



**TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY SCHEDULES
FOR THE YEARS ENDED DECEMBER 31, 2016 and 2015**

TOWNSHIP OF MARLBORO
MONMOUTH COUNTY, NEW JERSEY

TABLE OF CONTENTS

PART I

Independent Auditors' Report
Report on Internal Control Over Financial Reporting and on Compliance and
Other Matters Based on Audit of Financial Statements Performed in Accordance with
Government Auditing Standards

REGULATORY- BASIS FINANCIAL STATEMENTS

- A Current and Grant Fund - Comparative Balance Sheets
- A-1 Current Fund - Comparative Statements of Operations and Changes in Fund Balances
- A-2 Current Fund - Statement of Revenues
- A-3 Current Fund - Statement of Expenditures
- B Trust Fund - Comparative Balance Sheets
- C General Capital Fund - Comparative Balance Sheets
- C-1 General Capital Fund - Statement of Fund Balance
- D Recreation & Swim Utility Fund - Comparative Balance Sheets
- D-1 Recreation & Swim Utility Fund - Comparative Statements of
Operations and Changes in Fund Balances – Operating Fund
- D-2 Recreation & Swim Utility Fund – Statement of Revenues – Operating Fund
- D-3 Recreation & Swim Utility Fund – Statement of Expenditures – Operating Fund
- E Payroll Fund – Comparative Balance Sheets
- F Water Utility Fund – Comparative Balance Sheets
- F-1 Water Utility Fund – Comparative Statements of Operations and
Changes in Fund Balance – Operating Fund
- F-2 Water Utility Fund – Statement of Revenues – Operating Fund
- F-3 Water Utility Fund – Statement of Expenditures – Operating Fund
- F-4 Water Utility Fund – Statement of Fund Balance – Capital Fund
- G General Fixed Assets Account Group – Comparative Balance Sheets

NOTES TO THE FINANCIAL STATEMENTS

PART II - SUPPLEMENTARY SCHEDULES – SUPPLEMENTARY
INFORMATION AS REQUIRED BY THE DIVISION OF LOCAL
GOVERNMENT SERVICES

Current and Grant Fund

- 1-A Schedule of Cash Receipts and Disbursements
- 2-A Schedule of Due to State of New Jersey - Senior Citizens and Veterans
Deductions
- 3-A Schedule of Taxes Receivable and Analysis of Property Tax Levy
- 4-A Schedule of Tax Title Liens
- 5-A Schedule of Due to Monmouth County – 5% PILOT
- 6-A Schedule of Property Acquired for Taxes at Assessed Valuation
- 7-A Schedule of Revenue Accounts Receivable
- 8-A Schedule of Deferred Charges – N.J.S.A. 40A:4-53 – Special Emergency
Authorizations

Current Fund (Cont'd.)

- 9-A Schedule of Various Reserves
- 10-A Schedule of 2015 Appropriations Reserves
- 11-A Schedule of Accounts Payable
- 12-A Schedule of Reserve for Encumbrances Payable
- 13-A Schedule of Prepaid Taxes
- 14-A Schedule of Tax Overpayments
- 15-A Schedule of County Taxes Payable
- 16-A Schedule of Local District School Tax Payable
- 17-A Schedule of Regional High School Tax Payable (Receivable)
- 18-A Schedule of Special District Tax
- 19-A Schedule of Municipal Open Space Tax
- 20-A Schedule of Due to State of New Jersey – Marriage License Fees
- 21-A Schedule of Due to Federal and State Grant Fund
- 22-A Schedule of Grants Receivable – Federal and State Grant Fund
- 23-A Schedule of Reserve for Grants – Appropriated – Federal and State Grant Fund
- 24-A Schedule of Reserve for Encumbrances – Federal and State Grant Fund

Trust Fund

- 1-B Schedule of Trust Fund Cash
- 2-B Schedule of Due to State of New Jersey – DCA Training Fees
- 3-B Schedule of Due to State of New Jersey
- 4-B Schedule of Various Reserves
- 5-B Schedule of Reserve for Open Space
- 6-B Schedule of Reserve for Animal Control Expenditures
- 7-B Schedule of Reserve for Deposits
- 8-B Schedule of Investments – Length of Service Awards Program – Unaudited
- 9-B Schedule of Miscellaneous Reserves – Length of Service Awards Program– Unaudited
- 10-B Schedule of Reserve for Encumbrances Payable

General Capital Fund

- 1-C Schedule of General Capital Cash
- 2-C Schedule of Analysis of General Capital Cash
- 3-C Schedule of Due from New Jersey Department of Transportation
- 4-C Schedule of Due from the Federal Emergency Management Agency (FEMA)
- 5-C Schedule of Deferred Charges to Future Taxation – Funded
- 6-C Schedule of Deferred Charges to Future Taxation – Unfunded
- 7-C Schedule of General Serial Bonds
- 8-C Schedule of Green Trust Loan Program Payable and Loan Maturity Schedule
- 9-C Schedule of Improvement Authorizations
- 10-C Schedule of Capital Improvement Fund
- 11-C Schedule of Various Reserves
- 12-C Schedule of Due from Monmouth County
- 13-C Schedule of Other Accounts Receivable

- 14-C Schedule of Bond Anticipation Notes
- 15-C Schedule of Reserve for Encumbrances Payable
- 16-C Schedule of Due from New Jersey Department of Agriculture
- 17-C Schedule of Due from New Jersey Department of Environmental
Protection - Green Acres
- 18-C Schedule of Bonds And Notes Authorized But Not Issued

Recreation and Swim Pool Utility Fund

- 1-D Schedule of Utility Cash
- 2-D Schedule of Analysis of Utility Capital Cash
- 3-D Schedule of Fixed Capital
- 4-D Schedule of Fixed Capital Authorized and Uncompleted
- 5-D Schedule of 2015 Appropriation Reserves
- 6-D Schedule of Encumbrances Payable
- 7-D Schedule of Accounts Payable
- 8-D Schedule of Bond Anticipation Notes
- 9-D Schedule of Serial Bonds
- 10-D Schedule of Due from Monmouth County Open Space Trust Fund
- 11-D Schedule of Prepaid Membership Fees
- 12-D Schedule of Prepaid Participation Fees
- 13-D Schedule of Reserve for Capital Outlay
- 14-D Schedule of Reserve for Amortization
- 15-D Schedule of Improvement Authorizations
- 16-D Schedule of Accrued Interest on Bonds and Notes
- 17-D Schedule of Due to Recreation/Swim Pool Operating Fund
- 18-D Schedule of Bonds and Notes Authorized But Not Issued

Water Utility Fund

- 1-F Schedule of Water Utility Cash – Treasurer
- 2-F Schedule of Analysis of Water Utility Cash
- 3-F(a) Schedule of Consumer Accounts Receivable
- 3-F(b) Schedule of NJEIT Loan Receivable
- 4-F Schedule of Various Reserves
- 5-F Schedule of Water Rent Overpayments
- 6-F(a) Schedule of Accrued Interest on Bonds and Loans
- 6-F(b) Schedule of Accrued Interest on Notes
- 7-F Schedule of Fixed Capital
- 8-F Schedule of Fixed Capital Authorized and Uncompleted
- 9-F Schedule of Improvement Authorizations
- 10-F Schedule of General Serial Bonds
- 11-F Schedule of Capital Improvement Fund
- 12-F Schedule of Reserve for Amortization
- 13-F Schedule of NJEIT Loans Payable
- 14-F Schedule of Reserve For Encumbrances Payable – Capital Fund
- 15-F Schedule of Reserve For Deferred Amortization
- 16-F Schedule of 2015 Appropriation Reserves
- 17-F Schedule of Due from General Capital Fund
- 18-F Schedule of Bond Anticipation Notes
- 19-F Schedule of Reserve for Debt Service
- 20-F Schedule of Reserve for Encumbrances Payable – Operating Fund
- 21-F Schedule of Accounts Payable
- 22-F Schedule of Bonds and Notes Authorized But Not Issued

General Fixed Assets Account Group

1-G Schedule of General Fixed Assets

PART III – SUPPLEMENTARY DATA AND SCHEDULES –OTHER
SUPPLEMENTARY INFORMATION - AS REQUIRED BY THE
DIVISION OF LOCAL GOVERNMENT SERVICES

COMMENTS SECTION

Scope of Audit

Contracts and Agreements Required to be Advertised per N.J.S.A. 40A:11-4

Collection of Interest on Delinquent Taxes and Assessments

Collection of Delinquent Taxes and Other Charges

Comparative Schedule of Tax Rate Information

Comparison of Tax Levies and Collections

Delinquent Taxes and Tax Title Liens

Schedule of Water Utility Levy and Collections

Property Acquired by Tax Title Lien Liquidation

Equalized Valuations – Real Property

Comparative Schedule of Fund Balances

Officials in Office and Surety Bonds

COMMENTS AND RECOMMENDATIONS

**TOWNSHIP OF MARLBORO
MONMOUTH COUNTY, NEW JERSEY**

**PART I
INDEPENDENT AUDITORS' REPORT
FINANCIAL STATEMENTS
AND FOOTNOTES**

INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Members
of the Township Council
Township of Marlboro
Monmouth County, New Jersey

Report on the Financial Statements

We have audited the accompanying financial statements-regulatory basis of the Township of Marlboro ("Township"), County of Monmouth, State of New Jersey which comprise the comparative balance sheets – regulatory basis of the various funds and account group, as of December 31, 2016 and 2015, and the related comparative statements of operations and changes in fund balances – regulatory basis and the related notes to the financial statements for the years then ended, the statements of fund balance – regulatory basis, statements of revenues – regulatory basis and statements of expenditures – regulatory basis for the year ended December 31, 2016, as listed in the financial statements section of the accompanying table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected were based on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Township's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant estimates made by management, as well as evaluating the overall presentation of the financial statements.

WISS & COMPANY, LLP

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

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

As described in Note 1 to the financial statements, the financial statements are prepared by the Township on the basis of the financial reporting provisions of the Division (regulatory-basis), which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the Division.

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2016 and 2015, or the results of its operations and changes in fund balances for the years then ended.

Basis for Disclaimer of Opinion on Length of Service Award Program Fund ("LOSAP")

As described in Note 16, the financial statements of the Length of Service Award Program Fund ("LOSAP") have not been audited and were not required by the Division to be audited nor were we engaged to audit the LOSAP financial statements as part of our audit of the Township's financial statements. The LOSAP financial activities are included in the Township's Trust Fund, and represent 6.44% and 5.94% of the assets and liabilities, respectively, of the Township's Trust Funds as of December 31, 2016 and 2015, respectively.

Disclaimer of Opinion on Length of Service Award Program Fund ("LOSAP")

Due to the fact that we were not required by the Division to audit nor were we engaged to audit the LOSAP financial statements as part of our audit of the Township's financial statements, we do not express an opinion on the LOSAP financial statements.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had the LOSAP financial statements been audited, the financial statements referred to above present fairly, in all material respects the comparative balance sheets-regulatory basis of the various funds and account group of the Township as of December 31, 2016 and 2015, and the results of its operations and changes in fund balances of such funds – regulatory basis for the years then ended, and the revenues - regulatory basis, expenditures – regulatory basis of the various funds for the year ended December 31, 2016 in accordance with the financial reporting provisions of by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Report on Supplementary Information as Required by the Division in Accordance with the Regulatory-Basis

Our audits were conducted for the purpose of forming an opinion on the financial statements taken as a whole. The supplementary information, as identified in the table of contents as schedules 1-A through 1-G and the comments section, is presented for purposes of additional analysis as required by the Division and is not a required part of the 2016 regulatory - basis financial statements of the Township. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2017 on our consideration of the Township's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control over financial reporting and compliance.



David A. Kaplan
Registered Municipal Accountant
No. 433



WISS & COMPANY, LLP

Livingston, New Jersey
June 28, 2017

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

INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Members
of the Township Council
Township of Marlboro
County of Monmouth, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America; audit requirements as 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, the regulatory-basis financial statements of the Township of Marlboro ("Township"), County of Monmouth, New Jersey as of and for the year ended December 31, 2016, and the related notes to the financial statements, and have issued our report thereon dated June 28, 2017, in which we expressed an adverse opinion on the conformity of the statements with accounting principles generally accepted in the United States of America due to the differences between those principles and the financial reporting provisions of the Division and a disclaimer opinion since we did not audit and the Division does not require the Length of Services Award Program ("LOSAP") to be audited.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Township's internal control over financial reporting ("internal control") to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion 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.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Township'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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

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



David A. Kaplan
Registered Municipal Accountant
No. 433



WISS & COMPANY, LLP

Livingston, New Jersey
June 28, 2017

FINANCIAL STATEMENTS

CURRENT AND GRANT FUND

EXHIBITS

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT AND GRANT FUND

COMPARATIVE BALANCE SHEETS - REGULATORY BASIS

December 31, 2016 and 2015

<u>Assets</u>	<u>Reference</u>	<u>2016</u>	<u>2015</u>	<u>Liabilities, Reserves and Fund Balance</u>	<u>Reference</u>	<u>2016</u>	<u>2015</u>
Current Fund:				Current Fund:			
Cash	1-A	\$ 21,243,188.45	\$ 18,081,140.65	Appropriation Reserves	A-3, 10-A	\$ 2,816,966.91	\$ 1,818,073.60
Cash - Petty Cash and Change Funds	A	1,300.00	500.00	Accounts Payable	11-A	627,011.19	264,625.68
		<u>21,244,488.45</u>	<u>18,081,640.65</u>	Encumbrances Payable	12-A	2,346,939.21	2,252,245.27
				Prepaid Taxes	13-A	844,362.06	698,329.90
				Tax Overpayments	14-A	72,160.79	94,605.34
				County Taxes Payable	15-A	58,419.66	73,035.69
				Due to Monmouth County - 5% PILOT	5-A	54,859.05	
				Local District School Tax Payable	16-A	4,566,124.50	2,980,663.50
				Due To Federal and State Grant Fund	21-A	346,313.02	246,150.68
				Due To State of New Jersey -			
				Marriage License Fees	20-A	450.00	600.00
				Senior Citizens' and Veterans' Deductions	2-A	6,771.52	2,914.67
				Various Reserves	9-A	<u>1,065,723.61</u>	<u>1,998,566.70</u>
						<u>12,806,101.52</u>	<u>10,429,811.03</u>
Receivables and Other Assets With				Reserve for Receivables	A	<u>3,715,128.97</u>	<u>3,975,652.94</u>
Full Reserves:				Fund Balance	A-1	<u>8,650,386.93</u>	<u>8,075,829.62</u>
Delinquent Property Taxes Receivable	3-A	706,973.82	1,029,022.04			<u>25,171,617.42</u>	<u>22,481,293.59</u>
Tax Title Liens Receivable	4-A	599,320.53	530,188.35				
Property Acquired for Taxes -							
Assessed Valuation	6-A	802,400.00	802,400.00				
Revenue Accounts Receivable	7-A	46,160.51	61,666.27				
Due From Animal Trust Fund	A		3,664.17				
Due From Regional High School	17-A	<u>1,560,274.11</u>	<u>1,548,712.11</u>				
		<u>3,715,128.97</u>	<u>3,975,652.94</u>				
Deferred Charges:							
Special Emergency Authorizations							
(N.J.S.A. 40A:4-53)	8-A	<u>212,000.00</u>	<u>424,000.00</u>				
		<u>25,171,617.42</u>	<u>22,481,293.59</u>				
Grant Fund:				Grant Fund:			
Due From				Reserve for:			
Current Fund	21-A	346,313.02	246,150.68	Grants Appropriated	23-A	503,254.98	467,959.11
Grants Receivable	22-A	<u>312,717.66</u>	<u>360,032.34</u>	Encumbrances Payable	24-A	<u>155,775.70</u>	<u>138,223.91</u>
						<u>659,030.68</u>	<u>606,183.02</u>
		<u>659,030.68</u>	<u>606,183.02</u>				
Total Assets		<u>\$ 25,830,648.10</u>	<u>\$ 23,087,476.61</u>	Total Liabilities and Reserves		<u>\$ 25,830,648.10</u>	<u>\$ 23,087,476.61</u>

See accompanying notes to the financial statements.

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCES - REGULATORY BASIS

Years ended December 31, 2016 and 2015

<u>Revenue and Other Income Realized</u>	<u>Reference</u>	<u>2016</u>	<u>2015</u>
Fund Balance Utilized	A-2	\$ 4,200,000.00	\$ 4,205,000.00
Miscellaneous Revenue Anticipated	A-2	6,057,295.43	5,249,556.73
Receipts From Delinquent Taxes	A-2	1,059,184.73	994,251.73
Receipts From Current Taxes	A-2	158,314,970.83	154,297,769.92
Non-Budget Revenue	A-2	613,342.47	1,686,418.16
Other Credits To Income:			
Refund of Prior Year Expenditures			65,103.27
Unexpended Balance of Appropriation Reserves	10-A	1,608,783.68	1,490,118.43
Cancellation of Accounts Payable	11-A	42,291.24	10,447.29
Other			10,588.47
Prior Year's Interfund Liquidated	1-A	3,664.17	
Due From Monmouth County Improvement Authority			34,569.86
Grant Appropriated Reserves and Receivables Canceled (Net)	21-A	17,352.47	7,250.80
		<u>171,916,885.02</u>	<u>168,051,074.66</u>
<u>Expenditures</u>			
Budget Appropriations Within CAPS:			
Operations:			
Salaries and Wages	A-3	14,259,989.81	13,802,422.05
Other Expenses	A-3	10,687,178.90	10,080,767.86
Deferred Charges and Statutory Expenditures	A-3	4,026,125.59	3,901,346.34
Budget Appropriations Excluded From CAPS:			
Operations:			
Salaries and Wages	A-3	799,403.61	800,061.82
Other Expenses	A-3	574,320.51	991,679.83
Capital Improvements	A-3	175,000.00	175,000.00
Municipal Debt Service	A-3	3,652,829.99	2,694,138.67
Deferred Charges	A-3	212,000.00	247,200.00
County Taxes	15-A	22,146,494.89	22,460,760.07
Amount Due For Added and Omitted Taxes	15-A	58,419.66	73,035.69
Local District School Taxes	16-A	75,124,406.00	70,826,387.50
Regional High School Taxes	17-A	31,517,589.00	33,095,211.11
Special District Taxes	18-A	2,905,350.00	2,894,779.00
Municipal Open Space Taxes	19-A	713,241.41	708,515.87
Prior Year Senior Citizens Deduction Disallowed	2-A	3,021.23	4,075.34
Due From Monmouth County Improvement Authority			18,081.24
Refund of Prior Year Revenue - Tax Appeals	1-A	166,021.73	
Refund of Prior Year Revenue - FEMA	1-A, 11-A	83,305.20	33,599.54
Refund of Prior Year Revenue - 5% PILOT	5-A	26,068.18	
Due from Regional School District	17-A	11,562.00	
		<u>167,142,327.71</u>	<u>162,807,061.93</u>
Statutory Excess To Fund Balance		4,774,557.31	5,244,012.73
Fund Balance, January 1	A	<u>8,075,829.62</u>	<u>7,036,816.89</u>
		12,850,386.93	12,280,829.62
Decreased By:			
Utilized as Anticipated Revenue	A-1, A-2	<u>4,200,000.00</u>	<u>4,205,000.00</u>
Fund Balance, December 31	A	<u>\$ 8,650,386.93</u>	<u>\$ 8,075,829.62</u>

See accompanying notes to the financial statements.

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

Exhibit A-2
Page 1 of 3

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS

Year ended December 31, 2016

	Reference	Anticipated Budget	Added by NJS 40A:4-87	Amount Realized	Excess
Fund Balance Anticipated	A-1	\$ 4,200,000.00		\$ 4,200,000.00	
Miscellaneous Revenues:					
Licenses:					
Other	7-A	61,630.00		70,732.00	\$ 9,102.00
Fees and Permits	7-A	660,000.00		815,406.11	155,406.11
Fines and Costs:					
Municipal Court	7-A	500,000.00		608,592.23	108,592.23
Interest and Costs on Taxes	7-A	200,000.00		239,712.24	39,712.24
Interest on Investments and Deposits	7-A	70,000.00		115,802.11	45,802.11
Cable Franchise Fees	7-A	217,000.00		217,478.42	478.42
Cell Tower Rental	7-A	284,000.00		350,565.75	66,565.75
Energy Receipts Tax	7-A	2,268,949.00		2,268,949.00	
Uniform Fire Safety Act	7-A	57,237.73		59,970.10	2,732.37
Sale of Liquor Licenses	9-A	300,000.00		300,000.00	
Payments in Lieu of Taxes	7-A	425,000.00		547,026.59	122,026.59
Reserve for FEMA	9-A	212,000.00		212,000.00	
Recycling Tonnage Grant	22-A	43,370.91		43,370.91	
Body Armor Replacement Grant	22-A		\$ 5,873.31	5,873.31	
Drive Sober or Get Pulled Over	22-A		5,000.00	5,000.00	
Body Worn Camera Assistance Program	22-A	25,000.00		32,000.00	
Click It or Ticket Grant	22-A		5,000.00	5,000.00	
Clean Communities Program	22-A		106,238.66	106,238.66	
Municipal Alliance on Alcoholism and Drug Abuse	22-A	26,789.00	26,789.00	53,578.00	
Total Miscellaneous Revenues	A-1	5,350,976.64	155,900.97	6,057,295.43	550,417.82
Receipts From Delinquent Taxes	A-1, A-2	813,000.00		1,059,184.73	246,184.73
Amount To Be Raised By Taxes for Support of Municipal Budget:					
Local Tax for Municipal Purposes	A-2,3-A	26,270,824.85		28,247,756.79	1,976,931.94
Budget Revenues		36,634,801.49		39,564,236.95	2,773,534.49
Non-Budget Revenues	A-1,1-A			613,342.47	613,342.47
	A-3	\$ 36,634,801.49	\$ 155,900.97	\$ 40,177,579.42	\$ 3,386,876.96

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

Exhibit A-2

Page 2 of 3

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS

Year Ended December 31, 2016

	<u>Reference</u>	
<u>Analysis of Realized Revenues</u>		
Allocation of Current Tax Collections:		
Revenue From Collections	A-1, 3-A	\$ 158,314,970.83
Allocated To:		
School, County, Special and Open Space Taxes		
Taxes Levied	3-A	<u>132,465,500.96</u>
		25,849,469.87
Add: Appropriation "Reserve for		
Uncollected Taxes"	A-3	<u>2,398,286.92</u>
Amount for Support of Municipal Budget		
Appropriations	A-2	<u>\$ 28,247,756.79</u>
Receipts From Delinquent Taxes:		
Delinquent Tax Collections	3-A	<u>\$ 1,059,184.73</u>

See accompanying notes to the financial statements.

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS

Year ended December 31, 2016

Analysis of Non-Budget Revenues

Reference

Miscellaneous Revenue Not Anticipated:

Reimbursements	\$ 95,774.68
Rents	900.00
Mobile Home Rent	30,000.00
Veterans' and Senior Citizens' Deduction Administrative Fee	4,346.71
DPW Liens	2,754.77
DMV	7,450.00
Copies	3,155.74
Outside Duty Administrative Fee	28,716.29
Scrap Metal	11,198.10
LOSAP Funds Surrendered	56,105.38
Fire Code Status	1,125.00
Miscellaneous Receipts	10,415.66
UCC Indirect Cost Reimbursement	328,951.55
Auction Proceeds	<u>32,448.59</u>

A-1,1-A

\$ 613,342.47

See accompanying notes to the financial statements.

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

Exhibit A-3
Page 1 of 6

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
Year ended December 31, 2016

	Appropriated		Paid or Charged	Expended		Cancelled
	Original Budget	Budget After Modification		Reserve for Encumbrances	Reserved	
General Appropriations Operations - Within "CAPS"						
GENERAL GOVERNMENT						
General Administration:						
Salaries and Wages	\$ 235,113.87	\$ 235,113.87	\$ 218,371.30		\$ 16,742.57	
Other Expenses	54,544.36	129,544.36	56,866.32	\$ 65,787.20	6,890.84	
Office of the Mayor:						
Salaries and Wages	71,600.00	71,600.00	69,644.28		1,955.72	
Other Expenses	2,974.98	2,974.98	2,534.21	229.48	211.29	
Ethics Commission:						
Other Expenses	21,810.00	21,810.00	4,317.00	5,843.00	11,650.00	
Open Space Committee:						
Other Expenses	771.00	771.00		48.00	723.00	
Township Council:						
Salaries and Wages	18,000.00	18,000.00	17,883.24		116.76	
Other Expenses	625.00	625.00	333.44		291.56	
Municipal Clerk:						
Salaries and Wages	226,341.88	226,341.88	219,828.64		6,513.24	
Other Expenses	48,215.25	48,215.25	29,439.96	7,729.55	11,045.74	
Financial Administration (Treasury):						
Salaries and Wages	180,223.60	180,223.60	166,055.21		14,168.39	
Other Expenses	9,537.02	9,537.02	7,000.56	1,213.64	1,322.82	
Audit Services:						
Other Expenses	35,534.36	35,534.36	29,834.36	2,500.00	3,200.00	
Central Computer Services:						
Salaries and Wages	110,620.95	110,620.95	103,280.37		7,340.58	
Other Expenses	69,949.40	69,949.40	44,255.53	20,442.26	5,251.61	
Revenue Administration (Tax Collection):						
Salaries and Wages	161,826.54	161,826.54	149,425.38		12,401.16	
Other Expenses	42,399.98	42,399.98	25,141.62	372.78	16,885.58	
Tax Assessment Administration:						
Salaries and Wages	129,797.19	129,797.19	110,691.98		19,105.21	
Other Expenses	115,780.00	90,780.00	27,419.50	47,020.25	16,340.25	
Legal Services (Legal Department):						
Other Expenses	329,326.61	404,326.61	230,894.48	95,487.13	77,945.00	
Engineering Services:						
Salaries and Wages	202,631.95	202,631.95	186,885.98		15,745.97	
Other Expenses	102,445.16	102,445.16	82,427.66	19,966.62	50.88	
Economic Development:						
Other Expenses	16,500.00	16,500.00	4,082.55	2,103.34	10,314.11	
Inter-Governmental Relations:						
Other Expenses	4,840.00	4,840.00	1,540.79	337.50	2,961.71	
Historic Sites Commission:						
Other Expenses	1,100.00	1,100.00	228.47		871.53	
Cable Studio:						
Other Expenses	51,052.85	51,052.85	45,279.79	5,491.70	281.36	

See accompanying notes to the financial statements.

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

Exhibit A-3
Page 2 of 6

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
Year ended December 31, 2016

	Appropriated		Paid or Charged	Expended		Cancelled
	Original Budget	Budget After Modification		Reserve for Encumbrances	Reserved	
General Appropriations Operations - Within "CAPS"						
LAND USE ADMINISTRATION						
Planning Board:						
Salaries and Wages	\$ 75,645.40	\$ 75,645.40	\$ 69,505.20	\$ 6,140.20		
Other Expenses	31,896.00	31,896.00	19,375.74	12,519.92	0.34	
Planning Board Contractual:						
Other Expenses	86,400.00	86,400.00	21,171.75	65,228.25		
Zoning Board:						
Salaries and Wages	180,165.21	180,165.21	160,614.65		19,550.56	
Other Expenses	48,536.56	48,536.56	31,267.49	16,731.58	537.49	
INSURANCE						
Unemployment	5,000.00	5,000.00	5,000.00			
General Liability	455,419.63	455,419.63	441,941.66	12,885.00	592.97	
Workers Compensation	468,104.27	468,104.27	468,104.25		0.02	
Employee Group Health	3,250,582.27	3,083,582.27	2,673,984.38	29,403.08	380,194.81	
Health Insurance Waivers	72,000.00	72,000.00	72,000.00			
PUBLIC SAFETY						
Police Department:						
Salaries and Wages	8,602,176.62	8,602,176.62	7,953,671.54		648,505.08	
Other Expenses	428,397.07	428,397.07	170,200.70	209,212.21	48,984.16	
Office of Emergency Management:						
Salaries and Wages	23,000.00	23,000.00	19,000.08		3,999.92	
Other Expenses	7,814.00	7,814.00	215.00	340.00	7,259.00	
Aid To Volunteer Ambulance:						
Other Expenses	60,000.00	60,000.00	60,000.00			
Uniform Fire Safety Act (P.L. 1983, Ch. 383):						
Salaries and Wages	172,880.41	172,880.41	167,110.75		5,769.66	
Other Expenses	17,062.72	17,062.72	8,908.27	5,359.55	2,794.90	
Municipal Prosecutor:						
Salaries and Wages	30,600.00	30,600.00	30,000.00		600.00	
Other Expenses	3500	3,500.00	2,573.00	927.00		
PUBLIC WORKS						
Streets and Road Maintenance:						
Salaries and Wages	1,532,416.14	1,532,416.14	1,444,297.98		88,118.16	
Other Expenses	175,111.79	175,111.79	60,623.28	59,291.94	55,196.57	
Snow Removal:						
Salaries and Wages	211,000.00	211,000.00	105,629.79		105,370.21	
Other Expenses	1,336,940.00	1,336,940.00	500,180.14	516,221.14	320,538.72	
Other Public Works Functions:						
Salaries and Wages	168,052.02	173,052.02	167,118.10		5,933.92	
Other Expenses	4,106.05	4,106.05	2,080.81	430.19	1,595.05	

See accompanying notes to the financial statements.

