

*TOWNSHIP OF BEDMINSTER*

*COUNTY OF SOMERSET*

*REPORT OF AUDIT*

*2017*

*NISIVOCCIA LLP*  
*CERTIFIED PUBLIC ACCOUNTANTS*

TOWNSHIP OF BEDMINSTER  
COUNTY OF SOMERSET  
REPORT OF AUDIT  
2017

TOWNSHIP OF BEDMINSTER  
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TOWNSHIP OF BEDMINSTER

PART I

FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

YEAR ENDED DECEMBER 31, 2017



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## Independent Auditors' Report

The Honorable Mayor and Members  
 of the Township Committee  
 Township of Bedminster  
 Bedminster, New Jersey

### **Report on the Financial Statements**

We have audited the financial statements – *regulatory basis* – of the various funds of the Township of Bedminster, in the County of Somerset (the "Township") as of and for the years ended December 31, 2017 and 2016, and the related notes to the financial statements, as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting practices prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") to demonstrate compliance with the Division's regulatory basis of accounting, and the budget laws of New Jersey; this includes 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 opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America, audit requirements prescribed by the Division, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

The Honorable Mayor and Members  
of the Township Committee  
Township of Bedminster  
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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

As described in Note 1, the financial statements are prepared by the Township on the basis of accounting practices prescribed or permitted by the Division to demonstrate compliance with the Division's regulatory basis of accounting and the budget laws of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the *Basis for the Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly in accordance with accounting principles generally accepted in the United States of America the financial position of each fund and account group of the Township as of December 31, 2017 and 2016, or the changes in financial position or where applicable, cash flows thereof for the years then ended.

***Basis for Qualified Opinion***

The Township's general fixed assets account group is stated at historical cost or estimated historical cost in the accompanying financial statements. We were unable to obtain sufficient evidence to support the cost of the fixed assets of the general fixed assets account group. As more fully described in Note 1, due to the length of time over which these fixed assets were acquired, it is not practical to determine their actual costs. Therefore, based upon the underlying accounting records, we have not audited the general fixed assets account group.

***Qualified Opinion on Regulatory Basis of Accounting***

In our opinion, except for the effects on the December 31, 2017 and 2016 financial statements of the matter described in the *Basis for Qualified Opinion* paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the various funds of the Township as of December 31, 2017 and 2016, and the results of operations and changes in fund balance, where applicable, of such funds, thereof for the years then ended on the basis of the accounting practices prescribed or permitted by the Division to demonstrate compliance with the Division's regulatory basis of accounting and the budget laws of New Jersey, as described in Note 1.

***Other Matters***

***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements of the various funds that collectively comprise the Township's financial statements. The supplementary data schedules listed in the table of contents and the schedules of expenditures of federal and state awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, are presented for purposes of additional analysis and are not a required part of the financial statements.

The Honorable Mayor and Members  
of the Township Committee  
Township of Bedminster  
Page 3

The supplementary data schedules and the schedules of expenditures of federal and state awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the various fund financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the various fund financial statements or to the various fund 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 data schedules and the schedules of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 30, 2018 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control over financial reporting and compliance.

Mount Arlington, New Jersey  
May 30, 2018

*Wierwiler LLP*



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Francis Jones

Registered Municipal Accountant No. 442  
Certified Public Accountant



TOWNSHIP OF BEDMINSTER  
COUNTY OF SOMERSET  
2017  
CURRENT FUND

TOWNSHIP OF BEDMINSTER  
CURRENT FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	Ref.	December 31,	
		2017	2016
<u>ASSETS</u>			
Regular Fund:			
Cash and Cash Equivalents:			
Treasurer	A-4	\$ 15,425,911.27	\$ 7,673,934.54
Change Fund		550.00	550.00
		<u>15,426,461.27</u>	<u>7,674,484.54</u>
Due State of New Jersey:			
Senior Citizens' and Veterans' Deductions		17,918.97	17,523.76
		<u>15,444,380.24</u>	<u>7,692,008.30</u>
Receivables and Other Assets With Full Reserves:			
Delinquent Property Taxes Receivable	A-7	344,917.56	390,345.75
Revenue Accounts Receivable	A-9	10,469.33	12,280.24
Due Other Trust Fund	B		2,623.03
Due General Capital Fund	C	897.05	82.74
Due Payroll Account		199.50	199.50
Due Flexible Spending Account		3,409.76	4,309.96
		<u>359,893.20</u>	<u>409,841.22</u>
Total Receivables and Other Assets with Full Reserves		<u>15,804,273.44</u>	<u>8,101,849.52</u>
Federal and State Grant Fund:			
Due From Current Fund	A	88,262.40	82,689.66
Grants Receivable	A-10	126,862.79	128,198.04
		<u>215,125.19</u>	<u>210,887.70</u>
Total Federal and State Grant Fund		<u>\$ 16,019,398.63</u>	<u>\$ 8,312,737.22</u>
TOTAL ASSETS		<u>\$ 16,019,398.63</u>	<u>\$ 8,312,737.22</u>

TOWNSHIP OF BEDMINSTER  
CURRENT FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS  
(Continued)

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	<u>December 31,</u>	
		<u>2017</u>	<u>2016</u>
<b>Regular Fund:</b>			
Appropriation Reserves:			
Unencumbered	A-3; A-11	\$ 556,061.27	\$ 517,991.72
Encumbered	A-3; A-11	224,779.21	237,100.16
		<u>780,840.48</u>	<u>755,091.88</u>
Accounts Payable - Vendors		75,792.84	76,332.94
Local School District Taxes Payable	A-12	4,311,002.00	
Due State of New Jersey:			
Department of Community Affairs Training Fees Payable		5,186.00	8,411.00
Marriage License Fees		230.00	480.00
Prepaid Taxes		2,777,623.23	373,337.00
Tax Overpayments		18,831.04	3,261.26
Due Federal and State Grant Fund	A	88,262.40	82,689.66
Due Animal Control Trust Fund	B	368.66	376.85
Due Other Trust Fund	B	103,784.34	
Due Sewer Utility Operating Fund	E	1,109.40	3,159.00
Reserve for Pending Tax Appeals		240,000.00	
		<u>8,403,030.39</u>	<u>1,303,139.59</u>
Reserve for Receivables and Other Assets	A	359,893.20	409,841.22
Fund Balance	A-1	7,041,349.85	6,388,868.71
		<u>15,804,273.44</u>	<u>8,101,849.52</u>
<b>Total Regular Fund</b>			
<b>Federal and State Grant Fund:</b>			
Appropriated Reserves:			
Encumbered		21,010.66	4,323.50
Unencumbered	A-13	171,860.50	168,631.61
Unappropriated Reserves	A-14	18,025.85	33,704.41
Due State of New Jersey		4,228.18	4,228.18
		<u>215,125.19</u>	<u>210,887.70</u>
<b>Total Federal and State Grant Fund</b>			
<b>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</b>		<u><u>\$ 16,019,398.63</u></u>	<u><u>\$ 8,312,737.22</u></u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF BEDMINSTER  
CURRENT FUND  
COMPARATIVE STATEMENT OF OPERATIONS  
AND CHANGE IN FUND BALANCE - REGULATORY BASIS

	Ref.	Year Ended December 31,	
		2017	2016
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized		\$ 1,600,000.00	\$ 1,600,000.00
Miscellaneous Revenue Anticipated		2,364,453.67	1,945,805.91
Receipts from:			
Delinquent Taxes		390,345.65	383,043.77
Current Taxes		33,603,263.61	32,780,305.83
Nonbudget Revenue		429,041.44	393,314.00
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves		415,329.31	320,585.10
Increase in Local School District Tax Deferred		139,558.00	97,826.00
Cancellation of Appropriated Grant Reserves		8,008.51	282.59
Interfunds Returned and Other Receivables Returned		7,215.23	2,116.14
Total Income		<u>38,957,215.42</u>	<u>37,523,279.34</u>
<u>Expenditures</u>			
Budget Appropriations:			
Municipal Purposes		10,072,732.97	9,892,019.61
County Taxes		8,772,658.46	8,653,229.77
Local School District Taxes		17,244,008.00	16,685,776.00
Open Space Trust Taxes		369,326.05	366,250.89
Reserve for Pending Tax Appeals		240,000.00	
Federal and State Grant Fund Grants Receivable Canceled			325.00
Refund of Prior Year Revenue		1,502.45	1,769.73
Cancellation of County Taxes Receivable		0.01	
Interfunds Cancelled - Payroll Account		0.03	
Interfunds Advanced		4,506.31	7,215.23
Total Expenditures		<u>36,704,734.28</u>	<u>35,606,586.23</u>
Excess in Revenue/Statutory Excess to Fund Balance		2,252,481.14	1,916,693.11
<u>Fund Balance</u>			
Balance January 1		<u>6,388,868.71</u>	<u>6,072,175.60</u>
		8,641,349.85	7,988,868.71
Decreased by:			
Utilized as Anticipated Revenue		<u>1,600,000.00</u>	<u>1,600,000.00</u>
Balance December 31	A	<u>\$ 7,041,349.85</u>	<u>\$ 6,388,868.71</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF BEDMINSTER  
CURRENT FUND  
STATEMENT OF REVENUE - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2017

	Budget	Added by NJSA 40A:4-87	Realized	Excess or Deficit *
	\$ 1,600,000.00	\$ 1,600,000.00	\$ 1,600,000.00	
Fund Balance Anticipated				
Miscellaneous Revenue:				
Licenses:				
Alcoholic Beverages	6,150.00		6,150.00	
Fees and Permits:				
Uniform Construction Code Fees	325,000.00		843,001.00	\$ 518,001.00
Interlocal Services Agreement - Far Hills:				
Tax Collector	8,690.00		8,689.40	0.60 *
Department of Public Works	42,000.00		51,607.07	9,607.07
Library	10,000.00		9,457.20	542.80
IT Manager	14,575.00		8,972.88	5,602.12 *
Municipal Court	102,592.00		102,592.00	
Fines and Costs:				
Municipal Court	165,000.00		198,547.16	33,547.16
Interest and Costs on Taxes	80,000.00		96,799.39	16,799.39
Energy Receipts Tax	866,281.00		866,281.00	
Contribution Towards Fire Truck:				
Township of Tewksbury	23,000.00		23,000.00	
Reserve for Open Space Trust	50,000.00		50,000.00	
Recreation Rentals	8,500.00		5,240.00	3,260.00 *
Recycling Tonnage Grant	13,137.73		13,137.73	
Drunk Driving Enforcement Fund	2,592.59		2,592.59	
Drive Sober or Get Pulled Over Grant		\$ 2,160.00	2,160.00	
Drive Sober or Get Pulled Over Grant		4,800.00	4,800.00	
Clean Communities Grant	26,788.99	22,758.93	49,547.92	
Alcohol Education and Rehabilitation Fund	1,329.49		1,329.49	
Body Armor Replacement Fund	1,783.18		1,783.18	
Bullet Proof Vests- Federal	2,400.00		2,400.00	
Private Donation - Body Armor Fund	400.00		400.00	

