89		10,573.89
	\$ 215,691.35	\$ 80,194.93	\$ 295,886.28	\$ 152,728.04	\$ 143,158.24

"A-15"

TOWNSHIP OF CLINTON

CURRENT FUND

SCHEDULE OF RESERVE FOR PREPAID REVENUE

	<u>REF.</u>	
Balance, December 31, 2016	A	\$ 6,625.00
Increased by:		
Receipts	A-4	<u>7,625.00</u>
		\$ 14,250.00
Decreased by:		
Applied To Revenue	A-2	<u>6,625.00</u>
Balance, December 31, 2017	A	<u><u>\$ 7,625.00</u></u>

"A-16"

GRANT FUND

SCHEDULE OF RESERVE FOR ACCOUNTS PAYABLE

Balance, December 31, 2016	A	\$ 4,805.29
Increased by:		
Transferred from Grants Appropriated	A-23	<u>224,115.75</u>
		\$ 228,921.04
Decreased by:		
Prior Year Accounts Payable	A-23	<u>4,805.29</u>
Balance, December 31, 2017	A	<u><u>\$ 224,115.75</u></u>

"A-17"

TOWNSHIP OF CLINTON

CURRENT FUND

SCHEDULE OF TAX OVERPAYMENTS

	<u>REF.</u>		
Balance, December 31, 2016	A		\$ 163,977.20
Increased by:			
Overpayments in 2017	A-4		<u>25,319.75</u>
			\$ 189,296.95
Decreased by:			
Refunded	A-4	\$ 97,048.25	
Accounts Payable	A-11	15,985.93	
Applied To Taxes Receivable	A-8	4,082.58	
Canceled	A-1	<u>69,029.52</u>	
			<u>186,146.28</u>
Balance, December 31, 2017	A		\$ <u><u>3,150.67</u></u>

"A-18"

SCHEDULE OF PREPAID TAXES

Balance, December 31, 2016	A		\$ 348,814.64
Increased by:			
Collection of 2018 Taxes	A-4		<u>4,156,896.00</u>
			\$ 4,505,710.64
Decreased by:			
Application to 2017 Taxes	A-8		<u>348,814.64</u>
Balance, December 31, 2017	A		\$ <u><u>4,156,896.00</u></u>

"A-19"

TOWNSHIP OF CLINTON

CURRENT FUND

SCHEDULE OF RESERVE FOR ACCUMULATED ABSENCES

REF.

Balance, December 31, 2016 and December 31, 2017	A		\$ <u>6,331.12</u>
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"A-20"

SCHEDULE OF DUE STATE OF NEW JERSEY - CONSTRUCTION CODE OFFICIAL

Balance, December 31, 2016	A		\$ 3,616.00
Increased by:			
Receipts	A-4		<u>23,035.00</u>
			\$ <u>26,651.00</u>
Decreased by:			
Disbursements	A-4	\$ 19,213.00	
Accounts Payable	A-11	<u>7,438.00</u>	
			\$ <u>26,651.00</u>

"A-21"

TOWNSHIP OF CLINTON

CURRENT FUND

SCHEDULE OF DEFERRED CHARGES

	<u>REF.</u>	
Balance, December 31, 2016	A	\$ 909,122.84
Decreased by:		
Appropriations	A-3	<u>909,122.84</u>

"A-22"

SCHEDULE OF RESERVE FOR CREDIT CARD FEES

Balance, December 31, 2016	A	\$ 472.59
Increased by:		
Receipts	A-4	<u>198,057.79</u>
		\$ <u>198,530.38</u>
Decreased by:		
Disbursements	A-4	<u>183,466.40</u>
Balance, December 31, 2017	A	\$ <u><u>15,063.98</u></u>

TOWNSHIP OF CLINTON

GRANT FUND

SCHEDULE OF GRANTS APPROPRIATED

	BALANCE DECEMBER 31, 2016	BUDGET APPROPRIATION	EXPENDED	ACCOUNTS PAYABLE	CANCELED	BALANCE DECEMBER 31, 2017
Recycling Tonnage Grant	\$ 25,692.29	\$ 21,580.98	\$ 1,155.76	\$ 164.00	\$	\$ 45,953.51
Body Armor Replacement Fund	5,772.27	2,267.59	6,277.50	(4,185.00)		5,947.36
Clean Communities	41,803.72	35,952.23	29,129.55	1,128.80		47,497.60
DOT Stanton Mountain Road		222,000.00		221,858.91		141.09
Drunk Driving Enforcement Fund	728.78	16,347.55	14,185.78			2,890.55
Alcohol Education Rehabilitation Fund	4,036.38		1,560.00			2,476.38
Drive Sober or Get Pulled Over	3,527.10	11,000.00	10,005.32	343.75	452.75	4,069.03
HUD Special Projects	191,783.68		191,439.93			
Click It or Ticket It	4,315.60		3,100.00			
Distracted Driving Crackdown		5,500.00				
Smart Growth Planning Program & Match	1,272.00					1,215.60
Impaired Driving Crackdown		23,400.00	4,443.55			5,500.00
NJ DEP Recreation Trails Program		16,000.00	10,248.11		18,956.45	1,272.00
Federal EMAA Grant	20,000.00					
	\$ 298,931.82	\$ 354,048.35	\$ 271,545.50	\$ 219,310.46	\$ 19,409.20	\$ 142,715.01

REF.