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

Exhibit A-3
Page 3 of 6

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
Year ended December 31, 2016

	Appropriated		Paid or Charged	Expended		Cancelled
	Original Budget	Budget After Modification		Reserve for Encumbrances	Reserved	
General Appropriations Operations - Within "CAPS"						
PUBLIC WORKS (continued)						
Shade Tree Commission:						
Other Expenses	\$ 2,367.50	\$ 2,367.50	\$ 908.07	\$ 954.63	\$ 504.80	
Solid Waste Collection:						
Salaries and Wages	21,600.00	21,600.00	19,734.61		1,865.39	
Other Expenses	689,197.00	689,197.00	564,892.33	82,209.80	42,094.87	
Buildings and Grounds:						
Salaries and Wages	177,766.79	197,766.79	188,433.41		9,333.38	
Other Expenses	186,450.99	186,450.99	76,755.14	91,435.57	18,260.28	
Vehicle Maintenance:						
Salaries and Wages	398,322.71	398,322.71	383,385.09		14,937.62	
Other Expenses	248,049.00	263,049.00	185,719.88	68,000.04	9,329.08	
Condominium Services Act:						
Other Expenses	133,376.58	133,376.58	9,610.55		123,766.03	
HEALTH AND HUMAN SERVICES						
Public Health Services (Board of Health):						
Salaries and Wages	21,500.00	21,500.00	21,500.00			
Other Expenses	869.00	869.00	599.50	144.00	125.50	
Drug Abuse Control:						
Salaries and Wages	44,684.56	44,684.56	44,684.56			
Other Expenses	5,196.00	5,196.00	5,196.00			
Environmental Health Services:						
Salaries and Wages	2,000.00	2,000.00			2,000.00	
Other Expenses	965.00	965.00	300.00		665.00	
Animal Control Services:						
Other Expenses	45,604.39	45,604.39	45,604.39			
PARKS AND RECREATION						
Recreation Services and Programs:						
Salaries and Wages	383,707.02	378,707.02	350,934.45		27,772.57	
Other Expenses	151,198.50	156,198.50	128,758.55	19,907.84	7,532.11	
Teen Program:						
Other Expenses	2,750.00	2,750.00	1,620.75	823.09	306.16	
Maintenance of Parks:						
Salaries and Wages	476,518.17	476,518.17	412,284.48		64,233.69	
Other Expenses	88,888.12	88,888.12	47,411.99	29,011.81	12,464.32	
Municipal Library:						
Other Expenses	10,000.00	10,000.00	8,838.51	731.32	430.17	
Affordable Housing:						
Salaries and Wages	4,000.00	4,000.00	4,000.00			
Municipal Court:						
Salaries and Wages	368,618.78	368,618.78	352,069.27		16,549.51	
Other Expenses	55,076.39	55,076.39	26,334.98	6,403.00	22,338.41	
Public Defender:						
Salaries and Wages	9,180.00	9,180.00	8,900.00		280.00	
Other Expenses	9,000.00	9,000.00	8,250.00	750.00		

See accompanying notes to the financial statements.

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

Exhibit A-3
Page 4 of 6

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
Year ended December 31, 2016

	Appropriated		Expended			
	Original Budget	Budget After Modification	Paid or Charged	Reserve for Encumbrances	Reserved	Cancelled
General Appropriations Operations - Within "CAPS"						
UNCLASSIFIED						
Accumulated Leave Compensation	\$ 1,000.00	\$ 1,000.00			\$ 1,000.00	
Postage	50,225.00	50,225.00	\$ 17,539.01	\$ 5,150.00	27,535.99	
UTILITY EXPENSES AND BULK PURCHASES						
Electricity	319,802.79	319,802.79	180,858.69	96,511.75	42,432.35	
Street Lighting	647,361.56	647,361.56	455,877.71	146,706.61	44,777.24	
Telephone (excluding equipment acquisition)	135,327.52	135,327.52	95,041.81	39,679.09	606.62	
Water	29,584.50	29,584.50	20,194.54	6,035.37	3,354.59	
Gas (natural or propane)	59,489.55	59,489.55	34,727.14	19,350.03	5,412.38	
Sewerage Processing and Disposal	10,551.20	12,551.20	8,884.44	2,530.00	1,136.76	
Gasoline	283,525.15	283,525.15	143,802.66	81,472.99	58,249.50	
Landfill/Solid Waste Disposal Costs	174,164.00	174,164.00	110,008.39	42,251.60	21,904.01	
Total Operations - Within "CAPS"	24,938,285.88	24,938,285.88	20,451,898.08	1,943,180.85	2,543,206.95	
Contingent	10,000.00	10,000.00			10,000.00	
Total Operations Including Contingent - Within "CAPS"	24,948,285.88	24,948,285.88	20,451,898.08	1,943,180.85	2,553,206.95	
Detail:						
Salaries and Wages	14,239,989.81	14,259,989.81	12,984,325.69		1,275,664.12	
Other Expenses	10,708,296.07	10,688,296.07	7,467,572.39	1,943,180.85	1,277,542.83	
DEFERRED CHARGES						
Prior Years Bills	2,500.00	2,500.00	1,382.83			1,117.17
STATUTORY EXPENDITURES						
Contribution To:						
Social Security System (O.A.S.I.)	1,102,625.59	1,102,625.59	1,020,553.40		82,072.19	
Police and Firemen's Retirement System of NJ	2,020,000.00	2,020,000.00	2,014,833.00		5,167.00	
Public Employees Retirement System	900,000.00	900,000.00	890,416.45		9,583.55	
Defined Contribution Retirement Program	1,000.00	1,000.00	331.34		668.66	
Total Deferred Charges and Statutory Expenditures - Municipal - Within "CAPS"	4,026,125.59	4,026,125.59	3,927,517.02		97,491.40	1,117.17
Total General Appropriations for Municipal Purposes - Within "CAPS"	28,974,411.47	28,974,411.47	24,379,415.10	1,943,180.85	2,650,698.35	1,117.17
General Appropriations Operations - Excluded from "CAPS"						
Length of Services Awards Program (LOSAP): Other Expenses	100,000.00	100,000.00	33,018.44	50,797.60	16,183.96	

See accompanying notes to the financial statements.

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

Exhibit A-3
Page 5 of 6

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
Year ended December 31, 2016

	Appropriated		Expended			
	Original Budget	Budget After Modification	Paid or Charged	Reserve for Encumbrances	Reserved	Cancelled
General Appropriations Operations - Excluded from "CAPS"						
Police Dispatch/911:						
Salaries and Wages	\$ 799,403.61	\$ 799,403.61	\$ 721,348.98		\$ 78,054.63	
Other Expenses	212,406.63	212,406.63	88,259.07	\$ 52,387.59	71,759.97	
SFSP Fire District Payments:						
Other Expenses	10,853.00	10,853.00	10,583.00		270.00	
Total Other Operations Excluded From "CAPS"	1,122,663.24	1,122,663.24	853,209.49	103,185.19	166,268.56	
PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES						
Click It or Ticket		5,000.00	5,000.00			
Drive Sober or Get Pulled Over Grant		5,000.00	5,000.00			
Municipal Drug Alliance	26,789.00	53,578.00	53,578.00			
Recycling Tonnage Grant	43,370.91	43,370.91	43,370.91			
Body Armor Grant		5,873.31	5,873.31			
Body Worn Camera Assistance Program	25,000.00	32,000.00	32,000.00			
Clean Communities Grant		106,238.66	106,238.66			
Total Public and Private Programs Offset by Revenues	95,159.91	251,060.88	251,060.88			
Total Operations - Excluded From "CAPS"	1,217,823.15	1,373,724.12	1,104,270.37	103,185.19	166,268.56	
Detail:						
Salaries and Wages	799,403.61	799,403.61	721,348.98		78,054.63	
Other Expenses	418,419.54	574,320.51	382,921.39	103,185.19	88,213.93	
Capital Improvements - Excluded From "CAPS"						
Capital Improvement Fund	175,000.00	175,000.00	175,000.00			
Total Capital Improvements - Excluded From "CAPS"	175,000.00	175,000.00	175,000.00			

See accompanying notes to the financial statements.

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

Exhibit A-3
Page 6 of 6

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
Year ended December 31, 2016

	Appropriated		Expended				
	Original Budget	Budget After Modification	Paid or Charged	Reserve for Encumbrances	Reserved	Cancelled	
Municipal Debt Service - Excluded From "CAPS"							
Payment of Bond Principal	\$ 2,381,783.53	\$ 2,381,783.53	\$ 2,381,783.53				
Payment of Note Principal							
Interest on Bonds	970,439.92	970,439.92	970,436.21			\$ 3.71	
Interest on Notes	95,341.00	95,341.00	93,025.00			2,316.00	
Green Acres Trust Loan:							
Loan Repayments for Principal and Interest	28,864.50	28,864.50	28,864.50				
Capital Lease Program:							
Principal	173,001.00	173,001.00	170,980.41			2,020.59	
Interest	7,850.00	7,850.00	7,740.34			109.66	
Total Municipal Debt Service - Excluded From "CAPS"	3,657,279.95	3,657,279.95	3,652,829.99			4,449.96	
DEFERRED CHARGES							
Deferred Charges To Future Taxation - Special Emergency	212,000.00	212,000.00	212,000.00				
Total Deferred Charges - Municipal - Excluded from "CAPS"	212,000.00	212,000.00	212,000.00				
Total General Appropriations - Excluded From "CAPS"	5,262,103.10	5,418,004.07	5,144,100.36	\$ 103,185.19	\$ 166,268.56	4,449.96	
Subtotal General Appropriations	34,236,514.57	34,392,415.54	29,523,515.46	2,046,366.04	2,816,966.91	5,567.13	
Reserve for Uncollected Taxes	2,398,286.92	2,398,286.92	2,398,286.92				
Total General Appropriations	\$ 36,634,801.49	\$ 36,790,702.46	\$ 31,921,802.38	\$ 2,046,366.04	\$ 2,816,966.91	\$ 5,567.13	
	Reference	Below	Below	Below	12-A	A	A-1
<u>Analysis of Budget After Modification</u>							
Original Budget	Above, A-2		\$ 36,634,801.49				
Added by N.J.S. 40A:4-87	A-2, 23-A		155,900.97				
	Above		\$ 36,790,702.46				
<u>Analysis of Paid or Charged</u>							
Cash Disbursements	I-A		\$ 29,010,574.02				
Deferred Charges	8-A		212,000.00				
Reserve for:							
State Grants - Appropriated	23-A		300,941.44				
Uncollected Taxes	A-2		2,398,286.92				
	Above		\$ 31,921,802.38				

See accompanying notes to the financial statements.

TRUST FUND

EXHIBIT

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

TRUST FUND

COMPARATIVE BALANCE SHEETS - REGULATORY BASIS

December 31, 2016 and 2015

<u>Assets</u>	<u>Reference</u>	<u>2016</u>	<u>2015</u>	<u>Liabilities and Reserves</u>	<u>Reference</u>	<u>2016</u>	<u>2015</u>
Animal Control Trust Fund:				Animal Control Trust Fund:			
Cash and Cash Equivalents	1-B	<u>\$ 60,320.49</u>	<u>\$ 80,224.41</u>	Due To State of New Jersey	3-B,5-B	\$ 11.40	\$ 19.60
				Reserve for Animal Control Expenditures	6-B	44,353.72	67,478.60
				Reserve for Encumbrances Payable	6-B	15,955.37	9,062.04
				Due to Current Fund	1-B		3,664.17
		<u>60,320.49</u>	<u>80,224.41</u>			<u>60,320.49</u>	<u>80,224.41</u>
Escrow Deposit Trust Fund:				Escrow Deposit Trust Fund:			
Cash and Cash Equivalents	1-B	<u>2,262,160.00</u>	<u>1,665,673.91</u>	Reserve for Deposits	7-B	2,241,849.21	1,603,407.52
				Reserve for Encumbrances Payable	7-B	<u>20,310.79</u>	<u>62,266.39</u>
		<u>2,262,160.00</u>	<u>1,665,673.91</u>			<u>2,262,160.00</u>	<u>1,665,673.91</u>
Open Space Trust Fund:				Open Space Trust Fund:			
Cash and Cash Equivalents	1-B	<u>4,109,382.29</u>	<u>5,131,495.21</u>	Reserve for Open Space	5-B	4,017,928.51	5,079,532.21
				Reserve for Encumbrances Payable	5-B	<u>91,453.78</u>	<u>51,963.00</u>
						<u>4,109,382.29</u>	<u>5,131,495.21</u>
Trust - Other Fund:				Trust - Other Fund:			
Cash and Cash Equivalents	1-B	<u>12,054,326.97</u>	<u>11,629,894.54</u>	Due To State of New Jersey -			
				DCA Fees	2-B	17,793.00	15,206.00
				Various Reserves	4-B	9,110,312.05	9,386,361.17
				Reserve for Encumbrances Payable	10-B	<u>2,926,221.92</u>	<u>2,228,327.37</u>
						<u>12,054,326.97</u>	<u>11,629,894.54</u>
Length of Service Award Program				Length of Service Award Program			
Trust Fund ("LOSAP") - Unaudited:				Trust Fund ("LOSAP") - Unaudited:			
Investments	8-B	<u>1,273,390.61</u>	<u>1,169,082.09</u>	Miscellaneous Reserves	9-B	<u>1,273,390.61</u>	<u>1,169,082.09</u>
Total Assets		<u>\$ 19,759,580.36</u>	<u>\$ 19,676,370.16</u>	Total Liabilities and Reserves		<u>\$ 19,759,580.36</u>	<u>\$ 19,676,370.16</u>

See accompanying notes to the financial statements.

GENERAL CAPITAL FUND

EXHIBITS

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

COMPARATIVE BALANCE SHEETS - REGULATORY BASIS

December 31, 2016 and 2015

<u>Assets</u>	<u>Reference</u>	<u>2016</u>	<u>2015</u>	<u>Liabilities, Reserves and Fund Balance</u>	<u>Reference</u>	<u>2016</u>	<u>2015</u>
Cash and Cash Equivalents	1-C,2-C	\$ 23,788,002.79	\$ 30,058,926.67	General Serial Bonds Payable	7-C	\$ 34,399,000.00	\$ 37,050,000.00
Due From NJ DOT	3-C	460,000.00	240,000.00	Green Trust Loan Payable	8-C	162,436.06	187,672.66
Other Accounts Receivable	13-C	160,000.00	162,500.00	Bond Anticipation Notes Payable	14-C	11,546,000.00	16,124,500.00
Due From FEMA	4-C	250,000.00	250,000.00	Improvement Authorizations:			
Due From Monmouth County	12-C	270,485.00	145,000.00	Funded	9-C	15,152,146.99	11,997,686.25
Due From NJ Department of Agriculture	16-C	1,514,485.00		Unfunded	9-C	10,465,157.05	1,437,945.40
Due From NJ DEP - Green Acres	17-C	825,000.00		Reserve for Encumbrances Payable	15-C	1,606,610.15	1,666,008.72
Deferred Charges To Future Taxation:				Capital Improvement Fund	10-C	13,588.00	5,675.00
Funded	5-C	34,561,436.06	37,237,672.66	Various Reserves	11-C	495,922.50	515,997.68
Unfunded	6-C	<u>12,637,304.10</u>	<u>1,449,755.48</u>	Due To Recreation & Swim Utility Capital Fund	1-C		18,308.66
				Due To Water Utility Capital Fund	1-C		39,445.32
				Fund Balance	C-1	<u>625,852.20</u>	<u>500,615.12</u>
Total Assets		<u>\$ 74,466,712.95</u>	<u>\$ 30,856,426.67</u>	Total Liabilities, Reserves and Fund Balance		<u>\$ 74,466,712.95</u>	<u>\$ 69,543,854.81</u>

There were bonds and notes authorized but not issued at December 31, 2016 and 2015 in the amount of \$1,091,304.10 and \$1,449,755.48, respectively. (See schedule 18-C)

See accompanying notes to the financial statements.

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

STATEMENT OF FUND BALANCE - REGULATORY BASIS

Year ended December 31, 2016

	<u>Reference</u>	
Balance, December 31, 2015	C	\$ 500,615.12
Increased By:		
Funded Improvement Authorizations Cancelled	9-C	<u>125,237.08</u>
Balance, December 31, 2016	C	\$ <u><u>625,852.20</u></u>

See accompanying notes to the financial statements.

RECREATION AND SWIM UTILITY FUNDS

EXHIBITS

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

RECREATION & SWIM UTILITY FUND

COMPARATIVE BALANCE SHEETS - REGULATORY BASIS

December 31, 2016 and 2015

<u>Assets</u>	<u>Reference</u>	<u>2016</u>	<u>2015</u>	<u>Liabilities, Reserves and Fund Balance</u>	<u>Reference</u>	<u>2016</u>	<u>2015</u>
Operating Fund:				Operating Fund:			
Cash and Cash Equivalents	1-D	\$ 571,429.80	\$ 812,158.65	Appropriation Reserves	D-3, 5-D	\$ 53,318.52	\$ 29,471.54
Change Fund	D	100.00	200.00				
Due from Recr. and Swim Pool Capital Fund	18-D	<u>115,000.00</u>		Reserve for Encumbrances Payable	6-D	265,243.25	245,677.23
				Accounts Payable	7-D	9,502.71	
Total Operating Fund		<u>686,529.80</u>	<u>812,358.65</u>	Prepaid Membership Fees	11-D	34,061.47	100,956.19
				Prepaid Participation Fees	12-D	20,936.54	37,553.00
				Accrued Interest	16-D	<u>7,233.33</u>	<u>18,226.25</u>
						390,295.82	431,884.21
				Fund Balance	D-1	<u>296,233.98</u>	<u>380,474.44</u>
				Total Operating Fund		<u>686,529.80</u>	<u>812,358.65</u>
Capital Fund:				Capital Fund:			
Cash	1-D, 2-D	661.54	1,624,843.20	Improvement Authorizations:			
Due from Monmouth County Open Space Trust	10-D	250,000.00	250,000.00	Funded	15-D	95,732.02	94,872.35
Due from General Capital Fund	D		18,308.66	Unfunded	15-D	90,290.42	145,757.54
Fixed Capital	3-D	3,188,235.21	3,188,235.21	Serial Bonds Payable	9-D	1,189,000.00	1,264,000.00
Fixed Capital Authorized and Uncompleted	4-D	<u>1,260,585.32</u>	<u>1,309,097.24</u>	Bond Anticipation Notes	8-D		1,264,000.00
				Reserve for:			
Total Capital Fund		<u>4,699,482.07</u>	<u>6,390,484.31</u>	Capital Outlay	13-D	30,920.62	30,920.62
				Amortization	14-D	2,907,992.45	2,832,992.45
				Encumbrances	15-D	2,237.90	489,632.69
				Receivable	10-D	250,000.00	250,000.00
				Due to Recr. and Swim Pool Utility Oper. Fund	18-D	115,000.00	
				Fund Balance	D	<u>18,308.66</u>	<u>18,308.66</u>
				Total Capital Fund		<u>4,699,482.07</u>	<u>6,390,484.31</u>
Total Assets		<u>\$ 5,386,011.87</u>	<u>\$ 7,202,842.96</u>	Total Liabilities, Reserves and Fund Balance		<u>\$ 5,386,011.87</u>	<u>\$ 7,202,842.96</u>

There were bonds and notes authorized but not issued at December 31, 2016 and 2015 in the amount of \$101,828.08 and \$150,340.00, respectively. (See Schedule 18-D)

See accompanying notes to the financial statements.

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

RECREATION & SWIM UTILITY FUND

COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCES - REGULATORY BASIS

Years ended December 31, 2016 and 2015

	<u>Reference</u>	<u>2016</u>	<u>2015</u>
Revenue and Other Income Realized:			
Fund Balance Utilized	D-2	\$ 267,453.84	\$ 180,901.00
Membership Fees	D-2	383,147.03	404,417.05
Program Revenue	D-2	1,902,824.68	1,801,593.99
Interest on Investments	D-2	3,389.86	3,290.95
Miscellaneous	D-2	49,453.91	40,343.00
Other Credits To Income:			
Unexpended Balance of Appropriation Reserves	5-D	64,397.90	42,381.88
Cancellation of Accounts Payable			9,973.65
Cancellation of Reserve			3,543.58
		<u>2,670,667.22</u>	<u>2,486,445.10</u>
Expenditures:			
Operating	D-3	2,301,046.31	2,090,242.69
Capital Outlay	D-3	1.00	1.00
Statutory Expenditures	D-3	79,798.26	66,546.00
Debt Service	D-3	<u>106,608.27</u>	<u>35,050.00</u>
		<u>2,487,453.84</u>	<u>2,191,839.69</u>
Excess in Revenue		183,213.38	294,605.41
Fund Balance, January 1	D	<u>380,474.44</u>	<u>266,770.03</u>
		563,687.82	561,375.44
Decreased By:			
Utilized as Anticipated Revenue	D-1	<u>267,453.84</u>	<u>180,901.00</u>
Fund Balance, December 31	D	<u>\$ 296,233.98</u>	<u>\$ 380,474.44</u>

See accompanying notes to the financial statements.

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

RECREATION & SWIM UTILITY FUND

STATEMENT OF REVENUES - REGULATORY BASIS

Year ended December 31, 2016

	<u>Reference</u>	<u>Anticipated</u>	<u>Realized</u>	(Deficit) <u>Excess</u>
Fund Balance Utilized	D-1	\$ 267,453.84	\$ 267,453.84	
Program Revenue	D-1	2,220,000.00	1,902,824.68	\$ (317,175.32)
Membership Fees	D-1		383,147.03	383,147.03
Miscellaneous	D-1		49,453.91	49,453.91
Interest on Investments	D-1, 1-D		3,389.86	3,389.86
Total		<u>\$ 2,487,453.84</u>	<u>\$ 2,606,269.32</u>	<u>\$ 118,815.48</u>

	<u>Reference</u>	D-3	Below
<u>Analysis of Revenue:</u>			
Fund Balance Utilized	Above		\$ 267,453.84
Cash Receipts	1-D		2,203,957.83
Refunds Due Participants	6-D		(3,651.54)
Prepaid Applied:			
Membership Fees	11-D, 12-D		<u>138,509.19</u>
	Above		<u>\$ 2,606,269.32</u>
<u>Analysis of Membership Fees:</u>			
Cash Receipts	1-D		\$ 282,190.84
Prepaid Applied	11-D		<u>100,956.19</u>
			<u>\$ 383,147.03</u>
<u>Analysis of Interest on Investments:</u>			
Cash Receipts	1-D		<u>\$ 3,389.86</u>
<u>Analysis of Miscellaneous Revenue:</u>			
Cash Receipts	1-D		<u>\$ 49,453.91</u>
<u>Analysis of Program Revenue:</u>			
Cash Receipts	1-D		\$ 1,868,923.22
Refunds to Residents	6-D		(3,651.54)
Prepaid Applied	12-D		<u>37,553.00</u>
	Above		<u>\$ 1,902,824.68</u>

See accompanying notes to the financial statements.

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

RECREATION & SWIM UTILITY FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

Year ended December 31, 2016

	Original Budget	Budget Modified	Expended		
			Paid or Charged	Encumbrances	Reserved
Operating:					
Salaries and Wages	\$ 1,016,954.44	\$ 1,006,954.44	\$ 986,206.12		\$ 20,748.32
Other Expenses	1,284,091.87	1,294,091.87	1,009,655.59	\$ 261,591.71	22,844.57
Total Operating	2,301,046.31	2,301,046.31	1,995,861.71	261,591.71	43,592.89
Capital Improvements:					
Capital Outlay	1.00	1.00			1.00
Total Capital Improvements	1.00	1.00			1.00
Statutory Expenditures:					
Contribution To:					
Public Employee's Retirement System	1.00	1.00			1.00
Social Security (O.A.S.I.)	77,797.26	77,797.26	68,073.63		9,723.63
Unemployment Compensation Insurance - (N.J.S.A. 43-21-3)	2,000.00	2,000.00	2,000.00		
Total Statutory Expenditures	79,798.26	79,798.26	70,073.63		9,724.63
Debt Service:					
Payment of Bond Principal	75,000.00	75,000.00	75,000.00		
Interest on Bonds and Notes	31,608.27	31,608.27	31,608.27		
Total Debt Service	106,608.27	106,608.27	106,608.27		
	<u>\$ 2,487,453.84</u>	<u>\$ 2,487,453.84</u>	<u>\$ 2,172,543.61</u>	<u>\$ 261,591.71</u>	<u>\$ 53,318.52</u>
	Reference	D-2	Below	Below	D
Cash Disbursements	1-D		\$ 2,140,935.34		
Accrued Interest on Bonds and Notes	16-D		31,608.27		
	Above		<u>\$ 2,172,543.61</u>		
Transfer From Budget Appropriations	6-D			\$ 252,089.00	
Transfer to Accounts Payable	7-D			9,502.71	
	Above			<u>\$ 261,591.71</u>	

See accompanying notes to the financial statements.

PAYROLL FUND

EXHIBIT

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

PAYROLL FUND

COMPARATIVE BALANCE SHEETS - REGULATORY BASIS

December 31, 2016 and 2015

<u>Assets</u>	<u>Reference</u>	<u>2016</u>	<u>2015</u>	<u>Liabilities</u>	<u>Reference</u>	<u>2016</u>	<u>2015</u>
Cash	E	<u>\$ 22,073.97</u>	<u>\$ 20,756.69</u>	Due to Various Agencies	E	<u>\$ 22,073.97</u>	<u>\$ 20,756.69</u>
Total Assets		<u><u>\$ 22,073.97</u></u>	<u><u>\$ 20,756.69</u></u>	Total Liabilities		<u><u>\$ 22,073.97</u></u>	<u><u>\$ 20,756.69</u></u>

See accompanying notes to financial statements.

WATER UTILITY FUNDS

EXHIBITS

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

WATER UTILITY FUNDS

COMPARATIVE BALANCE SHEETS - REGULATORY BASIS

December 31, 2016 and 2015

<u>Assets</u>	<u>Reference</u>	<u>2016</u>	<u>2015</u>	<u>Liabilities, Reserves and Fund Balance</u>	<u>Reference</u>	<u>2016</u>	<u>2015</u>
Operating Fund:				Operating Fund:			
Cash and Cash Equivalents	1-F	\$ 5,903,497.90	\$ 6,149,317.35	Appropriation Reserves	F-3, 16-F	\$ 221,822.26	\$ 732,274.72
Consumer Accounts Receivable	3-F(a)	<u>159,406.89</u>	<u>134,042.04</u>	Reserve for Encumbrances Payable	20-F	854,564.32	791,946.17
				Accrued Interest on Bonds	6-F(a)	130,495.35	102,617.34
Total Operating Fund		<u>6,062,904.79</u>	<u>6,283,359.39</u>	Accrued Interest on Notes	6-F(b)		14,000.00
				Water Rent Overpayments	5-F	19,619.32	22,146.77
				Various Reserves	4-F	441,747.28	454,883.25
				Accounts Payable	21-F	<u>46,622.83</u>	
						1,714,871.36	2,117,868.25
				Reserve for Receivable	F	159,406.89	134,042.04
				Fund Balance	F-1	<u>4,188,626.54</u>	<u>4,031,449.10</u>
				Total Operating Fund		<u>6,062,904.79</u>	<u>6,283,359.39</u>
Capital Fund:				Capital Fund:			
Cash and Cash Equivalents	1-F, 2-F	1,058,900.23	4,467,690.96	Serial Bonds	10-F	13,473,000.00	15,203,000.00
Fixed Capital	7-F	33,327,933.31	32,993,183.31	Bond Anticipation Notes Payable	18-F		2,723,800.00
Fixed Capital Authorized and Uncompleted	8-F	24,186,196.66	23,977,750.00	NJEIT Loans Payable	13-F	17,503,769.52	5,940,497.37
Due from General Capital Fund	17-F		39,445.32	Encumbrances Payable	14-F	9,995,720.51	1,692,657.51
NJEIT Loan Receivable	3-F(b)	<u>11,252,297.00</u>	<u>411,569.00</u>	Improvement Authorizations:			
		<u>69,825,327.20</u>	<u>61,889,638.59</u>	Funded	9-F	547,039.69	724,502.24
Total Capital Fund				Unfunded	9-F	2,459,780.03	12,020,891.87
				Capital Improvement Fund	11-F	50,000.00	50,000.00
				Reserve for Amortization	12-F	24,461,133.45	22,200,128.94
				Reserve for Deferred Amortization	15-F	300,000.00	300,000.00
				Reserve for Debt Service	19-F	71,564.00	71,564.00
				Fund Balance	F-4	<u>963,320.00</u>	<u>962,596.66</u>
				Total Capital Fund		<u>69,825,327.20</u>	<u>61,889,638.59</u>
Total Assets		<u>\$ 75,888,231.99</u>	<u>\$ 68,172,997.98</u>	Total Liabilities, Reserves and Fund Balance		<u>\$ 75,888,231.99</u>	<u>\$ 68,172,997.98</u>

The balance of water utility bonds and notes authorized but not issued at December 31, 2016 and 2015 is \$1,775,427.00 and \$13,326,507.00, respectively (Schedule 22-F).