TOWNSHIP OF BEDMINSTER  
CURRENT FUND  
STATEMENT OF REVENUE - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2017

	<u>Budget</u>	<u>Added by NJSA 40A:4-87</u>	<u>Realized</u>	<u>Excess or Deficit *</u>
Miscellaneous Revenue:				
NJ Click it or Ticket Grant		\$ 1,815.00	\$ 1,815.00	
President Elect Security Assistance		5,389.00	5,389.00	
Municipal Alliance - Dare Grant	\$ 1,011.66		1,011.66	
Distracted Driving Crackdown	2,750.00		2,750.00	
Comcast Communication Grant	5,000.00		5,000.00	
	<u>1,758,981.64</u>	<u>\$ 36,922.93</u>	<u>2,364,453.67</u>	<u>\$ 568,549.10</u>
Receipts from Delinquent Taxes	250,000.00		390,345.65	140,345.65
Amount to be Raised by Taxes for Support of Municipal Budget:				
Local Taxes for Municipal Purposes	6,659,129.10		7,340,495.33	681,366.23
Minimum Library Tax	836,818.00		836,818.00	
Budget Totals	<u>\$ 11,104,928.74</u>	<u>\$ 36,922.93</u>	<u>12,532,112.65</u>	<u>\$ 1,390,260.98</u>
Nonbudget Revenue			<u>427,790.67</u>	
				<u>\$ 12,959,903.32</u>

TOWNSHIP OF BEDMINSTER  
CURRENT FUND  
STATEMENT OF REVENUE - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2017  
(Continued)

Allocation of Current Tax Collections:

Revenue from Collection of Current Taxes	\$ 33,603,263.61
Allocated to School, Open Space and County Taxes	26,385,992.51
Balance for Support of Municipal Budget	7,217,271.10
 Add: Appropriation "Reserve for Uncollected Taxes"	 960,042.23
 Realized for Support of Municipal Budget	 \$ 8,177,313.33

Analysis of Realized for Support of Municipal Budget:

Local Taxes for Municipal Purposes	\$ 7,340,495.33
Minimum Library Tax	836,818.00
	\$ 8,177,313.33

Analysis of Nonbudget Revenue:

Miscellaneous Revenue Not Anticipated:

Fees and Permits:

Zoning Board	\$ 6,900.00
Municipal Court	7,084.51
Land Use Board	6,118.20
Board of Health	19,525.00
Fire Department	37,145.00
Municipal Clerk	4,868.19
Police Department	8,779.14
Construction Department	2,250.00

State of New Jersey:

LEA Rebates	18,050.51
Senior Citizens' and Veterans'	
Deductions Administrative Reimbursement	800.01
Interest on Investments	28,040.76
Public Defender	
Cable TV Franchise Fees	71,906.15
L.O.S.A.P.- Tewksbury and Far Hills Reimbursement	6,708.18
Death Certificates	3,120.00

TOWNSHIP OF BEDMINSTER  
CURRENT FUND  
STATEMENT OF REVENUE - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2017  
(Continued)

Analysis of Nonbudget Revenue: (Cont'd)

Miscellaneous Revenue Not Anticipated: (Cont'd)

Marriage Licenses	\$ 195.00
Certified List	384.20
Bulky Waste Permits	4,825.00
Miscellaneous	155,639.50
	<u>382,339.35</u>

Interest Due to Current Fund:

Interest Earned in Animal Control Fund	11.75
Interest Earned in Other Trust Fund	409.99
Interest Earned in General Capital Fund	897.05
	<u>1,318.79</u>

Collector:

Miscellaneous Revenue Not Anticipated	<u>45,383.30</u>
	<u>\$ 429,041.44</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT



TOWNSHIP OF BEDMINSTER  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2017

	Appropriations		Expended By		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Within "CAPS":					
GENERAL GOVERNMENT:					
General Administration:					
Salaries and Wages	\$ 75,885.00	\$ 75,885.00	\$ 74,648.23	\$ 1,236.77	
Other Expenses - Special Projects	109,000.00	109,000.00			
Other Expenses - Miscellaneous	41,550.00	41,550.00	39,787.95	1,762.05	
Mayor and Township Committee:					\$ 109,000.00
Salaries and Wages	27,638.00	27,638.00	27,229.23	408.77	
Other Expenses	1,500.00	1,500.00	1,271.18	228.82	
Municipal Clerk:					
Salaries and Wages	154,567.00	154,567.00	154,068.30	498.70	
Other Expenses	13,700.00	13,700.00	11,448.65	2,251.35	
Financial Administration:					
Salaries and Wages	141,072.00	141,072.00	134,920.75	6,151.25	
Other Expenses	6,000.00	6,000.00	2,976.00	3,024.00	
Annual Audit	22,805.00	22,805.00	22,795.00	10.00	
Computerized Data Processing:					
Salaries and Wages	70,602.00	70,602.00	69,486.05	1,115.95	
Other Expenses	47,500.00	47,500.00	38,078.10	9,421.90	
Revenue Administration (Tax Collection):					
Salaries and Wages	58,583.00	58,583.00	58,583.00		
Other Expenses	14,200.00	14,200.00	9,891.24	4,308.76	
Tax Assessment Administration:					
Salaries and Wages	134,478.00	138,478.00	138,286.75	191.25	
Other Expenses	20,395.00	20,395.00	20,393.54	1.46	
Legal Services and Costs:					
Other Expenses	130,000.00	130,000.00	118,371.02	11,628.98	

TOWNSHIP OF BEDMINSTER  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2017  
(Continued)

	Appropriations		Expended By		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Within "CAPS": (Continued)					
GENERAL GOVERNMENT: (Continued)					
Engineering Services and Costs:					
Other Expenses	\$ 71,500.00	\$ 66,500.00	\$ 40,523.70	\$ 25,976.30	
Local Historian:					
Other Expenses	200.00	200.00	22.37	177.63	
Municipal Land Use Law (NJSA 40:55D-1):					
Planning Board:					
Salaries and Wages	20,691.00	20,691.00	20,389.92	301.08	
Other Expenses	11,525.00	11,525.00	5,419.13	6,105.87	
Preparation of Master Plan	10,000.00	7,000.00	6,311.26	688.74	
Township Planner:					
Other Expenses	7,500.00	500.00	367.20	132.80	
Zoning Board:					
Other Expenses	31,824.00	31,824.00	29,192.40	2,631.60	
Insurance (N.J.S.A. 40A:4-45.3(00)):					
General Liability	319,822.00	319,822.00	316,869.34	2,952.66	
Group Insurance Plan for Employees	662,786.00	662,786.00	634,465.80	28,320.20	
PUBLIC SAFETY:					
Police:					
Salaries and Wages	1,969,141.00	2,019,141.00	1,986,116.03	33,024.97	
Other Expenses	111,220.00	121,220.00	106,156.35	15,063.65	
Purchase of Police Vehicles	42,000.00	42,000.00	41,851.79	148.21	

TOWNSHIP OF BEDMINSTER  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2017  
(Continued)

	Appropriations		Expended By		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Within "CAPS": (Continued)					
PUBLIC SAFETY: (Continued)					
Emergency Management Services:					
Other Expenses	\$ 9,500.00	\$ 9,500.00	\$ 8,733.04	\$ 766.96	
Fire Hydrant Service	129,500.00	129,500.00	116,198.72	13,301.28	
Contribution to First Aid Organization:					
Far Hills First Aid Organization	23,125.00	23,125.00	23,125.00		
Aid to Fire Companies:					
Outside Township - Union Hook and Ladder Company	83,250.00	83,250.00	83,250.00		
Inside Township - Pottersville Fire Company	58,125.00	58,125.00	58,125.00		
Union Hook and Ladder Company - Firehouse	99,200.00	99,200.00	99,200.00		
Uniform Fire Safety Act:					
Fire Official:					
Salaries and Wages	64,163.00	64,163.00	57,550.69	6,612.31	
Other Expenses	2,325.00	2,325.00	1,929.29	395.71	
Municipal Court:					
Salaries and Wages	94,528.00	98,528.00	96,111.76	2,416.24	
Other Expenses	33,860.00	29,860.00	27,941.76	1,918.24	
Public Defender:					
Other Expenses	16,000.00	16,000.00	15,209.96	790.04	
Municipal Prosecutor:					
Other Expenses	35,500.00	35,500.00	24,405.16	11,094.84	
STREETS AND ROADS:					
Road Repair and Maintenance:					
Salaries and Wages	631,231.00	631,231.00	552,901.39	78,329.61	
Other Expenses	372,700.00	317,700.00	175,783.35	141,916.65	

TOWNSHIP OF BEDMINSTER  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2017  
(Continued)

	Appropriations		Expended By		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Within "CAPS": (Continued)					
STREETS AND ROADS (Continued):					
Park Maintenance:					
Other Expenses	\$ 12,000.00	\$ 12,000.00	\$ 9,848.75	\$ 2,151.25	
Somerset County Mandatory Recycling Program:					
Other Expenses	103,750.00	103,750.00	77,792.73	25,957.27	
Public Building and Grounds:					
Other Expenses	60,500.00	75,500.00	69,328.32	6,171.68	
Community Service Act:					
Street Lighting	65,455.00	54,855.00	54,162.24	692.76	
HEALTH AND WELFARE:					
Board of Health:					
Salaries and Wages	2,436.00	2,436.00	2,303.81	132.19	
Other Expenses - Contractual	60,432.00	60,432.00	60,420.00	12.00	
Other Expenses	4,525.00	4,525.00	1,077.84	3,447.16	
Visiting Nurse Association:					
Other Expenses - Contractual	4,644.00	4,644.00	4,644.00		
Environmental Commission:					
Other Expenses	1,100.00	1,100.00	328.55	771.45	
Animal Control Services:					
Salaries and Wages	16,920.00	16,920.00	16,284.00	636.00	

TOWNSHIP OF BEDMINSTER  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2017  
(Continued)

	Appropriations		Expended By		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Within "CAPS": (Continued)					
RECREATION AND EDUCATION:					
Senior Citizens' Van:					
Salaries and Wages	\$ 9,650.00	\$ 9,650.00	\$ 9,208.77	\$ 441.23	
Somerset Hills Municipal Alliance and Somerset Hills Youth Services:					
Other Expenses	2,315.00	2,315.00	2,314.99	0.01	
Recreation:					
Salaries and Wages	124,481.00	126,081.00	126,075.35	5.65	
Other Expenses	8,930.00	8,930.00	8,425.50	504.50	
Open Space:					
Other Expenses	250.00	250.00		250.00	
State Uniform Construction Code (NJSA 52:27D-120 et seq.):					
Construction Code Officials:					
Salaries and Wages	226,103.00	226,103.00	206,640.01	19,462.99	
Other Expenses	69,600.00	69,600.00	64,366.36	5,233.64	
UNCLASSIFIED:					
Utilities	199,400.00	189,400.00	141,103.86	48,296.14	
Compensatory Time Reserves:					
Salaries and Wages	15,000.00	15,000.00	15,000.00		
Total Operations Within "CAPS"	6,968,182.00	6,958,182.00	6,319,710.48	529,471.52	\$ 109,000.00
Detail:					
Salaries and Wages	3,837,169.00	3,896,769.00	3,745,804.04	150,964.96	
Other Expenses	3,131,013.00	3,061,413.00	2,573,906.44	378,506.56	109,000.00