A-16
A-16

Accounts Payable
Accounts Payable - Prior Year

\$ 224,115.75
(4,805.29)
\$ 219,310.46

A

A-30

A-4

A-3:A-30

A

TOWNSHIP OF CLINTON

CURRENT FUND

SCHEDULE OF DUE STATE OF NEW JERSEY - MARRIAGE LICENSES

	<u>REF.</u>		
Balance, December 31, 2016	A	\$	200.00
Increased by:			
Receipts	A-4		<u>1,350.00</u>
		\$	<u>1,550.00</u>
Decreased by:			
Disbursements	A-4	\$	1,425.00
Accounts Payable	A-11		<u>125.00</u>
		\$	<u>1,550.00</u>

"A-25"

TOWNSHIP OF CLINTON

CURRENT FUND

SCHEDULE OF RESERVE FOR GYPSY MOTH SPRAYING

	<u>REF.</u>	
Balance, December 31, 2016 and December 31, 2017	A	\$ <u>4,366.29</u>

"A-26"

SCHEDULE OF COUNTY TAXES PAYABLE

Balance, December 31, 2016	A	\$ 11,261.55
Increased by:		
2017 Levy	A-1:A-8	\$ 8,407,603.64
Added and Omitted	A-1:A-8	<u>8,041.48</u>
		\$ <u>8,415,645.12</u>
		\$ 8,426,906.67
Decreased by:		
Disbursements	A-4	<u>8,418,865.19</u>
Balance, December 31, 2017	A	\$ <u>8,041.48</u>

"A-27"

TOWNSHIP OF CLINTON

CURRENT FUND

SCHEDULE OF LOCAL DISTRICT SCHOOL TAXES PAYABLE

	<u>REF.</u>		
Balance, December 31, 2016:			
School Tax Deferred		\$ 12,452,491.50	
School Tax Payable/(Prepaid)	A:A-27	<u>(1,863,028.20)</u>	
			\$ 10,589,463.30
Increased by:			
Levy	A-8		<u>24,853,127.00</u>
			\$ 35,442,590.30
Decreased by:			
Disbursements	A-4		<u>23,016,026.80</u>
Balance, December 31, 2017:			
School Tax Deferred		\$ 12,426,563.50	
School Tax Payable/(Prepaid)	A:A-27	<u>0.00</u>	
			\$ <u><u>12,426,563.50</u></u>
2017 Liability for Local School District Tax			
Tax Paid	A-4		\$ 23,016,026.80
Tax Payable/(Prepaid), December 31, 2017	A-27		<u>0.00</u>
			\$ 23,016,026.80
Less:			
Tax Payable/(Prepaid), December 31, 2016	A-27		<u>(1,863,028.20)</u>
Amount Charged to 2017 Operation	A-1		\$ <u><u>24,879,055.00</u></u>

"A-28"

SCHEDULE OF MUNICIPAL OPEN SPACE TAXES PAYABLE

Increased by:			
Tax Levy	A-1:A-8		\$ <u><u>430,842.95</u></u>
Decreased by:			
Disbursements	A-4		\$ <u><u>430,842.95</u></u>

TOWNSHIP OF CLINTON

CURRENT FUND

SCHEDULE OF REGIONAL DISTRICT SCHOOL TAXES PAYABLE

	<u>REF.</u>		
Balance, December 31, 2016:			
School Tax Deferred		\$ 7,032,846.50	
School Tax Payable/(Prepaid)	A:A-29	<u>0.00</u>	
			\$ 7,032,846.50
Increased by:			
Levy	A-8		<u>14,052,888.00</u>
			\$ 21,085,734.50
Decreased by:			
Disbursements	A-4		<u>14,059,291.00</u>
Balance, December 31, 2017:			
School Tax Deferred		\$ 7,026,443.50	
School Tax Payable/(Prepaid)	A:A-29	<u>0.00</u>	
			\$ <u><u>7,026,443.50</u></u>
2017 Liability for Local School District Tax			
Tax Paid	A-4		\$ 14,059,291.00
Tax Payable/(Prepaid), December 31, 2017	A-29		<u>0.00</u>
			\$ 14,059,291.00
Less:			
Tax Payable/(Prepaid), December 31, 2016	A-29		<u>0.00</u>
Amount Charged to 2017 Operation	A-1		\$ <u><u>14,059,291.00</u></u>

TOWNSHIP OF CLINTON

GRANT FUND

SCHEDULE OF GRANTS RECEIVABLE

	BALANCE DECEMBER 31, 2016	BUDGET APPROPRIATION	RECEIPTS	CANCELED	BALANCE DECEMBER 31, 2017
Distracted Driving Crackdown	\$	5,500.00	5,278.50	221.50	\$
Impaired Driving Education & Enforcement		23,400.00	4,443.55	18,956.45	
Recycling Tonnage		21,580.98	21,580.98		
Drunk Driving Enforcement Fund		16,347.55	16,347.55		
DOT Stanton Mountain Road		222,000.00			222,000.00
Body Armor		2,267.59	2,267.59		
Clean Communities		35,952.23	35,952.23		
NJ DEP Recreation Trails		16,000.00	3,200.00		12,800.00
Drive Sober or Get Pulled Over	5,000.00	11,000.00	10,268.75	231.25	5,500.00
HUD Special Projects	207,300.60		207,300.60		
	<u>\$ 212,300.60</u>	<u>\$ 354,048.35</u>	<u>\$ 306,639.75</u>	<u>\$ 19,409.20</u>	<u>\$ 240,300.00</u>

REF.

A

A-2:A-23

A-4

A-23

A

TOWNSHIP OF CLINTON

GRANT FUND

SCHEDULE OF RESERVE FOR GRANTS UNAPPROPRIATED

REF.

Increased by:		
Receipts	A-4	\$ <u>10,989.17</u>
Balance, December 31, 2017	A	\$ <u><u>10,989.17</u></u>
 <u>Analysis of Balance:</u>		
NJ Highlands Grant		\$ <u>10,989.17</u>
		\$ <u><u>10,989.17</u></u>

TOWNSHIP OF CLINTON

TRUST FUND

SCHEDULE OF CASH - TREASURER

REF.	ASSESSMENT	ANIMAL CONTROL	OTHER
B	\$ 37,321.56	\$ 8,757.95	\$ 3,084,944.46
Increased by Receipts:			
B-3	\$ 6,818.41		
B-12		20,532.60	
B-13		1,988.40	
B-6		3,438.00	
B-5:B-8		3,000.00	
B-24			578,186.09
B-15			919,400.30
B-16			633,677.53
B-11			6,211.50
B-17			423,443.65
B-18			612,369.41
B-20			3,191,787.21
B-21			223,800.84
B-23			198,124.74
B-14			18,688.14
			103,064.11
	\$ 6,818.41	\$ 28,959.00	\$ 6,908,753.52
	\$ 44,139.97	\$ 37,716.95	\$ 9,993,697.98
Decreased by Disbursements:			
B-13			
B-12		2,547.60	
B-22		30,539.56	
B-1	37,000.00	1,918.00	
B-23			27,669.75
B-11			601,378.38
B-15			540,141.24
B-20			286,673.75
B-16			248.00
B-5:B-8			200,538.25
B-24			359,000.00
B-21			197,871.52
B-18			3,184,362.45
B-14			44,292.07
B-17			884,787.54
	\$ 37,000.00	\$ 35,005.16	\$ 6,326,962.95
B	\$ 7,139.97	\$ 2,711.79	\$ 3,666,735.03