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

WATER UTILITY OPERATING FUND

COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE - REGULATORY BASIS

Years ended December 31, 2016 and 2015

	<u>Reference</u>	<u>2016</u>	<u>2015</u>
Revenue and Other Income:			
Water Utility Fund Balance Utilized	F-2	\$ 2,027,636.18	\$ 1,923,204.05
Service Charges (net)	F-2	9,169,158.94	9,092,002.39
Connection Fees	F-2	203,545.00	281,825.74
Other Operating Revenues	F-2	70,510.42	37,439.88
Interest on Investments	F-2	19,863.62	18,807.06
Solar Renewable Energy Credits	F-2	195,186.00	117,455.00
Other Credits to Income:			
Cancelations of Accounts Payable	21-F	39,730.74	1,168.41
Unexpended Balance of Appropriation Reserves	16-F	850,135.87	1,103,807.83
Total Revenue and Other Income		<u>12,575,766.77</u>	<u>12,575,710.36</u>
Expenditures:			
Operating	F-3	7,156,374.97	7,047,769.83
Capital Improvements	F-3	50,000.00	50,000.00
Debt Service	F-3	3,112,832.97	2,662,107.29
Statutory Expenditures and Deferred Charges	F-3	71,745.21	73,134.22
Total Expenditures		<u>10,390,953.15</u>	<u>9,833,011.34</u>
Excess in Revenue		2,184,813.62	2,742,699.02
Fund Balance, January 1	F	4,031,449.10	3,211,954.13
Decreased By:			
Utilized as Revenue	F-1	<u>2,027,636.18</u>	<u>1,923,204.05</u>
Fund Balance, December 31	F	<u>\$ 4,188,626.54</u>	<u>\$ 4,031,449.10</u>

See accompanying notes to the financial statements.

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

WATER UTILITY OPERATING FUND

STATEMENT OF REVENUES - REGULATORY BASIS

Year ended December 31, 2016

	<u>Reference</u>	<u>Anticipated</u>	<u>Realized</u>	<u>Excess</u>
Water Utility Operating Fund Balance	F-1	\$ 2,027,636.18	\$ 2,027,636.18	
Service Charges	F-1, 3-F(a)	8,120,000.00	9,169,158.94	\$ 1,049,158.94
Connection Fees	F-1, 1-F	100,000.00	203,545.00	103,545.00
Other Operating Revenues	F-1, 1-F	25,000.00	70,510.42	45,510.42
Interest on Investments	F-1, 1-F	10,000.00	19,863.62	9,863.62
Solar Renewable Energy Credits	F-1, 1-F	<u>117,000.00</u>	<u>195,186.00</u>	<u>78,186.00</u>
Total	F-3	<u>\$ 10,399,636.18</u>	<u>\$ 11,685,900.16</u>	<u>\$ 1,286,263.98</u>

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

WATER UTILITY OPERATING FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

Year ended December 31, 2016

	Original Budget	Budget Modified	Expended			Cancelled
			Paid or Charged	Encumbrances	Reserved	
Operating:						
Salaries and Wages	\$ 875,974.78	\$ 915,974.78	\$ 889,881.88		\$ 26,092.90	
Other Expenses	6,285,128.04	6,240,400.19	5,259,399.01	\$ 851,183.19	129,817.99	
Total Operating	7,161,102.82	7,156,374.97	6,149,280.89	851,183.19	155,910.89	
Capital Improvements:						
Capital Outlay	50,000.00	50,000.00		3,202.46	46,797.54	
Total Capital Improvements	50,000.00	50,000.00		3,202.46	46,797.54	
Debt Service:						
Payment of Bond Principal	1,730,000.00	1,730,000.00	1,730,000.00			
Interest on Bonds	579,211.31	579,211.31	579,211.31			
Interest on Notes	4,688.29	4,688.29	4,688.29			
NJEIT Loan Principal	642,000.00	531,727.85	531,727.85			
NJEIT Loan Interest	160,888.55	275,888.55	267,205.52			\$ 8,683.03
Total Debt Service	3,116,788.15	3,121,516.00	3,112,832.97			8,683.03
Statutory Expenditures and Deferred Charges:						
Emergency Authorizations						
Contribution To:						
Public Employees' Retirement System	1.25	1.25			1.25	
Social Security (O.A.S.I.)	66,743.96	66,743.96	47,631.38		19,112.58	
Unemployment Compensation Insurance - (N.J.S.A. 43-21-3)	5,000.00	5,000.00	5,000.00			
Total Statutory Expenditures and Deferred Charges	71,745.21	71,745.21	52,631.38		19,113.83	
	<u>\$ 10,399,636.18</u>	<u>\$ 10,399,636.18</u>	<u>\$ 9,314,745.24</u>	<u>\$ 854,385.65</u>	<u>\$ 221,822.26</u>	<u>\$ 8,683.03</u>
Reference	F-2	F-2	Below	20-F	F	F-1
Analysis of Paid or Charged:						
Cash Disbursements	1-F		\$ 8,463,640.12			
Accrued Interest on Bonds and Loans	6-F(a)		846,416.83			
Accrued Interest on Notes	6-F(b)		4,688.29			
Above			<u>\$ 9,314,745.24</u>			

See accompanying notes to the financial statements.

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

WATER UTILITY CAPITAL FUND

STATEMENT OF FUND BALANCE - REGULATORY BASIS

Year ended December 31, 2016

	<u>Reference</u>	
Balance, December 31, 2015	F	\$ 962,596.66
Increased by:		
Funded Improvement Authorizations Cancelled	9-F	<u>723.34</u>
Balance, December 31, 2016	F	<u><u>\$ 963,320.00</u></u>

See accompanying notes to the financial statements.

GENERAL FIXED ASSETS ACCOUNT GROUP

EXHIBIT

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL FIXED ASSETS ACCOUNT GROUP

COMPARATIVE BALANCE SHEETS - REGULATORY BASIS

December 31, 2016 and 2015

		Balance December 31, <u>2016</u>	Balance December 31, <u>2015</u>
	<u>Reference</u>		
Land, Buildings and Improvements	1-G	\$ 72,761,260.00	\$ 72,761,260.00
Machinery, Equipment and Vehicles	1-G	<u>17,171,774.00</u>	<u>15,693,211.00</u>
Total General Fixed Assets		<u>\$ 89,933,034.00</u>	<u>\$ 88,454,471.00</u>
Investment in General Fixed Assets	1-G	<u>\$ 89,933,034.00</u>	<u>\$ 88,454,471.00</u>

See accompanying notes to the financial statements.

TOWNSHIP OF MARLBORO
MONMOUTH COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 AND 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Governmental Accounting Standards Board (GASB) is the accepted standards-setting body for establishing governmental accounting and financial reporting principles. GASB's Codification of Governmental Accounting and Financial Reporting Standards recognizes three fund categories as appropriate for the accounting and reporting of the financial position and results of operations in accordance with generally accepted accounting principles (GAAP) to provide detailed information about the governmental unit. This structure of funds differs from the organization of funds prescribed under the regulatory basis of accounting utilized by the Township. The resultant presentation of financial position and results of operations in the form of financial statements is not intended to present the basic financial statements required by GAAP.

The Governmental Accounting Standards Board (GASB) established criteria to be used to determine which component units should be included in the financial statements of the oversight entity. The Division of Local Government Services, Department of Community Affairs, State of New Jersey ("Division") requires the financial statements of the Township of Marlboro ("Township") to be reported separately.

The Township 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.

The financial statements of the Township of Marlboro, County of Monmouth, New Jersey ("Township") include every board, body officer or commission maintained wholly or in part by funds appropriated by the Township, as required by the provision of N.J.S. 40A:5-5. The financial statements, however, do not include the operation of School Boards, Volunteer Fire Departments/Fire Districts and First Aid Squads which are subject to separate audits and would be considered component units under GAAP. Included within the financial statements are taxes levied, collected and turned over to School Boards and Fire Districts and appropriations for contributions to Volunteer Fire Departments and First Aid Squads. Complete financial statements of the above component units can be obtained by contacting the Treasurer of the respective entity.

Component units are legally separate organizations for which the Township is financially accountable. The Township is financially accountable for an organization if the Township appoints a voting majority of the organization's governing board and (1) the Township is able to significantly influence the programs or services performed or provided by the organization, or (2) the Township is legally entitled to or can otherwise access the organization's resources; the Township is legally obligated or has otherwise assumed the responsibility to finance the deficits of or provide financial support to the organization; or the Township is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the Township in that the Township approves the budget, the issuance of debt or the levying of taxes.

B. Description of Funds

The accounting policies of the Township of Marlboro conform to the accounting principles applicable to municipalities, which have been prescribed by the Division. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Township of Marlboro accounts for its financial transactions through the following separate funds and an account group:

TOWNSHIP OF MARLBORO
MONMOUTH COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 AND 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Current Fund – records resources and expenditures for governmental operations of a general nature, including Federal and State grant funds, except as otherwise noted.

Trust Fund – records receipts, custodianship and disbursement of funds in accordance with the purpose for which each reserve was created. In addition, the financial transactions of the following funds and accounts are also reported within the Trust Fund:

Animal Control Trust Fund
Trust Other Fund
Escrow Deposit Trust Fund
Open Space Trust Fund
LOSAP Trust Fund - Unaudited

General Capital Fund – records resources and expenditures for the acquisition of general capital facilities, other than those acquired through the Current Fund and Utility Funds, including the status of bonds, loans, and notes authorized for said purposes. General bonds, notes and loans payable are recorded in this fund offset by deferred charges to future taxation.

Recreation/Swim Pool Utility Fund – records resources and expenditures for the recreation and swim programs and records resources and expenditures for the acquisition of capital facilities of the municipally owned Recreation/Swim Pool Utility.

Payroll Fund – records resources, deposits of gross salaries of municipal and utility operations into bank accounts of the payroll fund, Social Security and other payroll contributions are also deposited therein. Net salaries and remittances to all federal, state and other agencies are paid from this fund.

Water Utility Fund – records resources and expenditures for the operations and acquisition of capital facilities of the municipally owned Water Utility.

General Fixed Assets Account Group - The General Fixed Assets Account Group is used to account for fixed assets used in governmental fund type operations for control purposes. All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available or any other reasonable basis, provided such basis is adequately disclosed in the financial statements. Donated fixed assets are valued at their estimated fair value at the date of donation. No depreciation is recorded on general fixed assets.

C. Regulatory-Basis Financial Statements

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

TOWNSHIP OF MARLBORO
MONMOUTH COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 AND 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Basis of Accounting

Basis of Accounting and Measurement Focus - The basis of accounting, as prescribed by the Division for its operating funds is generally a modified cash basis for revenue recognition and a modified accrual basis for expenditures. The operating funds utilize a "current financial resources" measurement focus. The accounting principles and practices prescribed for municipalities by the Division differ in certain respects from generally accepted accounting principles (GAAP) applicable to local government units. The most significant is the reporting of entity-wide financial statements, which are not presented in the accounting principles prescribed by the Division. The other more significant differences are as follows:

Revenues - Revenues are recorded as received in cash except for statutory reimbursements and grant funds, which are due from other governmental units. State and Federal grants, entitlements and shared revenues received for operating purposes are realized as revenues when anticipated in the Township budget. Receivables for property taxes and consumer charges are recorded with offsetting reserves within the Current Fund and Utility Funds. Other amounts that are due to the Township which are susceptible to accrual are recorded as receivables with offsetting reserves. These reserves are liquidated and revenues are recorded as realized upon receipt of cash. GAAP requires the recognition of revenues for general operations in the accounting period in which they become available and measurable, with the exception of utility consumer charges, which should be recognized in the period they are earned and become measurable.

Expenditures - For purposes of financial reporting, expenditures are recorded as "paid or charged" or "appropriation reserves." Paid or charged refers to the Township's "budgetary" basis of accounting. Generally, these 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. Reserves for unliquidated encumbrances at the close of the year are reported as a cash liability. Encumbrances do not constitute expenditures under GAAP. Appropriation reserves refer to unexpended appropriation balances at the close of the year. Appropriation reserves are automatically created and recorded as a cash liability, except for amounts, which may be cancelled by the governing body. Appropriation reserves are available until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred and not recorded in the preceding fiscal year. Lapsed appropriation reserves are recorded as income. Generally, unexpended balances of budget appropriations are not recorded as income under GAAP.

For the purposes of calculating the results of Current Fund operations, the regulatory basis of accounting utilized by the Township requires that certain expenditures be deferred and raised as items of appropriation in budgets of succeeding years. These deferred charges include the two general categories of overexpenditures and emergency appropriations. Overexpenditures occur when expenditures recorded as "paid or charged" exceed available appropriation balances. Emergency appropriations occur when, subsequent to the adoption of a balanced budget, the governing body authorizes the establishment of additional appropriations based on unforeseen circumstances or for other special purposes as defined by statute. Overexpenditures and emergency appropriations are deducted from total expenditures in the calculation of operating results and are established as assets for Deferred Charges on the various balance sheets. GAAP does not permit the deferral of overexpenditures to succeeding budgets. In addition, GAAP does not recognize expenditures based upon the authorization of an appropriation. Instead, the authorization of special purpose expenditures, such as the preparation of tax maps or the revaluation of assessable real property, would represent the designation of fund balance.

TOWNSHIP OF MARLBORO
MONMOUTH COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 AND 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Local Budget Law (N.J.S.A. 40A:4-1 et seq.) requires that certain transfers between funds, such as transfers from the Current Fund or Utility Operating Funds to a Self-insurance Trust Fund, transfers of anticipated operating surpluses among the Current Fund, transfers from utility operating funds to capital funds (i.e., finance capital projects) and transfers from the Current Fund to the Trust Funds or General Capital Fund are required to be included in the Township's annual budgets as budget appropriations. Expenditures are recorded upon the adoption of the budget for legally required transfers, and upon the determination of availability of funds for any discretionary transfers. Under GAAP, transfers are not recognized as expenditures.

New Jersey statutes require municipalities to provide annual funding to Free Public Libraries through the Current Fund Budget. Amounts paid on behalf of the Free Public Library or transferred to the custody of the Library's management are recorded as budgetary expenditures of the Township, notwithstanding the fact that the Library is recognized as a separate entity for financial reporting purposes. Under GAAP, the Library would be recognized, as a "component unit" of the Township, and discrete reporting of the Library's financial position and operating results would be incorporated in the Township's financial statements.

Property Acquired for Taxes - 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 governmental capital assets at the lower of cost or fair value.

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

Compensated Absences - The Township has adopted written policies via employee contracts and municipal ordinances which set forth the terms under which an employee may accumulate earned, but unused, vacation and sick leave, establishes the limits on such accumulations and specifies the conditions under which the right to receive payment for such accumulations vests with the employee. The Township records expenditures for payments of earned and unused vacation and sick leave in the accounting period in which the payments are made. GAAP requires that expenditures be recorded in the governmental (Current) fund in an amount that would normally be liquidated with available financial resources, and that expenditures be recorded in the enterprise (Utility Funds) funds on a full accrual basis.

Grants Received - Federal and State Grants, entitlements or shared revenues received for purposes normally financed through the Current Fund are recognized when anticipated in the Township's Budget. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual.

Long-term debt - The Township's long-term debt is stated at face value. The debt is not traded and it is not practicable to determine its fair value without incurring excessive cost. Additional information pertinent to the Township's long-term debt is provided in Note 3 to the financial statements.

TOWNSHIP OF MARLBORO
MONMOUTH COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 AND 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fixed Assets - Property and equipment acquired by the Current, Recreation/Swim Pool Utility and Water Utility Funds are recorded in their respective capital accounts at cost and are adjusted for dispositions and abandonments. Contributions in aid of construction are not capitalized. The balance in the Reserve for Amortization represents charges to operations for the costs of acquisitions of property, equipment and improvements plus any costs funded from sources other than bonded debt of the utility. The utility does not record depreciation on fixed assets. GAAP does not require the establishment of a reserve for amortization for utility fixed assets, but does require the recognition of depreciation of these assets as an operating expense of the utility. The Township has developed a general fixed asset accounting and reporting system that utilizes multiple dollar thresholds for the inclusion of certain assets and also utilizes estimated insurable values, which are updated annually to reflect current appraisal values, for inventoried structures. Accordingly, a statement of general fixed assets, developed using recognized valuation methods and uniform capitalization rules, which is required pursuant to generally accepted accounting principles and accounting practices prescribed for municipalities by the Division, is included in the financial statements.

Net Pension Liability and Pension Related Deferred Outflows of Resources and Deferred Inflows of Resources and Pension Expense - the requirements of GASB Statement 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68* require governmental entities to record their distributive share of net pension liability, deferred outflows of resources, deferred inflows of resources and total pension related expense. Accounting principles applicable to municipalities, which have been prescribed by the Division, do not require the recording of these liabilities, deferrals and expenses, but do require the disclosure of these amounts. Refer to Note 9 - Pensions and Retirement Plans for these disclosures.

Comparative data – Comparative data for the prior year has been presented in order to provide an understanding of changes in the Township's financial position and operations. However, comparative data has not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read.

GASB Statements implemented in 2016:

Statement No. 72, *Fair Value Measurement and Application* ("GASB 72"). The objective of this Statement is to provide guidance for applying fair value for certain assets and liabilities and disclosures related to all fair value measurements. The requirements of this Statement mandate the use of valuation techniques that are appropriate under the circumstances and for which sufficient data are available to measure fair value. The requirements of this Statement will enhance comparability of financial statements among governments by requiring measurement of certain assets and liabilities at fair value using a consistent and more detailed definition of fair value and accepted valuation techniques. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2015. Since the Township does not follow generally accepted accounting principles, the GASB will not result in a change in the Township's assets, revenues or fund balances. However, it did result in additional note disclosures as required by the GASB (See Note 7 for additional information).

Statement No. 77, *Tax Abatement Disclosures* ("GASB 77"). This Statement is intended to improve financial reporting by requiring disclosure of tax abatement information about a reporting government's own tax abatement agreements and those that are entered into by other governments and that reduce the reporting government's tax revenues. The requirements of this Statement are effective for financial statements for

TOWNSHIP OF MARLBORO
MONMOUTH COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 AND 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

reporting periods beginning after December 15, 2015. Since the Township does not follow generally accepted accounting principles, the GASB will not result in a change in the Township's assets, revenues or fund balances. The Township's abatement program does not reduce the Township's tax revenue.

Subsequent Events - Management has reviewed and evaluated all events and transactions that occurred from December 31, 2016 through June 28, 2017, the date that the financial statements were issued, and the effects of those that provided additional pertinent information about conditions that existed at the balance sheet date, have been recognized in the accompanying financial statements.

NOTE 2: DEFERRED COMPENSATION PLAN

The Township has instituted a Deferred Compensation Plan ("Plan") pursuant to Section 457 of the Internal Revenue Code and P.L. 1977, C.381; P.L. 1978, C.39; P.L. 1980, C.78; and P.L. 1997, C.116 of the Statutes of New Jersey.

The Plan is an arrangement whereby a public employer may establish a Plan and permit its employees to voluntarily authorize a portion of their current salary to be withheld and invested in one or more of the types of investments permitted under the governing regulations.

The Township has engaged a private contractor to administer the Plan. The plan's assets are not the property of the Township and therefore are not presented in the financial statements.

As of December 31, 2016 and 2015, the amount held by third party administrators amounted to \$6,892,966.00 and \$7,253,489.13, respectively.

TOWNSHIP OF MARLBORO
MONMOUTH COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 AND 2015

NOTE 3: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION

The Local Bond Law, N.J.S.A. 40A:2 et seq, governs the issuance of bonds and notes and loans to finance municipal capital expenditures. The Township's municipal debt is summarized as follows:

A. Summary of Municipal Debt for Capital Projects

	Year 2016	Year 2015
Issued:		
General:		
Bonds	\$ 34,399,000.00	\$ 37,050,000.00
Bond Anticipation Notes	11,546,000.00	16,124,500.00
Green Acres Trust Loan	162,436.06	187,672.66
Recreation and Swim Pool Utility:		
Bonds	1,189,000.00	1,264,000.00
Bond Anticipation Notes	-	1,264,000.00
Water Utility:		
NJEIT Loans	17,503,769.52	5,940,497.37
Bonds	13,473,000.00	15,203,000.00
Bond Anticipation Notes	-	2,723,800.00
	<hr/>	<hr/>
Total debt issued	78,273,205.58	79,757,470.03
Less:		
Funds temporarily held to pay		
Bonds and notes	899,320.11	71,564.00
	<hr/>	<hr/>
	77,373,885.47	79,685,906.03
Authorized but not issued:		
General:		
Bonds and notes	1,091,304.10	1,449,755.48
Recreation and Swim Pool Utility:		
Bonds and notes	101,828.08	150,340.00
Water Utility:		
Bonds and notes	1,775,427.00	13,326,507.00
	<hr/>	<hr/>
Total authorized but not issued	2,968,559.18	14,926,602.48
Net bonds, notes and loans issued and authorized but not issued	<hr/> \$ 80,342,444.65	<hr/> \$ 94,612,508.51

TOWNSHIP OF MARLBORO
MONMOUTH COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 AND 2015

NOTE 3: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION (CONTINUED)

B. Summary of Statutory Debt Condition - Annual Debt Statement – 2016

The summarized statement of debt condition which follows is reported in accordance with the required method for preparation of the Annual Debt Statement and indicates a statutory net debt of 0.63%.

	Gross Debt	Deductions	Net Debt
Local school district debt	\$ 10,965,000.00	\$ 10,965,000.00	
Regional school district debt	4,560,505.43	4,560,505.43	
Self-Liquidating debt (utility funds)	34,043,024.70	34,043,024.70	
General debt	47,198,740.16	827,756.11	\$ 46,370,984.05
	<u>\$ 96,767,270.29</u>	<u>\$ 50,396,286.24</u>	<u>\$ 46,370,984.05</u>

Net Debt of \$46,370,984.05 Divided by Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended \$7,333,906,117.33 equals 0.63%.

EQUALIZED VALUATION BASIS

2014 Equalized Valuation Basis of Real Property	\$ 7,186,558,937.00
2015 Equalized Valuation Basis of Real Property	7,354,851,699.00
2016 Equalized Valuation Basis of Real Property	<u>7,460,307,716.00</u>

Average Equalized Valuation	<u>\$ 7,333,906,117.33</u>
-----------------------------	----------------------------

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

3 1/2% of Equalized Valuation Basis Municipal	\$ 256,686,714.11
Net Debt	<u>46,370,984.05</u>

Remaining Borrowing Power	<u>\$ 210,315,730.06</u>
---------------------------	--------------------------

The Township of Marlboro Board of Education and Freehold Regional School District are Type II School Districts. As such, the members of the Boards of Education are elected by the citizens and school appropriations are set by the Board of Education. Bonds and notes authorized by voter referendum to finance capital expenditures are general obligations of the Boards of Education and, as such, are reported on the statement of net position of the Boards of Education. The foregoing debt information is in agreement with the annual debt statement filed by the chief financial officer.

TOWNSHIP OF MARLBORO
MONMOUTH COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 AND 2015

NOTE 3: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION (CONTINUED)

C. Green Trust Program Loans

Date of Loan Agreement	December 13, 2002
Loan Amount	\$464,185.00
Interest Rate	2.00%
Semi-Annual Payment (Prin. & Int.) to Amortize Loan Principal	\$14,432.25
Due Dates	March 13 & September 13
Number of Payments	39
Final Payment	September 13, 2022

D. Aggregate long-term debt service requirements are as follows:

General Capital			
<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 2,739,000.00	\$ 1,051,789.60	\$ 3,790,789.60
2018	2,795,000.00	972,375.60	3,767,375.60
2019	2,765,000.00	884,238.60	3,649,238.60
2020	2,840,000.00	792,090.10	3,632,090.10
2021	2,925,000.00	692,653.10	3,617,653.10
2022-2026	13,940,000.00	1,887,001.00	15,827,001.00
2027-2030	6,395,000.00	377,906.40	6,772,906.40
	<u>\$ 34,399,000.00</u>	<u>\$ 6,658,054.40</u>	<u>\$ 41,057,054.40</u>
Water Utility Capital			
<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 1,810,000.00	\$ 536,317.50	\$ 2,346,317.50
2018	1,890,000.00	461,257.50	2,351,257.50
2019	1,140,000.00	379,140.00	1,519,140.00
2020	905,000.00	330,390.00	1,235,390.00
2021	945,000.00	293,027.50	1,238,027.50
2022-2026	3,445,000.00	947,137.50	4,392,137.50
2027-2031	2,088,000.00	491,247.50	2,579,247.50
2032-2035	1,250,000.00	139,343.75	1,389,343.75
	<u>\$ 13,473,000.00</u>	<u>\$ 3,577,861.25</u>	<u>\$ 17,050,861.25</u>

TOWNSHIP OF MARLBORO
MONMOUTH COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 AND 2015

NOTE 3: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION (CONTINUED)

Recreation & Swim Utility Capital			
<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 85,000.00	\$ 34,720.00	\$ 119,720.00
2018	75,000.00	32,170.00	107,170.00
2019	85,000.00	29,170.00	114,170.00
2020	75,000.00	25,770.00	100,770.00
2021	75,000.00	22,770.00	97,770.00
2022-2026	390,000.00	79,000.00	469,000.00
2027-2030	<u>404,000.00</u>	<u>27,480.00</u>	<u>431,480.00</u>
	<u>\$ 1,189,000.00</u>	<u>\$ 251,080.00</u>	<u>\$ 1,440,080.00</u>

Green Trust Loan Payable - General Capital			
<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 25,743.86	\$ 3,120.64	\$ 28,864.50
2018	26,261.31	2,603.19	28,864.50
2019	26,789.16	2,075.34	28,864.50
2020	27,327.62	1,536.88	28,864.50
2021	27,876.91	987.59	28,864.50
2022	<u>28,437.20</u>	<u>427.22</u>	<u>28,864.42</u>
	<u>\$ 162,436.06</u>	<u>\$ 10,750.86</u>	<u>\$ 173,186.92</u>

TOWNSHIP OF MARLBORO
MONMOUTH COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 AND 2015

NOTE 3: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION (CONTINUED)

<u>NJEIT Loans Payable - Water Utility Fund</u>			
<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 689,930.09	\$ 174,306.64	\$ 864,236.73
2018	699,930.09	160,423.76	860,353.85
2019	704,930.09	154,623.76	859,553.85
2020	709,930.09	148,623.76	858,553.85
2021	719,930.09	142,373.76	862,303.85
2022-2026	3,684,650.45	606,118.80	4,290,769.25
2027-2031	3,839,650.45	448,768.80	4,288,419.25
2032-2036	2,448,357.01	306,005.00	2,754,362.01
2037-2041	2,173,033.65	196,000.00	2,369,033.65
2042-2046	<u>1,833,427.51</u>	<u>60,800.00</u>	<u>1,894,227.51</u>
	<u>\$ 17,503,769.52</u>	<u>\$ 2,398,044.28</u>	<u>\$ 19,901,813.80</u>

E. Notes

As of December 31, 2016, the Township had bond anticipation notes outstanding in the amount of \$11,546,000 in the general capital fund. The notes mature on November 15, 2017 with an interest rate of 1.187%.

F. Capital Leases

The Township has entered into lease purchase agreements for the acquisition of equipment and other capital projects. Future lease payments and the present value of net minimum lease payments at December 31, 2016 are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 116,549.22	\$ 3,837.69	\$ 120,386.91
2018	53,316.87	1,966.00	55,282.87
2019	<u>54,290.98</u>	<u>991.89</u>	<u>55,282.87</u>
	<u>\$ 224,157.07</u>	<u>\$ 6,795.58</u>	<u>\$ 230,952.65</u>

TOWNSHIP OF MARLBORO
MONMOUTH COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 AND 2015

NOTE 4: LOCAL DISTRICT SCHOOL AND REGIONAL HIGH SCHOOL TAXES

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

The Township has elected to defer school taxes as follows:

	Local District School Tax		Regional High School Tax	
	2016	2015	2016	2015
Balance of tax	\$ 37,561,745.00	\$ 35,976,284.00	\$ 12,353,904.89	\$ 12,365,466.89
Deferred	<u>32,995,620.50</u>	<u>32,995,620.50</u>	<u>13,914,179.00</u>	<u>13,914,179.00</u>
Tax Payable (Receivable)	<u>\$ 4,566,124.50</u>	<u>\$ 2,980,663.50</u>	<u>\$ (1,560,274.11)</u>	<u>\$ (1,548,712.11)</u>

NOTE 5: FUND BALANCES APPROPRIATED

Fund balances at December 31, 2016 and 2015 were appropriated and included as anticipated revenue in their own respective funds for the "Fiscal Year" ended December 31, 2017 and 2016 as follows:

	2017	2016
Current fund	\$ 4,200,000.00	\$ 4,200,000.00
Recreation/swim utility fund	285,000.00	267,453.84
Water utility fund	2,366,737.74	2,027,636.18

NOTE 6: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2016 and 2015, the following Deferred Charges were on the Township's Current Fund Balance Sheets:

<u>Current Fund</u>	<u>2016</u>	<u>2015</u>
Special Emergency Authorizations	<u>\$ 212,000.00</u>	<u>\$424,000.00</u>

The current fund special emergency as of December 31, 2016 was fully funded in 2017 from a reserve for FEMA in the amount of \$212,000.00. See Schedule 9-A for additional information.