TOWNSHIP OF BEDMINSTER  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2017  
(Continued)

	Appropriations		Expended By		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Deferred Charges and Statutory Expenditures - Municipal - Within "CAPS":					
Prior Year Bills:					
Purchase Power (2016 Bill)	\$ 3,155.00	\$ 3,155.00	\$ 3,154.28	\$ 0.72	
Statutory Expenditures:					
Contribution to:					
Public Employees' Retirement System	195,647.46	195,647.46	195,647.46		
Social Security System (O.A.S.I.)	170,800.00	180,800.00	175,283.59	5,516.41	
Police and Firemen's Retirement System of N.J.	413,260.00	413,260.00	413,259.49	0.51	
Temporary Disability Insurance	2,500.00	2,500.00	1,798.94	701.06	
Defined Contribution Retirement Program (DCRP)	5,000.00	5,000.00	3,122.72	1,877.28	
Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"	790,362.46	800,362.46	792,266.48	8,095.98	
Total General Appropriations for Municipal Purposes Within "CAPS"	7,758,544.46	7,758,544.46	7,111,976.96	537,567.50	\$ 109,000.00
Operations Excluded from "CAPS":					
Maintenance of Joint Free Public Library:					
Other Expenses	836,818.00	836,818.00	836,817.72	0.28	
Contributions to:					
Length of Service Awards Program (L.O.S.A.P.)	30,500.00	30,500.00	27,213.92	3,286.08	
Interlocal Municipal Service Agreements:					
Far Hills - Tax Collection	8,690.00	8,690.00	8,580.25	109.75	
Far Hills - Public Works	42,000.00	42,000.00	35,071.99	6,928.01	
Far Hills - IT Manager	14,575.00	14,575.00	10,199.67	4,375.33	
Municipal Court	102,592.00	102,592.00	102,592.00		
DPW - Library	10,000.00	10,000.00	6,205.68	3,794.32	

TOWNSHIP OF BEDMINSTER  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2017  
(Continued)

	Appropriations		Budget After Modification	Expended By		Unexpended Balance Canceled
	Budget			Paid or Charged	Reserved	
Operations Excluded from "CAPS": (Continued)						
Public and Private Programs Offset by Revenue:						
Recycling Tonnage Grant	\$ 13,137.73	\$	13,137.73	\$ 13,137.73		
Drunk Driving Enforcement Fund	2,592.59		2,592.59	2,592.59		
Click it or Ticket (N.J.S.A. 40A:4-87 + \$1,815)			1,815.00	1,815.00		
Drive Sober or Get Pulled Over (N.J.S.A. 40A:4-87 + \$2,160)			2,160.00	2,160.00		
Drive Sober or Get Pulled Over (N.J.S.A. 40A:4-87 + \$4,800 )			4,800.00	4,800.00		
Clean Communities Grant (N.J.S.A. 40A:4-87 + \$22,758.93)	26,788.99		49,547.92	49,547.92		
Body Armor Replacement Fund	1,783.18		1,783.18	1,783.18		
Body Armor Replacement Fund - Private Donation	400.00		400.00	400.00		
Alcohol Education and Rehabilitation Fund	1,329.49		1,329.49	1,329.49		
President Elect Security Assistance(N.J.S.A. 40A:4-87+ \$5,389 )			5,389.00	5,389.00		
Distracted Driving Crackdown	2,750.00		2,750.00	2,750.00		
Comcast Communication Grant	5,000.00		5,000.00	5,000.00		
Bullet Proof Vest Program	2,400.00		2,400.00	2,400.00		
D.A.R.E. Grant - Municipal Alliance	1,011.66		1,011.66	1,011.66		
Total Operations Excluded from "CAPS"	1,102,368.64		1,139,291.57	1,120,797.80	\$ 18,493.77	
Detail:						
Other Expenses	1,102,368.64		1,139,291.57	1,120,797.80	18,493.77	
Capital Improvements - Excluded from "CAPS":						
Capital Improvement Fund	575,700.00		575,700.00	575,700.00		
Total Capital Improvements - Excluded from "CAPS"	575,700.00		575,700.00	575,700.00		

TOWNSHIP OF BEDMINSTER  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2017  
(Continued)

	Appropriations		Expended By		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Excluded from "CAPS": (Continued)					
Municipal Debt Service - Excluded from "CAPS":					
Payment of Bond Principal	\$ 395,000.00	\$ 395,000.00	\$ 395,000.00		
Payment of Bond Anticipation Notes	186,825.00	186,825.00	186,825.00		
Interest on Bonds	19,097.00	19,097.00	19,020.84		\$ 76.16
Interest on Notes	18,608.00	18,608.00	18,607.69		0.31
Green Trust Loan Program:					
Loan Repayments for Principal and Interest	88,743.41	88,743.41	88,743.41		
Total Municipal Debt Service - Excluded from "CAPS"	708,273.41	708,273.41	708,196.94		76.47
Total General Appropriations - Excluded from "CAPS"	\$ 2,386,342.05	\$ 2,423,264.98	\$ 2,404,694.74	\$ 18,493.77	\$ 76.47
Subtotal General Appropriations	10,144,886.51	10,181,809.44	9,516,671.70	556,061.27	109,076.47
Reserve for Uncollected Taxes	960,042.23	960,042.23	960,042.23		
Total General Appropriations	\$ 11,104,928.74	\$ 11,141,851.67	\$ 10,476,713.93	\$ 556,061.27	\$ 109,076.47

Ref. A



TOWNSHIP OF BEDMINSTER  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2017  
(Continued)

		Analysis of	
	<u>Ref.</u>	Budget After Modification	Paid or Charged
Adopted Budget		\$ 11,104,928.74	
Added by NJSA 40A:4-87		36,922.93	
		\$ 11,141,851.67	
Reserve for Uncollected Taxes			\$ 960,042.23
Encumbrances	A		224,779.21
Transfer to Federal and State Grant Fund:			
Appropriated Grant Reserves			94,116.57
Cash Disbursed			9,401,873.51
			10,680,811.52
Less: Appropriation Refunds			204,097.59
			\$ 10,476,713.93

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF BEDMINSTER  
COUNTY OF SOMERSET  
2017  
TRUST FUNDS

TOWNSHIP OF BEDMINSTER  
TRUST FUNDS  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	Ref.	December 31,	
		2017	2016
<u>ASSETS</u>			
Animal Control Fund:			
Cash and Cash Equivalents	B-1	\$ 9,613.42	\$ 5,338.99
Due State of New Jersey		16.00	16.00
Due Current Fund	A	368.66	376.85
		<u>9,998.08</u>	<u>5,731.84</u>
Other Trust Funds:			
Cash and Cash Equivalents	B-1	3,987,123.48	3,860,149.26
Due Current Fund	A	103,784.34	
Due Flexible Spending		551.42	
		<u>4,091,459.24</u>	<u>3,860,149.26</u>
TOTAL ASSETS		<u>\$ 4,101,457.32</u>	<u>\$ 3,865,881.10</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Animal Control Fund:			
Prepaid Licenses		\$ 4,391.20	\$ 3,907.20
Reserve for Animal Control Expenditures	B-2	5,606.88	1,824.64
		<u>9,998.08</u>	<u>5,731.84</u>
Other Trust Funds:			
Due Current Fund	A		2,623.03
Due General Capital Fund	C		100,000.00
Special Escrow Deposits		290,974.59	218,081.67
Developers' Escrow Deposits		323,624.68	281,998.21
Reserve for:			
State Unemployment Insurance		79,128.77	75,441.19
Recreation Funds		188,226.71	193,498.81
Forfeited Assets		5,117.10	3,223.02
Parking Offenses Adjudication Act		914.08	910.08
Public Defender		12,347.50	12,087.50
Affordable Housing		394,395.50	389,362.75
Open Space		2,549,454.63	2,455,962.89
Storm Recovery		71,869.28	71,869.28
Park Bench		1,139.19	1,139.19
Fire Prevention		63.77	138.77
Tax Sale Premium		114,300.00	7,500.00
Police Outside Duty		5,123.44	1,174.09
Flexible Spending			3,648.78
Developer Reforestation		9,780.00	11,490.00
Accumulated Absences		45,000.00	30,000.00
		<u>4,091,459.24</u>	<u>3,860,149.26</u>
TOTAL LIABILITIES AND RESERVES		<u>\$ 4,101,457.32</u>	<u>\$ 3,865,881.10</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF BEDMINSTER  
COUNTY OF SOMERSET  
2017  
GENERAL CAPITAL FUND

TOWNSHIP OF BEDMINSTER  
GENERAL CAPITAL FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	Ref.	December 31,	
		2017	2016
<u>ASSETS</u>			
Cash and Cash Equivalents	C-2	\$ 1,037,661.47	\$ 447,879.86
Grants Receivable:			
New Jersey Department of Transportation		109,146.46	182,242.00
Somerset County Geographic Information Systems		6,100.80	6,100.80
Accounts Receivable - Peapack Gladstone Court Project		1,201.46	1,201.46
Due Other Trust Fund - Open Space	B		100,000.00
Deferred Charges to Future Taxation:			
Funded		1,281,452.17	1,759,794.14
Unfunded	C-4	2,624,325.00	2,892,950.00
<b>TOTAL ASSETS</b>		<b>\$ 5,059,887.36</b>	<b>\$ 5,390,168.26</b>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
General Serial Bonds Payable	C-8	\$ 1,074,000.00	\$ 1,469,000.00
Green Acres Loans Payable	C-9	207,452.17	290,794.14
Bond Anticipation Notes Payable	C-7	724,325.00	992,950.00
Improvement Authorizations:			
Funded	C-5	686,957.39	254,207.76
Unfunded	C-5	1,900,000.00	1,900,000.00
Encumbrances Payable		20,940.92	34,778.28
Due Current Fund	A	897.05	82.74
Due to New Jersey Department of Transportation		13,258.65	
Capital Improvement Fund	C-6	334,687.18	350,986.34
Reserve for:			
Construction of Sidewalks		37,393.70	37,393.70
Insurance Settlement		905.73	905.73
Fund Balance	C-1	59,069.57	59,069.57
<b>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</b>		<b>\$ 5,059,887.36</b>	<b>\$ 5,390,168.26</b>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF BEDMINSTER  
GENERAL CAPITAL FUND  
STATEMENT OF FUND BALANCE - REGULATORY BASIS

	<u>Ref.</u>	
Balance December 31, 2016	C	<u>\$ 59,069.57</u>
Balance December 31, 2017	C	<u><u>\$ 59,069.57</u></u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF BEDMINSTER  
COUNTY OF SOMERSET  
2017  
WATER UTILITY FUND