Balance, December 31, 2017

TOWNSHIP OF CLINTON

TRUST FUND

SCHEDULE OF ASSESSMENTS RECEIVABLE

<u>ORDINANCE NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>DATE OF CONFIRMATION</u>	<u>INSTALLMENT</u>	<u>DUE DATES</u>	<u>BALANCE DECEMBER 31, 2016</u>	<u>COLLECTED</u>	<u>CANCELED</u>	<u>BALANCE DECEMBER 31, 2017</u>	<u>BALANCE PLEDGED TO RESERVE</u>
582-95	Twin Oaks Benefit Assessment	6/10/98	20	8/10/1998-2018	\$ 7,418.85	\$ 6,818.41	\$ 591.62	\$ 8.82	\$ 8.82
					<u>\$ 7,418.85</u>	<u>\$ 6,818.41</u>	<u>\$ 591.62</u>	<u>\$ 8.82</u>	<u>\$ 8.82</u>
				<u>REF.</u>	<u>B</u>	<u>B-2</u>	<u>B-9</u>	<u>B</u>	

TOWNSHIP OF CLINTON

TRUST FUND

ANALYSIS OF ASSESSMENT FUND CASH

	<u>BALANCE DECEMBER 31, 2016</u>	<u>RECEIPTS ASSESSMENTS AND LIENS</u>	<u>DISBURSEMENTS</u>	<u>BALANCE DECEMBER 31, 2017</u>
Trust Surplus	\$ 37,321.56	\$ 6,818.41	\$ 37,000.00	\$ 7,139.97
	<u>\$ 37,321.56</u>	<u>\$ 6,818.41</u>	<u>\$ 37,000.00</u>	<u>\$ 7,139.97</u>

REF.

B

B

"B-5"

TOWNSHIP OF CLINTON

TRUST FUND

SCHEDULE OF DUE CURRENT FUND - ANIMAL CONTROL TRUST

	<u>REF.</u>	
Increased by:		
Receipts	B-2	\$ <u>3,000.00</u>
Balance, December 31, 2017 (Due To)	B	\$ <u><u>3,000.00</u></u>

"B-6"

SCHEDULE OF PREPAID DOG LICENSES - ANIMAL CONTROL FUND

Balance, December 31, 2016	B	\$ 6,093.00
Increased by:		
Receipts	B-2	\$ <u>3,438.00</u>
		\$ <u>9,531.00</u>
Decreased by:		
Applied	B-12:B-13	<u>6,093.00</u>
Balance, December 31, 2017	B	\$ <u><u>3,438.00</u></u>

"B-7"

TOWNSHIP OF CLINTON

TRUST FUND

SCHEDULE OF RESERVE FOR BALANCED HOUSING TRUST

REF.

Balance, December 31, 2016 and December 31, 2017	B	\$ <u>1,738.69</u>
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"B-8"

SCHEDULE OF DUE CURRENT FUND - TRUST FUND

Balance, December 31, 2016 (Due From, Net)		\$ 378,059.37
Increased by:		
Disbursements	B-2	<u>200,538.25</u>
		\$ <u>578,597.62</u>
Decreased by:		
Receipts	B-2	<u>578,186.09</u>
Balance, December 31, 2017 (Due From, Net)		\$ <u>411.53</u>

Analysis of Balance:

Due From:		
Open Space	B	\$ <u>411.53</u>
		\$ <u>411.53</u>

"B-9"

TOWNSHIP OF CLINTON

TRUST FUND

SCHEDULE OF RESERVE FOR ASSESSMENTS

	<u>REF.</u>		
Balance, December 31, 2016	B		\$ 7,418.85
Decreased by:			
Adjust for Collections	B-1	\$ 6,818.41	
Canceled	B-3	<u>591.62</u>	
			<u>7,410.03</u>
Balance, December 31, 2017	B		<u>\$ 8.82</u>
<u>Analysis of Balance:</u>			
Ordinance 582-95			\$ <u>8.82</u>
			<u>\$ 8.82</u>

"B-10"

ANIMAL CONTROL TRUST FUND

SCHEDULE OF DEFERRED CHARGES - DEFICIT

Increased by:			
Expenditures	B-12		\$ <u>3,726.21</u>
Balance, December 31, 2017	B		<u>\$ 3,726.21</u>

TOWNSHIP OF CLINTON

TRUST FUND

SCHEDULE OF RESERVE FOR VARIOUS DEPOSITS

<u>ACCOUNT</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2016</u>	<u>INCREASES</u>	<u>DECREASES</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2017</u>
Fire Department	\$ 141.30	\$ 1,590.00	\$	\$ 1,731.30
Playground Driveway Paving	12,356.56		12,356.56	
Trail Park		1,261.00		1,261.00
Engineering		7,750.00	6,257.50	1,492.50
Student Resource Officer	1,180.88			1,180.88
Storm Recovery	7,808.14	56,464.10	61,557.10	2,715.14
Tax Premium	488,400.00	174,600.00	362,800.00	300,200.00
Police Outside Overtime	11,151.90	157,160.50	121,026.33	47,286.07
Police Seizure	124,833.84	73,052.51	177,346.13	20,540.22
Public Defender	21,103.00	19,661.79	10,323.00	30,441.79
Parking Offense Adjudication Act	284.99	120.00	165.00	239.99
Community Garden	350.63	6,261.39	1,600.03	5,011.99
	<u>\$ 667,611.24</u>	<u>\$ 497,921.29</u>	<u>\$ 753,431.65</u>	<u>\$ 412,100.88</u>
<u>REF.</u>	<u>B</u>			<u>B</u>
Receipts	B-2	\$ 423,443.65		
Prior Accounts Payable	B-19	<u>74,477.64</u>		
		<u>\$ 497,921.29</u>		
Disbursements	B-2		\$ 601,378.38	
Accounts Payable	B-19		<u>152,053.27</u>	
			<u>\$ 753,431.65</u>	