TOWNSHIP OF MARLBORO
MONMOUTH COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 AND 2015

NOTE 7: DEPOSITS AND INVESTMENTS

Deposits

New Jersey statutes permit the deposit of public funds in institutions located in New Jersey which are insured by the Federal Deposit Insurance Corporation (FDIC) or by any other agencies of the United States that insures deposits or the State of New Jersey Cash Management Fund. New Jersey statutes require public depositories to maintain collateral for deposit of public funds that exceed insurance limits as follows:

Cash on deposit is partially insured by federal deposit insurance in the amount of \$250,000.00 in each depository. Balances above the federal deposit insurance amount are insured by the Government Unit Deposit Protection Act (GUDPA), N.J.S.A. 17:941, et seq., which insures all New Jersey governmental units' deposits in excess of the federal deposit insurance maximums.

Based on GASB criteria, the Township considers cash and cash equivalents to include petty cash, change funds, demand deposits, money market accounts, short-term investments and cash management money market mutual funds, and are either any direct and general obligation of the United States of America and its agencies or certificates of deposit issued by any bank, savings and loan association or national banking association if qualified to serve as a depository for public funds under the provisions of the GUDPA. Cash and cash equivalents have original maturities of three months or less. Investments are stated at fair value.

At December 31, 2016 and 2015, the book value of the cash and cash equivalents of the Township consisted of the following:

	Book Balance	
	2016	2015
Cash (Demand Accts.)	\$ 71,077,613.15	\$ 79,721,922.24
Change/Petty Cash Funds	1,600.00	700.00
Total	<u>\$ 71,079,213.15</u>	<u>\$ 79,722,622.24</u>

The Township of Marlboro had the following depository accounts with bank balances at December 31, 2016 and 2015 as follows:

	Bank Balance	
	2016	2015
Insured-FDIC	\$ 500,000.00	\$ 500,000.00
Insured-NJGUDPA (N.J.S.A. 17:941)	75,730,224.26	81,797,670.89
Total	<u>\$ 76,230,224.26</u>	<u>\$ 82,297,670.89</u>

TOWNSHIP OF MARLBORO
MONMOUTH COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 AND 2015

NOTE 7: DEPOSITS AND INVESTMENTS (CONTINUED)

GASB Statement No. 40 requires that the Township disclose whether its deposits are exposed to custodial credit risk (risk that in the event of failure of the counterparty, the Township would not be able to recover the value of its deposit or investment). Deposits are considered to be exposed to custodial credit risk if they are: uncollateralized (securities are not pledged to the depositor), collateralized with the securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the name of the Township.

The Township does not have a policy for the management of custodial credit risk, other than depositing all of its funds in banks covered by GUDPA. At least five percent of the Township's deposits were fully collateralized by funds held by the financial institution, but not in the name of the Township. Due to the nature of GUDPA, further information is not available regarding the full amount that is collateralized.

Investments

New Jersey Statutes establish the following securities as eligible for the investment of Township funds:

1. Bonds or other obligations of the United States of America or obligations guaranteed by the United States;
2. Government money market mutual funds;
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 such obligation bear a fixed rate of interest not dependent on any index or other external factor;
4. Bonds or other obligations of the Township or bonds or other obligations of school districts of which the Township is a part and within which the school district is located.
5. Bonds or other obligations having a maturity date of not more than 397 days from the date of purchase that are approved by the Division of Investment of the Department of Treasury for investment by local units;
6. Local government investment pools;
7. Deposits with the State of New Jersey Cash Management Fund established pursuant to section I of P.L. 1997, c. 281 (C.52:IXA-90G4);
8. Deposits with the New Jersey Asset and Rebate Management Fund ("NJ ARM"); or
9. Agreements for the repurchase of fully collateralized securities, if:
 - a. the underlying securities are permitted investments pursuant to paragraphs (1) and (3);
 - b. the custody collateralized is transferred to a third party;
 - c. the maturity of the agreement is not more than 30 days; and
 - d. the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C.199-41) and for which a master repurchase agreement providing for the custody and security of the collateral is executed.

Custodial Credit Risk: All of the Township's investments are insured or registered in the Township's name or held by an entity as its agent in the Township's name. The Township does not have a policy for custodial credit risk for its investments.

Concentration of Credit Risk: The Township places no limit on the amount the Township may invest in any one issuer.

TOWNSHIP OF MARLBORO
MONMOUTH COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 AND 2015

NOTE 7: DEPOSITS AND INVESTMENTS (CONTINUED)

Credit Risk: The Township does not have an investment policy regarding the management of credit risk. GASB 40 requires disclosures be made to the credit rating of all debt security investments except for obligations for the U.S. Government or investments guaranteed by the U.S. government.

Interest Rate Risk: The Township does not have a policy to limit interest rate risk, however, its practice is typically to invest in investments with short maturities.

The Township generates Solar Renewable Energy Certificates ("SRECs") and sells a portion of those credits annually both on the open market and pursuant to an Agreement for the purchase and sale of SRECs entered into with NRG Power Marketing LLC. The Township sold 400 SRECs during 2016 under this Agreement at a unit price of \$220 per SREC. Under this Agreement, the Township is obligated to sell another 400 SRECs during 2017 for the same unit price of \$220 per SREC. At December 31, 2016, the Township had minted 593 SRECs available for sale. The fair value of a SREC at December 31, 2016, as per the unit price published in the Flett Exchange was \$225 per SREC. Since the Township does not follow GAAP, the provisions of GASB 72 were not followed and accordingly the market value of the Township's unsold SRECs at December 31, 2016 have not been recorded in these financial statements. The Township recorded \$195,186.00 in revenue from 2016 sales of SRECs in its Water Utility Operating Fund.

NOTE 8: ASSESSMENT AND COLLECTION OF PROPERTY TAXES

A taxable valuation of real property is prepared by the Tax Assessor as of October 1 in each year and filed with the County Board of Taxation by November 1 of the same year. The County Board of Taxation establishes tax rates to reflect the levy necessary for municipal, local school district, regional school district, special district, and county taxes.

Tax bills are prepared and mailed by the Collector of Taxes of the Township annually and set forth the final tax for the tax year. The bill contains a credit for preliminary amounts billed previously with the balance payable in equal installments on August 1st and November 1st of the tax year. In addition, the property owner receives a preliminary bill for the succeeding year based on one half of the previous year's tax. The preliminary payments are due and payable on February 1st and May 1st. NJ Statutes allows a grace period of 10 days for each payment period and the Township granted this option to taxpayers. Taxes become delinquent if not paid on the installment dates and become subject to interest penalties of 8% to 18% of the amounts delinquent, and if a delinquency (including interest) is in excess of \$10,000.00 and remains in arrears after December 31, an additional flat penalty of 6% shall be charged against the delinquency. If taxes are delinquent on or after November 11th of the current year, the delinquent amount is subject to "Tax Sale" which places a tax lien on the property allowing the holder to enforce the tax lien by collection or foreclosure. New Jersey property tax laws establish a tax lien on real estate as of January 1st of the current tax year even though the amount due is not known.

TOWNSHIP OF MARLBORO
MONMOUTH COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 AND 2015

NOTE 9: PENSION AND RETIREMENT PLANS

Substantially, all Township employees participate in the Public Employees' Retirement System or the Police and Firemen's Retirement System. The Division of Pensions within the Treasury Department of the State of New Jersey is the administrator of the funds and charges municipalities annually for their respective contributions. The plans provide retirement and disability benefits, annual cost of living adjustments, and benefits to plan members and beneficiaries. The Division of Pensions issues publicly available reports for each of the plans. The reports may be obtained by writing the State of New Jersey, Division of Pensions.

Covered employees are required by State statute to contribute a certain percentage of their salary to the plan. Each member's percentage is based on age determined at the effective date of enrollment. In addition, the PERS and PFRS bills the Township annually at an actuarially determined rate for its required contribution. The current rate of required contribution of annual covered payroll is 7.06% for PERS employees and 10.00% for PFRS.

Public Employee's Retirement System (PERS)

At December 31, 2016 and 2015, the Township's liability for its proportionate share of the net pension liability was \$30,530,840 and \$22,344,317 respectively. The net pension liability was measured as of June 30, 2016 and 2015, respectively and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. 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 entities, actuarially determined. At June 30, 2016, the Township's proportion was 0.1030850657 percent, which was an increase of 0.0035469311 from its proportion measured as of June 30, 2015.

At December 31, 2016, the Township's deferred outflows of resources and deferred inflows of resources related to PERS were from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 7,488,528	
Net differences between projected and actual earnings on pension plan investments	567,781	
Changes in proportion	578,030	
Differences between expected and actual experience		\$ 437,005
Township contributions subsequent to the measurement date	457,897	
	<u>\$ 9,092,236</u>	<u>\$ 437,005</u>

TOWNSHIP OF MARLBORO
MONMOUTH COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 AND 2015

NOTE 9: PENSION AND RETIREMENT PLANS (Continued)

At December 31, 2015, the Township's deferred outflows of resources and deferred inflows of resources related to PERS were from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 2,399,601	\$ 359,254
Net differences between projected and actual earnings on pension plan investments	533,057	
Changes in proportion and differences between Township contributions and proportionate share of contributions		555,944
Township contributions subsequent to the measurement date	427,881	
	<u>\$ 3,360,539</u>	<u>\$ 915,198</u>

\$457,897 and \$427,881 as of December 31, 2016 and 2015, respectively, are reflected above as deferred outflows of resources related to pensions resulting from Township contributions subsequent to the measurement date. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions would be recognized in pension expense as follows, if the financial statements were prepared in accordance with generally accepted accounting principles:

Year ended December 31:

2017	\$ 1,842,148
2018	1,842,150
2019	2,128,048
2020	1,818,953
2021	566,035
	<u>\$ 8,197,334</u>

Actuarial Assumptions

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

Inflation rate	3.08%
Salary increase through 2026	1.65 - 4.15%
Thereafter	based on age 2.65 - 5.15%
Investment rate of return	based on age 7.65%

TOWNSHIP OF MARLBORO
MONMOUTH COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 AND 2015

NOTE 9: PENSION AND RETIREMENT PLANS (Continued)

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

Inflation rate	3.04%
Salary increase through 2026	2.15 - 4.40%
	based on age
Thereafter	3.15 - 5.40%
	based on age
Investment rate of return	7.90%

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, 2014 to June 30, 2015. 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 liability may be higher or lower than anticipated. The more the expectation deviates, the larger the impact on future financial statements.

Mortality Rates

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

Long-Term Rate of Return

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

TOWNSHIP OF MARLBORO
MONMOUTH COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 AND 2015

NOTE 9: PENSION AND RETIREMENT PLANS (Continued)

Asset Class	Allocation	Real Rate of Return
Cash	5.00%	8.70%
U.S. Treasuries	1.50%	1.74%
Investment grade credit	8.00%	1.79%
Mortgages	2.00%	1.67%
High yield bonds	2.00%	4.56%
Inflation-indexed bonds	1.50%	3.44%
Broad U.S. equities	26.00%	8.53%
Developed foreign equities	13.25%	6.83%
Emerging market equities	6.50%	9.95%
Private equity	9.00%	12.40%
Hedge funds/Absolute return	12.50%	4.68%
Real Estate (property)	2.00%	6.91%
Commodities	0.50%	5.45%
Global debt ex U.S.	5.00%	-0.25%
REIT	5.25%	5.63%
	<u>100.00%</u>	

Discount rate

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

The discount rate used to measure the total pension liability was 4.90% as of June 30, 2015. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.90%, and a municipal bond rate of 3.80% as of June 30, 2015 based on the Bond Buyer GO 20-Bond Municipal Bond Index which includes tax-exempt general obligation 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 average of the last five years of contributions made in relation to the last five years of recommended contributions. Based on those assumptions, the plan's fiduciary net position was projected to

TOWNSHIP OF MARLBORO
MONMOUTH COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 AND 2015

NOTE 9: PENSION AND RETIREMENT PLANS (Continued)

be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the Township's proportionate share of the net pension liability to changes in the discount rate

The following presents the Township's proportionate share of the net pension liability as of December 31, 2016 calculated using the discount rate as disclosed above as well as what the Township's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.98 percent) or 1-percentage-point higher (4.98 percent) than the current rate:

	At 1% Decrease (2.98%)	At Current Discount Rate (3.98%)	At 1% Increase (4.98%)
Township's proportionate share of the net pension liability	\$ 37,411,981	\$ 30,530,840	\$ 24,849,862

The following presents the Township's proportionate share of the net pension liability as of December 31, 2015 calculated using the discount rate as disclosed above as well as what the Township's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.90 percent) or 1-percentage-point higher (5.90 percent) than the current rate:

	At 1% Decrease (3.90%)	At Current Discount Rate (4.90%)	At 1% Increase (5.90%)
Township's proportionate share of the net pension liability	\$ 27,771,252	\$ 22,344,317	\$ 17,794,414

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.

TOWNSHIP OF MARLBORO
MONMOUTH COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 AND 2015

NOTE 9: PENSION AND RETIREMENT PLANS (Continued)

Additional Information

Collective balances at June 30, 2016 are as follows:

Collective deferred outflows of resources	\$ 6,135,087,729
Collective deferred inflows of resources	\$ 870,133,595
Collective net pension liability - Local Group	\$ 29,617,131,759
 Township's Proportion	 0.1030850657%

Collective balances at June 30, 2015 are as follows:

Collective deferred outflows of resources	\$ 2,946,265,815
Collective deferred inflows of resources	\$ 360,920,604
Collective net pension liability - Local Group	\$ 22,447,996,119
 Township's Proportion	 0.0995381346%

Collective pension expense for the Local Group for the measurement period ended June 30, 2016 and June 30, 2015 were \$2,827,610,195 and \$1,472,586,715, respectively.

The average of the expected remaining service lives of all plan members is 5.57 and 5.72 years for 2016 and 2015, respectively.

Police and Firemen's Retirement System (PFRS)

At December 31, 2016 and 2015, the Township's liability for its proportionate share of the net pension liability was \$42,989,697 and \$38,675,470, respectively. The net pension liability was measured as of June 30, 2016 and 2015, respectively, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. 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 entities, actuarially determined. At June 30, 2016, the Township's proportion was 0.2250468106 percent, which was a decrease of 0.0071474491 from its proportion measured as of June 30, 2015.

At December 31, 2016, the Township's deferred outflows of resources and deferred inflows of resources related to PFRS were from the following sources:

TOWNSHIP OF MARLBORO
MONMOUTH COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 AND 2015

NOTE 9: PENSION AND RETIREMENT PLANS (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 5,954,426	
Differences between expected and actual experience		\$ 281,804
Net differences between projected and actual earnings on pension plan investments	3,012,202	
Changes in proportion		1,504,078
Changes in proportion and differences between Township contributions and proportionate share of contributions	686,789	
Township contributions subsequent to the measurement date	917,449	
	<u>\$ 10,570,866</u>	<u>\$ 1,785,882</u>

At December 31, 2015, the Township's deferred outflows of resources and deferred inflows of resources related to PFRS were from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 7,140,452	
Differences between expected and actual experience		\$ 333,588
Net differences between projected and actual earnings on pension plan investments		673,113
Changes in proportion		896,996
Changes in proportion and differences between Township contributions and proportionate share of contributions	881,347	
Township contributions subsequent to the measurement date	943,697	
	<u>\$ 8,965,496</u>	<u>\$ 1,903,697</u>

TOWNSHIP OF MARLBORO
MONMOUTH COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 AND 2015

NOTE 9: PENSION AND RETIREMENT PLANS (Continued)

\$917,449 and \$943,697 are reported as deferred outflows of resources as of December 31, 2016 and 2015, respectively, related to pensions resulting from Township contributions subsequent to the measurement date. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions would be recognized in pension expense as follows, if the financial statements were prepared in accordance with generally accepted accounting principles:

Year ended December 31:	
2017	\$ 1,888,992
2018	1,888,993
2019	2,608,350
2020	1,481,200
	<u>\$ 7,867,535</u>

Actuarial Assumptions

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

Inflation rate	3.08%
Salary increase through 2026	2.10 - 8.98%
	based on age
Thereafter	3.10 - 9.98%
	based on age
Investment rate of return	7.65%

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2013.

Mortality Rates

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 on 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. Post retirement mortality rates for female service retirements and beneficiaries were based on 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.

TOWNSHIP OF MARLBORO
MONMOUTH COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 AND 2015

NOTE 9: PENSION AND RETIREMENT PLANS (Continued)

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2016 are summarized in the following table:

Asset Class	Allocation	Real Rate of Return
Cash	5.00%	0.87%
U.S. Treasuries	1.50%	1.74%
Investment Grade Credit	8.00%	1.79%
Mortgages	2.00%	1.67%
High Yield Bonds	2.00%	4.56%
Inflation-Indexed Bonds	1.50%	3.44%
Broad US Equities	26.00%	8.53%
Developed Foreign Markets	13.25%	6.83%
Emerging Market Equities	6.50%	9.95%
Private Equity	9.00%	12.40%
Hedge Funds / Absolute Return	12.50%	4.68%
Real Estate (Property)	2.00%	6.91%
Commodities	0.50%	5.45%
Global Debtrex US	5.00%	-0.25%
REIT	5.25%	5.63%
	<u>100.00%</u>	

Discount rate

The discount rate used to measure the total pension liability was 5.55% as of June 30, 2016. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.65%, and a municipal bond rate of 2.85% as of June 30, 2016 based on the Bond Buyer GO 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 30% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2050. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2050, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

TOWNSHIP OF MARLBORO
MONMOUTH COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 AND 2015

NOTE 9: PENSION AND RETIREMENT PLANS (Continued)

Discount rate (Continued)

The discount rate used to measure the total pension liability was 5.79% as of June 30, 2015. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.90%, and a municipal bond rate of 3.80% as of June 30, 2015 based on the Bond Buyer GO 20-Bond Municipal Bond Index which includes tax-exempt general obligation 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 average of the last five years of contributions made in relation to the last five years of recommended contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2045. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2045, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the Township's proportionate share of the net pension liability to changes in the discount rate

The following presents the Township's proportionate share of the net pension liability as of December 31, 2016 calculated using the discount rate as disclosed above as well as what the Township's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.55 percent) or 1-percentage-point higher (6.55 percent) than the current rate:

	At 1% Decrease (4.55%)		At Current Discount Rate (5.55%)		At 1% Increase (6.55%)
Township's proportionate share of the net pension liability	\$ 55,432,062	\$	42,989,697	\$	32,843,697

The following presents the Township's proportionate share of the net pension liability as of December 31, 2015 calculated using the discount rate as disclosed above as well as what the Township's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.79 percent) or 1-percentage-point higher (6.79 percent) than the current rate:

	At 1% Decrease (4.79%)		At Current Discount Rate (5.79%)		At 1% Increase (6.79%)
Township's proportionate share of the net pension liability	\$ 50,986,548	\$	38,675,470	\$	28,636,886

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.

TOWNSHIP OF MARLBORO
MONMOUTH COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 AND 2015

NOTE 9: PENSION AND RETIREMENT PLANS (Continued)

Additional Information

Collective balances at June 30, 2016 are as follows:

Collective deferred outflows of resources	\$ 4,547,316,543
Collective deferred inflows of resources	\$ 688,197,590
Collective net pension liability - Local Group	\$ 20,706,699,056
 Township's Proportion	 0.2250468106%

Collective pension expense for the Local Group for the measurement period ended June 30, 2016 is \$2,248,798,664.

Collective balances at June 30, 2015 are as follows:

Collective deferred outflows of resources	\$ 3,075,206,294
Collective deferred inflows of resources	\$ 433,559,708
Collective net pension liability - Local Group	\$ 18,117,234,618
 Township's Proportion	 0.2321942597%

Collective pension expense for the Local Group for the measurement period ended June 30, 2015 is \$1,619,458,723.

The average of the expected remaining service lives of all plan members is 5.58 and 5.53 years for 2016 and 2015, respectively.

Special Funding Situation

Under N.J.S.A 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. The amounts contributed on behalf of the local participating employers under this legislation is considered to be a special funding situation and the State is treated as a non-employer contributing entity. The non-employer contributing entities' total proportionate share of the collective net pension liability that is associated with the Township as of June 30, 2016 and 2015 is 0.2250468106% and 0.2321942597%, respectively, and the non-employer contributing entities' contribution for the year ended June 30, 2016 and 2015 was \$68,693 and \$176,556, respectively. The State's proportionate share of the net pension liability attributable to the Township for the year ended December 31, 2016 and 2015 was \$1,792,740 and \$3,391,709, respectively.

TOWNSHIP OF MARLBORO
MONMOUTH COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 AND 2015

NOTE 10: POST RETIREMENT HEALTH BENEFITS

State Health Benefits Program (SHBP)

Plan Description:

The Township contributes to the State Health Benefits Program (SHBP) a cost-sharing, multiple-employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pension and Benefits for a very limited number of employees. SHBP was established in 1961 under N.J.S.A. 52:14-17.25 et seq. to provide health benefits to State employees, retirees, and their dependents. Participation by the Township in this plan is limited to 4 retirees and their dependents.

The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the SHBP. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents.

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

Plan Coverage:

There are only four retirees and their dependents of the Township and the former Marlboro Township Municipal Utility Authority that are covered under this plan.

TOWNSHIP OF MARLBORO
MONMOUTH COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 AND 2015

NOTE 10: POST RETIREMENT HEALTH BENEFITS (CONTINUED)

Funding Policy:

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

Contributions to pay for the health premiums of participating employees in the SHBP are billed to the Township on a monthly basis. Eligible employees and retirees have the option of choosing from several medical and prescription benefit plans.

Other:

In addition to the above, the Township offers a very limited post-employment benefit plan to individuals employed by the Township prior to April 3, 2014. Effective January 1, 2002, the Township pays annually to each qualified retiree, a sum of \$4,000 per year from the time of retirement until the retiree reaches age sixty-five. Currently, only eleven retirees received payments as part of this plan during 2016.

NOTE 11: RISK MANAGEMENT

The Township is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; error or omission, injuries to employees; and natural disasters. The Township is a member of the Monmouth County Municipal Joint Insurance Fund ("JIF"). The JIF is a public entity risk pool currently operating as a common risk management and insurance program for municipalities established for the purpose of insuring against property damage, general liability, motor vehicles and equipment liability and workers' compensation. While additional assessments on premiums can be levied by the JIF to assure payment of the JIF's obligations, no such additional premiums have been necessary as of December 31, 2016. The JIF is expected to be self-sustaining through member premiums of which the Township portion is reported as expenditure in the Township's financial statements and liabilities of the JIF are based on the estimated ultimate cost of settling the claims. The JIF participates in the Municipal Excess Liability Program, which has a contract for excess liability insurance.

The Township is involved in lawsuits with the State of New Jersey and a builder regarding the Township's affordable housing obligations. This lawsuit is not expected to affect the Township's operations as it relates to the use of the accumulated balances related to affordable housing in the Township's Trust Other Fund.

The Township is not aware of any claims pending that have a demand in excess of coverages provided under the JIF. In addition, there were no significant reductions in insurance coverage from prior year coverage and there were no amounts settled which exceeded insurance coverage for each of the past three years.

NOTE 12: ACCRUED SICK AND VACATION BENEFITS

As discussed in Note 1 and in accordance with accounting principles prescribed by the State of New Jersey, the cash basis of accounting is followed for recording the Township's liability related to unused sick pay. The Township permits its employees to accumulate unused sick and vacation pay. The Township estimates the current cost of such unpaid compensation to be \$2,638,791.14 and \$2,715,526.94 at December 31, 2016 and 2015, respectively. In accordance with New Jersey accounting principles, this amount is not reported as an expenditure or liability in the accompanying financial statements.

TOWNSHIP OF MARLBORO
MONMOUTH COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 AND 2015

NOTE 13: TAX APPEALS

At December 31, 2016, there are several tax appeals pending before the New Jersey Tax Court requesting a reduction of assessed valuation for 2016 and prior years. Any reduction in assessed valuation will result in a refund of prior year's taxes in the year of settlement, which may be funded from the Township's tax levy or through the issuance of refunding bonds per N.J.S. 40A:2-51. In accordance with the National Council on Governmental Accounting Statement 4, "Accounting and Financial Reporting Principles for Claims and Judgments and Compensated Absences," the Township charges current fund operations for all State Board Judgments rendered during the year which will be paid from expendable available financial resources. The Township's share of the County taxes paid on any successful tax appeal would result in appropriate reductions applied against the County tax levy of the following year.

NOTE 14: CONTINGENT LIABILITIES

The Township is involved in certain legal proceedings, the resolution and impact on the financial statements of which, individually or in the aggregate, in the opinion of management as advised by legal counsel, would not be significant to the accompanying financial statements.

The Township participates in several federal and state financial assistance grant programs. Entitlement to the funds is generally conditioned upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditures of funds for eligible purposes. These programs are also subject to compliance and financial audits by the grantors or their representatives. As of December 31, 2016, the Township does not believe that any material liabilities will result from such audits.

On May 1, 2013, the Council on Affordable Housing ("COAH"), State of New Jersey passed a resolution authorizing the COAH to begin the process of seizing "uncommitted" municipal affordable housing trust funds. The COAH issued letters to all municipalities in the State of New Jersey requesting them to certify the amount of funds held in trust that are committed and uncommitted and submit the information to COAH. On May 13, 2013, the Appellate Court of the State of New Jersey issued an injunction regarding the resolution passed by the COAH on May 1, 2013 no longer requiring local municipalities to certify the amount of committed and uncommitted funds held in trust. On May 28, 2013, the New Jersey Supreme Court kept in place the portion of the stay ordered by the Appellate Division, thereby enjoining the State from seeking the transfer of any affordable housing trust funds. However, the Court lifted the portion of the stay which prohibited the State from its administrative process of gathering and evaluating municipal submissions. On June 25, 2013, municipalities with affordable housing trust funds were issued a letter from the COAH giving all municipalities to August 2, 2013 to confirm or challenge the figures of funds that the COAH records indicate are being held by local municipalities for affordable housing. On September 26, 2013, the New Jersey Supreme Court again affirmed, in part, the Appellate Division Court decision passed on May 1, 2013 and also gave the COAH five months until February 26, 2014 to promulgate new regulations which would comply with the Fair Housing Act. On February 26, 2014, COAH filed an extension requesting to extend that time frame until May 1, 2014 which was granted by the New Jersey Supreme Court on March 14, 2014, subject to certain provisions, including the COAH to propose new regulations by May 1, 2014 and adopt such regulations on or before October 22, 2014. In October 2014, the COAH failed to meet the deadline established by the New Jersey Supreme Court. In March 2015, the New Jersey Supreme Court made a determination that affordable housing obligations would be administered by the Court. As of December 31, 2016 and 2015, the Township held

TOWNSHIP OF MARLBORO
MONMOUTH COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 AND 2015

NOTE 14: CONTINGENT LIABILITIES (Continued)

\$4,502,348.56 and \$4,568,628.15, respectively, of funds in a reserve for the Council on Affordable Housing as reported in the Township's Trust-Other Fund.

NOTE 15: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheets of the respective funds as of December 31, 2016, which are expected to be paid within one year:

Fund	Interfund Receivable	Interfund Payable
Current Fund		\$ 346,313.02
Grant Fund	\$ 346,313.02	
Recreation and Swim Pool Utility Operating Fund	115,000.00	
Recreation and Swim Pool Utility Capital Fund		115,000.00
	<u>\$ 461,313.02</u>	<u>\$ 461,313.02</u>
Total		

NOTE 16: LENGTH OF SERVICE AWARD PROGRAM ("LOSAP") - UNAUDITED

The Township has established a Volunteer Length of Service Award Plan ("LOSAP") to ensure retention of the Township's volunteer First Aid squads. The Plan shall be construed under the laws of the State of New Jersey and is established with the intent that it meets the requirements of a length of service award plan under Section 457(e)11 of the Internal Revenue Code.