NOT APPLICABLE

TOWNSHIP OF BEDMINSTER  
COUNTY OF SOMERSET  
2017  
SEWER UTILITY FUND



TOWNSHIP OF BEDMINSTER  
SEWER UTILITY FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	Ref.	December 31,	
		2017	2016
<u>ASSETS</u>			
Operating Fund:			
Cash and Cash Equivalents	E-4	\$ 1,309,243.19	\$ 2,056,209.88
Investments		724,325.00	
Due Current Fund	A	1,109.40	3,159.00
Due Sewer Utility Assessment Fund	E	19.11	0.57
Due Sewer Utility Capital Fund	E	180.67	18.18
		<u>2,034,877.37</u>	<u>2,059,387.63</u>
Receivables with Full Reserves:			
Consumer Accounts Receivable	E-6	6,215.77	9,067.14
Deferred Charges:			
Emergency Authorizations			59,699.05
			<u>59,699.05</u>
Total Operating Fund		<u>2,041,093.14</u>	<u>2,128,153.82</u>
Assessment Fund:			
Cash and Cash Equivalents	E-4	22,510.99	22,492.45
Total Assessment Fund		<u>22,510.99</u>	<u>22,492.45</u>
Capital Fund:			
Cash and Cash Equivalents	E-4	501,767.88	474,483.22
Fixed Capital	E-7	7,117,572.06	7,098,967.06
Fixed Capital Authorized and Uncompleted	E-8	31,464.06	25,069.06
Total Capital Fund		<u>7,650,804.00</u>	<u>7,598,519.34</u>
<b>TOTAL ASSETS</b>		<u><u>\$ 9,714,408.13</u></u>	<u><u>\$ 9,749,165.61</u></u>

TOWNSHIP OF BEDMINSTER  
SEWER UTILITY FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS  
(Continued)

	Ref.	December 31,	
		2017	2016
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Operating Fund:			
Appropriation Reserves:			
Unencumbered	E-3;E-9	\$ 149,726.14	\$ 71,414.87
Encumbered	E-3;E-9	6,075.00	15,567.00
		<u>155,801.14</u>	<u>86,981.87</u>
Prepaid Sewer Rents			4,382.45
Reserve for Tax Sale Premiums		2,500.00	2,500.00
		<u>158,301.14</u>	<u>93,864.32</u>
Reserve for Receivables	E	6,215.77	9,067.14
Fund Balance	E-1	1,876,576.23	2,025,222.36
		<u>1,876,576.23</u>	<u>2,025,222.36</u>
Total Operating Fund		<u>2,041,093.14</u>	<u>2,128,153.82</u>
Assessment Fund:			
Due Sewer Utility Operating Fund	E	19.11	0.57
Fund Balance	E-1B	22,491.88	22,491.88
		<u>22,491.88</u>	<u>22,491.88</u>
Total Assessment Fund		<u>22,510.99</u>	<u>22,492.45</u>
Capital Fund:			
Improvement Authorizations:			
Funded	E-10	31,464.06	25,069.06
Due Sewer Utility Operating Fund	E	180.67	18.18
Reserve for Amortization	E-11	7,117,572.06	7,098,967.06
Deferred Reserve for Amortization	E-12	31,464.06	25,069.06
Reserve for:			
Capital Expenditures		95,770.55	95,770.55
Equipment Renewal and Replacement:			
Sanitary Sewer Collection System		90,000.00	85,000.00
Sanitary Sewer Treatment System		148,073.64	136,346.47
Lamington Road Pump Station		35,000.00	31,000.00
Fund Balance	E-1A	101,278.96	101,278.96
		<u>101,278.96</u>	<u>101,278.96</u>
Total Capital Fund		<u>7,650,804.00</u>	<u>7,598,519.34</u>
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		<u>\$ 9,714,408.13</u>	<u>\$ 9,749,165.61</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF BEDMINSTER  
SEWER UTILITY OPERATING FUND  
COMPARATIVE STATEMENT OF OPERATIONS  
AND CHANGE IN FUND BALANCE - REGULATORY BASIS

	Ref.	Year Ended December 31,	
		2017	2016
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized		\$ 219,699.05	\$ 25,000.00
Rents		388,715.62	490,990.65
Miscellaneous		10,170.17	4,664.13
Contribution from Far Hills		1,109.40	3,159.00
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves		52,915.40	66,676.74
		<u>672,609.64</u>	<u>590,490.52</u>
<u>Expenditures</u>			
Operating		507,077.05	506,624.05
Capital Improvements		29,000.00	29,000.00
Statutory Expenditures		5,780.62	2,410.00
Deferred Charges		59,699.05	
		<u>601,556.72</u>	<u>538,034.05</u>
Excess in Revenue		71,052.92	52,456.47
Adjustments Before Fund Balance:			
Expenditures Included Above Which Are by Statute			
Deferred Charges to Budget of Succeeding Year			59,699.05
			<u>59,699.05</u>
Statutory Excess to Fund Balance		71,052.92	112,155.52
<u>Fund Balance</u>			
Balance January 1		2,025,222.36	1,938,066.84
Decreased by:			
Utilized by Sewer Operating Budget		219,699.05	25,000.00
		<u>219,699.05</u>	<u>25,000.00</u>
Balance December 31	E	<u>\$ 1,876,576.23</u>	<u>\$ 2,025,222.36</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF BEDMINSTER  
SEWER UTILITY CAPITAL FUND  
STATEMENT OF FUND BALANCE - REGULATORY BASIS

	<u>Ref.</u>	
Balance December 31, 2016	E	<u>\$ 101,278.96</u>
Balance December 31, 2017	E	<u><u>\$ 101,278.96</u></u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF BEDMINSTER  
SEWER UTILITY ASSESSMENT TRUST  
STATEMENT OF FUND BALANCE - REGULATORY BASIS

	<u>Ref.</u>	
Balance December 31, 2016	E	<u>\$ 22,491.88</u>
Balance December 31, 2017	E	<u><u>\$ 22,491.88</u></u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF BEDMINSTER  
SEWER UTILITY OPERATING FUND  
STATEMENT OF REVENUE - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2017

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess or Deficit*</u>
Operating Surplus Anticipated	\$ 219,699.05	\$ 219,699.05	
Sewer Rents	377,419.67	388,715.62	\$ 11,295.95
Miscellaneous		10,170.17	10,170.17
Contribution from Far Hills	4,438.00	1,109.40	3,328.60 *
	<u>\$ 601,556.72</u>	<u>\$ 619,694.24</u>	<u>\$ 18,137.52</u>

Analysis of Sewer Rents

Collector:

Rents		\$ 384,333.17
Prepaid Rents Applied		4,382.45
		<u>\$ 388,715.62</u>

Analysis of Miscellaneous Revenue:

Treasurer:

Interest on Investments:

Collected/Received by Treasurer	\$ 1,938.77	
Due from Sewer Utility Capital Fund	480.32	
Miscellaneous	6,920.27	
		<u>\$ 9,339.36</u>

Collector:

Due from Sewer Utility Assessment Fund:

Interest on Assessments		26.48
Interest on Delinquent Rents		804.33
		<u>\$ 10,170.17</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF BEDMINSTER  
SEWER UTILITY OPERATING FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2017

	Appropriations		Expended by			Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved		
Operating:						
Salaries and Wages	\$ 28,745.00	\$ 28,745.00	\$ 17,685.24	\$ 11,059.76		
Other Expenses (Emergency \$100,000.00)	478,332.05	478,332.05	339,665.67	138,666.38		
Capital Improvements:						
Reserve for Equipment Renewal and Replacement:						
Sanitary Sewer Collection System	5,000.00	5,000.00	5,000.00			
Sanitary Sewer Treatment System	20,000.00	20,000.00	20,000.00			
Reserve for Lamington Road Pump Station	4,000.00	4,000.00	4,000.00			
Deferred Charges and Statutory Expenditures:						
Statutory Expenditures:						
Contribution to:						
Public Employees' Retirement System	3,581.63	3,581.63	3,581.63			
Social Security System (O.A.S.I.)	2,198.99	2,198.99	2,198.99			
Deferred Charges:						
Emergency Authorization	59,699.05	59,699.05	59,699.05			
	<u>\$ 601,556.72</u>	<u>\$ 601,556.72</u>	<u>\$ 451,830.58</u>	<u>\$ 149,726.14</u>	<u>\$ -0-</u>	
		<u>Ref.</u>		<u>E</u>		
Cash Disbursed			\$ 386,056.53			
Deferred Charges			59,699.05			
Encumbrances			6,075.00			
			<u>\$ 451,830.58</u>			
Adopted Budget	\$ 541,857.67					
Emergency Appropriation	<u>\$ 59,699.05</u>					
	<u>\$ 601,556.72</u>					

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF BEDMINSTER  
COUNTY OF SOMERSET  
2017  
PUBLIC ASSISTANCE FUND



TOWNSHIP OF BEDMINSTER  
PUBLIC ASSISTANCE FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

		December 31,	
	Ref.	<u>2017</u>	<u>2016</u>
<u>ASSETS</u>			
Cash and Cash Equivalents	F-1	\$ 11,061.80	\$ 11,048.79
TOTAL ASSETS		<u>\$ 11,061.80</u>	<u>\$ 11,048.79</u>
 <u>RESERVES AND LIABILITIES</u>			
Reserve for Public Assistance Expenditures		\$ 11,061.80	\$ 11,048.79
TOTAL RESERVES AND LIABILITIES		<u>\$ 11,061.80</u>	<u>\$ 11,048.79</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF BEDMINSTER  
COUNTY OF SOMERSET  
2017  
GENERAL FIXED ASSETS ACCOUNT GROUP  
(UNAUDITED)

TOWNSHIP OF BEDMINSTER  
GENERAL FIXED ASSETS ACCOUNT GROUP  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS  
(UNAUDITED)

	December 31,	
	2017	2016
<u>ASSETS</u>		
Land	\$ 31,108,760.00	\$ 31,108,760.00
Buildings and Improvements	8,223,100.00	8,223,100.00
Machinery and Equipment	4,260,433.00	4,158,453.00
	\$ 43,592,293.00	\$ 43,490,313.00
TOTAL ASSETS	\$ 43,592,293.00	\$ 43,490,313.00
 <u>RESERVES</u>		
Reserve for Fixed Assets	\$ 43,592,293.00	\$ 43,490,313.00
TOTAL RESERVES	\$ 43,592,293.00	\$ 43,490,313.00

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF BEDMINSTER  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2017

Note 1: Summary of Significant Accounting Policies

A. Reporting Entity

Except as noted below, the financial statements of the Township of Bedminster include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Township of Bedminster, as required by N.J.S. 40A:5-5. Accordingly, the financial statements of the Township of Bedminster do not include the operations of the Volunteer Fire and First Aid Squads and Joint Free Public Library.

Governmental Accounting Standards Board ("GASB") Codification Section 2100, "Defining the Financial Reporting Entity" establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with a primary government are such that exclusion would cause the reporting entity's financial statements to be misleading. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. A legally separate, tax-exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents. (2) The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization. (3). The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. As the financial reporting entity was established in accordance with New Jersey statutes, the requirements of GASB Codification Section 2100 were not followed and, accordingly, the reporting entity could be different from accounting principles generally accepted in the United States of America.

B. Description of Funds

The accounting policies of the Township of Bedminster conform to the accounting practices applicable to municipalities which have been prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"). Such 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 Bedminster accounts for its financial transactions through the following separate funds:

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

TOWNSHIP OF BEDMINSTER  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2017  
 (Continued)

Note 1: Summary of Significant Accounting Policies (Cont'd)

B. Description of Funds (Cont'd)

Trust Fund - Receipt, custodianship and disbursement of funds in accordance with the purpose for which each reserve was created.