TOWNSHIP OF CLINTON

TRUST FUND

SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES

	<u>REF.</u>		
Balance, December 31, 2016	B		\$ 746.95
Increased by:			
Receipts	B-2	\$ 20,532.60	
Transferred to Deferred Charge	B-10	3,726.21	
Prepaid Applied	B-6	<u>5,533.80</u>	
			<u>29,792.61</u>
			\$ <u>30,539.56</u>
Decreased by:			
Disbursements	B-2		\$ <u>30,539.56</u>

DOG LICENSE FEES COLLECTED

<u>YEAR</u>	<u>AMOUNT</u>
2015	\$ 24,646.80
2016	<u>27,000.20</u>
	\$ <u>51,647.00</u>

"B-13"

TOWNSHIP OF CLINTON

TRUST FUND

SCHEDULE OF DUE STATE DEPARTMENT OF HEALTH - ANIMAL CONTROL TRUST FUND

	<u>REF.</u>		
Increased by:			
State Registration Fees Collected	B-2	\$ 1,988.40	
Prepaid Applied	B-6	<u>559.20</u>	
			\$ <u>2,547.60</u>
Decreased by:			
Disbursements	B-2		\$ <u><u>2,547.60</u></u>

"B-14"

SCHEDULE OF RESERVE FOR COAH DEPOSITS

Balance, December 31, 2016	B		\$ 326.99
Increased by:			
Receipts	B-2		<u>103,064.11</u>
			\$ <u>103,391.10</u>
Decreased by:			
Disbursements	B-2	\$ 44,292.07	
Accounts Payable	B-19	<u>3,931.00</u>	
			<u>48,223.07</u>
Balance, December 31, 2017	B		\$ <u><u>55,168.03</u></u>

TOWNSHIP OF CLINTON

TRUST FUND

SCHEDULE OF ESCROW DEPOSITS

	<u>REF.</u>		
Balance, December 31, 2016	B		\$ 2,083,926.97
Increased by:			
Receipts	B-2		<u>633,677.53</u>
			\$ 2,717,604.50
Decreased by:			
Disbursements	B-2	\$ 540,141.24	
Accounts Payable	B-19	<u>2,149.15</u>	
			<u>542,290.39</u>
Balance, December 31, 2017	B		\$ <u><u>2,175,314.11</u></u>
 <u>Analysis of Balance:</u>			
Performance Bond Deposits			\$ 1,487,088.21
Developers Escrow Deposits			<u>688,225.90</u>
			\$ <u><u>2,175,314.11</u></u>

"B-16"

TOWNSHIP OF CLINTON

TRUST FUND

SCHEDULE OF UNEMPLOYMENT INSURANCE COMPENSATION

	<u>REF.</u>		
Balance, December 31, 2016	B	\$	21,917.09
Increased by:			
Payroll Contributions	B-2		6,211.50
		\$	<u>28,128.59</u>
Decreased by:			
Disbursements	B-2		248.00
Balance, December 31, 2017	B	\$	<u><u>27,880.59</u></u>

"B-17"

SCHEDULE OF RESERVE FOR OPEN SPACE DEPOSITS

Balance, December 31, 2016	B	\$	447,605.40
Increased by:			
Receipts	B-2	\$	612,369.41
Prior Accounts Payable	B-19		<u>350.00</u>
			612,719.41
		\$	<u>1,060,324.81</u>
Decreased by:			
Disbursements	B-2		<u>884,787.54</u>
Balance, December 31, 2017	B	\$	<u><u>175,537.27</u></u>

TOWNSHIP OF CLINTON

TRUST FUND

SCHEDULE OF RESERVE FOR PAYROLL DEDUCTIONS PAYABLE

	<u>REF.</u>	
Balance, December 31, 2016	B	\$ 36,359.13
Increased by:		
Payroll Deductions	B-2	<u>3,191,787.21</u>
		\$ <u>3,228,146.34</u>
Decreased by:		
Disbursements	B-2	<u>3,184,362.45</u>
Balance, December 31, 2017	B	\$ <u><u>43,783.89</u></u>

TOWNSHIP OF CLINTON

TRUST FUND

SCHEDULE OF RESERVE FOR ACCOUNTS PAYABLE

	<u>REF.</u>		
Balance, December 31, 2016	B		\$ 114,656.65
Increased by:			
Reserve for:			
Recreation Deposits	B-20	\$ 20,715.16	
Various Trust Deposits	B-11	152,053.27	
Developers Escrow	B-15	2,149.15	
COAH	B-14	<u>3,931.00</u>	
			<u>178,848.58</u>
			\$ <u>293,505.23</u>
Decreased by:			
Reserve for:			
Recreation Deposits	B-20	\$ 39,829.01	
Various Trust Deposits	B-11	74,477.64	
Open Space	B-17	<u>350.00</u>	
			<u>114,656.65</u>
Balance, December 31, 2017	B		\$ <u><u>178,848.58</u></u>

Analysis of Balance:

Recreation Deposits	\$ 20,715.16
Various Trust Deposits	152,053.27
Developers Escrow	2,149.15
COAH	<u>3,931.00</u>
	\$ <u><u>178,848.58</u></u>

TOWNSHIP OF CLINTON

TRUST FUND

SCHEDULE OF RESERVE FOR RECREATION DEPOSITS

	<u>REF.</u>		
Balance, December 31, 2016	B		\$ 66,888.50
Increased by:			
Receipts	B-2	\$ 223,800.84	
Transfer from Accounts Payable	B-19	<u>39,829.01</u>	
			<u>263,629.85</u>
			\$ 330,518.35
Decreased by:			
Disbursements	B-2	\$ 286,673.75	
Accounts Payable	B-19	<u>20,715.16</u>	
			<u>307,388.91</u>
Balance, December 31, 2017	B		\$ <u><u>23,129.44</u></u>

"B-21"