Annual Contributions – The Annual contribution to be made by the Township for each active volunteer member shall be \$1,150.00 per year of active emergency service, commencing with the year 2003.

Appropriations – Appropriations for the purpose of funding the Township's LOSAP shall be included as a separate line item in the Township's budget, commencing with the year 2004.

Criteria for Eligibility; Contributions; Points – Any active volunteer member shall be eligible to participate in the LOSAP Plan immediately upon commencement of the member's performance of active volunteer service in the emergency service organization. Annual contributions shall only be made by the Township, however, for those active volunteer members who have earned the minimum number of points for performing certain volunteer services on a yearly basis.

Determination as to Eligibility – Each emergency service organization shall provide to the Township Administrator, acting as the Plan Administrator of LOSAP plan, a certified list as to the active volunteer members who are initially eligible to participate in the Plan and those who are eligible to participate as of each January 1 thereafter. The Plan Administrator shall forward said certified list to the Township Council for approval, in accordance with the provision of N.J.A.C. 5:30-14.10. The decision of the Township Council as to such active member's eligibility shall be binding upon the Plan Administrator, participants, beneficiaries and any and all other persons having an interest hereunder, subject to appropriate judicial review.

TOWNSHIP OF MARLBORO
MONMOUTH COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 AND 2015

NOTE 16: LENGTH OF SERVICE AWARD PROGRAM ("LOSAP") - UNAUDITED

Terms of Participation – The Plan Administrator shall have the right to require any active volunteer member at the time of his or her becoming a participant to agree, in writing, to be bound by the terms, covenants and conditions of the LOSAP and accompanying trust. Each participant shall furnish to the Plan Administrator all pertinent information required for the administration of the LOSAP. The Plan Administrator shall rely upon all such information furnished.

Vesting – The Active volunteer member shall not be permitted to receive a distribution for the fund in his or her LOSAP account until the completion of a five-year period.

Termination of Services – Any participant who terminates service as an active volunteer member shall cease to participate hereunder. A former participant may resume participation immediately upon returning to the service of the emergency service organization as an active volunteer member. Any active volunteer member who terminates service with the emergency service organization, subsequently returns to service and again becomes a participant shall be treated as a new participant for purposes of eligibility unless said participant was fully vested prior to his or her termination from service.

Reporting Requirements – N.J.A.C. 5:30-14.49 requires that the Township perform a separate review report of the Plan in accordance with the American Institute of Certified Public Accountants Statements for Accounting and Auditing Review Services.

The Township has authorized The Variable Annuity Life Insurance Company, as the plan provider. As of December 31, 2016 and 2015, the cumulative balance of the Length of Service Award Program was and \$1,273,390.61 and \$1,169,082.09, respectively and is recorded in the Trust fund of the Township as part of the investments and miscellaneous reserves.

In accordance with N.J.A.C. 5:30-14, the funds held in the LOSAP remain the assets of the Township until they are distributed and as such are subject to the claims of the Township's general creditors.

**PART II – SUPPLEMENTARY SCHEDULES –
SUPPLEMENTARY INFORMATION –
AS REQUIRED BY THE DIVISION OF LOCAL GOVERNMENT SERVICES**

**CURRENT AND GRANT FUND
SCHEDULES**

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS

Year ended December 31, 2016

	<u>Reference</u>		
Balance, December 31, 2015	A	\$	18,081,140.65
Increased By Receipts:			
Non-Budget Revenues	A-2	\$	613,342.47
Due From State of New Jersey:			
Senior Citizens' and Veterans' Deductions	2-A		221,585.62
Taxes Receivable	3-A		158,455,075.66
Revenue Accounts Receivable	7-A		5,294,234.55
2017 Prepaid Taxes	13-A		844,362.06
Due to Monmouth County - 5% Pilot	5-A		28,790.87
Due To State of New Jersey - Marriage			
License Fees	20-A		2,450.00
Various Reserves	9-A		1,355,715.59
Federal and State Grants Receivable	22-A		286,838.56
Tax Overpayments	14-A		389,089.40
Prior Year's Interfund Liquidated	A-1		3,664.17
			<u>167,495,148.95</u>
			185,576,289.60
Decreased By Disbursements:			
2016 Budget Appropriations	A-3	29,010,574.02	
2015 Appropriations Reserves	10-A	1,427,458.16	
Accounts Payable	11-A	47,589.06	
County Taxes Payable	15-A	22,219,530.58	
Local District School Tax	16-A	73,538,945.00	
Regional High School Tax	17-A	31,529,151.00	
Special District Taxes	18-A	2,905,350.00	
Municipal Open Space Tax Payable	19-A	713,241.41	
Due To State of New Jersey - Marriage			
License Fees	20-A	2,600.00	
Various Reserves	9-A	2,128,614.13	
Federal/State Grant Appropriations	21-A,23-A	80,980.40	
Federal/State Reserve for Encumbrances	21-A,24-A	138,223.91	
Tax Appeals - Refund of Prior Year Revenue	A-1	166,021.73	
Refund of Prior Year Revenue - FEMA	A-1	12,487.80	
Change and Petty Cash Funds	A	800.00	
Tax Overpayments	14-A	411,533.95	
			<u>164,361,892.02</u>
Balance, December 31, 2016	A	\$	<u>21,214,397.58</u>

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF DUE TO STATE OF NEW JERSEY -
SENIOR CITIZENS AND VETERANS DEDUCTIONS

Year ended December 31, 2016

	<u>Reference</u>		
Balance, December 31, 2015	A	\$	(2,914.67)
Increased By:			
Senior Citizens' Deductions Per Tax Billing	Below	\$	32,000.00
Veterans' Deductions Per Tax Billing	Below		186,250.00
2016 Senior Citizens' Deductions, Veterans' and Disabled Deductions Allowed	Below		<u>6,000.00</u>
			<u>224,250.00</u>
			221,335.33
Decreased By:			
Cash Receipts	1-A	221,585.62	
Prior Year Senior Citizens' Deductions Disallowed	A-1	3,021.23	
2016 Senior Citizens' Deductions Disallowed	Below	<u>3,500.00</u>	
			<u>228,106.85</u>
Balance, December 31, 2016	A	\$	<u><u>(6,771.52)</u></u>

Analysis of Senior Citizens, Veterans
and Disability Deductions Realized
as Revenues in FY 2016

Deductions Allowed Per Tax Billings	Above	\$	218,250.00
Plus:			
2016 Deductions Allowed by Collector	Above		6,000.00
Less:			
2016 Deductions Disallowed by Collector	Above		<u>(3,500.00)</u>
Amount Realized as Revenue - 2016	3-A	\$	<u><u>220,750.00</u></u>

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

Year ended December 31, 2016

Year	Balance December 31, 2015	Levy	Collections		Senior Citizens' and Veterans' Deductions Allowed/ (Disallowed)	Remitted, Abated or Canceled	Transferred To Tax Title Liens	State / County Appeals	Balance December 31, 2016
			2015	2016					
2014	\$ 3,430.47					\$ (81.86)			\$ 3,512.33
2015	<u>1,025,591.57</u>	<u>\$ 41,991.54</u>		<u>\$ 1,059,184.73</u>		<u>895.28</u>	<u>\$ 6,393.70</u>		<u>1,109.40</u>
	1,029,022.04	41,991.54		1,059,184.73		813.42	6,393.70		4,621.73
2016	<u>1,029,022.04</u>	<u>159,133,586.92</u>	<u>\$ 698,329.90</u>	<u>157,395,890.93</u>	<u>\$ 220,750.00</u>	<u>11,441.22</u>	<u>62,738.48</u>	<u>\$ 42,084.30</u>	<u>702,352.09</u>
	<u>\$ 1,029,022.04</u>	<u>\$ 159,175,578.46</u>	<u>\$ 698,329.90</u>	<u>\$ 158,455,075.66</u>	<u>\$ 220,750.00</u>	<u>\$ 12,254.64</u>	<u>\$ 69,132.18</u>	<u>\$ 42,084.30</u>	<u>\$ 706,973.82</u>
Reference	A	Below	13-A	1-A, A-2	2-A	3-A	4-A	3-A	A
<u>Analysis of Property Tax Levy</u>									
<u>Tax Yield:</u>									
General Purpose Tax	3-A	\$ 155,789,350.63							
Special District Tax	3-A	2,929,462.17							
Added and Omitted Tax	3-A	<u>414,774.12</u>							
Above		<u>\$ 159,133,586.92</u>							
<u>Tax Levy:</u>									
Local School Tax	16-A	75,124,406.00							
Regional High School Tax	17-A	31,517,589.00							
County Taxes:									
County Tax	15-A	19,320,698.93							
County Health Tax	15-A	389,448.97							
County Library Tax	15-A	1,326,399.69							
County Open Space Tax	15-A	1,109,947.30							
Due County for Added and Omitted Taxes	15-A	58,419.66							
Special District Taxes:									
Fire District #3	18-A	2,905,350.00							
Municipal Open Space Tax	19-A	<u>713,241.41</u>							
	A-2		132,465,500.96						
Tax for Municipal Purposes	A-2	26,270,824.85							
Additional Taxes Added		<u>397,261.11</u>							
			<u>26,668,085.96</u>						
Above		<u>\$ 159,133,586.92</u>							
<u>Analysis of Current Year Tax Collections</u>									
2015 Cash Collections of 2016 Taxes				\$ 698,329.90					
Cash Collections of 2016 Taxes				157,395,890.93					
Veterans' and Senior Citizens' Deductions				<u>220,750.00</u>					
				<u>\$ 158,314,970.83</u>					
Reference				A-1, A-2					

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF TAX TITLE LIENS

Year ended December 31, 2016

	<u>Reference</u>	
Balance, December 31, 2015	A	\$ 530,188.35
Increased By:		
Transfers From Taxes Receivable	3-A	<u>69,132.18</u>
Balance, December 31, 2016	A	<u><u>\$ 599,320.53</u></u>

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF DUE TO MONMOUTH COUNTY - 5% PILOT

Year ended December 31, 2016

	<u>Reference</u>	
Balance, December 31, 2015	A	\$ -
Increased By:		
Cash Received	1-A	28,790.87
Prior Year's Revenue Reclassified	A-1	<u>26,068.18</u>
Balance, December 31, 2016	A	<u>\$ 54,859.05</u>

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF PROPERTY ACQUIRED FOR TAXES AT ASSESSED VALUATION

Year ended December 31, 2016

Reference

Balance, December 31, 2016 and 2015	A	<u>\$ 802,400.00</u>
-------------------------------------	---	----------------------

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

Year ended December 31, 2016

	<u>Reference</u>	Balance December 31, <u>2015</u>	Accrued in <u>2016</u>	Realized in <u>2016</u>	Balance December 31, <u>2016</u>
Licenses:					
Other	A-2		\$ 70,732.00	\$ 70,732.00	
Fees and Permits	A-2		815,406.11	815,406.11	
Fines and Costs:					
Municipal Court	A-2	\$ 61,666.27	593,086.47	608,592.23	\$ 46,160.51
Interest and Costs on Taxes	A-2		239,712.24	239,712.24	
Interest on Investments and Deposits	A-2		115,802.11	115,802.11	
Cable Franchise Fees	A-2		217,478.42	217,478.42	
Cell Tower Rental	A-2		350,565.75	350,565.75	
Energy Receipts Tax	A-2		2,268,949.00	2,268,949.00	
Payments in Lieu of Taxes	A-2		547,026.59	547,026.59	
Uniform Fire Safety Act	A-2		59,970.10	59,970.10	
		<u>\$ 61,666.27</u>	<u>\$ 5,278,728.79</u>	<u>\$ 5,294,234.55</u>	<u>\$ 46,160.51</u>
	<u>Reference</u>	A	7-A	1-A	A

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF DEFERRED CHARGES - N.J.S.A. 40A:4-53
SPECIAL EMERGENCY AUTHORIZATIONS

Year ended December 31, 2016

	Balance December 31, <u>2015</u>	<u>Decreased</u>	Balance December 31, <u>2016</u>
Special Emergency Authorization (N.J.S.A. 40A:4-53)	<u>\$ 424,000.00</u>	<u>\$ 212,000.00</u>	<u>\$ 212,000.00</u>
<u>Reference</u>	A	A-3	A

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF VARIOUS RESERVES

Year ended December 31, 2016

<u>Description</u>	Balance December 31, <u>2015</u>	Increased <u>By</u>	Decreased <u>By</u>	Balance December 31, <u>2016</u>
Traffic Lights	\$ 4,785.00	\$ 20,215.00	\$ 20,215.00	\$ 4,785.00
Insurance	404,410.43	455,127.65	853,599.47	5,938.61
MUA Charges		240,043.92	240,043.92	
Tax Sale Premiums		221,700.00	221,700.00	
Third Party Liens	22,371.27	1,060,536.91	1,082,908.18	
Reserve for Water at Tax Sale		3,760.59	3,760.59	
Reserve for Liquor License	1,143,000.00		300,000.00	843,000.00
Reserve for FEMA	424,000.00		212,000.00	212,000.00
	<u>\$ 1,998,566.70</u>	<u>\$ 2,001,384.07</u>	<u>\$ 2,934,227.16</u>	<u>\$ 1,065,723.61</u>
<u>Reference</u>	A	Below	Below	A
Detail:				
General Cash Receipts	1-A	\$ 1,355,715.59		
Transfer from Encumbrances	12-A	<u>645,668.48</u>		
	Above	<u>\$ 2,001,384.07</u>		
Cash Disbursed	1-A		\$ 2,128,614.13	
Encumbrances Payable	12-A		293,613.03	
Realized as Revenue	A-2		<u>512,000.00</u>	
	Above		<u>\$ 2,934,227.16</u>	

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

Schedule 10-A
Page 1 of 3

CURRENT FUND

SCHEDULE OF 2015 APPROPRIATION RESERVES

Year ended December 31, 2016

	Balance December 31, 2015		Balance After	Paid or	Balance
	<u>Reserved</u>	<u>Encumbered</u>	<u>Transfers</u>	<u>Charged</u>	<u>Lapsed</u>
GENERAL GOVERNMENT					
General Administration:					
Salaries and Wages	\$ 5,360.83		\$ 5,360.83	\$ 1,664.85	\$ 3,695.98
Other Expenses	11,150.24	\$ 23,366.94	34,517.18	17,939.77	16,577.41
Office of the Mayor:					
Salaries and Wages	1,923.22		1,923.22		1,923.22
Other Expenses	129.37	411.40	540.77	411.40	129.37
Ethics Commission:					
Other Expenses	2,604.00	12,818.44	15,422.44	5,004.73	10,417.71
Open Space Committee:					
Other Expenses	348.64		348.64		348.64
Township Council:					
Salaries and Wages	416.76		416.76		416.76
Other Expenses	321.62	53.90	375.52	53.90	321.62
Municipal Clerk:					
Salaries and Wages	3,271.38		3,271.38	1,565.25	1,706.13
Other Expenses	5,825.94	11,357.80	17,183.74	5,872.59	11,311.15
Financial Administration (Treasury):					
Salaries and Wages	5,141.61		5,141.61	639.80	4,501.81
Other Expenses	4,558.83	2,131.10	6,689.93	1,900.09	4,789.84
Audit Services:					
Other Expenses	3,200.00		3,200.00		3,200.00
Central Computer Services:					
Salaries and Wages	3,506.69		3,506.69		3,506.69
Other Expenses	21,738.03	8,818.00	30,556.03	9,099.44	21,456.59
Revenue Administration (Tax Collection):					
Salaries and Wages	8,651.15		8,651.15		8,651.15
Other Expenses	682.39	7,850.70	8,533.09	3,883.72	4,649.37
Tax Assessment Administration:					
Salaries and Wages	28,202.31		28,202.31		28,202.31
Other Expenses	1,808.19	77,422.73	79,230.92	67,876.86	11,354.06
Legal Services (Legal Department):					
Other Expenses	1,500.01	91,341.52	92,841.53	64,425.64	28,415.89
Engineering Services:					
Salaries and Wages	17,276.31		17,276.31	5,853.72	11,422.59
Other Expenses	1,626.79	18,298.12	19,924.91	17,319.62	2,605.29
Economic Development:					
Other Expenses	5,914.01	1,759.34	7,673.35		7,673.35
Cable Studio					
Other Expenses	585.54	7,416.89	8,002.43	7,349.11	653.32
Intergovernmental Relations					
Other Expenses	1,809.01		1,809.01		1,809.01
Historic Sites Commission:					
Other Expenses	1,473.76		1,473.76		1,473.76
LAND USE ADMINISTRATION					
Planning Board:					
Salaries and Wages	5,088.88		5,088.88	4,594.84	494.04
Other Expenses	392.35	8,951.14	9,343.49	2,644.85	6,698.64
Planning Board Contractual:					
Other Expenses		28,538.00	36,538.00	36,521.75	16.25
Zoning Board:					
Salaries and Wages	12,699.62		12,699.62	6,243.70	6,455.92
Other Expenses	595.37	14,722.70	15,318.07	5,889.27	9,428.80
INSURANCE					
General Liability	14,158.00		14,158.00	(15,222.06)	29,380.06
Employee Group Health	468,052.18	32,669.34	268,721.52	3,834.47	264,887.05
Health Insurance Waivers	2,981.28		2,981.28		2,981.28
PUBLIC SAFETY					
Police Department:					
Salaries and Wages	121,320.66		71,320.66	37,101.08	34,219.58
Other Expenses	71,401.09	154,172.59	175,573.68	140,930.62	34,643.06
Office of Emergency Management:					
Salaries and Wages	3,999.92		3,999.92		3,999.92
Other Expenses	6,245.36	2,645.00	8,890.36	1,995.00	6,895.36
Uniform Fire Safety Act (P.L. 1983, Ch. 383):					
Salaries and Wages	25,679.19		25,679.19		25,679.19
Other Expenses	7,416.49	887.05	8,303.54	278.75	8,024.79
Municipal Prosecutor:					
Salaries and Wages	2,000.00		2,000.00		2,000.00

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

Schedule 10-A
Page 2 of 3

CURRENT FUND

SCHEDULE OF 2015 APPROPRIATION RESERVES

Year ended December 31, 2016

	Balance December 31, 2015		Balance After	Paid or	Balance
	<u>Reserved</u>	<u>Encumbered</u>	<u>Transfers</u>	<u>Charged</u>	<u>Lapsed</u>
PUBLIC WORKS					
Streets and Road Maintenance:					
Salaries and Wages			\$ 20,000.00	\$ 19,165.74	\$ 834.26
Other Expenses	\$ 60,210.94	\$ 19,210.90	79,421.84	11,068.41	68,353.43
Snow Removal:					
Salaries and Wages	60,176.50		60,176.50	59,679.95	496.55
Other Expenses	20,036.17	129,580.23	349,616.40	349,555.12	61.28
Other Public Works Functions:					
Salaries and Wages	827.59		827.59		827.59
Other Expenses	570.40	731.95	1,302.35	572.69	729.66
Shade Tree Commission:					
Other Expenses	1,357.50	955.00	2,312.50	868.82	1,443.68
Solid Waste Collection:					
Salaries and Wages	3,000.00		3,000.00		3,000.00
Other Expenses	34,527.69	38,391.69	72,919.38	17,478.05	55,441.33
Buildings and Grounds:					
Salaries and Wages	28,764.99		28,764.99	(13,705.04)	42,470.03
Other Expenses	2,095.89	91,869.26	93,965.15	64,506.71	29,458.44
Vehicle Maintenance:					
Salaries and Wages	10,746.36		10,746.36	6,257.87	4,488.49
Other Expenses	21,981.66	75,179.12	97,160.78	35,819.97	61,340.81
Condominium Services Act					
Other Expenses	94,782.97		94,782.97	94,782.97	
HEALTH AND HUMAN SERVICES					
Public Health Services (Board of Health):					
Other Expenses	155.61	72.00	227.61		227.61
Drug Abuse Control:					
Salaries and Wages	16,548.80		16,548.80	208.34	16,340.46
Other Expenses	7,965.37	5,500.12	13,465.49	713.53	12,751.96
Environmental Health Services:					
Salaries and Wages	2,000.00		2,000.00		2,000.00
Other Expenses	671.00		671.00		671.00
PARK AND RECREATION					
Recreation Services and Programs:					
Salaries and Wages	26,261.88		26,261.88	2,973.87	23,288.01
Other Expenses	2,543.89	10,468.91	13,012.80	5,106.60	7,906.20
TEEN PROGRAM					
Other Expenses	1,085.78	816.22	1,902.00	191.88	1,710.12
Maintenance of Parks:					
Salaries and Wages	2,318.91		6,318.91	5,951.07	367.84
Other Expenses	140.77	16,498.75	16,639.52	7,840.36	8,799.16
Municipal Library:					
Other Expenses	46.77	9,543.15	9,589.92	8,858.13	731.79
Affordable Housing:					
Salaries and Wages	4,000.00		4,000.00		4,000.00
Municipal Court:					
Salaries and Wages	10,307.12		10,307.12	1,333.48	8,973.64
Other Expenses	13,140.34	2,824.80	15,965.14	432.30	15,532.84
Public Defender:					
Salaries and Wages	4,851.00		4,851.00		4,851.00
UNCLASSIFIED					
Accumulated Leave Compensation	1,000.00		101,000.00	101,000.00	
Postage		10,000.00	10,000.00	10,000.00	
UTILITY EXPENSES AND BULK PURCHASES					
Electricity	58,502.90	55,947.66	114,450.56	53,670.49	60,780.07
Street Lighting	186,836.58	103,503.00	290,339.58	95,879.75	194,459.83
Telephone (excluding equipment acquisition)	17,570.74	22,622.05	40,192.79	22,622.05	17,570.74
Water	8,046.99	7,267.53	15,314.52	4,021.32	11,293.20
Gas (natural or propane)	4,068.24	46,420.33	50,488.57	40,896.10	9,592.47
Sewerage Processing and Disposal	222.96	839.30	1,062.26	1,062.26	
Gasoline	57,141.23	103,128.55	160,269.78	53,020.35	107,249.43
Landfill/Solid Waste Disposal Costs	11,705.05	66,384.82	78,089.87	34,197.70	43,892.17
Contingent	10,000.00		10,000.00		10,000.00

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

Schedule 10-A
Page 3 of 3

CURRENT FUND

SCHEDULE OF 2015 APPROPRIATION RESERVES

Year ended December 31, 2016

	Balance December 31, 2015		Balance After	Paid or	Balance
	<u>Reserved</u>	<u>Encumbered</u>	<u>Transfers</u>	<u>Charged</u>	<u>Lapsed</u>
Length of Services Awards Program (LOSAP):					
Other Expenses	\$ 27,530.59	\$ 63,260.79	\$ 90,791.38	\$ 63,260.79	\$ 27,530.59
DEFERRED CHARGES					
Prior Years Bills		85.00	85.00	85.00	
STATUTORY EXPENDITURES					
Contribution To:					
Social Security System (O.A.S.I.)	34,152.48		34,152.48		34,152.48
Public Employees Retirement System	2,596.81		2,596.81		2,596.81
Police and Firemen Retirement System	3,441.99		3,441.99		3,441.99
Defined Contribution Retirement Program	668.66		668.66		668.66
Police Dispatch/911:					
Salaries and Wages	5,096.95		5,096.95	3,428.84	1,668.11
Other Expenses	77,048.51	35,939.92	112,988.43	33,485.44	79,502.99
SFSP Fire District Payments:					
Other Expenses	270.00		270.00		270.00
	<u>\$ 1,818,073.60</u>	<u>\$ 1,422,673.75</u>	<u>\$ 3,240,747.35</u>	<u>\$ 1,631,963.67</u>	<u>\$ 1,608,783.68</u>
<u>Reference</u>	A	12-A		Below	A-1
Cash Disbursed	1-A			\$ 1,427,458.16	
Transferred to Accounts Payable	11-A			204,505.51	
	Above			<u>\$ 1,631,963.67</u>	

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF ACCOUNTS PAYABLE

Year ended December 31, 2016

	<u>Reference</u>		
Balance, December 31, 2015	A	\$	264,625.68
Increased By:			
Transfer from Prior Year's Revenues	A-1	\$	70,817.40
Transfer From Appropriation Reserves	10-A		204,505.51
Transfer From Reserve For Encumbrances	12-A		<u>176,942.90</u>
			<u>452,265.81</u>
			716,891.49
Decreased By:			
Cash Disbursements	1-A	\$	47,589.06
Cancelations	A-1		<u>42,291.24</u>
			<u>89,880.30</u>
Balance, December 31, 2016	A	\$	<u><u>627,011.19</u></u>

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF RESERVE FOR ENCUMBRANCES PAYABLE

Year ended December 31, 2016

	<u>Reference</u>		
Balance, December 31, 2015	A	\$	2,252,245.27
Increased By:			
2016 Budget Appropriations	A-3	\$	2,046,366.04
Transfer from Various Reserves	9-A	<u>293,613.03</u>	<u>2,339,979.07</u>
			4,592,224.34
Decreased By:			
Transfer to Appropriation Reserves	10-A	1,422,673.75	
Transfer to Accounts Payable	11-A	176,942.90	
Transfer to Various Reserves	9-A	<u>645,668.48</u>	<u>2,245,285.13</u>
Balance, December 31, 2016	A	<u>\$</u>	<u>2,346,939.21</u>

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF PREPAID TAXES

Year ended December 31, 2016

	<u>Reference</u>	
Balance, December 31, 2015	A	\$ 698,329.90
Increased By:		
Cash Receipts:		
Collection of 2017 Taxes	1-A	<u>844,362.06</u>
		1,542,691.96
Decreased By:		
Amount Applied to 2016 Taxes		
Receivable	3-A	<u>698,329.90</u>
Balance, December 31, 2016	A	<u><u>\$ 844,362.06</u></u>

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF TAX OVERPAYMENTS

Year ended December 31, 2016

	<u>Reference</u>	
Balance, December 31, 2015	A	\$ 94,605.34
Increased By:		
Cash Receipts	1-A	<u>389,089.40</u>
		483,694.74
Decreased By:		
Cash Disbursements	1-A	<u>411,533.95</u>
Balance, December 31, 2016	A	<u><u>\$ 72,160.79</u></u>

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF COUNTY TAXES PAYABLE

Year ended December 31, 2016

	<u>Reference</u>		
Balance, December 31, 2015	A	\$	73,035.69
Increased By:			
2016 Tax Levy:			
County Tax	3-A	\$	19,320,698.93
County Library Tax	3-A		1,326,399.69
County Health Tax	3-A		389,448.97
County Open Space Fund Tax	3-A		1,109,947.30
Due To County for Added and Omitted Taxes	3-A		<u>58,419.66</u>
	A-1		<u>22,204,914.55</u>
			22,277,950.24
Decreased By:			
Cash Disbursements	1-A		<u>22,219,530.58</u>
Balance, December 31, 2016	A	\$	<u><u>58,419.66</u></u>

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF LOCAL DISTRICT SCHOOL TAX PAYABLE

Year ended December 31, 2016

	<u>Reference</u>		
Balance, December 31, 2015			
School Tax Payable	A	\$ 2,980,663.50	
School Tax Deferred	16-A	<u>32,995,620.50</u>	
			\$ 35,976,284.00
Increased By:			
Levy (School Year July 1, 2016 to June 30, 2017)	3-A		<u>75,124,406.00</u>
			111,100,690.00
Decreased By:			
Cash Disbursements	1-A		<u>73,538,945.00</u>
Balance, December 31, 2016			
School Tax Payable	A	\$ 4,566,124.50	
School Tax Deferred	16-A	<u>32,995,620.50</u>	
			<u>\$ 37,561,745.00</u>
<u>2016 Liability for Local District School Tax</u>			
Tax Payable, December 31, 2016	A	\$ 4,566,124.50	
Tax Paid	Above	<u>73,538,945.00</u>	
Less:			78,105,069.50
Tax Payable, December 31, 2015		<u>2,980,663.50</u>	
Amount Charged To 2016 Operations	A-1		<u>\$ 75,124,406.00</u>

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF REGIONAL HIGH SCHOOL TAX PAYABLE (RECEIVABLE)

Year ended December 31, 2016

	<u>Reference</u>		
Balance, December 31, 2015			
Due from Regional High School	A	\$ (1,548,712.11)	
School Tax Deferred	17-A	<u>13,914,179.00</u>	
			\$ 12,365,466.89
Increased By:			
Levy (School Year July 1, 2016 to June 30, 2017)	3-A		<u>31,517,589.00</u>
			43,883,055.89
Decreased By:			
Cash Disbursements	1-A		<u>31,529,151.00</u>
Balance, December 31, 2016			
Due from Regional High School	A	(1,560,274.11)	
School Tax Deferred	17-A	<u>13,914,179.00</u>	
			<u>\$ 12,353,904.89</u>
<u>2016 Liability for Regional High School Tax</u>			
Tax Payable/(Receivable), December 31, 2016	A	\$ (1,560,274.11)	
Tax Paid	1-A	<u>31,529,151.00</u>	
			29,968,876.89
Less:			
Tax Payable/(Receivable), December 31, 2015	A	<u>(1,548,712.11)</u>	
Amount Charged To 2016 Operations	A-1	<u>\$ 31,517,589.00</u>	
Changes in High School Taxes Receivable:			
Tax Payable/(Receivable), December 31, 2016	A	\$ (1,560,274.11)	
Tax Payable/(Receivable), December 31, 2015	A	<u>(1,548,712.11)</u>	
Increase in Tax Receivable - Charged to Operations	A-1	<u>\$ 11,562.00</u>	