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

Sewer Utility Operating, Assessment and Capital Funds – Account for the operations, resources and expenditures for payment of assessment debt and acquisition of capital facilities of the municipally owned sewer utility.

Public Assistance Fund - Receipt and disbursement of funds that provide assistance to certain residents of the municipality pursuant to Title 44 of New Jersey Statutes.

General Fixed Assets Account Group (Unaudited) – Estimated values of land, buildings and certain fixed assets of the Township as discussed in Note 1E.

C. Basis of Accounting

Basis of accounting refers to when revenue and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The more significant accounting policies in New Jersey follow.

Revenue is recorded when received in cash except for certain amounts which may be due from the State of New Jersey and for the prepayment of future years' revenue. Grant revenue is realized in the operating funds when it is budgeted and in the capital funds when improvements are authorized. The amounts recorded as property taxes and consumer accounts receivable have not been included in revenue. Amounts that are due to the municipality, which are susceptible of accrual, are recorded as receivables with offsetting reserves in the Current Fund.

Expenditures are charged to operations generally based on budgeted amounts. Exceptions to this general rule include:

1. Accumulated unpaid vacation, sick pay and other employee amounts are not accrued.
2. Prepaid expenses, such as insurance premiums applicable to subsequent periods, are charged to current budget appropriations in total.
3. Principal and interest on long-term debt are recognized when due.

TOWNSHIP OF BEDMINSTER  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2017  
(Continued)

Note 1: Summary of Significant Accounting Policies (Cont'd)

C. Basis of Accounting (Cont'd)

Expenditures, if any, in excess of appropriations, appropriation reserves or ordinances become deferred charges which must be raised by future taxes. Outstanding encumbrances at December 31 are reported as a cash liability in the financial statements and constitute part of the statutory appropriation reserve balance. Appropriation reserves covering unexpended appropriation balances are automatically created at December 31 of each year and recorded as liabilities, except for amounts which may be cancelled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income.

Had the Township's financial statements been prepared under generally accepted accounting principles, encumbrances would not be considered as expenditures; appropriation reserves would not be recorded; revenue susceptible to accrual would have been reflected without offsetting reserves; Federal and State grants and assistance would be recognized when earned, not when awarded or budgeted; inventories would not be reflected as expenditures at the time of purchase; investments would generally be stated at fair value and fixed assets purchased by the Sewer Utility Capital Fund would be depreciated and the Township's net pension liability and related deferred inflows and outflows would be recorded.

The cash basis of accounting is followed in the Trust and Capital Funds.

D. Deferred Charges to Future Taxation

The General Capital Fund balance sheet includes both funded and unfunded deferred charges. Funded means that bonds have been issued and are being paid off on a serial basis. Unfunded means that the debt has been authorized but not permanently financed. A municipality can eliminate an unfunded deferred charge by raising it in the budget, or collecting a grant. The unfunded deferred charge may also be funded by selling bonds, by loans or by capital lease purchase agreements.

E. Other significant accounting policies include:

Management Estimates – The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of revenue and expenditures/expenses during the period reported. Actual results could differ from those estimates.

Cash and Cash Equivalents – Amounts include petty cash, change funds, amounts on deposit, and short-term investments with original maturities of three months or less.

Investments – Investments are stated at cost.

Allowance for Uncollectible Accounts – No allowance for uncollectible accounts has been recorded as all amounts are considered collectible.

TOWNSHIP OF BEDMINSTER  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2017  
(Continued)

Note 1: Summary of Significant Accounting Policies (Cont'd)

E. Other significant accounting policies include (Cont'd):

Compensated Absences - Expenditures relating to unused vested accumulated vacation and sick pay are not recorded until paid.

Foreclosed Property - Foreclosed property is recorded in the Current Fund at the assessed valuation when such property was acquired, and is fully reserved.

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

Inventories of Supplies - The cost of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The cost of inventories is not included on the various balance sheets.

Grants Receivable - Grants receivable represent the total grant awards less amounts collected to date. Because the amount of grant funds to be collected are dependent on the total costs eligible for reimbursement, the actual amount collected may be less than the total amount awarded.

General Fixed Assets (Unaudited) – In accordance with accounting requirements in the New Jersey Administrative Code, as promulgated by the Division of Local Government Services, the Township developed a fixed assets accounting and reporting system. General fixed assets are recorded at cost or estimated historical cost. Infrastructure assets are not included in general fixed assets, as per state directive. Major renewals and betterments are charged to the asset accounts; maintenance and minor repairs and replacements, which do not improve or extend the lives of the respective assets, are expensed currently. Donated fixed assets are valued at their fair market value on the date donated. No depreciation has been provided for on general fixed assets. The total value recorded for general fixed assets is offset by a “Reserve for Fixed Assets”. When properties are retired or otherwise disposed of, the asset and the reserve are adjusted accordingly. Assets recorded in the General Fixed Assets Account Group may also be recorded in the Current Fund, General Capital Fund and Sewer Utility Fund. The values recorded in the general fixed assets account group and the capital funds may not always agree due to differences in valuation methods, timing of recognition of assets, and the recognition of infrastructures. Fixed assets are reviewed for impairment.

Property and equipment purchased by the Sewer Utility Fund is recorded in the capital account at cost. The amount shown does not purport to represent replacement costs or current value. Contributions in aid of construction are not capitalized. The balances in the Reserve for Amortization and Deferred Reserve for Amortization accounts in the Sewer Utility Capital Fund represent charges to operations for the costs of acquisitions of property, equipment and improvements. The Sewer Utility does not record depreciation on fixed assets.

TOWNSHIP OF BEDMINSTER  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2017  
(Continued)

Note 1: Summary of Significant Accounting Policies (Cont'd)

- F. Budget/Budgetary Control – Annual appropriated budgets are usually prepared in the first quarter for Current operating, utility, and Open Space Trust Funds. The budgets are submitted to the governing body and the Division of Local Government Services. Budgets are prepared using the cash basis of accounting. The legal level of budgetary control is established at the line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the flexible chart of accounts referenced in N.J.S.A. 40A. All budget amendments/transfers must be approved by the Township during the year.

Note 2: Long-Term Debt

The Local Bond Law governs the issuance of bond to finance general Township capital expenditures. All bonds are retired in serial installments within the statutory period of usefulness. All bonds issued by the Township are general obligation bonds. The Township's full faith and credit and taxing power have been pledged to the payment of the general obligation debt principal and interest.

Summary of Municipal Debt

	December 31,		
	2017	2016	2015
<u>Issued</u>			
General:			
Bonds, Notes and Loans	\$ 2,005,777.17	\$ 2,752,744.14	\$ 3,496,068.95
	<u>2,005,777.17</u>	<u>2,752,744.14</u>	<u>3,496,068.95</u>
<u>Authorized but not Issued:</u>			
General:			
Bonds and Notes	1,900,000.00	1,900,000.00	
	<u>1,900,000.00</u>	<u>1,900,000.00</u>	
Less:			
Reserve to Pay Debt Service			29,118.53
Net Bonds and Notes Issued and Authorized but not Issued	<u>\$ 3,905,777.17</u>	<u>\$ 4,652,744.14</u>	<u>\$ 3,466,950.42</u>

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition, which follows, is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of .156%.



TOWNSHIP OF BEDMINSTER  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2017  
(Continued)

Note 2: Long-Term Debt (Cont'd)

Summary of Statutory Debt Condition - Annual Debt Statement (Cont'd)

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
School Debt	\$ 870,000.00	\$ 870,000.00	
General Debt	3,905,777.17		\$ 3,905,777.17
	<u>\$ 4,775,777.17</u>	<u>\$ 870,000.00</u>	<u>\$ 3,905,777.17</u>

Net Debt: \$3,905,777.17 divided by Average Equalized Valuations of \$2,509,141,519 of Real Property = .156%.

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

3-1/2% Average Equalized Valuation of Real Property	\$ 87,819,953.17
Net Debt	<u>3,905,777.17</u>
Remaining Borrowing Power	<u>\$ 83,914,176.00</u>

Calculation of "Self-Liquidating Purpose", Sewer Utility Per N.J.S.40A:2-45

Cash Receipts from Fees, Rents or Other Charges for Year	\$ 619,694.24
Deductions:	
Operating and Maintenance Cost	\$ 601,556.72
Debt Service	<u>-0-</u>
	<u>601,556.72</u>
Excess in Revenue	<u>\$ 18,137.52</u>

Footnote: If there is an "excess in revenue," all such utility debt is deductible. If there is a "deficit," then utility debt is not deductible to the extent of 20 times such deficit amount.

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

TOWNSHIP OF BEDMINSTER  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2017  
(Continued)

Note 2: Long-Term Debt (Cont'd)

Summary of Municipal Debt Issued and Outstanding

Fund	Balance 12/31/16	Additions	Retirements	Balance 12/31/17
Serial Bonds:				
General Capital Fund	\$ 1,469,000.00		\$ 395,000.00	\$ 1,074,000.00
Bond Anticipation Notes:				
General Capital Fund	992,950.00	\$ 724,325.00	992,950.00	724,325.00
Loans Payable:				
General Capital Fund:				
Green Acres Loans	290,794.14		83,341.97	207,452.17
Total	<u>\$ 2,752,744.14</u>	<u>\$ 724,325.00</u>	<u>\$ 1,471,291.97</u>	<u>\$ 2,005,777.17</u>

Fund	Balance 12/31/15	Additions	Retirements	Balance 12/31/16
Serial Bonds:				
General Capital Fund	\$ 1,862,000.00		\$ 393,000.00	\$ 1,469,000.00
Bond Anticipation Notes:				
General Capital Fund	1,261,575.00	\$ 992,950.00	1,261,575.00	992,950.00
Loans Payable:				
General Capital Fund:				
Green Acres Loans	372,493.95		81,699.81	290,794.14
Total	<u>\$ 3,496,068.95</u>	<u>\$ 992,950.00</u>	<u>\$ 1,736,274.81</u>	<u>\$ 2,752,744.14</u>

TOWNSHIP OF BEDMINSTER  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2017  
(Continued)

Note 2: Long-Term Debt (Cont'd)

The Township's debt issued and outstanding on December 31, 2017 is described as follows:

General Capital Bond Anticipation Notes

Purpose	Issue Date	Maturity Date	Interest Rate	Balance Dec. 31, 2017
Various Capital Improvements	12/1/2017	11/30/2018	1.28%	\$ 194,400.00
Purchase of a Development Easement Block 9 Lots 8, 9, 10 and 10.01	12/1/2017	11/30/2018	1.28%	81,800.00
Acquisition of Equipment	12/1/2017	11/30/2018	1.28%	448,125.00
				<u>\$ 724,325.00</u>

General Capital Serial Bonds

Purpose	Final Maturity Date	Interest Rate	Balance Dec. 31, 2017
General Improvements	09/15/20	1.30%	<u>\$ 1,074,000.00</u>

General Capital Green Acres Loans Payable

Purpose	Issue Date	Maturity Date	Interest Rate	Balance Dec. 31, 2017
Loan Payable # 1	1998	1/22/18	2.00%	\$ 25,644.04
Loan Payable # 2	1999	6/12/18	2.00%	5,503.24
Loan Payable # 3	2001	11/28/20	2.00%	29,731.46
Loan Payable # 6	2008	5/01/28	2.00%	146,573.43
				<u>\$ 207,452.17</u>
TOTAL DEBT ISSUED AND OUTSTANDING				<u>\$ 2,005,777.17</u>

TOWNSHIP OF BEDMINSTER  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2017  
(Continued)

Note 2: Long-Term Debt (Cont'd)

Schedule of Annual Debt Service for Principal and Interest for the Next Five Years and  
Thereafter for Bonded Debt and Loans Issued and Outstanding

<u>Calendar Year</u>	<u>General</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2018	\$ 450,539	\$ 17,698.00	\$ 468,237
2019	425,841	11,766	437,607
2020	297,301	6,067	303,368
2021	13,457	2,088	15,545
2022	13,728	1,818	15,546
Thereafter:			
2023-2027	72,891	4,838	77,729
2028	7,696	77	7,773
	<u>\$ 1,281,453</u>	<u>\$ 44,352</u>	<u>\$ 1,325,805</u>

Green Acres Loans

This program was developed by the New Jersey Department of Environmental Protection to provide low interest loans to local governments for the acquisition, preservation and improvement of land for recreation.