TOWNSHIP OF CLINTON

TRUST FUND

SCHEDULE OF RESERVE FOR REDEMPTION OF OUTSIDE LIENS

	<u>REF.</u>	
Balance, December 31, 2016	B	\$ 309.57
Increased by:		
Receipts	B-2	<u>198,124.74</u>
		\$ <u>198,434.31</u>
Decreased by:		
Disbursements	B-2	<u>197,871.52</u>
Balance, December 31, 2017	B	\$ <u><u>562.79</u></u>

"B-22"

SCHEDULE OF ACCOUNTS PAYABLE - ANIMAL CONTROL FUND

Balance, December 31, 2016	B	\$ <u>1,918.00</u>
Decreased by:		
Disbursements	B-2	\$ <u><u>1,918.00</u></u>

"B-23"

TOWNSHIP OF CLINTON

TRUST FUND

SCHEDULE OF RESERVE FOR MUNICIPAL ALLIANCE

	<u>REF.</u>	
Balance, December 31, 2016	B	\$ 21,663.51
Increased by:		
Receipts	B-2	<u>18,688.14</u>
		\$ <u>40,351.65</u>
Decreased by:		
Disbursements	B-2	<u>27,669.75</u>
Balance, December 31, 2017	B	\$ <u><u>12,681.90</u></u>

"B-24"

SCHEDULE OF DUE GENERAL CAPITAL FUND

Increased by:		
Receipts	B-2	\$ 919,400.30
Decreased by:		
Disbursements	B-2	<u>359,000.00</u>
Balance, December 31, 2017	B	\$ <u><u>560,400.30</u></u>

TOWNSHIP OF CLINTON

GENERAL CAPITAL FUND

SCHEDULE OF CASH - TREASURER

	<u>REF.</u>		
Balance, December 31, 2016	C		\$ 2,444,069.10
Increased by Receipts:			
Capital Improvement Fund	C-8	\$ 20,000.00	
Reserve for Debt Service	C-14	1,155,165.45	
Bond Anticipation Note	C-10	4,970,000.00	
Serial Bonds	C-11	10,594,000.00	
Interfunds	C-6	698,000.00	
Deferred Charges To Future Taxation-Unfunded	C-7	<u>139,838.78</u>	
			<u>17,577,004.23</u>
			\$ <u>20,021,073.33</u>
Decreased by Disbursements:			
Contracts Payable	C-12	\$ 4,513,528.71	
Bond Anticipation Note	C-10	9,595,000.00	
Interfunds	C-6	1,138,400.30	
Fund Balance	C-1	<u>578,000.00</u>	
			<u>15,824,929.01</u>
Balance, December 31, 2017	C		\$ <u><u>4,196,144.32</u></u>

"C-3"

TOWNSHIP OF CLINTON

GENERAL CAPITAL FUND

ANALYSIS OF CAPITAL CASH AND INVESTMENTS

	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2017</u>
Capital Improvement Fund	\$ 331.98
Unfunded Improvement Authorizations Expended	638,000.00
Interfunds	(560,400.30)
Unexpended Proceeds of Bond Anticipation Notes	1,322,242.87
Reserve for Contracts Payable	248,440.58
Reserve for Debt Service	1,155,165.45
Improvement Authorizations Funded	1,391,619.53
Fund Balance	<u>744.21</u>
	<u>\$ 4,196,144.32</u>

REF.

C

"C-4"

SCHEDULE OF LOANS PAYABLE

Balance, December 31, 2016	C	\$ 358,256.72
Decreased by:		
Loan Payments	C-5	<u>203,769.85</u>
Balance, December 31, 2017	C	<u>\$ 154,486.87</u>

Analysis of Balance:

Green Acres Loan 2012		<u>\$ 154,486.87</u>
		<u>\$ 154,486.87</u>

"C-5"

TOWNSHIP OF CLINTON

GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES
TO FUTURE TAXATION - FUNDED

	<u>REF.</u>		
Balance, December 31, 2016	C		\$ 9,248,256.72
Increased by:			
Bonds Issued	C-7		<u>10,594,000.00</u>
			\$ <u>19,842,256.72</u>
Decreased by:			
Bonds Paid	C-11	\$ 1,530,000.00	
Loan Payments	C-4	<u>203,769.85</u>	
			<u>1,733,769.85</u>
Balance, December 31, 2017	C		\$ <u><u>18,108,486.87</u></u>

"C-6"

SCHEDULE OF INTERFUNDS

Increased by:			
Disbursements	C-2	\$ 1,138,400.30	
Improvement Authorization Funding	C-9	<u>120,000.00</u>	
			\$ 1,258,400.30
Decreased by:			
Receipts	C-2		<u>698,000.00</u>
Balance, December 31, 2017	C		\$ <u><u>560,400.30</u></u>
<u>Analysis of Balance</u>			
Due From Open Space Trust			\$ <u>560,400.30</u>
			\$ <u><u>560,400.30</u></u>

TOWNSHIP OF CLINTON
GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION-UNFUNDED

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2016	2017 AUTHORIZATIONS	BUDGETED PAYDOWN	BONDS ISSUED	BALANCE DECEMBER 31, 2017	ANALYSIS OF BALANCE, DECEMBER 31, 2017	
							BOND ANTICIPATION NOTES	UNEXPENDED IMPROVEMENT AUTHORIZATIONS
715-00	Acquisition of Property	\$ 1,170,000.00	\$	\$ 36,706.17		\$ 1,133,293.83	\$	\$ 1,133,293.83
821-03	General Improvements	65,815.07		15.07	65,800.00			
971-08	Various Improvements	2,998,255.00		955.00	2,997,300.00			
977-08	Acquisition of Property	703,934.18		34.18	703,900.00			
1025-11	Reconstruction of Various Roads	4,513,917.94		917.94	4,513,000.00			
1052-13	Various Improvements	1,314,000.00			1,314,000.00			
1094-16	Various Improvements	2,872,000.00		101,210.42	1,000,000.00	1,770,789.58		1,770,789.58
1096-17	Acquisition of Property		2,380,000.00			2,380,000.00	2,380,000.00	
1097-17	Purchase of Sewer Capacity		352,000.00			352,000.00	352,000.00	
1103-17	Reconstruction of Roads		1,600,000.00			1,600,000.00	1,600,000.00	
		<u>\$ 13,637,922.19</u>	<u>\$ 4,332,000.00</u>	<u>\$ 139,838.78</u>	<u>\$ 10,594,000.00</u>	<u>\$ 7,236,083.41</u>	<u>\$ 4,332,000.00</u>	<u>\$ 2,904,083.41</u>
		C	C-9	C-2	C-5	C		
		REF.						
	Bond Anticipation Notes					\$ 4,970,000.00		
	Less: Cash on Hand					<u>(638,000.00)</u>		
						<u>\$ 4,332,000.00</u>		
	Improvement Authorizations Unfunded						\$ 4,226,326.28	
	Less: Unexpended Proceeds of Bond Anticipation Notes						<u>(1,322,242.87)</u>	
							<u>\$ 2,904,083.41</u>	