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF SPECIAL DISTRICT TAX

Year ended December 31, 2016

	<u>Reference</u>	
Balance, December 31, 2015	A	\$ -
Increased By:		
Fire Districts Levy	A-1 , 3-A	<u>2,905,350.00</u>
		2,905,350.00
Decreased By:		
Cash Disbursed	1-A	<u>2,905,350.00</u>
Balance, December 31, 2016	A	<u><u>\$ -</u></u>

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF MUNICIPAL OPEN SPACE TAX

Year ended December 31, 2016

	<u>Reference</u>	
Balance, December 31, 2015	A	\$ -
Increased By:		
Municipal Open Space Levy	A-1 , 3-A	<u>713,241.41</u>
		713,241.41
Decreased By:		
Cash Disbursed	1-A	<u>713,241.41</u>
Balance, December 31, 2016	A	<u><u>\$ -</u></u>

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF DUE TO STATE OF NEW JERSEY - MARRIAGE LICENSE FEES

Year ended December 31, 2016

	<u>Reference</u>	
Balance, December 31, 2015	A	\$ 600.00
Increased By:		
Cash Receipts	1-A	<u>2,450.00</u>
		3,050.00
Decreased By:		
Cash Disbursements	1-A	<u>2,600.00</u>
Balance, December 31, 2016	A	<u><u>\$ 450.00</u></u>

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF DUE TO FEDERAL AND STATE GRANT FUND

Year ended December 31, 2016

	<u>Reference</u>		
Balance, December 31, 2015	A		\$ 246,150.68
Increased By:			
Deposited in Current Fund:			
Grants Receivable	22-A	\$ 286,838.56	
2016 Budget Appropriations	A-3,23-A	<u>300,941.44</u>	
			<u>587,780.00</u>
			833,930.68
Decreased By:			
Disbursed By Current Fund:			
Appropriated Grant Reserves	1-A, 23-A	80,980.40	
Reserve for Encumbrances	1-A,24-A	138,223.91	
Grant Cancellations (Net)	A-1, 22-A, 23-A	17,352.47	
2016 Anticipated Revenue	22-A	<u>251,060.88</u>	
			<u>487,617.66</u>
Balance, December 31, 2016	A		<u><u>\$ 346,313.02</u></u>

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

FEDERAL AND STATE GRANT FUND

SCHEDULE OF GRANTS RECEIVABLE

Year ended December 31, 2016

	Balance December 31, <u>2015</u>	Increased By Revenue Realized <u>2016</u>	Decreased by <u>Cash Receipts</u>	<u>Cancelled</u>	Balance December 31, <u>2016</u>
State Assistance:					
2016 Clean Communities Program		\$ 106,238.66	\$ 106,238.66		
Green Acres Park Improvement Grant	\$ 144,477.02				\$ 144,477.02
HDSRF - DiMeo Property	11,068.00				11,068.00
HDSRF - Hospital Property	11,537.00			\$ 11,537.00	
2016 Body Worn Camera Program		32,000.00	32,000.00		
2016 Municipal Drug Alliance		53,578.00	7,834.94		45,743.06
2015 Municipal Drug Alliance	53,578.00		53,578.00		
2016 Recycling Tonnage Grant		43,370.91	43,370.91		
Federal Assistance:					
2014 Highway Safety Grant	55,748.78				55,748.78
2015 Highway Safety Grant	29,744.26				29,744.26
2016 Click It or Ticket		5,000.00	5,000.00		
2016 Drive Sober or Get Pulled Over		5,000.00	5,000.00		
2015 Drive Sober or Get Pulled Over	5,000.00		5,000.00		
Drunk Driving Prevention Incentive Grant	22,449.71		5,518.74		16,930.97
2014 Federal Body Armor Grant	18,454.72		17,424.00		1,030.72
2015 Federal Body Armor Grant	7,974.85				7,974.85
2016 Federal Body Armor Grant		5,873.31	5,873.31		
	<u>\$ 360,032.34</u>	<u>\$ 251,060.88</u>	<u>\$ 286,838.56</u>	<u>\$ 11,537.00</u>	<u>\$ 312,717.66</u>
<u>Reference</u>	A	A-2,21-A	1-A,21-A	21-A	A

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

FEDERAL AND STATE GRANT FUND

SCHEDULE OF RESERVE FOR GRANTS - APPROPRIATED

Year ended December 31, 2016

<u>Grant</u>	Balance December 31, 2015	Transferred From 2016 <u>Appropriations</u>	Appropriated By <u>40A:4-87</u>	<u>Expended</u>	<u>Cancelled</u>	Balance December 31, 2016
State Assistance:						
Alcohol Rehabilitation Grant	\$ 187.91				\$ 187.91	
2012 Alcohol Rehabilitation Grant	2,428.00				647.22	\$ 1,780.78
2014 Alcohol Rehabilitation Grant	3,689.28					3,689.28
2015 Body Armor Replacement Grant	6,309.40			\$ 6,309.40		
2011 Clean Communities Program				(50.00)	50.00	
2013 Clean Communities Program	47.00			47.00		
2014 Clean Communities Program	13,392.92			12,476.57		916.35
2015 Clean Communities Program	92,901.19			33,426.50		59,474.69
2016 Clean Communities Program			\$ 106,238.66			106,238.66
2013 Drunk Driving Enforcement Fund	903.59			903.59		0.00
2014 Drunk Driving Enforcement Fund	12,529.32			56.41		12,472.91
Green Acres Park Improvements	127,192.47					127,192.47
HDSRF - Hospital Property	9,147.18				9,147.18	
HDSRF - DiMeo Property	11,068.00					11,068.00
2014 Municipal Drug Alliance: Cash Match				(1,500.00)		1,500.00
2015 Municipal Drug Alliance:	33,379.54			33,379.54		
2016 Municipal Drug Alliance:		\$ 26,789.00	26,789.00	20,970.74		32,607.26
2016 Municipal Drug Alliance: Cash Match		49,880.56		38,336.60		11,543.96
2014 Hazardous Discharge Site Remediation	52,979.16			(2,000.00)		54,979.16
2013 Recycling Tonnage Grant	13,112.78			9,244.18		3,868.60
2015 Recycling Tonnage Grant	20,476.05			2,600.00		17,876.05
2016 Recycling Tonnage Grant		43,370.91				43,370.91
2016 Body Worn Camera Assistance		25,000.00	7,000.00	32,000.00		

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

FEDERAL AND STATE GRANT FUND

SCHEDULE OF RESERVE FOR GRANTS - APPROPRIATED

Year ended December 31, 2016

<u>Grant</u>	Balance December 31, 2015	Transferred From 2016 <u>Appropriations</u>	Appropriated By 40A:4-87	Expended	Cancelled	Balance December 31, 2016
Federal Assistance:						
2014 Highway Safety Grant	\$ 29,744.26			\$ 27,750.00		\$ 1,994.26
2016 Click It or Ticket			\$ 5,000.00	5,000.00		
Green Team Grant	1,289.59					1,289.59
2015 Drive Sober or Get Pulled Over	3,800.00			3,800.00		
2016 Drive Sober or Get Pulled Over			5,000.00	5,000.00		
Energy Efficient Grant - ARRA	18,857.16				\$ 18,857.16	
2014 Federal Body Armor Grant	1,030.72			1,030.72		
2015 Federal Body Armor Grant	7,974.85			7,974.85		
2016 Federal Body Armor Grant			5,873.31			5,873.31
Drunk Driving Prevention Incentive Grant	5,518.74					5,518.74
	<u>\$ 467,959.11</u>	<u>\$ 145,040.47</u>	<u>\$ 155,900.97</u>	<u>\$ 236,756.10</u>	<u>\$ 28,889.47</u>	<u>\$ 503,254.98</u>
<u>Reference</u>	A	A-3, 22-A	A-3, 22-A	Below	21-A	A
Cash Disbursed	1-A,21-A			\$ 80,980.40		
Encumbrances	24-A			155,775.70		
	Above			<u>\$ 236,756.10</u>		

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

FEDERAL AND STATE GRANT FUND

SCHEDULE OF RESERVE FOR ENCUMBRANCES PAYABLE

Year ended December 31, 2016

	<u>Reference</u>	
Balance, December 31, 2015	A	\$ 138,223.91
Increased By:		
Appropriated Reserves Charged	23-A	<u>155,775.70</u>
		293,999.61
Decreased By:		
Disbursed by Current Fund	1-A,21-A	<u>138,223.91</u>
Balance, December 31, 2016	A	<u><u>\$ 155,775.70</u></u>

TRUST FUND
SCHEDULES

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

TRUST FUND

SCHEDULE OF TRUST FUND CASH

Year ended December 31, 2016

	<u>Reference</u>	<u>Animal Control Trust Fund</u>	<u>Escrow Deposit Trust Fund</u>	<u>Trust - Other Fund</u>	<u>Open Space Trust Fund</u>
Balance, December 31, 2015	B	\$ 80,224.41	\$ 1,665,673.91	\$ 11,629,894.54	\$ 5,131,495.21
Increased By Receipts:					
Due To:					
State of New Jersey	3-B	4,531.20			
Open Space Tax Levy	5-B				713,241.41
Interest Earned	5-B				12,718.27
License Fees Collected	6-B	107,327.74			
Deposits	7-B		1,305,859.73		
DCA Training Fees	2-B			66,259.00	
Various Reserves	4-B, 15-B			4,695,829.45	1,740.00
		<u>111,858.94</u>	<u>1,305,859.73</u>	<u>4,762,088.45</u>	<u>727,699.68</u>
		<u>192,083.35</u>	<u>2,971,533.64</u>	<u>16,391,982.99</u>	<u>5,859,194.89</u>
Decreased By Disbursements:					
Due To:					
State of New Jersey	3-B	4,535.30			
Animal Control Trust Fund					
Expenditures	6-B	123,561.59			
Interfund Liquidated	B	3,664.17			
Reserve for:					
Encumbrances	B, 10-B	1.80	62,266.39	2,228,327.37	
Open Space	5-B				1,749,812.60
Deposits	7-B		647,107.25		
DCA Training Fees	2-B			63,672.00	
Various Reserves	4-B			2,045,656.65	
		<u>131,762.86</u>	<u>709,373.64</u>	<u>4,337,656.02</u>	<u>1,749,812.60</u>
Balance, December 31, 2016	B	\$ 60,320.49	\$ 2,262,160.00	\$ 12,054,326.97	\$ 4,109,382.29

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

TRUST - OTHER FUND

SCHEDULE OF DUE TO STATE OF NEW JERSEY - DCA TRAINING FEES

Year ended December 31, 2016

	<u>Reference</u>	
Balance, December 31, 2015	B	\$ 15,206.00
Increased By:		
Cash Receipts	1-B	<u>66,259.00</u>
		81,465.00
Decreased By:		
Cash Disbursements	1-B	<u>63,672.00</u>
Balance, December 31, 2016	B	<u><u>\$ 17,793.00</u></u>

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

ANIMAL CONTROL TRUST FUND

SCHEDULE OF DUE TO STATE OF NEW JERSEY

Year ended December 31, 2016

	<u>Reference</u>		
Balance, December 31, 2015	B		\$ 19.60
Increased By:			
Cash Receipts	1-B		<u>4,531.20</u>
			4,550.80
Decreased By:			
Cash Disbursements	1-B	4,535.30	
Cancellations	6-B	<u>4.10</u>	
			<u>4,539.40</u>
Balance, December 31, 2016	B		<u><u>\$ 11.40</u></u>

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

TRUST - OTHER FUND

SCHEDULE OF VARIOUS RESERVES

Year ended December 31, 2016

	Balance December 31, <u>2015</u>	<u>Increased</u>	<u>Decreased</u>	Balance December 31, <u>2016</u>
Performance Bonds	\$ 31,364.64			\$ 31,364.64
Road Opening Deposits	503,722.85	\$ 3,500.00	\$ 2,500.00	504,722.85
Stormwater Management	405,743.08	127,861.00	302,021.82	231,582.26
Public Defender	450.10	3,000.00	100.00	3,350.10
Parking Offenses Adjudication Act	4,992.00	84.00		5,076.00
Fire Safety	49,640.03	2,250.00	127.98	51,762.05
Law Enforcement	45,974.62	16,488.96	41,246.91	21,216.67
Mount Laurel - Affordable Housing	4,568,628.15	131,168.92	197,448.51	4,502,348.56
Police Evidence	77.90			77.90
Uniform Construction Code	768,292.49	1,420,749.13	1,698,401.36	490,640.26
Marlboro Knolls	2,575.24			2,575.24
Tax Sale Premiums	1,536,278.45	1,101,400.00	1,070,600.00	1,567,078.45
Snow Removal	50,246.06	349,750.58		399,996.64
Unclaimed Monies	3,664.70	1,123.71		4,788.41
Tree Bank	219,915.90	40,880.00	12,220.00	248,575.90
Bid Deposits	2,561.70	16,030.76	16,030.76	2,561.70
Court Bail Refund	2,737.00			2,737.00
Insurance Reimbursement		218.78	218.78	
Unemployment	125,654.99	34,821.36	56,833.29	103,643.06
Off-Duty Police	100,372.09	308,055.62	340,871.62	67,556.09
911 Memorial	5,000.00			5,000.00
Water Escrow	151,360.13			151,360.13
Transportation Escrow	67,939.56			67,939.56
Law Enforcement Trust II	634,634.08	73,924.59	300,499.29	408,059.38
Recreation Donations	3,535.41	3,763.00	5,210.35	2,088.06
Accumulated Absences	101,000.00	101,000.00		202,000.00
COAH Special Master		33,125.00	23,375.00	9,750.00
Third Party Liens		926,634.04	904,172.90	22,461.14
	<u>\$ 9,386,361.17</u>	<u>\$ 4,695,829.45</u>	<u>\$ 4,971,878.57</u>	<u>\$ 9,110,312.05</u>
Reference	B	1-B	Below	B

Cash Disbursed	1-B	\$ 2,045,656.65
Reserve for Encumbrances Payable	10-B	<u>2,926,221.92</u>
Above		<u>\$ 4,971,878.57</u>

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

OPEN SPACE TRUST FUND

SCHEDULE OF RESERVE FOR OPEN SPACE

Year ended December 31, 2016

	<u>Reference</u>		
Balance, December 31, 2015	B		\$ 5,079,532.21
Increased By:			
Interest Earned	1-B	\$ 12,718.27	
Community Gardens Cash Receipts	1-B	1,740.00	
Open Space Tax Levy	3-A, 1-B	<u>713,241.41</u>	
			<u>727,699.68</u>
			5,807,231.89
Decreased By:			
Cash Disbursed:			
Payment of Bond Principal	1-B,7-C	299,216.47	
Payment of Interest on Bonds	1-B	88,571.50	
Transferred to General Capital	1-B,9-C	1,250,000.00	
Open Space Purchases	1-B	112,024.63	
Encumbrances	B	<u>39,490.78</u>	
			<u>1,700,731.88</u>
Balance, December 31, 2016	B		<u><u>\$ 4,106,500.01</u></u>

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

ANIMAL CONTROL TRUST FUND

SCHEDULE OF RESERVE FOR ANIMAL CONTROL EXPENDITURES

Year ended December 31, 2016

	<u>Reference</u>		
Balance, December 31, 2015	B		\$ 67,478.60
Increased By:			
Prior Year's Liabilities Cancelled	3-B		4.10
Dog License Fees Collected		\$ 36,558.50	
Cat License Fees Collected		1,204.40	
Other Fees		4,025.45	
Interlocal Agreement With Matawan		19,935.00	
Current Fund Budget Appropriation	A-3	45,604.39	
	1-B		<u>107,327.74</u>
			174,810.44
Decreased By:			
Expenditures Under R.S. 4:19-15.11	1-B	123,561.59	
Encumbrances	B	<u>6,895.13</u>	<u>130,456.72</u>
Balance, December 31, 2016	B		<u><u>\$ 44,353.72</u></u>

License Fees Collected:

2015 Fees	\$ 34,111.80
2014 Fees	<u>34,901.20</u>
	<u><u>\$ 69,013.00</u></u>

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

ESCROW DEPOSIT TRUST FUND

SCHEDULE OF RESERVE FOR DEPOSITS

Year ended December 31, 2016

	<u>Reference</u>		
Balance, December 31, 2015	B	\$	1,603,407.52
Increased By:			
Cash Receipts	1-B		<u>1,305,859.73</u>
			2,909,267.25
Decreased By:			
Cash Disbursements	1-B	\$	647,107.25
Encumbrances	B		<u>20,310.79</u>
			<u>667,418.04</u>
Balance, December 31, 2016	B	\$	<u><u>2,241,849.21</u></u>

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

LENGTH OF SERVICE AWARDS PROGRAM TRUST FUND ("LOSAP")

SCHEDULE OF INVESTMENTS - LENGTH OF SERVICE AWARDS PROGRAM

Year ended December 31, 2016

	<u>Reference</u>	
Balance, December 31, 2015	B	\$ 1,169,082.09
Increased By:		
Township Contributions and Earnings (Net)	9-B	<u>104,308.52</u>
Balance, December 31, 2016	B	<u><u>\$ 1,273,390.61</u></u>

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

LENGTH OF SERVICE AWARDS PROGRAM TRUST FUND ("LOSAP")

SCHEDULE OF MISCELLANEOUS RESERVES - LENGTH OF SERVICE AWARDS PROGRAM
Year ended December 31, 2016

	<u>Reference</u>	
Balance, December 31, 2015	B	\$ 1,169,082.09
Increased By:		
Township Contributions and Earnings		
(Net)	8-B	<u>104,308.52</u>
Balance, December 31, 2016	B	<u><u>\$ 1,273,390.61</u></u>

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

OTHER TRUST FUND

RESERVE FOR ENCUMBRANCES PAYABLE

Year ended December 31, 2016

	<u>Reference</u>	
Balance, December 31, 2015	B	\$ 2,228,327.37
Increased By:		
Various Reserves Charged	4-B	<u>2,926,221.92</u>
		5,154,549.29
Decreased By:		
Cash Disbursements	1-B	<u>2,228,327.37</u>
Balance, December 31, 2016	B	<u><u>\$ 2,926,221.92</u></u>

GENERAL CAPITAL FUND
SCHEDULES

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF GENERAL CAPITAL CASH

Year ended December 31, 2016

	<u>Reference</u>		
Balance, December 31, 2015	C		\$ 30,058,926.67
Increased By:			
Capital Improvement Fund	10-C	\$ 175,000.00	
Other Accounts Receivable	13-C	149,308.10	
Reimbursement of Expenditures	9-C	445,350.51	
Bond Anticipation Notes Issued	14-C	11,546,000.00	
Improvement Authorizations Funded by Open Space Trust Fund	9-C	<u>1,250,000.00</u>	
			<u>13,565,658.61</u>
			43,624,585.28
Decreased By:			
Reserve for Encumbrances	15-C	1,666,008.72	
Bond Anticipation Notes Paid	14-C	16,124,500.00	
Improvement Authorizations	9-C	1,968,244.61	
Prior Year's Interfunds Liquidated	C	57,753.98	
Various Reserves	11-C	<u>20,075.18</u>	
			<u>19,836,582.49</u>
Balance, December 31, 2016	C		<u><u>\$ 23,788,002.79</u></u>

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF ANALYSIS OF GENERAL CAPITAL CASH

December 31, 2016 and 2015

	Balance December 31, 2016	Balance December 31, 2015
Fund Balance	\$ 625,852.20	\$ 500,615.12
Various Reserves	495,922.50	515,997.68
Due From New Jersey Department of Transportation	(460,000.00)	(240,000.00)
Due From New Jersey Department of Agriculture	(1,514,485.00)	
Due From New Jersey Department of Environmental Protection - Green Acres	(825,000.00)	
Due From the Federal Emergency Management Agency (FEMA)	(250,000.00)	(250,000.00)
Due From Monmouth County	(270,485.00)	(145,000.00)
Other Accounts Receivable	(160,000.00)	(162,500.00)
Capital Improvement Fund	13,588.00	5,675.00
Temporary Overfunding of Bond Ordinances	585,625.00	16,124,500.00
Reserve for Encumbrances	1,606,610.15	1,666,008.72
Due to Recreation & Swim Utility Capital Fund		18,308.66
Due to Water Utility Capital Fund		39,445.32
	(152,372.15)	18,073,050.50

Ordinance Date/Number	Improvement Description		
02-21	Various Improvements	5,779.60	5,779.60
04-01	Hawkins Park	59,765.00	59,765.00
04-06	Various Improvements		439.21
04-23	Bolling Hills	2,261.13	2,261.13
05-19	Computer Operated Signs	44,469.22	44,449.49
05-36	Various Improvements	86,660.91	91,497.16
06-19	Various Improvements	78,287.07	95,035.44
07-12	Various Capital Improvements	5,363.56	(11,810.08)
09-28	Various Capital Improvements		35.74
10-16	Various Capital Improvements		599.16
11-02	Various Capital Improvements	127,580.04	224,808.91
11-04	Acquisition of Land	748,282.42	457,908.02
11-25	Taylor Road Drainage Improvements	59,896.03	59,896.03
12-08	Various Capital Improvements	389,965.30	375,400.21
12-11	Various Capital Improvements	5,167,887.05	5,275,000.00
12-12	Various Capital Improvements	239,176.52	239,626.52
12-13	Various Capital Improvements	1,456,000.00	1,456,000.00
13-08	Various Capital Improvements	782,060.22	909,130.61
14-03	Various Capital Improvements	249,176.95	523,922.74
14-13	Taylor Road Drainage Improvements	63,085.00	377,300.00
14-22	Leach Fields-Hamilton Park	720,000.00	720,000.00
15-02	Various Capital Improvements	675,550.89	681,476.88
15-09	Nolan Road Park	145,000.00	145,000.00
15-13	Acquisition of Police Cars		12,354.40
15-14	Improvements to Texas Road	240,000.00	240,000.00
16-02	Various Capital Improvements	707,864.39	
16-05	Acquisition of Police Cars	3,578.64	
16-07	Improvements to Greenwood Road	220,000.00	
16-12	Acquisition of Open Space	8,499,400.00	
16-13	Acquisition of Open Space	1,649,400.00	
16-14	Acquisition of Open Space	1,513,885.00	
		\$ 23,788,002.79	\$ 30,058,926.67

Reference

C

C

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF DUE FROM NEW JERSEY DEPARTMENT OF TRANSPORTATION

Year ended December 31, 2016

	<u>Reference</u>	
Balance, December 31, 2015	C	\$ 240,000.00
Increased By:		
2016 Award	9-C	<u>220,000.00</u>
Balance, December 31, 2016	C	<u>\$ 460,000.00</u>

Schedule 4-C

SCHEDULE OF DUE FROM THE FEDERAL EMERGENCY MANAGEMENT AGENCY (FEMA)

Year ended December 31, 2016

	<u>Reference</u>	
Balance, December 31, 2016 and 2015	C	<u>\$ 250,000.00</u>

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

Year ended December 31, 2016

	<u>Reference</u>		
Balance, December 31, 2015	C		\$ 37,237,672.66
Decreased By:			
Bond Principal Paid	7-C	\$ 2,651,000.00	
Green Trust Loan Paid	8-C	<u>25,236.60</u>	<u>2,676,236.60</u>
Balance, December 31, 2016	C		<u>\$ 34,561,436.06</u>

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

Year ended December 31, 2016

Ordinance Date/ Number	Improvement Description	Balance December 31, 2015	Increased By 2016 Authorizations	Cancelled	Balance December 31, 2016	Analysis of Balance	
						Bond Anticipation Notes	Unexpended Improvement Authorizations
07-12	Various Capital Improvements	\$ 817,500.00		\$ 62,033.38	\$ 755,466.62	\$ 34,619.00	\$ 720,847.62
11-04	Acquisition of Land	585,625.00			585,625.00	585,625.00	
12-08	Various Capital Improvements	36,351.88			36,351.88		36,351.88
13-08	Various Capital Improvements	10,278.60			10,278.60		10,278.60
16-02	Various Capital Improvements		\$ 3,174,582.00		3,174,582.00	2,850,756.00	323,826.00
16-12	Open Space Acquisition		8,075,000.00		8,075,000.00	8,075,000.00	
		<u>\$ 1,449,755.48</u>	<u>\$ 11,249,582.00</u>	<u>\$ 62,033.38</u>	<u>\$ 12,637,304.10</u>	<u>\$ 11,546,000.00</u>	<u>\$ 1,091,304.10</u>
	<u>Reference</u>	C	9-C,18-C	9-C,18-C	C	14-C	Below
	Unfunded Improvement Auth.	9-C					\$ 10,465,157.05
	Less: Unexpended Note Proceeds:						
	Ordinance 07-12						(5,363.56)
	Ordinance 11-04						(585,625.00)
	Ordinance 16-02						(707,864.39)
	Ordinance 16-12						(8,075,000.00)
	Above						<u>\$ 1,091,304.10</u>

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF GENERAL SERIAL BONDS

Year ended December 31, 2016

<u>Purpose</u>	<u>Original Issue</u>		<u>Maturities of Bonds Outstanding December 31, 2016</u>		<u>Interest Rate</u>	<u>Balance</u>	<u>Decreased</u>	<u>Balance</u>
	<u>Date</u>	<u>Amount</u>	<u>Date</u>	<u>Amount</u>		<u>December 31, 2015</u>		<u>December 31, 2016</u>
General Improvements	12/04/02	\$ 4,999,000.00	12/01/17 12/01/18	\$ 3,000.00 3,000.00	5.000% 5.000%	\$ 9,000.00	\$ 3,000.00	\$ 6,000.00
Open Space Improvements	10/14/10	2,536,000.00	10/01/17 10/01/18 10/01/19 10/01/20 10/01/21 10/01/22 10/01/23 10/01/24 10/01/25	180,000.00 190,000.00 190,000.00 190,000.00 200,000.00 210,000.00 210,000.00 210,000.00 211,000.00	2.500% 2.500% 3.250% 3.500% 4.000% 4.000% 4.000% 4.000% 4.000%	1,961,000.00	170,000.00	1,791,000.00
General Improvements	10/15/10	15,624,000.00	10/01/17 10/01/18 10/01/19 10/01/20 10/01/21 10/01/22 10/01/23 10/01/24 10/01/25	1,100,000.00 1,125,000.00 1,675,000.00 1,725,000.00 1,725,000.00 1,750,000.00 1,750,000.00 1,749,000.00 1,500,000.00	2.500% 2.500% 3.250% 3.500% 4.000% 4.000% 4.000% 4.000% 4.000%	14,459,000.00	360,000.00	14,099,000.00

SCHEDULE OF GENERAL SERIAL BONDS

Purpose	Original Issue		Maturities of Bonds Outstanding December 31, 2016		Interest Rate	Balance December 31, 2015	Decreased	Balance December 31, 2016
	Date	Amount	Date	Amount				
2011 Refunding	3/30/11	\$ 5,484,000.00	12/01/17	\$ 401,000.00	4.000%			
			12/01/18	417,000.00	4.000%			
						\$ 1,891,000.00	\$ 1,073,000.00	\$ 818,000.00
2012 Refunding	5/22/12	1,220,000.00	12/01/17	255,000.00	4.000%			
			12/01/18	260,000.00	4.000%			
						760,000.00	245,000.00	515,000.00
2015 General Obligation Bonds	12/17/15	17,970,000.00	10/15/17	800,000.00	3.000%			
			10/15/18	800,000.00	4.000%			
			10/15/19	900,000.00	4.000%			
			10/15/20	925,000.00	4.000%			
			10/15/21	1,000,000.00	4.000%			
			10/15/22	1,050,000.00	3.000%			
			10/15/23	1,150,000.00	2.000%			
			10/15/24	1,200,000.00	2.125%			
			10/15/25	1,350,000.00	2.250%			
			10/15/26	1,600,000.00	2.375%			
			10/15/27	1,600,000.00	2.500%			
			10/15/28	1,600,000.00	2.500%			
			10/15/29	1,600,000.00	2.500%			
			10/15/30	1,595,000.00	3.000%			
						17,970,000.00	800,000.00	17,170,000.00
						\$ 37,050,000.00	\$ 2,651,000.00	\$ 34,399,000.00
					Reference	C	5-C	C

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF GREEN TRUST LOAN PROGRAM PAYABLE