The Township entered into six loan agreements, of which four are outstanding, with the State of New Jersey for the acquisition of land and parks development. The loans are repayable over a twenty year period at a rate of interest not to exceed 2%. At December 31, 2017, the loan balances were \$207,452 and the projects financed with these loans are complete.

Net Pension Liability

The State of New Jersey Public Employees' Retirement System's (PERS) net pension liability was calculated to be \$5,225,266 at June 30, 2017. The State of New Jersey Police and Firemen's Retirement System's (PFRS) net pension liability was calculated to be \$6,854,760 at June 30, 2017. See Note 5 for further information on the PERS and PFRS.

Note 3: Fund Balances Appropriated

Fund balances at December 31, 2017, which were appropriated and included as anticipated revenue in the adopted budget for the year ending December 31, 2018, were as follows:

<u>Fund</u>	<u>Amount</u>
Current Fund	\$ 1,740,000.00
Sewer Utility Operating Fund	\$ 123,974.33

TOWNSHIP OF BEDMINSTER  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2017  
(Continued)

Note 4: Deferred School District Taxes

Regulations provide for the deferral of not more than 50% of the annual levy when school taxes are raised for a school year and have not been requisitioned by the school district. The Township of Bedminster has elected to defer school taxes in the amount of \$4,311,002.

The Local School District was raised on the school year basis and the liability deferred by statute to the succeeding year. The deferred school taxes are summarized as follows:

	Balance Dec. 31, 2017	Balance Dec. 31, 2016
Balance of Tax	\$ 4,311,002.00	\$ 4,171,444.00
Less: Amount Deferred	4,311,002.00	4,174,444.00
 Tax Payable (Cash Liability)	 \$ -0-	 \$ -0-

Note 5: Pension Plans

Township employees participate in one of the two contributory, defined benefit public employee retirement systems: the State of New Jersey Public Employee's Retirement System (PERS) or the State of New Jersey Police and Firemen's Retirement System (PFRS); or the Defined Contribution Retirement Program (DCRP), a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) 401(a).

A. Public Employees' Retirement System (PERS)

Plan Description

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

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

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

TOWNSHIP OF BEDMINSTER  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2017  
 (Continued)

Note 5: Pension Plans (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Plan Description (Cont'd)

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

Contributions

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing members. The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. Township contributions to PERS amounted to \$199,229.09 for 2017.

The employee contribution rate was 7.20% effective July 1, 2016 and increased to 7.34% effective July 1, 2017. Increases after October 1, 2011 are being phased in over 7 years effective on each July 1<sup>st</sup> to bring the total pension contribution rate to 7.5% of base salary as of July 1, 2018.

Pension Liabilities and Pension Expense

At June 30, 2017, the Township's liability was \$5,225,266 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016 which was rolled forward to June 30, 2017. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2017, the Township's proportion was 0.0224%, which was an increase of 0.002% from its proportion measured as of June 30, 2016.

For the year ended December 31, 2017, the Township recognized actual pension expense in the amount of \$199,229.09.

TOWNSHIP OF BEDMINSTER  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2017  
(Continued)

Note 5: Pension Plans (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Actuarial Assumptions

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

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

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

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

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2017) 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' target asset allocation as of June 30, 2017 are summarized in the following table:

TOWNSHIP OF BEDMINSTER  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2017  
(Continued)

Note 5: Pension Plans (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Long Term Expected Rate of Return (Cont'd)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Absolute Return/Risk Mitigation	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
Public High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Asset	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. Developed Market Equit	11.50%	9.00%
Emerging Markets Equity	6.50%	11.64%
Buyouts/Venture Capital	8.25%	13.08%

Discount Rate

The discount rate used to measure the total pension liability was 5.00% as of June 30, 2017. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.58% as of June 30, 2017 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 upon the contribution rate in the most recent fiscal year. The local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2040. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2040, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.



TOWNSHIP OF BEDMINSTER  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2017  
(Continued)

Note 5: Pension Plans (Cont'd)

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 collective net pension liability as of June 30, 2017 calculated using the discount rate as disclosed below, 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 or 1-percentage-point higher than the current rate:

	Year Ended June 30, 2017		
	1%	Current	1%
	Decrease (4.00%)	Discount Rate (5.00%)	Increase (6.00%)
Township's proportionate share of the Net Pension Liability	\$ 6,482,297.00	\$ 5,225,266.00	\$ 4,178,003.00
<u>Pension Plan Fiduciary Net Position</u>			

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

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

Plan Description

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

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 43:16A. The PFRS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for disability benefits, which vest after 4 years of service.

The following represents the membership tiers for PFRS:

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

TOWNSHIP OF BEDMINSTER  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2017  
(Continued)

Note 5: Pension Plans (Cont'd)

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

Benefits Provided (Cont'd)

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

Contributions

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

Special Funding Situation

Under N.J.S.A. 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. The legislation which legally obligates the State is as follows: Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed on behalf of the local participating employers under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan (except for employer specified financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers related to this legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the collective net pension liability that is associated with the local participating employer. The June 30, 2017 State special funding situation net pension liability amount is the accumulated difference between the annual actuarially determined State obligation under the special funding situation and the actual State contribution through the valuation date. The State special funding situation pension expense for the fiscal year ended June 30, 2017 is the actuarially determined

TOWNSHIP OF BEDMINSTER  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2017  
(Continued)

Note 5: Pension Plans (Cont'd)

B. Police and Firemen’s Retirement System (PFRS) (Cont’d)

Special Funding Situation (Cont’d)

contribution amount that the State owes for the fiscal year ending June 30, 2017. The pension expense is deemed to be a State administrative expense due to the special funding situation.

Township contributions to PFRS amounted to \$413,259.49 for the year ended December 31, 2017. During the fiscal year ended June 30, 2017, the State of New Jersey contributed \$38,393.00 to the PFRS for normal pension benefits on behalf of the Township, which is less than the contractually required contribution of \$93,918.00.

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

Pension Liabilities and Pension Expense

At June 30, 2017, the Township’s liability for its proportionate share of the net pension liability was \$6,854,760. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016 which was rolled forward to June 30, 2017. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2017, the Township's proportion was 0.0444%, which was a decrease of 0.0054% from its proportion measured as of June 30, 2016.

Additionally, the State’s proportionate share of the net pension liability attributable to the Township is \$767,791 as of June 30, 2017. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016 which was rolled forward to June 30, 2017. The State's proportionate share of the net pension liability associated with the Township was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2017, the State's proportion was 0.0444%, which was a decrease of 0.0054% from its proportion measured as of June 30, 2016 which is the same proportion as the Township’s.

Township's Proportionate Share of the Net Pension Liability	\$ 6,854,760.00
State's Proportionate Share of the Net Pension Liability Associated with the Township	<u>767,791.00</u>
Total Net Pension Liability	<u><u>\$ 7,622,551.00</u></u>

For the year ended December 31, 2017, the Township recognized total pension expense of \$413,259.49.

TOWNSHIP OF BEDMINSTER  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2017  
(Continued)

Note 5: Pension Plans (Cont'd)

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

Actuarial Assumptions

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

Inflation Rate	2.25%
Salary Increases:	
Though 2026	2.10% - 8.98% based on age
Thereafter	3.10% - 9.98% based on age
Investment Rate of Return	7.00%

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

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

Long Term Expected Rate of Return

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

TOWNSHIP OF BEDMINSTER  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2017  
(Continued)

Note 5: Pension Plans (Cont'd)

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

Long Term Expected Rate of Return (Cont'd)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Absolute Return/Risk Mitigation	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
Public High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Asset	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. Developed Market Equit	11.50%	9.00%
Emerging Markets Equity	6.50%	11.64%
Buyouts/Venture Capital	8.25%	13.08%

Discount Rate

The discount rate used to measure the total pension liability was 6.14% as of June 30, 2017. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.58% as of June 30, 2017 based on the Bond Buyer GO 20 Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 40% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2057. Therefore, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through 2057, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

TOWNSHIP OF BEDMINSTER  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2017  
(Continued)

Note 5: Pension Plans (Cont'd)

B. Police and Firemen’s Retirement System (PFRS) (Cont’d)

Sensitivity of the Total Net Pension Liability (including the State’s proportionate share of the net pension liability attributable to the Town) to Changes in the Discount Rate

The following presents the total net pension liability (including the State’s proportionate share of the net pension liability attributable to the Township) as of June 30, 2017 calculated using the discount rate as disclosed above, as well as what the collective net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	Year Ended June 30, 2017		
	1%	Current	1%
	Decrease (5.14%)	Discount Rate (6.14%)	Increase (7.14%)
Township's proportionate share of the NPL and the State's proportionate share of the Net Pension Liability associated with the Township	\$ 10,043,338.00	\$ 7,622,551.00	\$ 5,633,598.00

Pension Plan Fiduciary Net Position

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

C. Defined Contribution Retirement Program (DCRP)

Prudential Financial jointly administers the DCRP investments with the NJ Division of Pensions and Benefits. If an employee is ineligible to enroll in the PERS or PFRS, the employee may be eligible to enroll in the DCRP. DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting is immediate upon enrollment for members of the DCRP.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of the DCRP. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625-0295.

Employers are required to contribute at an actuarially determined rate. Employee contributions are based on percentages of 5.50% for DCRP of employees’ annual compensation, as defined. The DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions for DCRP are matched by a 3% employer contribution.

For DCRP, the Township recognized pension expense of 3,122.72 for the year ended December 31, 2017. Employee contributions to DCRP amounted to \$4,801.23 for the year ended December 31, 2017.

TOWNSHIP OF BEDMINSTER  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2017  
(Continued)

Note 6: Accrued Sick and Vacation Benefits

Pursuant to the Township's personnel policy, employees are allowed to carryover unused vacation time which must be taken as time off by June 30 of the subsequent year at the latest. Compensation in lieu is prohibited. Unused sick days are not permitted to be carried over.