TOWNSHIP OF CLINTON

GENERAL CAPITAL FUND

SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>REF.</u>	
Balance, December 31, 2016	C	\$ 78,331.98
Increased by:		
2017 Budget Appropriation	C-2	<u>20,000.00</u>
		\$ <u>98,331.98</u>
Decreased by:		
Improvement Authorizations	C-9	<u>98,000.00</u>
Balance, December 31, 2017	C	\$ <u><u>331.98</u></u>

TOWNSHIP OF CLINTON
GENERAL CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

ORDINANCE NUMBER	GENERAL IMPROVEMENTS:	ORDINANCE DATE	ORDINANCE AMOUNT	BALANCE DECEMBER 31, 2016		2017 AUTHORIZATIONS	EXPENDED	BALANCE DECEMBER 31, 2017	
				FUNDED	UNFUNDED			FUNDED	UNFUNDED
715-00	Acquisition of Property	04/12/00	\$ 2,000,000.00	\$	\$ 1,133,293.83	\$	\$	\$	\$ 1,133,293.83
971-08	Various Capital Improvements	10/08/08	4,532,850.00		95,930.00		84,569.57	11,360.43	
1025-11	Reconstruction of Various Roads	08/10/11	5,000,000.00		1,443,775.86		740,627.05	703,148.81	
1052-13	Various Capital Improvements	11/11/13	1,384,000.00		2,451.39			2,451.39	
1094-16	Various Capital Improvements	10/26/16	3,016,000.00		2,783,828.79		338,380.31	674,658.90	1,770,789.58
1096-17	Acquisition of Property	02/22/17	2,500,000.00			2,500,000.00	2,500,000.00		18,520.00
1097-17	Purchase of Sewer Capacity	02/22/17	370,000.00			370,000.00	351,480.00		
1103-17	Reconstruction of Roads	07/19/17	1,680,000.00			1,680,000.00	376,277.13		1,303,722.87
			\$	\$	\$ 5,459,279.87	\$ 4,550,000.00	\$ 4,391,334.06	\$ 1,391,619.53	\$ 4,226,326.28

REF.

C C

C

C-12

C:C-7

Bonds and Notes Authorized
Open Space Trust
Capital Improvement Fund

\$ 4,332,000.00
120,000.00
98,000.00
\$ 4,550,000.00

TOWNSHIP OF CLINTON
GENERAL CAPITAL FUND

SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE

<u>ORDINANCE</u>	<u>ORIGINAL DATE OF ISSUE</u>	<u>DATE OF ISSUE</u>	<u>DATE OF MATURITY</u>	<u>INTEREST RATE</u>	<u>BALANCE DECEMBER 31, 2016</u>	<u>INCREASED</u>	<u>DECREASED</u>	<u>BALANCE DECEMBER 31, 2017</u>
821-03 Various Capital Improvements	2/2/11	1/26/16	1/25/17	2.00%	\$ 65,815.07	\$	\$ 65,815.07	\$
971-08 Various Capital Improvements	2/2/11	1/26/16	1/25/17	2.00%	2,679,332.81		2,679,332.81	
971-08 Various Capital Improvements	2/2/11	6/2/16	1/25/17	1.50%	318,000.00		318,000.00	
977-08 Acquisition of Land	2/2/11	1/26/16	1/25/17	2.00%	703,934.18		703,934.18	
1025-11 Reconstruction of Roads	2/1/12	1/26/16	1/25/17	2.00%	1,922,917.94		1,922,917.94	
1025-11 Reconstruction of Roads	2/1/12	6/2/16	1/25/17	1.50%	2,591,000.00		2,591,000.00	
1052-13 Various Capital Improvements	1/31/14	1/26/16	1/25/17	2.00%	1,314,000.00		1,314,000.00	
1096-17 Acquisition of Property	3/24/17	3/24/17	3/23/18	2.25%		2,380,000.00		2,380,000.00
1097-17 Purchase of Sewer Capacity	3/24/17	3/24/17	3/23/18	2.25%		352,000.00		352,000.00
1103-17 Reconstruction of Roads	12/20/17	12/20/17	3/23/18	2.25%		2,238,000.00		2,238,000.00
					<u>\$ 9,595,000.00</u>	<u>\$ 4,970,000.00</u>	<u>\$ 9,595,000.00</u>	<u>\$ 4,970,000.00</u>

REF.