Year ended December 31, 2016

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturity Date</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Balance December 31, 2015</u>	<u>Paid By Budget Appropriation</u>	<u>Balance December 31, 2016</u>
Municipal Park Development	12/13/02	\$ 464,185.00	2017 to 2022	See Page 2	2.00%	<u>\$ 187,672.66</u>	<u>\$ 25,236.60</u>	<u>\$ 162,436.06</u>
					<u>Reference</u>	C	5-C	C

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

GREEN TRUST LOAN MATURITY SCHEDULE

Year ended December 31, 2016

<u>Payment Number</u>	<u>Due</u>	<u>Principal</u>	<u>Interest</u>
28	03/13/17	\$ 12,807.89	\$ 1,624.36
29	09/13/17	12,935.97	1,496.28
30	03/13/18	13,065.33	1,366.92
31	09/13/18	13,195.98	1,236.27
32	03/13/19	13,327.94	1,104.31
33	09/13/19	13,461.22	971.03
34	03/13/20	13,595.83	836.42
35	09/13/20	13,731.79	700.46
36	03/13/21	13,869.11	563.14
37	09/13/21	14,007.80	424.45
38	03/13/22	14,147.88	284.37
39	09/13/22	14,289.32	142.85
		<u>\$ 162,436.06</u>	<u>\$ 10,750.86</u>

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Year ended December 31, 2016

Ordinance Number/Date	Improvement Description	Ordinance Date	Amount	Balance December 31, 2015		2016 Authorizations	Authorizations Canceled	Reimbursement of Expenditures	Paid or Charged	Balance December 31, 2016	
				Funded	Unfunded					Funded	Unfunded
01-18	Various Improvements	07/19/01	\$ 2,619,732.00								
02-21	Various Improvements	07/18/02	253,000.00	\$ 5,779.60						\$ 5,779.60	
04-01	Hawkins Park	03/25/04	59,765.00	59,765.00						59,765.00	
04-06	Various Improvements	04/29/04	100,000.00	439.21			\$ 441.07	\$ 1.86			
04-23	Bolling Hills	10/28/04	83,877.53	2,261.13						2,261.13	
05-19	Computer Operated Signs	06/02/05	45,000.00	44,449.49				19.73		44,469.22	
05-36	Various Improvements	10/06/05	2,195,000.00	91,497.16			4,836.25			86,660.91	
06-19	Various Improvements	08/10/06	3,686,000.00	95,035.44			10,848.37		\$ 5,900.00	78,287.07	
07-12	Various Capital Improvements	06/06/07	5,500,000.00		\$ 805,689.92		62,033.38		17,445.36		\$ 726,211.18
09-28	Various Capital Improvements	08/06/09	1,750,000.00	35.74			31.90		3.84		
10-16	Road & Building Improvements	08/24/10	1,558,580.00	599.16			216.12		383.04		
11-02	Various Capital Improvements	03/3/11	2,970,473.00	224,808.91			102,563.40	5,334.53		127,580.04	
11-04	Acquisition of Land	03/3/11	2,992,500.00	457,908.02	585,625.00			361,196.15	70,821.75	748,282.42	585,625.00
11-25	Taylor Road Drainage Improvements	12/19/11	105,000.00	59,896.03						59,896.03	
12-08	Various Capital Improvements	06/13/12	2,879,221.00	375,400.21	36,351.88		594.07	15,159.16		389,965.30	36,351.88
12-11	Various Capital Improvements	05/17/12	5,275,000.00	5,275,000.00					107,112.95	5,167,887.05	
12-12	Various Capital Improvements	05/17/12	424,000.00	239,626.52					450.00	239,176.52	
12-13	Various Capital Improvements	05/17/12	1,456,000.00	1,456,000.00						1,456,000.00	
13-08	Various Capital Improvements	06/11/13	3,081,900.00	909,130.61	10,278.60		1,004.59		126,065.80	782,060.22	10,278.60
14-03	Various Capital Improvements	02/20/14	3,343,449.00	523,922.74			1,748.55		272,997.24	249,176.95	
14-13	Taylor Road Drainage Improvements	05/15/14	470,000.00	377,300.00					314,215.00	63,085.00	
14-22	Leach Fields-Hamilton Park	09/04/14	720,000.00	720,000.00						720,000.00	
15-02	Various Capital Improvements	02/02/15	4,606,410.00	681,476.88			1,379.42		4,546.57	675,550.89	
15-09	Nolan Road Park	05/13/15	145,000.00	145,000.00						145,000.00	
15-13	Acquisition of Police Cars	09/24/15	162,500.00	12,354.40			13,191.90	837.50			
15-14	Improvements to Texas Road	09/24/15	240,000.00	240,000.00						240,000.00	
16-02	Various Capital Improvements	02/25/16	3,341,669.00			\$ 3,341,669.00	701.34	61,929.58	2,371,206.85		1,031,690.39
16-05	Acquisition of Police Cars	02/25/16	160,000.00			160,000.00			156,421.36	3,578.64	
16-07	Improvements to Greenwood Road	05/05/16	220,000.00			220,000.00				220,000.00	
16-10	Improvements to Greenbriar	07/07/16	125,485.00			125,485.00			125,485.00		
16-12	Acquisition of Open Space	10/20/16	8,500,000.00			8,500,000.00			600.00	424,400.00	8,075,000.00
16-13	Acquisition of Open Space	10/20/16	1,650,000.00			1,650,000.00			600.00	1,649,400.00	
16-14	Acquisition of Open Space	10/20/16	1,514,485.00			1,514,485.00			600.00	1,513,885.00	
				<u>\$ 11,997,686.25</u>	<u>\$ 1,437,945.40</u>	<u>\$ 15,511,639.00</u>	<u>\$ 200,462.36</u>	<u>\$ 445,350.51</u>	<u>\$ 3,574,854.76</u>	<u>\$ 15,152,146.99</u>	<u>\$ 10,465,157.05</u>
		<u>Reference</u>		<u>C</u>	<u>C</u>	<u>Below</u>	<u>Below</u>	<u>1-C</u>	<u>Below</u>	<u>C</u>	<u>C,6-C</u>
Deferred Charges to Future Taxation - Unfunded		6-C,18-C				\$ 11,249,582.00					
Capital Improvement Fund		10-C				167,087.00					
Funded by 2009 Municipal Planning Incentive Grant - NJ Agric. Dev. Committee		16-C				514,485.00					
Funded by 2011 Municipal Planning Incentive Grant - NJ Agric. Dev. Committee		16-C				500,000.00					
Funded by 2013 Municipal Planning Incentive Grant - NJ Agric. Dev. Committee		16-C				500,000.00					
Funded by NJ DEP - Green Acres Grant		17-C				825,000.00					
Funded by Monmouth County CDBG program		12-C				125,485.00					
Funded by New Jersey Department of Transportation		3-C				220,000.00					
Funded by Open Space Trust Fund		1-C,5-B				1,250,000.00					
Funded by Capital Lease		13-C				160,000.00					
		Above				<u>\$ 15,511,639.00</u>					
Fund Balance		C-1				\$ 125,237.08					
Lease Proceeds Receivable		13-C				13,191.90					
Deferred Charges to Future Taxation - Unfunded		6-C				<u>62,033.38</u>					
		Above				<u>\$ 200,462.36</u>					
Cash Disbursed		1-C, 5-B							\$ 1,968,244.61		
Reserve for Encumbrances		15-C							<u>1,606,610.15</u>		
		Above							<u>\$ 3,574,854.76</u>		

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF CAPITAL IMPROVEMENT FUND

Year ended December 31, 2016

	<u>Reference</u>	
Balance, December 31, 2015	C	\$ 5,675.00
Increased By:		
2016 Budget Appropriation	1-C	<u>175,000.00</u>
		180,675.00
Decreased By:		
Appropriated to Finance Improvement Authorizations	9-C	<u>167,087.00</u>
Balance, December 31, 2016	C	<u><u>\$ 13,588.00</u></u>

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF VARIOUS RESERVES

Year ended December 31, 2016

<u>Improvement Description</u>	Balance December 31, <u>2015</u>	<u>Decreased</u>	Balance December 31, <u>2016</u>
Lafayette Knolls - Recreation	\$ 2,087.08	\$ 2,075.18	\$ 11.90
Traffic Light - Ryan Road	35,027.37		35,027.37
Beacon Hill Road Improvements	18,000.00	18,000.00	
Station Road Improvements	72,960.00		72,960.00
Pleasant Valley Road Improvements	6,120.63		6,120.63
Payment of Debt Service	242,131.11		242,131.11
Sidewalks - Tennant Road	1,723.68		1,723.68
Emerald Hills	42,902.91		42,902.91
Union Hill - Costco	95,044.90		95,044.90
	<u>\$ 515,997.68</u>	<u>\$ 20,075.18</u>	<u>\$ 495,922.50</u>
<u>Reference</u>	C	1-C	C

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF DUE FROM MONMOUTH COUNTY

Year ended December 31, 2016

	<u>Reference</u>	<u>TOTAL</u>	Ordinance 15-09 County Open Space <u>Grant</u>	Ordinance 16-10 Community Development Block <u>Grant</u>
Balance, December 31, 2015	C	\$ 145,000.00	\$ 145,000.00	
Increased By:				
Grant Award	9-C	<u>125,485.00</u>	<u> </u>	\$ <u>125,485.00</u>
Balance, December 31, 2016	C	<u>\$ 270,485.00</u>	<u>\$ 145,000.00</u>	<u>\$ 125,485.00</u>

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF OTHER ACCOUNTS RECEIVABLE

Year ended December 31, 2016

	<u>Reference</u>	
Balance, December 31, 2015	C	\$ 162,500.00
Increased By:		
Acquisition of Lease	9-C	<u>160,000.00</u>
		322,500.00
Decreased By:		
Cash Receipts	1-C	\$ 149,308.10
Cancellation of Improvement Authorization - (Ordinance 15-13)	9-C	<u>13,191.90</u>
		<u>162,500.00</u>
Balance, December 31, 2016	C	<u><u>\$ 160,000.00</u></u>

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF BOND ANTICIPATION NOTES

Year ended December 31, 2016

Ordinance Number/Date	Improvement Description	Original Date of Issue	Date of Issue	Date of Maturity	Interest Rate	Balance December 31, 2015	Increased	Decreased	Balance December 31, 2016
04-06	Various Improvements					\$ 14,482.00		\$ 14,482.00	
04-21	Various Improvements					107,719.00		107,719.00	
05-19	Computer Operated Signs					40,500.00		40,500.00	
09-28	Various Capital Improvements					118,717.00		118,717.00	
11-02	Various Capital Improvements					2,680,115.00		2,680,115.00	
11-04	Acquisition of Land	12/09/2016	12/09/2016	11/15/2017	1.187%	2,228,650.00	\$ 585,625.00	2,228,650.00	\$ 585,625.00
12-08	Various Capital Improvements					2,148,867.00		2,148,867.00	
13-08	Various Capital Improvements					2,917,450.00		2,917,450.00	
14-03	Various Capital Improvements					2,920,000.00		2,920,000.00	
07-12	Various Capital Improvements	12/09/2016	12/09/2016	11/15/2017	1.187%	150,000.00	34,619.00	150,000.00	34,619.00
15-02	Various Capital Improvements					2,798,000.00		2,798,000.00	
16-02	Various Capital Improvements	12/09/2016	12/09/2016	11/15/2017	1.187%		2,850,756.00		2,850,756.00
16-12	Open Space Property Acquisition	12/09/2016	12/09/2016	11/15/2017	1.187%		8,075,000.00		8,075,000.00
						<u>\$ 16,124,500.00</u>	<u>\$ 11,546,000.00</u>	<u>\$ 16,124,500.00</u>	<u>\$ 11,546,000.00</u>
					<u>Reference</u>	C	1-C, 18-C	1-C	C, 6-C

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF RESERVE FOR ENCUMBRANCES PAYABLE

Year ended December 31, 2016

	<u>Reference</u>	
Balance, December 31, 2015	C	\$ 1,666,008.72
Increased By:		
Charges to Improvement Authorizations	9-C	<u>1,606,610.15</u>
		3,272,618.87
Decreased By:		
Cash Disbursements	1-C	<u>1,666,008.72</u>
Balance, December 31, 2016	C	<u><u>\$ 1,606,610.15</u></u>

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF DUE FROM NEW JERSEY DEPARTMENT OF AGRICULTURE

Year ended December 31, 2016

	<u>Reference</u>	
Balance, December 31, 2015	C	\$ -
Increased By:		
Grant Awards - (Ordinance 16-14)	9-C	<u>1,514,485.00</u>
Balance, December 31, 2016	C	<u><u>\$ 1,514,485.00</u></u>

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF DUE FROM NEW JERSEY DEPARTMENT OF ENVIRONMENTAL PROTECTION - GREEN ACRES

Year ended December 31, 2016

	<u>Reference</u>	
Balance, December 31, 2015	C	\$ -
Increased By:		
Grant Awards - (Ordinance 16-13)	9-C	<u>825,000.00</u>
Balance, December 31, 2016	C	<u><u>\$ 825,000.00</u></u>

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Year ended December 31, 2016

<u>Ordinance Number/Date</u>	<u>Improvement Description</u>	<u>Balance December 31, 2015</u>	<u>Increased By 2016 Authorizations</u>	<u>Bond Anticipation Notes Issued</u>	<u>Cancelled</u>	<u>Balance December 31, 2016</u>
07-12	Various Capital Improvements	\$ 817,500.00		\$ 34,619.00	\$ 62,033.38	\$ 720,847.62
11-04	Acquisition of Land	585,625.00		585,625.00		
12-08	Various Capital Improvements	36,351.88				36,351.88
13-08	Various Capital Improvements	10,278.60				10,278.60
16-02	Various Capital Improvements		\$ 3,174,582.00	2,850,756.00		323,826.00
16-12	Open Space Acquisition		8,075,000.00	8,075,000.00		
		<u>\$ 1,449,755.48</u>	<u>\$ 11,249,582.00</u>	<u>\$ 11,546,000.00</u>	<u>\$ 62,033.38</u>	<u>\$ 1,091,304.10</u>
<u>Reference</u>		C	6-C, 9-C	14-C	6-C, 9-C	C

RECREATION AND SWIM POOL UTILITY FUND
SCHEDULES

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

RECREATION & SWIM UTILITY FUND

SCHEDULE OF UTILITY CASH

Year ended December 31, 2016

	Reference	Operating	Capital
Balance, December 31, 2015	D	\$ 812,158.65	\$ 1,624,843.20
Increased By Receipts:			
Program Revenue	D-2	\$ 1,868,923.22	
Interest on Investments	D-2	3,389.86	
Membership Fees	D-2	282,190.84	
Miscellaneous	D-2	49,453.91	
Prepaid Membership Fees	11-D	34,061.47	
Prepaid Participation Fees	12-D	20,936.54	
Change Fund	D	100.00	
Due to Recreation and Swim Pool Utility Operating Fund	17-D		\$ 115,000.00
Received from General Capital Fund	D		18,308.66
Reimbursement of Expenditures	15-D		3,364.64
		<u>2,259,055.84</u>	<u>136,673.30</u>
		3,071,214.49	1,761,516.50
Decreased By Disbursements:			
2016 Budget Appropriations	D-3	2,140,935.34	
2015 Appropriation Reserves	5-D	201,248.16	
Bond Anticipation Notes Paid	8-D		1,264,000.00
Encumbrances	D		489,632.69
Due from Recreation and Swim Pool Capital Fund	17-D	115,000.00	
Accrued Interest on Notes	16-D	42,601.19	
Improvement Authorizations	15-D		7,222.27
		<u>2,499,784.69</u>	<u>1,760,854.96</u>
Balance, December 31, 2016	D	<u>\$ 571,429.80</u>	<u>\$ 661.54</u>

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

RECREATION & SWIM UTILITY CAPITAL FUND

SCHEDULE OF ANALYSIS OF UTILITY CAPITAL CASH

Years ended December 31, 2016 and 2015

		Balance December 31, <u>2016</u>	Balance December 31, <u>2015</u>
Due From General Capital Fund			\$ (18,308.66)
Reserve for Capital Outlay		\$ 30,920.62	30,920.62
Reserve for Encumbrances		2,237.90	489,632.69
Due from Monmouth County Open Space Trust		(250,000.00)	(250,000.00)
Temporary Overfunding of Bond Ordinances			1,264,000.00
Due to Recreation and Swim Utility Operating Fund		115,000.00	
Fund Balance		18,308.66	18,308.66
Ordinance			
<u>Number</u>	<u>Improvement Authorizations</u>		
05-37	Various Swim Facility Improvements	(6,454.35)	(1,122.07)
12-09	Various Swim Facility Improvements	77,144.56	79,649.53
13-09	Various Swim Facility Improvements	15,228.46	15,222.82
14-04	Various Swim Facility Improvements	(5,083.31)	(3,460.39)
15-08	Marlboro County Park	3,359.00	
		<u>\$ 661.54</u>	<u>\$ 1,624,843.20</u>
	<u>Reference</u>	D	D

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

RECREATION & SWIM UTILITY CAPITAL FUND

SCHEDULE OF FIXED CAPITAL

Year ended December 31, 2016

	Balance December 31, <u>2016 and 2015</u>
Water Connection Charges	\$ 6,330.00
Sewer Connection Charges	3,423.00
Equipment and Fixtures	179,271.59
Sprinkler System	12,250.00
Vehicle	17,745.00
Swimming Pool and Improvements	2,764,928.30
Flume Slide	<u>204,287.32</u>
	<u>\$ 3,188,235.21</u>
<u>Reference</u>	D

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

RECREATION & SWIM UTILITY CAPITAL FUND

SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

Year ended December 31, 2016

Ordinance Number	Description	Ordinance		Balance December 31, 2015	Decreased by Cancelled	Balance December 31, 2016
		Date	Amount			
05-37	Various Swim Facility Improvements	09/22/05	\$ 446,250.00	\$ 78,007.24	\$ 48,511.92	\$ 29,495.32
12-09	Various Swim Facility Improvements	04/12/12	136,475.00	136,475.00		136,475.00
13-09	Various Swim Facility Improvements	03/14/13	71,085.00	71,085.00		71,085.00
14-04	Various Swim Facility Improvements	02/20/14	773,530.00	773,530.00		773,530.00
15-08	Marlboro Country Park	05/13/15	250,000.00	250,000.00		250,000.00
				<u>\$ 1,309,097.24</u>	<u>\$ 48,511.92</u>	<u>\$ 1,260,585.32</u>
				D	15-D,18-D	D

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

RECREATION & SWIM UTILITY OPERATING FUND

SCHEDULE OF 2015 APPROPRIATION RESERVES

Year ended December 31, 2016

	Balance December 31, <u>2015</u>	<u>Encumbrances</u>	Modified <u>Balance</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Operating:					
Salaries and Wages	\$ 230.60		\$ 230.60		\$ 230.60
Other Expenses	27,602.42	\$ 236,174.52	263,776.94	\$ 201,248.16	62,528.78
Total Operating Expenses	27,833.02	236,174.52	264,007.54	201,248.16	62,759.38
Capital Outlay	1.00		1.00		1.00
Total Capital Outlay	1.00		1.00		1.00
Statutory Expenditures:					
Contribution To:					
Public Employee's Retirement System	1.00		1.00		1.00
Social Security (O.A.S.I.)	1,636.52		1,636.52		1,636.52
Total Statutory Expenditures	1,637.52		1,637.52		1,637.52
	<u>\$ 29,471.54</u>	<u>\$ 236,174.52</u>	<u>\$ 265,646.06</u>	<u>\$ 201,248.16</u>	<u>\$ 64,397.90</u>
<u>Reference</u>	D	6-D		1-D	D-1

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

RECREATION & SWIM UTILITY OPERATING FUND

SCHEDULE OF ENCUMBRANCES PAYABLE

Year ended December 31, 2016

	<u>Reference</u>		
Balance, December 31, 2015	D	\$	245,677.23
Increased By:			
Transfer From Budget Appropriations	D-3	\$	252,089.00
Refunds Due to Residents	D-2		<u>3,651.54</u>
			<u>255,740.54</u>
			501,417.77
Decreased By:			
Transfer to Appropriation Reserves	5-D		<u>236,174.52</u>
Balance, December 31, 2016	D	\$	<u><u>265,243.25</u></u>

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

RECREATION & SWIM UTILITY OPERATING FUND

SCHEDULE OF ACCOUNTS PAYABLE

Year ended December 31, 2016

	<u>Reference</u>	
Balance, December 31, 2015	D	\$ -
Increased By:		
Transferred from Current Budget Appropriations	D-3	<u>9,502.71</u>
Balance, December 31, 2016	D	<u><u>\$ 9,502.71</u></u>

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

RECREATION & SWIM UTILITY CAPITAL FUND

SCHEDULE OF BONDS ANTICIPATION NOTES

Year ended December 31, 2016

<u>Ordinance Number</u>	<u>Improvement Description</u>	Balance December 31, <u>2015</u>	<u>Decreased</u>	Balance December 31, <u>2016</u>
05-37	Various Swim Pool Facility Improvements	\$ 372,000.00	\$ 372,000.00	\$
12-09	Various Swim Pool Facility Improvements	117,000.00	117,000.00	
13-09	Various Swim Pool Facility Improvements	50,000.00	50,000.00	
14-04	Various Swim Pool Facility Improvements	725,000.00	725,000.00	
		<u>\$ 1,264,000.00</u>	<u>\$ 1,264,000.00</u>	<u>\$ -</u>
	Reference	D	1-D	D

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

RECREATION & SWIM UTILITY CAPITAL FUND

SCHEDULE OF SERIAL BONDS

Year ended December 31, 2016

Purpose	Original Issue		Maturities of Bonds Outstanding December 31, 2016		Interest Rate	Balance	Decreased	Balance
	Date	Amount				December 31, 2015		December 31, 2016
General Improvements	12/17/2015	\$ 1,264,000.00	10/15/2017	\$ 85,000.00	3.000%			
			10/15/2018	75,000.00	4.000%			
			10/15/2019	85,000.00	4.000%			
			10/15/2020	75,000.00	4.000%			
			10/15/2021	75,000.00	4.000%			
			10/15/2022	80,000.00	3.000%			
			10/15/2023	70,000.00	2.000%			
			10/15/2024	100,000.00	2.125%			
			10/15/2025	80,000.00	2.250%			
			10/15/2026	60,000.00	2.375%			
			10/15/2027	100,000.00	2.500%			
			10/15/2028	100,000.00	2.500%			
			10/15/2029	100,000.00	2.500%			
			10/15/2030	104,000.00	3.000%	\$ 1,264,000.00	\$ 75,000.00	\$ 1,189,000.00
						<u>\$ 1,264,000.00</u>	<u>\$ 75,000.00</u>	<u>\$ 1,189,000.00</u>
						D	14-D	D

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

RECREATION & SWIM UTILITY CAPITAL FUND

SCHEDULE OF DUE FROM MONMOUTH COUNTY OPEN SPACE TRUST FUND

Year ended December 31, 2016

Reference

Balance, December 31, 2016 and 2015	D	\$ <u>250,000.00</u>
-------------------------------------	---	----------------------

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

RECREATION & SWIM UTILITY OPERATING FUND

SCHEDULE OF PREPAID MEMBERSHIP FEES

Year ended December 31, 2016

	<u>Reference</u>	
Balance, December 31, 2015	D	\$ 100,956.19
Increased By:		
Cash Receipts	1-D	<u>34,061.47</u>
		135,017.66
Decreased By:		
Prepaid Applied	D-2	<u>100,956.19</u>
Balance, December 31, 2016	D	<u><u>\$ 34,061.47</u></u>

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

RECREATION & SWIM UTILITY OPERATING FUND

SCHEDULE OF PREPAID PARTICIPATION FEES

Year ended December 31, 2016

	<u>Reference</u>	
Balance, December 31, 2015	D	\$ 37,553.00
Increased By:		
Fees Collected	1-D	<u>20,936.54</u>
		58,489.54
Decreased By:		
Fees Applied	D-2	<u>37,553.00</u>
Balance, December 31, 2016	D	<u><u>\$ 20,936.54</u></u>

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

RECREATION & SWIM UTILITY CAPITAL FUND

SCHEDULE OF RESERVE FOR CAPITAL OUTLAY

Year ended December 31, 2016

Reference

Balance, December 31, 2016 and 2015	D	\$ <u>30,920.62</u>
-------------------------------------	---	---------------------

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

RECREATION & SWIM UTILITY CAPITAL FUND

SCHEDULE OF RESERVE FOR AMORTIZATION

Year ended December 31, 2016

	<u>Reference</u>	
Balance, December 31, 2015	D	\$ 2,832,992.45
Increased by:		
Bond Principal Paid	D-3,9-D	<u>75,000.00</u>
Balance, December 31, 2016	D	<u><u>\$ 2,907,992.45</u></u>

COUNTY OF MONMOUTH, NEW JERSEY
RECREATION & SWIM UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Year ended December 31, 2016

Ordinance Number	Improvement Description	Ordinance		Balance, December 31, 2015		Reimbursement of Expenditures	Paid or Charged	Cancelled	Balance, December 31, 2016	
		Date	Amount	Funded	Unfunded				Funded	Unfunded
05-37	Various Swim Facility Improvements	09/22/05	\$ 446,250.00		\$ 60,127.93		\$ 5,332.28	\$ 48,511.92		\$ 6,283.73
12-09	Various Swim Facility Improvements	04/12/12	136,475.00	\$ 79,649.53	19,475.00		2,504.97		\$ 77,144.56	19,475.00
13-09	Various Swim Facility Improvements	03/14/13	71,085.00	15,222.82	21,085.00	\$ 5.64			15,228.46	21,085.00
14-04	Various Swim Facility Improvements	02/20/14	773,530.00		45,069.61		1,622.92			43,446.69
15-08	Marlboro Country Park	05/13/15	250,000.00			3,359.00			3,359.00	
				<u>\$ 94,872.35</u>	<u>\$ 145,757.54</u>	<u>\$ 3,364.64</u>	<u>\$ 9,460.17</u>	<u>\$ 48,511.92</u>	<u>95,732.02</u>	<u>\$ 90,290.42</u>
		<u>Reference</u>		D	D	1-D	Below	4-D, 18-D	D	D
	Cash Disbursed	1-D					\$ 7,222.27			
	Encumbrances	D, 2-D					<u>2,237.90</u>			
		Above					<u>\$ 9,460.17</u>			

TOWNSHIP OF MARLBORO
MONMOUTH COUNTY, NEW JERSEY

RECREATION & SWIM UTILITY OPERATING FUND

SCHEDULE OF ACCRUED INTEREST ON BONDS AND NOTES

Year ended December 31, 2016

Balance - December 31, 2015	<u>Ref.</u> D	\$ 18,226.25
Increased by:		
Budget Appropriations:		
Interest on Bonds and Notes	D-3	<u>31,608.27</u>
		49,834.52
Decreased by:		
Cash Disbursements	1-D	<u>42,601.19</u>
Balance - December 31, 2016	D, Below	<u><u>\$ 7,233.33</u></u>

Analysis of Balance - December 31, 2016:

Amount Outstanding December 31, 2016	Interest Rate	From	To	Period	Accrual
2015 Bonds					
\$1,189,000.00	2%-4%	12/17/16	12/31/16	14 Days	\$ 990.83
	Excess Balance Raised to be Utilized in Future Years				<u>6,242.50</u>
					<u><u>\$ 7,233.33</u></u>
			<u>Reference</u>		Above

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

RECREATION & SWIM UTILITY CAPITAL FUND

SCHEDULE OF DUE TO RECREATION/SWIM POOL OPERATING FUND

Year ended December 31, 2016

	<u>Reference</u>	
Balance, December 31, 2015	D	\$ -
Increased By:		
Cash Received	1-D	<u>115,000.00</u>
Balance, December 31, 2016	D	<u>\$ 115,000.00</u>

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

RECREATION & SWIM UTILITY CAPITAL FUND

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Year ended December 31, 2016

Ordinance Number	Improvement Description	Balance December 31, 2015	Cancelled	Balance December 31, 2016
05-37	Various Swim Pool Facility Improvements	\$ 61,250.00	\$ 48,511.92	\$ 12,738.08
12-09	Various Swim Pool Facility Improvements	19,475.00		19,475.00
13-09	Various Swim Pool Facility Improvements	21,085.00		21,085.00
14-04	Various Swim Pool Facility Improvements	48,530.00		48,530.00
		<u>\$ 150,340.00</u>	<u>\$ 48,511.92</u>	<u>\$ 101,828.08</u>
		D	4-D, 15-D	D