Note 7: Deferred Compensation

The Board offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. This plan, which is administered by Lincoln Financial, is available to all Township employees and permits participants to defer a portion of their salary. Amounts deferred under the plan are not available to employees until termination, retirement, unforeseeable emergency or upon death to their beneficiaries.

Note 8: Selected Tax Information

Property taxes are levied as of January 1 on property values assessed as of the previous calendar year. The tax levy is divided into two billings. The first billing is an estimate of the current year's levy based on the prior year's taxes. The second billing reflects adjustments to the current year's actual levy. The final tax bill is usually mailed on or before June 14th, along with the first half estimated tax bills for the subsequent year. The first half estimated taxes are divided into two due dates, February 1 and May 1. The final tax bills are also divided into two due dates, August 1 and November 1. A ten-day grace period is usually granted before the taxes are considered delinquent and the imposition of interest charges. A penalty may be assessed for any unpaid taxes in excess of \$10,000 at December 31 of the current year. Unpaid taxes of the prior year may be placed in lien at a tax sale held after April 1 and through December 31. Unpaid taxes of the current year may be placed in lien at a tax sale held after December 10.

	<u>2017</u>	<u>2016</u>	<u>2015</u>
<u>Tax Rate</u>	<u>\$ 1.379</u>	<u>\$ 1.360</u>	<u>\$ 1.359</u>
<u>Apportionment of Tax Rate</u>			
Municipal	0.305	0.304	0.305
County	0.357	0.355	0.356
Local School	0.702	0.686	0.683
Local Open Space	0.015	0.015	0.015
<u>Assessed Valuations</u>			
2017	<u>\$ 2,456,960,369.00</u>		
2016		<u>\$ 2,435,315,518.00</u>	
2015			<u>\$ 2,387,732,259.00</u>

TOWNSHIP OF BEDMINSTER  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2017  
(Continued)

Note 8: Selected Tax Information (Cont'd)

Comparison of Tax Levies and Collections Currently

A study of this tabulation could indicate a possible trend in future tax levies.

A decrease in the percentage of current collection could be an indication of a probable increase in future tax levies.

<u>Year</u>	<u>Tax Levy</u>	<u>Currently</u>	
		<u>Cash Collections</u>	<u>Percentage of Collections</u>
2017	\$ 33,953,400.28	\$ 33,603,263.61	98.96%
2016	33,188,195.42	32,780,305.83	98.77%
2015	32,518,895.67	32,132,551.61	98.81%

Also, increases in future tax levies can also be warranted if revenue sources outside of those directly generated by the municipality, such as federal or state aid, should decline without corresponding decreases in budgeted expenditures.

Note 9: Cash and Cash Equivalents and Investments

Cash and cash equivalents include change funds, amounts on deposit, and short-term investments with original maturities of three months or less.

Investments are stated at cost. The Township classifies certificates of deposit which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

GASB requires disclosure of the level of custodial credit risk assumed by the Township in its cash, cash equivalents and investments, if those items are uninsured or unregistered. Custodial risk is the risk that in the event of bank failure, the government's deposits may not be returned.

Interest Rate Risk – In accordance with its cash management plan, the Township ensures that any deposit or investment matures within the time period that approximates the prospective need for the funds, deposited or invested, so that there is not a risk to the market value of such deposits or investments.

Credit Risk – The Township limits its investments to those authorized in its cash management plan which are permitted under state statutes as detailed below.

Custodial Credit Risk – The Township's policy with respect to custodial credit risk requires that the Township ensures that Township funds are only deposited in financial institutions in which NJ municipalities are permitted to invest their funds.



TOWNSHIP OF BEDMINSTER  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2017  
(Continued)

Note 9: Cash and Cash Equivalents and Investments (Cont'd)

Deposits:

New Jersey statutes require that municipalities deposit public funds in public depositories located in New Jersey which are insured by the Federal Deposit Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories. Municipalities are also permitted to deposit public funds in the State of New Jersey Cash Management Fund.

New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed insurance limits as follows:

The market value of the collateral must equal 5% of the average daily balance of public funds on deposit, and

In addition to the above collateral requirement, if public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value at least equal to 100% of the amount exceeding 75%.

All collateral must be deposited with the Federal Reserve Bank, the Federal Home Loan Bank Board or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

Investments

New Jersey statutes permit the Township to purchase the following types of securities:

- (1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- (2) Government money market mutual funds;
- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
- (4) Bonds or other obligations of the local unit or bonds or other obligations of school districts of which the local unit is a part or within which the school district is located;
- (5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law" P.L. 1983, c. 313 (C.40A:5A-1 et seq.) Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Local Government Services in the Department of Community Affairs for investment by local units;
- (6) Local government investment pools;

TOWNSHIP OF BEDMINSTER  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2017  
(Continued)

Note 9: Cash and Cash Equivalents and Investments (Cont'd)

Investments (Cont'd)

- (7) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); or
- (8) Agreements for the repurchase of fully collateralized securities if:
- (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection a. or are bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties and entities subject to the "Local Authorities Fiscal Control Law", P.L. 1983 c.313 (C.40A:5A-1 et seq.);
- (b) the custody of collateral is transferred to a third party;
- (c) the maturity of the agreement is not more than 30 days;
- (d) the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C.17:9-41); and
- (e) a master repurchase agreement providing for the custody and security of collateral is executed.

As of December 31, 2017, cash and cash equivalents and investments of the Township of Bedminster consisted of the following:

<u>Fund</u>	<u>Cash on Hand</u>	<u>Checking Accounts</u>	<u>Investments</u>	<u>Total</u>
Current Fund	\$ 550.00	\$ 15,425,911.27		\$ 15,426,461.27
Animal Control Trust Fund		9,613.42		9,613.42
Other Trust Fund		3,987,123.48		3,987,123.48
General Capital Fund		1,037,661.47		1,037,661.47
Sewer Utility Operating Fund		1,309,243.19	724,325.00	2,033,568.19
Sewer Utility Assessment Fund		22,510.99		22,510.99
Sewer Utility Capital Fund		501,767.88		501,767.88
Public Assistance Fund		11,061.80		11,061.80
	<u>\$ 550.00</u>	<u>\$ 22,304,893.50</u>	<u>\$ 724,325.00</u>	<u>\$ 23,029,768.50</u>

During the period ended December 31, 2017, the Township invested funds by purchasing Bond Anticipation Notes from its own General Capital Fund. There was an investment of \$724,325 from the Sewer Utility Fund in Bond Anticipation Notes issued by the Township's General Capital Fund at 1.28%, due on November 30, 2018. The carrying amount of the Township's cash and cash equivalents and investments at December 31, 2017, was \$23,029,768.50 and the bank balance was \$22,992,624.85. The carrying amount of the Township's cash and cash equivalents at December 31, 2016, was \$14,552,086.99 and the bank balance was \$18,943,644.04.

TOWNSHIP OF BEDMINSTER  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2017  
(Continued)

Note 10: Risk Management

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Health insurance is provided through the Central Jersey Health Insurance Fund (the "HIF").

The Township of Bedminster is a member of the Suburban Municipal Joint Insurance Fund, (the "Fund"). The Fund provides its members with workers' compensation, employers' liability, liability other than motor vehicles, property damages other than motor vehicles, motor vehicle and environmental insurance coverage. The Fund and the HIF are risk-sharing public entity risk pools that are both insured and self-administered groups of municipalities established for the purpose of providing low-cost insurance coverage for their members in order to keep local property taxes at a minimum.

As a member of the Fund and the HIF, the Township could be subject to supplemental assessments in the event of deficiencies. If the assets of the Fund or the HIF were to be exhausted, members would become responsible for their respective shares of the Fund's liabilities.

The Fund and the HIF can declare and distribute dividends to members upon approval of the State of New Jersey Department of Banking and Insurance. These distributions are divided amongst the members in the same ratio as their individual assessment relates to the total assessment of the membership body.

The December 31, 2017 audit reports were not available as of the date of this report. Selected summarized financial information for the Fund and the HIF as of December 31, 2016 are as follows:

	<u>Fund</u>	<u>HIF</u>
Total Assets	\$ 6,609,020.33	\$ 26,856,027.00
Net Position	\$ 3,259,460.82	\$ 23,924,685.00
Total Revenue	\$ 5,253,055.98	\$ 38,242,844.00
Total Expenses	\$ 4,795,576.02	\$ 33,023,754.00
Change in Net Position	\$ 457,479.96	\$ 5,219,090.00
Member Dividends	\$ 83,527.00	\$ 1,500,000.00

Financial statements for these pools are available at the Office of the Executive Director:

Suburban Municipal Joint Insurance Fund  
PERMA Risk Management Services  
9 Campus Drive, Suite 216  
Parsippany, New Jersey 07054  
(201) 881-7632

Central Jersey Health Insurance Fund  
PERMA Risk Management Services  
9 Campus Drive, Suite 216  
Parsippany, New Jersey 07054  
(201) 881-7632

TOWNSHIP OF BEDMINSTER  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2017  
(Continued)

Note 10: Risk Management (Cont'd)

New Jersey Unemployment Compensation Insurance

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

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

<u>Year</u>	<u>Township Contributions</u>	<u>Interest Earned</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2017	\$ -0-	\$ 92.66	\$ 4,959.92	\$ 1,365.00	\$ 79,128.77
2016	-0-	22.95	4,944.82	16,796.00	75,441.19
2015	-0-	25.58	5,919.01	975.58	87,269.42

Note 11: Interfund Receivables and Payables

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

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Current Fund	\$ 897.05	\$ 193,524.80
Federal and State Grant Fund	88,262.40	
Animal Control Fund	368.66	
Other Trust Funds	103,784.34	
General Capital Fund		897.05
Sewer Utility Operating Fund	1,309.18	
Sewer Utility Assessment Fund		19.11
Sewer Utility Capital Fund		180.67
	<u>\$ 194,621.63</u>	<u>\$ 194,621.63</u>

The interfund receivable in the Federal and State Grant Fund is due to grant funds received in the Current Fund. The interfund receivable in the Animal Control Fund is comprised of a prior year interfund with the Current Fund offset by current year interest earned in the Animal Control Fund. The interfund receivable in the Current Fund is comprised primarily of interest earned in General Capital Fund due to Current Fund. The interfund receivable in the Sewer Utility Operating Fund is due to sewer receipts received in Current Fund. The interfund receivable in the Other Trust Fund is due to tax sale premiums due from the Current Fund offset by interest earned in the Other Trust Fund due to the Current Fund.

TOWNSHIP OF BEDMINSTER  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2017  
(Continued)

Note 12: Contingent Liabilities

The Township is periodically involved in various lawsuits arising in the normal course of business, including claims for property damage, personal injury, and various contract disputes. The Township vigorously contests these lawsuits and believes the ultimate resolutions will not have a material adverse effect on their financial position.

Amounts received or receivable from grantors, principally the federal and state governments are subject to regulatory requirements and adjustments by the agencies. Any disallowed claims, including amounts previously recognized by the Township as revenue would constitute a liability of the applicable funds.

The amount, if any, of expenditures which may be disallowed by the grantors cannot be determined at this time, although Township officials expect such amounts, if any, to be immaterial.