C

C-2

C-2

C-C-7

TOWNSHIP OF CLINTON

GENERAL CAPITAL FUND

SCHEDULE OF SERIAL BONDS

PURPOSE	DATE OF ISSUE	AMOUNT OF ISSUE	OUTSTANDING DECEMBER 31, 2017		INTEREST RATE	BALANCE DECEMBER 31, 2016	INCREASED	DECREASED	BALANCE DECEMBER 31, 2017
			DATE	AMOUNT					
General Obligation Bonds	1/1/09	\$ 8,000,000.00	1/1/18	\$ 700,000.00	3.375%				
			1/1/19	725,000.00	3.50%				
			1/1/20	750,000.00	3.625%				
			1/1/21	775,000.00	3.75%				
			1/1/22	800,000.00	3.75%	\$ 4,400,000.00	\$ 650,000.00	\$	3,750,000.00
General Obligation Refunding Bonds	5/4/11	5,295,000.00	7/1/18	525,000.00	3.00%				
			7/1/19	535,000.00	5.00%				
			7/1/20	565,000.00	3.00%				
			7/1/21	585,000.00	3.125%				
			7/1/22	595,000.00	3.25%	3,305,000.00	500,000.00		2,805,000.00
General Obligation Refunding Bonds	7/10/13	2,245,000.00	7/1/18	395,000.00	3.00%				
			7/1/19	410,000.00	3.00%	1,185,000.00	380,000.00		805,000.00
General Obligation Bonds	1/5/17	10,594,000.00	1/15/18	350,000.00	2.00%				
			1/15/19	444,000.00	2.00%				
			1/15/20, 21	700,000.00	3.00%				
			1/15/22	700,000.00	2.50%				
			1/15/23	700,000.00	4.00%				
			1/15/24	700,000.00	5.00%				
			1/15/25, 26	700,000.00	4.00%				
		1/15/27-32	700,000.00	3.00%					
			1/15/33	700,000.00	3.125%				
							10,594,000.00		10,594,000.00
						\$ 8,890,000.00	\$ 10,594,000.00	\$ 1,530,000.00	\$ 17,954,000.00

REF.

C

C-2

C-5

C

"C-12"

TOWNSHIP OF CLINTON

GENERAL CAPITAL FUND

SCHEDULE OF RESERVE FOR CONTRACTS PAYABLE

	<u>REF.</u>	
Balance, December 31, 2016	C	\$ 370,635.23
Increased by:		
Improvement Authorizations	C-9	<u>4,391,334.06</u>
		\$ <u>4,761,969.29</u>
Decreased by:		
Disbursements	C-2	<u>4,513,528.71</u>
Balance, December 31, 2017	C	\$ <u><u>248,440.58</u></u>

"C-13"

SCHEDULE OF BONDS AND NOTES
AUTHORIZED BUT NOT ISSUED

<u>ORDINANCE</u> <u>NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2017</u>
715-00	Acquisition of Property	\$ 1,133,293.83
1094-16	Various Improvements	<u>1,770,789.58</u>
		\$ <u><u>2,904,083.41</u></u>

TOWNSHIP OF CLINTON

GENERAL CAPITAL FUND

SCHEDULE OF RESERVE FOR DEBT SERVICE

	<u>REF.</u>	
Increased by:		
Receipts	C-2	\$ <u>1,155,165.45</u>
Balance, December 31, 2017	C	\$ <u><u>1,155,165.45</u></u>

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PART II
TOWNSHIP OF CLINTON
STATISTICAL DATA
LIST OF OFFICIALS
COMMENTS AND RECOMMENDATIONS
YEAR ENDED DECEMBER 31, 2017

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

	<u>YEAR 2017</u>		<u>YEAR 2016</u>	
	<u>AMOUNT</u>	<u>%</u>	<u>AMOUNT</u>	<u>%</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>				
Fund Balance Utilized	\$	0.00%	\$ 800,000.00	1.35%
Miscellaneous - From Other Than Local Property Tax Levies	5,962,496.15	9.82%	4,214,404.18	7.09%
Collection of Delinquent Taxes and Tax Title Liens	492,101.81	0.81%	433,486.24	0.73%
Collections of Current Tax Levy	<u>54,262,924.15</u>	<u>89.37%</u>	<u>54,009,058.43</u>	<u>90.85%</u>
<u>Total Revenue</u>	<u>\$ 60,717,522.11</u>	<u>100.00%</u>	<u>\$ 59,456,948.85</u>	<u>100.00%</u>
 <u>EXPENDITURES</u>				
Budget Expenditures:				
Municipal Purposes	\$ 11,953,084.43	20.01%	\$ 11,111,760.19	18.41%
County Taxes	8,415,645.12	14.09%	8,253,832.01	13.67%
Local School District Taxes	24,879,055.00	41.65%	24,452,491.50	40.50%
Municipal Open Space Taxes	430,842.95	0.72%	430,799.33	0.71%
Regional District School Tax	14,059,291.00	23.53%	14,232,846.50	23.58%
Other Expenditures	<u>2,873.28</u>	<u>0.00%</u>	<u>1,884,342.16</u>	<u>3.12%</u>
<u>Total Expenditures</u>	<u>\$ 59,740,791.78</u>	<u>100.00%</u>	<u>\$ 60,366,071.69</u>	<u>100.00%</u>
Excess/(Deficit) in Revenue	<u>\$ 976,730.33</u>		<u>\$ (909,122.84)</u>	
Adjustments to Income Before Fund Balance:				
Expenditures Included Above Which are by Statute Deferred Charges to Budget of Succeeding Year	<u>\$</u>		<u>\$ 909,122.84</u>	
Statutory Excess to Fund Balance	<u>\$ 976,730.33</u>		<u>\$ 0.00</u>	
Fund Balance - January 1	<u>\$ 49,221.29</u>		<u>\$ 849,221.29</u>	
Less: Utilization as Anticipated Revenue	<u>\$</u>		<u>\$ 800,000.00</u>	
Fund Balance, December 31	<u>\$ 1,025,951.62</u>		<u>\$ 49,221.29</u>	

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Tax Rate	<u>\$2.537</u>	<u>\$2.534</u>	<u>\$2.550</u>
Appointment of Tax Rate:			
Municipal	\$0.318	\$0.318	\$0.299
Municipal Open Space	0.020	0.020	0.020
County	0.391	0.385	0.388
Regional School	0.653	0.653	0.676
Local School	<u>1.155</u>	<u>1.158</u>	<u>1.167</u>

Assessed Valuation:

Year 2017	\$ <u>2,152,157,100.00</u>		
Year 2016		\$ <u>2,151,066,200.00</u>	
Year 2015			\$ <u>2,149,136,500.00</u>

COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY

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

<u>YEAR</u>	<u>TAX LEVY</u>	<u>CASH COLLECTIONS</u>	<u>PERCENTAGE OF COLLECTION</u>
2017	\$54,652,414.39	\$54,262,924.15	99.28%
2016	\$54,582,167.70	\$54,009,058.43	98.95%
2015	\$54,865,584.84	\$54,401,331.60	99.15%

DELINQUENT TAXES AND TAX TITLE LIENS

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

<u>DECEMBER 31, YEAR</u>	<u>AMOUNT OF TAX TITLE LIENS</u>	<u>AMOUNT OF DELINQUENT TAXES</u>	<u>TOTAL DELINQUENT</u>	<u>PERCENTAGE OF TAX LEVY</u>
2017	\$ 31,885.05	\$ 386,953.69	\$ 418,838.74	0.77%
2016	30,659.68	514,193.84	544,853.52	1.00%
2015	28,110.47	454,610.27	482,720.74	0.88%

PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

No properties have been acquired in 2017 by foreclosure or deed, as a result of liquidation of tax title liens.