WATER UTILITY FUND
SCHEDULES

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

WATER UTILITY FUND

SCHEDULE OF WATER UTILITY CASH - TREASURER

Year ended December 31, 2016

	Reference	Operating	Capital
Balance, December 31, 2015	F	\$ 6,149,317.35	\$ 4,467,690.96
Increased by Receipts:			
Consumer Accounts Receivable	3-F(a)	\$ 9,147,012.17	
Connection Fees	F-2	203,545.00	
Other Operating Revenues	F-2	70,510.42	
Interest Earned on Investments and Deposits	F-2	19,863.62	
Solar Renewable Energy Credits	F-2	195,186.00	
Various Reserves	4-F	382.02	
Current Year Overpayments	5-F	19,619.32	
Due from General Capital Fund	17-F		\$ 39,445.32
Loans Receivable	3-F(b)		1,254,272.00
		<u>9,656,118.55</u>	<u>1,293,717.32</u>
		15,805,435.90	5,761,408.28
Decreased by Disbursements:			
Budget Expenditures	F-3	8,463,640.12	
2015 Appropriation Reserves	16-F	587,552.78	
Encumbrances	14-F		1,692,657.51
Various Reserves	4-F	13,517.99	
Accrued Interest on Bonds	6-F(a)	818,538.82	
Accrued Interest on Notes	6-F(b)	18,688.29	
Improvement Authorizations, net of refunds	9-F		286,050.54
Bond Anticipation Notes	18-F		2,723,800.00
		<u>9,901,938.00</u>	<u>4,702,508.05</u>
Balance - December 31, 2016	F	<u>\$ 5,903,497.90</u>	<u>\$ 1,058,900.23</u>

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

WATER UTILITY CAPITAL FUND

SCHEDULE OF ANALYSIS OF WATER UTILITY CASH

December 31, 2016 and 2015

	Balance December 31, <u>2016</u>	Balance December 31, <u>2015</u>
Fund Balance	\$ 963,320.00	\$ 962,596.66
Capital Improvement Fund	50,000.00	50,000.00
Reserve for Debt Service	71,564.00	71,564.00
NJEIT Loan Receivable	(11,252,297.00)	(411,569.00)
Due from General Capital Fund		(39,445.32)
Temporary Overfunding of Bond Ordinances		2,723,000.00
Encumbrances Payable	9,995,720.51	1,692,657.51
<u>Improvement Authorizations</u>		
09-46 Various Capital Improvements	24,623.00	24,623.00
10-17 Various Capital Improvements	10,942.76	38,847.76
11-03 Various Capital Improvements	52,450.00	10,726.89
11-12 Acquisition of Land & Related Improvements	32,295.12	32,295.12
12-10 Improvements to Water Utility System		1,064.89
12-26 Water Treatment Plant and Well	253,841.85	268,134.54
13-10 Various Capital Improvements	2,131.38	18,864.74
14-05 Various Capital Improvements	13,570.90	160,951.85
14-06 Treatment Plant Construction	998,606.57	(1,305,865.13)
15-03 Various Capital Improvements	157,184.68	
16-03 Various Capital Improvements	(315,053.54)	
Total	<u>\$ 1,058,900.23</u>	<u>\$ 4,298,447.51</u>
<u>Reference</u>	F	F

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

WATER UTILITY OPERATING FUND

SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE

Year ended December 31, 2016

	<u>Reference</u>	
Balance, December 31, 2015	F	\$ 134,042.04
Increased by:		
Water Utility Billings (net)	Reserve	<u>9,194,523.79</u>
		9,328,565.83
Decreased by:		
Cash Receipts	1-F	\$ 9,147,012.17
Prior Year Overpayments Applied	5-F	<u>22,146.77</u>
	F-2	<u>9,169,158.94</u>
Balance, December 31, 2016	F	<u><u>\$ 159,406.89</u></u>

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

WATER UTILITY CAPITAL FUND

SCHEDULE OF NJEIT LOAN RECEIVABLE

Year ended December 31, 2016

	<u>Reference</u>	
Balance, December 31, 2015	F	\$ 411,569.00
Increased by:		
Loans Awarded	13-F	<u>12,095,000.00</u>
		12,506,569.00
Decreased by:		
Cash Receipts	1-F	<u>1,254,272.00</u>
Balance, December 31, 2016	F	<u><u>\$ 11,252,297.00</u></u>

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

WATER UTILITY OPERATING FUND

SCHEDULE OF VARIOUS RESERVES

Year ended December 31, 2016

	Balance December 31, <u>2015</u>	<u>Increases</u>	<u>Decreases</u>	Balance December 31, <u>2016</u>
Reserve for:				
Escrow	\$ 454,883.25	\$ 382.02	\$ 13,517.99	\$ 441,747.28
	<u>\$ 454,883.25</u>	<u>\$ 382.02</u>	<u>\$ 13,517.99</u>	<u>\$ 441,747.28</u>
<u>Reference</u>	F	1-F	1-F	F

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

WATER UTILITY OPERATING FUND

SCHEDULE OF WATER RENT OVERPAYMENTS

Year ended December 31, 2016

	<u>Reference</u>	
Balance, December 31, 2015	F	\$ 22,146.77
Increased by:		
Cash Receipts	1-F	<u>19,619.32</u>
		41,766.09
Decreased by:		
Overpayments Applied	3-F(a)	<u>22,146.77</u>
Balance, December 31, 2016	F	<u><u>\$ 19,619.32</u></u>

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

WATER UTILITY OPERATING FUND

SCHEDULE OF ACCRUED INTEREST ON BONDS AND LOANS

Year ended December 31, 2016

	<u>Reference</u>	
Balance, December 31, 2015	F	\$ 102,617.34
Increased by:		
Accrued Interest Charged to Budget Appropriations	F-3	<u>846,416.83</u>
		949,034.17
Decreased by:		
Cash Disbursements	1-F	<u>818,538.82</u>
Balance, December 31, 2016	F, Below	<u><u>\$ 130,495.35</u></u>

Analysis of Balance - December 31, 2016

Amount Outstanding December 31, 2016	Interest Rate	From	To	Period	Accrual
Water Utility Serial Bonds					
\$ 7,650,000.00	Various	12/1/2016	12/31/2016	31 Days	\$ 26,691.67
2,480,000.00	Various	12/1/2016	12/31/2016	31 Days	9,414.79
720,000.00	Various	10/1/2016	12/31/2016	91 Days	6,650.00
2,623,000.00	Various	10/15/2016	12/31/2016	2.5 Months	15,925.00
NJEIT Loans					
\$ 5,940,497.37	Various	8/1/2016	12/31/2016	5 Months	30,591.98
2,910,000.00	Various	8/1/2016	12/31/2016	5 Months	45,591.15
Amount to be Raised in Subsequent Year's Budget					<u>(4,369.24)</u>
Balance - December 31, 2016					<u><u>\$ 130,495.35</u></u>

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

WATER UTILITY OPERATING FUND

SCHEDULE OF ACCRUED INTEREST ON NOTES

Year ended December 31, 2016

	<u>Reference</u>	
Balance, December 31, 2015	F	\$ 14,000.00
Increased by:		
Budget Appropriations:		
Interest on Notes	F-3	<u>4,688.29</u>
		18,688.29
Decreased by:		
Cash Disbursements	1-F	<u>18,688.29</u>
Balance, December 31, 2016	F	<u><u>\$ -</u></u>

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

WATER UTILITY CAPITAL FUND

SCHEDULE OF FIXED CAPITAL

Year ended December 31, 2016

	Balance December 31, <u>2015</u>	Increased by Transferred from Fixed Capital <u>Authorized and Uncompleted</u>	Balance December 31, <u>2016</u>
Water Utility:			
Various Capital Improvements	<u>\$ 32,993,183.31</u>	<u>\$ 334,750.00</u>	<u>\$ 33,327,933.31</u>
<u>Reference</u>	F	8-F	F

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

WATER UTILITY CAPITAL FUND

SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

Year ended December 31, 2016

<u>Ordinance</u>	<u>Date</u>	<u>Improvement Description</u>	<u>Balance December 31, 2015</u>	<u>2016 Authorizations</u>	<u>Transferred to Fixed Capital</u>	<u>Cancelled</u>	<u>Balance December 31, 2016</u>
09-46	12/18/2009	Various Capital Improvements	\$ 840,000.00				\$ 840,000.00
11-03	4/13/2011	Various Capital Improvements	614,250.00				614,250.00
11-12	5/19/2011	Acquisition of Land & Related Capital Improvements	300,000.00				300,000.00
12-10	4/12/2012	Improvements to Water Utility System	334,750.00		\$ 334,750.00		
12-26	10/4/2012	Water Treatment Plant and Well	7,600,000.00				7,600,000.00
13-10	6/11/2013	Various Capital Improvements	682,550.00				682,550.00
14-05	6/13/2014	Various Capital Improvements	770,440.00			\$ 93.84	770,346.16
14-06	6/13/2014	Treatment Plant Construction	11,500,000.00				11,500,000.00
15-04	2/12/2015	Treatment Plant Construction	900,000.00				900,000.00
15-03	2/12/2015	Various Capital Improvements	435,760.00			629.50	435,130.50
16-03	12/9/2016	Various Capital Improvements		\$ 543,920.00			543,920.00
			<u>\$ 23,977,750.00</u>	<u>\$ 543,920.00</u>	<u>\$ 334,750.00</u>	<u>\$ 723.34</u>	<u>\$ 24,186,196.66</u>
<u>Reference</u>			F	9-F, 22-F	7-F	12-F	F

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY
WATER UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
Year ended December 31, 2016

Ordinance Number	Improvement Description	Ordinance		Balance, December 31, 2015		2016 Authorizations	Reimbursements	Paid or Charged	Authorizations Canceled	Balance, December 31, 2016	
		Date	Amount	Funded	Unfunded					Funded	Unfunded
09-46	Transfer From Disolution of the Municipal Utilities Authority and Assumption of Certain Outstanding Obligations	12/18/2009	\$ 5,099,068.00	\$ 24,623.00						\$ 24,623.00	
10-17	Various Capital Improvements	07/15/2010	840,000.00	38,847.76				\$ 27,905.00		10,942.76	
11-03	Various Capital Improvements	04/07/2011	614,250.00	10,676.89	\$ 50.00		\$ 41,773.11			52,450.00	\$ 50.00
11-12	Acquisition of Land & Related Improvements	05/19/2011	300,000.00	32,295.12						32,295.12	
12-10	Improvements to Water Utility System	05/03/2012	334,750.00	864.89	200.00			1,064.89			
12-26	Water Treatment Plant and Well	12/06/2012	7,600,000.00	268,134.54	845,307.00			14,292.69		253,841.85	845,307.00
13-10	Various Capital Improvements	06/11/2013	682,550.00	18,864.74				16,733.36		2,131.38	
14-05	Various Capital Improvements	02/20/2014	770,440.00	160,951.85	38,440.00			147,287.11	\$ 93.84	13,570.90	38,440.00
14-06	Treatment Plant Construction	02/20/2014	11,500,000.00		11,094,134.87			9,789,778.30			1,304,356.57
15-03	Various Capital Improvements	02/12/2015	435,760.00	169,243.45	42,760.00		17,459.61	28,888.88	629.50	157,184.68	42,760.00
16-03	Various Capital Improvements	02/11/2016	543,920.00			\$ 543,920.00	1,983.08	317,036.62			228,866.46
				<u>\$ 724,502.24</u>	<u>\$ 12,020,891.87</u>	<u>\$ 543,920.00</u>	<u>\$ 61,215.80</u>	<u>\$ 10,342,986.85</u>	<u>\$ 723.34</u>	<u>\$ 547,039.69</u>	<u>\$ 2,459,780.03</u>
		Reference		F	F	8-F, 22-F	1-F	Below	F-4	F	F
	Detail of Paid or Charged:										
	Cash Disbursed							\$ 347,266.34			
	Reserve for Encumbrances							9,995,720.51			
								<u>\$ 10,342,986.85</u>			

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

WATER UTILITY CAPITAL FUND

SCHEDULE OF GENERAL SERIAL BONDS

Year ended December 31, 2016

<u>Purpose</u>	<u>Ordinance Number</u>	<u>Date</u>	<u>Original Issue</u>		<u>Maturities of Bonds Outstanding December 31, 2016</u>		<u>Interest Rate</u>	<u>Balance December 31, 2015</u>	<u>Decrease</u>	<u>Balance December 31, 2016</u>
			<u>Amount</u>	<u>Amount</u>	<u>Date</u>	<u>Amount</u>				
Water Utility Improvements	09-46	01/14/2010	\$ 11,630,000.00		12/1/2017	\$ 605,000.00	4.000 %			
					12/1/2018	630,000.00	4.000			
					12/1/2019	540,000.00	4.250			
					12/1/2020	625,000.00	4.250			
					12/1/2021	655,000.00	4.250			
					12/1/2022	680,000.00	4.250			
					12/1/2023	715,000.00	4.250			
					12/1/2024	210,000.00	4.250			
					12/1/2030	1,460,000.00	4.000			
					12/1/2035	1,530,000.00	4.375			
								\$ 8,235,000.00	\$ 585,000.00	\$ 7,650,000.00
Water Utility Improvements	09-46	01/14/2010	11,815,000.00		12/1/2017	1,065,000.00	4.400			
					12/1/2018	1,095,000.00	4.650			
					12/1/2019	320,000.00	4.750			
								3,495,000.00	1,015,000.00	2,480,000.00
Water Utility Improvements	10-17	07/15/2010	840,000.00		4/1/2017	40,000.00	2.500			
					4/1/2018	40,000.00	2.500			
					4/1/2019	80,000.00	3.250			
					4/1/2020	80,000.00	3.500			
					4/1/2021	90,000.00	4.000			
					4/1/2022	90,000.00	4.000			
					4/1/2023	100,000.00	4.000			
					4/1/2024	100,000.00	4.000			
					4/1/2025	100,000.00	4.000			
								750,000.00	30,000.00	720,000.00
Water Utility Improvements	15-332	12/17/2015	2,723,000.00		10/15/2017	100,000.00	3.000			
					10/15/2018	125,000.00	4.000			
					10/15/2019	200,000.00	4.000			
					10/15/2020	200,000.00	4.000			
					10/15/2021	200,000.00	4.000			
					10/15/2022	200,000.00	3.000			
					10/15/2023	200,000.00	2.000			
					10/15/2024	200,000.00	2.125			
					10/15/2025	200,000.00	2.250			
					10/15/2026	200,000.00	2.375			
					10/15/2027	200,000.00	2.500			
					10/15/2028	200,000.00	2.500			
					10/15/2029	200,000.00	2.500			
					10/15/2030	198,000.00	3.000			
								2,723,000.00	100,000.00	2,623,000.00
								\$ 15,203,000.00	\$ 1,730,000.00	\$ 13,473,000.00
								F	F-3, 12-F	F

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

WATER UTILITY CAPITAL FUND

SCHEDULE OF CAPITAL IMPROVEMENT FUND

Year ended December 31, 2016

Reference

Balance, December 31, 2016 and 2015

F

\$ 50,000.00

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

WATER UTILITY CAPITAL FUND

SCHEDULE OF RESERVE FOR AMORTIZATION

Year ended December 31, 2016

	<u>Reference</u>		
Balance, December 31, 2015	F	\$	22,200,128.94
Increased by:			
Payment of Bond Principal	10-F	\$	1,730,000.00
Payment of NJEIT Loan Principal	13-F		<u>531,727.85</u>
			<u>2,261,727.85</u>
			24,461,856.79
Decreased by:			
Improvement Authorizations Cancellations	8-F		<u>723.34</u>
Balance, December 31, 2016	F	\$	<u><u>24,461,133.45</u></u>

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

WATER UTILITY CAPITAL FUND

SCHEDULE OF NJEIT LOANS PAYABLE

Year ended December 31, 2016

	<u>Reference</u>		
Balance, December 31, 2015	F	\$	5,940,497.37
Increased by:			
Issuance of Trust Loan	19-F	\$	2,910,000.00
Issuance of Fund Loan	19-F		<u>9,185,000.00</u>
			<u>12,095,000.00</u>
			18,035,497.37
Decreased By:			
2016 Budget Appropriations	F-3, 12-F		<u>531,727.85</u>
Balance, December 31, 2016	F	\$	<u><u>17,503,769.52</u></u>

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

WATER UTILITY CAPITAL FUND

SCHEDULE OF RESERVE FOR ENCUMBRANCES PAYABLE

Year ended December 31, 2016

	<u>Reference</u>	
Balance, December 31, 2015	F	\$ 1,692,657.51
Increased by:		
Improvement Authorizations Charged	9-F	<u>9,995,720.51</u>
		11,688,378.02
Decreased By:		
Cash Disbursements	1-F	<u>1,692,657.51</u>
Balance, December 31, 2016	F	<u><u>\$ 9,995,720.51</u></u>

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

WATER UTILITY CAPITAL FUND

SCHEDULE OF RESERVE FOR DEFERRED AMORTIZATION

Year ended December 31, 2016

Reference

Balance, December 31, 2016 and 2015

F

\$ 300,000.00

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

WATER UTILITY OPERATING FUND

SCHEDULE OF 2015 APPROPRIATION RESERVES

Year ended December 31, 2016

	Balance December 31, 2015	Encumbrances	Modified Budget	Paid or Charged	Balance Lapsed
Operating:					
Salaries and Wages	\$ 91,278.48		\$ 91,278.48		\$ 91,278.48
Other Expenses	567,105.14	\$ 738,371.02	1,305,476.16	\$ 620,509.87	684,966.29
Capital Improvements					
Capital Outlay	41,609.09		41,609.09		41,609.09
Total Capital Outlay	41,609.09		41,609.09		41,609.09
Statutory Expenditures and Deferred Charges					
Contribution To:					
Public Employees' Retirement System	1.22		1.22		1.22
Social Security (O.A.S.I.)	27,280.79		27,280.79		27,280.79
Unemployment Compensation Insurance	5,000.00		5,000.00		5,000.00
Total Statutory Expenditures and Deferred Charges	32,282.01		32,282.01		32,282.01
	<u>\$ 732,274.72</u>	<u>\$ 738,371.02</u>	<u>\$ 1,470,645.74</u>	<u>\$ 620,509.87</u>	<u>\$ 850,135.87</u>
Reference	F	20-F		Below	F-1
Detail of Paid or Charged:					
Cash Disbursed	1-F			\$ 587,552.78	
Accounts Payable	21-F			32,957.09	
Above				<u>\$ 620,509.87</u>	

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

WATER UTILITY CAPITAL FUND

SCHEDULE OF DUE FROM GENERAL CAPITAL FUND

Year ended December 31, 2016

	<u>Reference</u>		
Balance, December 31, 2015	F	\$	39,445.32
Decreased By:			
Cash Receipt	1-F		<u>39,445.32</u>
Balance, December 31, 2016	F	\$	<u><u>-</u></u>

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

WATER UTILITY CAPITAL FUND

SCHEDULE OF BOND ANTICIPATION NOTES

Year ended December 31, 2016

<u>Ordinance</u>	<u>Improvement Description</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, 2015</u>	<u>Decreased</u>	<u>Balance December 31, 2016</u>
11-03	Various Capital Improvements	6/13/2012	6/11/2015	2/12/2016	1.00%	\$ 593,050.00	\$ 593,050.00	\$
12-10	Various Capital Improvements	6/13/2012	6/11/2015	2/12/2016	1.00%	323,200.00	323,200.00	
13-10	Various Capital Improvements	6/12/2013	6/11/2015	2/12/2016	1.00%	682,550.00	682,550.00	
14-05	Various Capital Improvements	6/11/2014	6/11/2015	2/12/2016	1.00%	732,000.00	732,000.00	
15-03	Various Capital Improvements	6/11/2015	6/11/2015	2/12/2016	1.00%	393,000.00	393,000.00	
						<u>\$ 2,723,800.00</u>	<u>\$ 2,723,800.00</u>	<u>\$ -</u>
					<u>Reference</u>	F	1-F	F

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

WATER UTILITY CAPITAL FUND

SCHEDULE OF RESERVE FOR DEBT SERVICE

Year ended December 31, 2016

Reference

Balance, December 31, 2016 and 2015	F	<u>\$ 71,564.00</u>
-------------------------------------	---	---------------------

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

WATER UTILITY OPERATING FUND

SCHEDULE OF RESERVE FOR ENCUMBRANCES PAYABLE

Year ended December 31, 2016

	<u>Reference</u>		
Balance, December 31, 2015	F	\$	791,946.17
Increased by:			
2016 Appropriations Charged	F-3		<u>854,385.65</u>
			1,646,331.82
Decreased By:			
Transferred to Accounts Payable	21-F	\$	53,396.48
Transferred to Appropriation Reserves	16-F		<u>738,371.02</u>
			<u>791,767.50</u>
Balance, December 31, 2016	F	\$	<u><u>854,564.32</u></u>

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

WATER UTILITY OPERATING FUND

SCHEDULE OF ACCOUNTS PAYABLE

Year ended December 31, 2016

	<u>Reference</u>	
Balance, December 31, 2015	F	\$ -
Increased by:		
2015 Appropriation Reserves Charged	16-F	32,957.09
Transferred from Reserve for Encumbrances	20-F	<u>53,396.48</u>
		86,353.57
Decreased By:		
Cancelled	F-1	<u>39,730.74</u>
Balance, December 31, 2016	F	<u><u>\$ 46,622.83</u></u>

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

WATER UTILITY CAPITAL FUND

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Year ended December 31, 2016

<u>Ordinance</u>	<u>Improvement Description</u>	Balance December 31, <u>2015</u>	Increased By <u>Authorization</u>	NJEIT <u>Loan Issued</u>	Balance December 31, <u>2016</u>
12-26	Water Treatment Plant and Well	\$ 845,307.00			\$ 845,307.00
14-05	Various Capital Improvements	38,440.00			38,440.00
14-06	Treatment Plant Construction	11,500,000.00		\$ 11,500,000.00	
15-04	Treatment Plant Construction	900,000.00		595,000.00	305,000.00
15-03	Various Capital Improvements	42,760.00			42,760.00
16-03	Various Capital Improvements		\$ 543,920.00		543,920.00
		<u>\$ 13,326,507.00</u>	<u>\$ 543,920.00</u>	<u>\$ 12,095,000.00</u>	<u>\$ 1,775,427.00</u>
<u>Reference</u>		F	8-F,9-F	13-F	F

GENERAL FIXED ASSET ACCOUNT GROUP

SCHEDULE

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL FIXED ASSETS ACCOUNT GROUP

SCHEDULE OF GENERAL FIXED ASSETS

Years ended December 31, 2016 and 2015

	<u>Reference</u>	Balance December 31, <u>2016</u>	Balance December 31, <u>2015</u>
Land, Buildings and Improvements	G	\$ 72,761,260.00	\$ 72,761,260.00
Machinery, Equipment and Vehicles	G	<u>17,171,774.00</u>	<u>15,693,211.00</u>
	G	<u>\$ 89,933,034.00</u>	<u>\$ 88,454,471.00</u>

**PART III – SUPPLEMENTARY DATA AND SCHEDULES –
OTHER SUPPLEMENTARY INFORMATION –
AS REQUIRED BY THE DIVISION OF LOCAL GOVERNMENT SERVICES**

COMMENTS SECTION

**TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY
YEAR ENDED DECEMBER 31, 2016**

COMMENTS

An audit of the financial accounts and transactions of the Township of Marlboro, County of Monmouth, New Jersey, for the year ended December 31, 2016, has recently been completed. The results of the audit are herewith set forth:

Scope of Audit

The audit covered the financial transactions of the Tax Collector and Treasurer, the activities of the Mayor and Township Council and the records of various outside departments.

Cash and investment balances were reconciled with independent certifications obtained directly from the depositories.

Revenues and receipts were established and verified as to source and amount insofar as the records permitted on a test basis.

Our audit was made in accordance with auditing standards generally accepted in the United States and in compliance with the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey ("Division"). Therefore, our audit included the procedures noted above as well as tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

Contracts and Agreements Required to be Advertised Per N.J.S.A. 40A:11-4

N.J.S.A. 40A: 11-4 states "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 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 bid threshold as set forth in New Jersey Statute 40A.4:11-4". The amount of \$40,000 for the period July 1, 2016 through December 31, 2016 are the thresholds set forth in the aforementioned Statute for the year ended December 31, 2016. The Township has elected to use a lower threshold in the amount of \$25,000 for 2016.

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

The minutes indicate that resolutions were adopted and advertised authorizing the awarding of contracts and agreements for "Professional Services" per N.J.S.A. 40A:II-5. Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring or 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.

Collection of Interest on Delinquent Taxes and Assessments

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

The governing body, on January 7, 2016 adopted a resolution authorizing interest to be charged on delinquent taxes and assessments, as follows:

8% Interest on Amounts up to \$1,500.00 on Delinquent Tax and Assessment Accounts.

18% Interest on Amounts from \$1,500.00 and above on Delinquent Tax and Assessment Accounts.

6% penalty to be charged on amounts in excess of \$10,000.00 remaining after year end.

Ten (10) Day Grace Period

An examination of the collector's records, on a test basis, indicated that interest on delinquencies was calculated in accordance with the foregoing resolution, for items tested.

Collection of Delinquent Taxes and Other Charges

Test verification of tax billings and utility charges was made in accordance with regulations issued by the Division.

Alternate procedures for non-replies were performed as follows:

- (1) Mechanical accuracy testing of the tax and utility calculation and verification of the assessed valuation on amount billed.

Comparative Schedule of Tax Rate Information

	2016	2015	2014
Tax rate	\$ 2.175	\$ 2.142	\$ 2.163
Apportionment of tax rate:			
Municipal	\$ 0.367	\$ 0.356	\$ 0.377
Municipal Open Space	0.010	0.010	0.010
County	0.309	0.317	0.327
Local School	1.049	1.014	1.002
Regional High School	0.440	0.445	0.447
Assessed valuations	\$ 7,164,469,700	\$ 7,096,747,024	\$ 6,746,022,874

Comparison of Tax Levies and Collections

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.

Year	Tax Levy	Cash Collections	Percent of Collections
2016	\$ 159,133,586.92	\$ 158,314,970.83	99.49%
2015	155,415,430.91	154,297,769.92	99.28%
2014	149,326,297.30	148,165,596.64	99.22%

Delinquent Taxes and Tax Title Liens

The delinquent taxes contained in the following tabulation are inclusive in each case, of delinquent taxes of the current year's levy. 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.

Year	Amount of Tax Title Liens	Amount of Delinquent Taxes	Total Delinquent	Percentage of Tax Levy
2016	\$ 599,320.53	\$ 706,973.82	\$ 1,306,294.35	0.82%
2015	530,188.35	1,029,022.04	1,559,210.39	1.00%
2014	475,042.11	972,905.26	1,447,947.37	0.97%

Schedule of Water Utility Levy and Collections

Year	Levies	Collections
2016	\$ 9,194,523.79	\$ 9,169,158.94
2015	9,116,504.55	9,092,002.39
2014	8,519,711.79	8,479,851.47

The last tax sale was held via the internet on July 12, 2016 and was complete.

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

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

Years	Tax Title Liens
2016	25
2015	22
2014	22

Property Acquired by Tax Title Lien Liquidation

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

<u>Years</u>	<u>Amount</u>
2016	\$ 802,400.00
2015	802,400.00
2014	802,400.00

Equalized Valuations – Real Property

<u>Year</u>	<u>Amount</u>
2016	\$ 7,460,307,716
2015	7,354,851,699
2014	7,186,558,937

Comparative Schedule of Fund Balances

	<u>Year</u>	<u>Balance December 31</u>	<u>Utilized in Budget of Succeeding Year</u>
Current Fund	2016	\$ 8,650,386.93	\$ 4,200,000.00
	2015	8,075,829.62	4,200,000.00
	2014	7,036,816.89	4,205,000.00
Recreation and Swim Pool Utility Operating Fund	2016	296,233.98	285,000.00
	2015	380,474.44	267,453.84
	2014	266,770.03	180,901.00
Water Utility Operating Fund	2016	4,188,626.54	2,366,737.74
	2015	4,031,449.10	2,027,636.18
	2014	3,211,954.13	1,923,204.05

Officials In Office and Surety Bonds

<u>Name</u>	<u>Title</u>	<u>Amount of Bond</u>
Jonathan Hornik	Mayor	
Carol Mazzola	Council President	
Randi Marder	Council Vice President	
Jeffrey Cantor	Councilperson	
Scott Metzger	Councilperson	
Michael Scalea	Councilperson	
Jonathan Capp	Business Administrator	
Lori Russo	Chief Financial Officer	*
Kelly Montecinos	Tax Collector, Tax Search Officer	*
Alida Manco	Municipal Clerk	
James Newman	Judge	*
Irene Moore	Court Administrator	*

*Surety Bonds are covered by the Municipal Excess Liability Joint Insurance Fund in the amount of \$1,000,000 per occurrence with a \$1,000 deductible per occurrence.

A public employee dishonesty blanket bond covering Municipal employees in the amount of \$50,000 was in effect with the Monmouth County Municipal Joint Insurance Fund.

There are blanket bonds for secondary coverage with the Municipal Excess Liability Joint Insurance Fund in the amount of \$950,000 for Public Employees and \$3,000,000 for Public Officials. Both of these bonds are subject to deductibles based upon other required coverages.

COMMENTS AND RECOMMENDATIONS

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY
YEAR ENDED DECEMBER 31, 2016

COMMENTS AND RECOMMENDATIONS

There were no findings and recommendations noted during the 2016 audit.