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

<u>YEAR</u>	<u>AMOUNT</u>
2017	\$165,000.00
2016	\$165,000.00
2015	\$165,000.00

COMPARATIVE SCHEDULE OF FUND BALANCES

	<u>YEAR</u>	<u>BALANCE DECEMBER 31</u>	<u>UTILIZED IN BUDGET OF SUCCEEDING YEAR</u>
Current Fund	2017	\$ 1,025,951.62	\$ 717,000.00
	2016	49,221.29	0.00
	2015	849,221.29	800,000.00
	2014	1,387,331.60	1,264,627.72
	2013	2,633,770.80	2,309,500.00

OFFICIALS IN OFFICE AND SURETY BONDS

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

<u>NAME</u>	<u>TITLE</u>	<u>AMOUNT OF BOND</u>	<u>NAME OF SURETY</u>
John Higgins	Mayor	*	
Brian Mullay	Council President	*	
Amy Switlyk	Councilwoman	*	
Dan McTiernan	Councilman	*	
Thomas Kochanoski	Councilman	*	
Jesse Landon	Administrator, Acting CFO	*	
Trishka Waterury-Cecil	Township Attorney	*	
Carla Conner	Township Clerk, Registrar	*	
Patricia Centofanti	Certified Tax Collector	\$1,000,000.00	Hartford Fire Insurance Co
Jeffrey Ward	Tax Assessor	*	
Eric Perkins, Esq.	Municipal Court Judge	*	
Lynn Lorenz	Court Administrator	\$100,000.00	Western Surety Co.
Douglas Higgins	Officer in Charge	*	
Denise Filardo	Planning Board Administrator/ Board of Adjustment Clerk	*	
Michael D. Wright	Construction Code Official	*	
Tom Silvia	Zoning Officer	*	

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COMMENTS AND RECOMMENDATIONS

GENERAL COMMENTS

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

"Every contract or agreement, for the performance of any work or the furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only by the governing body of the contracting unit after public advertising for bids and bidding 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 the amount set forth in, or the amount calculated by the Governor pursuant to Section 3 P.L. 1971 C. 198 (C. 40A:11-3), except by contract or agreement."

Effective July 1, 2015, the bid threshold in accordance with N.J.S.A. 40A:11-3(a) is \$40,000.00. However with the retirement of the qualified purchasing agent, the threshold was reduced to \$17,500.00 effective March 31, 2017.

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

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.

Our audit disclosed that numerous cumulative purchases exceeding the bid threshold were made with no evidence that bids were requested by public advertisement or that proper authorization to waive bidding procedures were adopted.

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

- Township Attorney
- Township Engineer
- Bond Counsel
- Township Auditor
- Township Planner
- Special Tax Counsel
- Labor Counsel

In addition, purchases utilizing state contracts and/or county co-ops were made for the following:

- Road Improvements – Stanton Mountain Road
- Road Improvements – Potterstown Road

COLLECTION OF INTEREST ON DELINQUENT TAXES AND ASSESSMENTS

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

The Governing Body on January 4, 2017 adopted the following resolution pursuant to the provisions of R.S. 54:4-67 fixing the rate of delinquent taxes and assessments and on sanitary sewer service charges at 8% per annum on the first \$1,500.00 and a rate of 18% per annum on any amount in excess of \$1,500.00 becoming delinquent after the due date and if the delinquency is in excess of \$10,000.00 and remains in arrears beyond December 31st, an additional penalty of 6% shall be charged if payment of any installment is made within ten days after the date upon which the same becomes payable.

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

DELINQUENT TAXES AND TAX TITLE LIENS

The last tax sale was held on December 7, 2017 and was complete.

Inspection of Tax Sale Certificates on file revealed that all Tax Sale Certificates were available for audit.

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

<u>YEAR</u>	<u>NUMBER OF LIENS</u>
2017	5
2016	5
2015	5

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

VERIFICATION OF DELINQUENT TAXES AND OTHER CHARGES

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

<u>TYPE</u>	
Information Tax Positive Confirmation	50
Delinquent Tax Positive Confirmation	25

OTHER COMMENTS

Interfunds

Transactions invariably occur in one fund which requires a corresponding entry to be made in another fund, thus creating interfund balances. References to the various balance sheets show the interfund balances remaining at year end. As a general rule all interfund balances should be closed out as of the end of the year. It is the Township's policy to review and liquidate all interfund balances on a periodic basis.

Finance

Our observation of the trial balances of the various funds of the Township revealed multiple instances of missing or inaccurate non-cash journal entries.

Purchasing

Our test of paid vouchers disclosed the following instances of noncompliance. We noted that numerous purchase orders are processed as confirming orders. This is where goods have been received or services have been rendered prior to the issuance of a purchase order. In effect, the controls that minimize the possibility of over-expenditures and unauthorized purchases are not in operation.

Our test of items over the bid threshold revealed that numerous purchases were made without bids, state contracts, or cooperative agreements being approved by the governing body.

Police Outside Overtime

Our audit of the police outside overtime sub-account in the trust fund revealed that funds are not consistently received from vendors prior to police services being performed and that the turnover of funds from the trust fund to the current fund to cover payrolls and recognize the admin fee as revenue does not occur on a regular basis.

RECOMMENDATIONS

- *That the finance office consistently perform all appropriate non-cash journal entries.
- *That the practice of issuing confirming orders be discontinued.
- *That all purchases of items over the bid threshold be approved by the governing body through bids, state contracts, or cooperative agreements
- *That fees for police outside overtime services be collected prior to services being performed and that fees be regularly turned over to cover payrolls and recognize the administrative fee as revenue.

* Unresolved prior year recommendations