Various tax appeals on assessed valuations have been filed against the Township and are awaiting tax court decisions. The ultimate outcome and effect of such appeals have not been determined; however, the Township Tax Assessor will aggressively defend the Township's assessments. The Township has established a reserve in the amount of \$240,000 which it feels should be sufficient to cover these tax appeals.

Note 13: Economic Dependency

The Township of Bedminster receives a substantial amount of support from federal and state governments. A significant reduction in the level of support, if this were to occur, may have an effect on the Township's programs and activities.

Note 14: Open Space Trust Reserve

The Township created an Open Space Trust Fund with a tax levy of \$0.02 per \$100 of assessed valuation. In 2011, the Township Committee elected to lower the tax levy to \$0.014 per \$100 of assessed valuation. In 2012, the Township Committee elected to increase the tax levy to \$0.015 per \$100 of assessed valuation. In 2013, 2014, and 2015, the Township Committee elected that the tax levy remain as \$0.015 per \$100 of assessed valuation. The funds collected are used to acquire and maintain open space property in the Township. The balance of the Open Space Trust Fund as of December 31, 2017 was \$2,549,454.63.

The Township of Bedminster also receives grants/loans from various sources. These grants/loans are for the acquisition of open space land purchased by the Township. The intention of the municipality is to use this funding to offset the debt issued to acquire these properties.

TOWNSHIP OF BEDMINSTER  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2017  
(Continued)

Note 15: Fixed Assets (Unaudited)

	Balance December 31, 2016	Additions	Deletions	Balance December 31, 2017
Land	\$ 31,108,760.00			\$ 31,108,760.00
Buildings	8,223,100.00			8,223,100.00
Machinery and Equipment	4,158,453.00	\$ 160,658.00	\$ 58,678.00	4,260,433.00
	<u>\$ 43,490,313.00</u>	<u>\$ 160,658.00</u>	<u>\$ 58,678.00</u>	<u>\$ 43,592,293.00</u>
	Balance December 31, 2015	Additions	Deletions	Balance December 31, 2016
Land	\$ 31,108,760.00			\$ 31,108,760.00
Buildings	8,223,100.00			8,223,100.00
Machinery and Equipment	3,939,701.00	\$ 391,479.00	\$ 172,727.00	4,158,453.00
	<u>\$ 43,271,561.00</u>	<u>\$ 391,479.00</u>	<u>\$ 172,727.00</u>	<u>\$ 43,490,313.00</u>

TOWNSHIP OF BEDMINSTER

SUPPLEMENTARY DATA

TOWNSHIP OF BEDMINSTER  
OFFICIALS IN OFFICE AND SURETY BONDS  
YEAR ENDED DECEMBER 31, 2017

<u>Name</u>	<u>Title</u>	<u>Amount of Bond</u>
Steven E. Parker	Mayor	
R. Colin Hickey	Committeeman	
Staci Santucci	Committeewoman	
Douglas A. Stevinson	Committeeman	
Lawrence F. Jacobs	Committeeman	
Judith A. Sullivan	Township Clerk	(A)
	Township Administrator	(A)
Debra Stern	Chief Financial Officer	(A)
Donna Cummins	Tax Collector	\$1,000,000
	Sewer Utility Collector	\$1,000,000
Adriana McKenna	Deputy Tax Collector	(A)
Katherine Howes	Magistrate	(A)
Teresa N. VanAllen	Court Administrator	(A)
Edwin Kerwin	Assessor	(A)
John Mantz	Public Works Manager	(A)
Karl Rock	Police Chief	(A)

All bonds were examined and were properly executed.

(A) All employees, who are not specifically bonded, are covered under \$50,000 and \$950,000 Faithful Performance Bonds provided by the Suburban Municipal Joint Insurance fund and the Municipal Excess Liability Joint Insurance Fund, respectively.



TOWNSHIP OF BEDMINSTER  
COUNTY OF SOMERSET  
2017  
CURRENT FUND

TOWNSHIP OF BEDMINSTER  
CURRENT FUND  
SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>	
Balance December 31, 2016	A	\$ 7,673,934.54
Increased by Receipts:		
Tax Collector	\$ 36,683,717.19	
Revenue Accounts Receivable	2,173,537.71	
Miscellaneous Revenue Not Anticipated	382,339.35	
Petty Cash Returned	200.00	
Due Federal and State Grant Fund:		
Current Year Grants Receivable	61,747.41	
Unappropriated Grants	18,025.85	
Due Animal Control Fund:		
Interfund Returned - Interest	3.56	
Due Other Trust Funds:		
Interfund Returned - Interest	17.36	
Interfund Returned	69,560.00	
Due General Capital Fund:		
Interfund Returned	82.74	
Due Sewer Utility Operating Fund:		
Interfund Returned	23,175.84	
Due Sewer Utility Capital Fund		
Interfund Returned	309,854.19	
Due Net Payroll:		
Interfund Returned	190,658.94	
Due Flexible Spending Account:		
Interfund Returned	4,200.20	
Due State of New Jersey:		
Department of Community Affairs Training Fees Payable	62,939.00	
Marriage License Fees Payable	1,625.00	
Senior Citizens' and Veterans' Deductions	40,000.69	
Appropriation Refunds	204,097.59	
	<hr/>	40,225,782.62
		<hr/> 47,899,717.16

TOWNSHIP OF BEDMINSTER  
CURRENT FUND  
SCHEDULE OF CASH - TREASURER  
(Continued)

	<u>Ref.</u>	
Decreased by Disbursements:		
2017 Appropriation Expenditures	\$ 9,401,873.51	
2016 Appropriation Reserve Expenditures	326,171.93	
Accounts Payable	14,130.74	
Local School Taxes	12,793,448.00	
County Taxes	8,772,658.47	
Petty Cash Advanced	200.00	
Due Federal and State Grant Fund:		
Appropriated Reserves	66,192.01	
Due Other Trust Funds:		
Open Space Tax Levy	369,326.05	
Tax Sale Premiums	9,100.00	
Interfund Returned	69,560.00	
Due Sewer Utility Operating Fund:		
Interfund Advanced	25,225.44	
Due Sewer Utility Capital Fund	309,854.19	
Due Payroll:		
Interfund Advanced	190,658.94	
Due Flexible Spending Account:		
Interfund Advanced	3,300.00	
Due State of New Jersey:		
Department of Community Affairs Training Fees Payable	66,164.00	
Marriage License Fees Payable	1,875.00	
Refund of Tax Overpayments	48,362.18	
Reserve for Third Party Liens	4,202.98	
Refund of Prior Year Revenue	1,502.45	
	\$ 32,473,805.89	
Balance December 31, 2017	A	\$ 15,425,911.27

TOWNSHIP OF BEDMINSTER  
CURRENT FUND  
SCHEDULE OF CASH - COLLECTOR  
YEAR ENDED DECEMBER 31, 2017

## Increased by Receipts:

Taxes Receivable	\$ 33,579,876.33	
2018 Prepaid Taxes	2,777,623.23	
Interest and Costs on Taxes	96,799.39	
Tax Overpayments	63,931.96	
Outside Lienholders	4,202.98	
Due to Other Trust Funds:		
Tax Sale Premiums	115,900.00	
Miscellaneous Revenue Not Anticipated:		
In Lieu of Taxes	32,164.58	
6% Year End Penalty	11,601.30	
Duplicate Bills	190.00	
Miscellaneous	1,427.42	
	<hr/>	<u>\$ 36,683,717.19</u>

## Decreased by:

Payments to Municipal Treasurer		<u>\$ 36,683,717.19</u>
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TOWNSHIP OF BEDMINSTER  
CURRENT FUND  
SCHEDULE OF CASH - GRANT FUNDS  
YEAR ENDED DECEMBER 31, 2017

NOT APPLICABLE

TOWNSHIP OF BEDMINSTER  
CURRENT FUND  
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

Year	Balance		Collections		State of NJ Senior Citizens' and Veterans' Deductions	Canceled	Balance Dec. 31, 2017
	Dec. 31, 2016	2017 Levy	2016	2017			
2016	\$ 390,345.75		\$ 373,337.03	\$ 390,345.65		\$ 0.10	
2017	\$ 390,345.75	\$ 33,953,400.28	\$ 373,337.03	\$ 33,189,530.68	\$ 40,395.90	\$ 5,219.11	\$ 344,917.56
		\$ 33,953,400.28	\$ 373,337.03	\$ 33,579,876.33	\$ 40,395.90	\$ 5,219.21	\$ 344,917.56

Ref. A

A

Analysis of 2017 Property Tax Levy

Tax Yield:

General Purpose Tax	\$ 33,881,483.49
Added and Omitted Taxes	71,916.79
	<u>\$ 33,953,400.28</u>

Tax Levy:

Local School District Taxes	\$ 17,244,008.00
Local Open Space Taxes	369,326.05
County Taxes:	
General Tax	\$ 7,996,467.16
Open Space Tax	757,572.29
Due County for Added and Omitted Taxes	18,619.01
	<u>8,772,658.46</u>
	<u>26,385,992.51</u>

Local Tax for Municipal Purposes Levied

Municipal Library Taxes	6,659,129.10
Add: Additional Tax Levied	836,818.00
	<u>71,460.67</u>
	<u>7,567,407.77</u>
	<u>\$ 33,953,400.28</u>

TOWNSHIP OF BEDMINSTER  
CURRENT FUND  
SCHEDULE OF TAX TITLE LIENS  
YEAR ENDED DECEMBER 31, 2017

NOT APPLICABLE

TOWNSHIP OF BEDMINSTER  
CURRENT FUND  
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	Balance Dec. 31, 2016	Accrued In 2017	Collected by Treasurer	Balance Dec. 31, 2017
Clerk:				
Alcoholic Beverage Licenses		\$ 6,150.00	\$ 6,150.00	
Fees and Permits:				
Construction Code Official		843,001.00	843,001.00	
Interlocal Services Agreement - Far Hills:				
Tax Collector		8,689.40	8,689.40	
Department of Public Works		51,607.07	51,607.07	
Library		9,457.20	9,457.20	
IT Manager		8,972.88	8,972.88	
Municipal Court		102,592.00	102,592.00	
Energy Receipts Tax		866,281.00	866,281.00	
Municipal Court:				
Fines and Costs	\$ 12,280.24	196,736.25	198,547.16	\$ 10,469.33
Contributions Towards Fire Truck:				
Township of Tewksbury		23,000.00	23,000.00	
Reserve for Open Space Trust		50,000.00	50,000.00	
Recreation Rentals		5,240.00	5,240.00	
	<u>\$ 12,280.24</u>	<u>\$ 2,171,726.80</u>	<u>\$ 2,173,537.71</u>	<u>\$ 10,469.33</u>

Ref.

A

A

TOWNSHIP OF BEDMINSTER  
FEDERAL AND STATE GRANT FUND  
SCHEDULE OF GRANTS RECEIVABLE  
YE 12/31/2017

Grant Description	Balance Dec. 31, 2016	Accrued in 2017	Received	Balance Dec. 31, 2017
Drunk Driving Enforcement Fund		\$ 2,592.59	\$ 2,592.59	
Alcohol Education and Rehabilitation Grant		1,329.49	1,329.49	
Click it or Ticket Grant		1,815.00	1,815.00	
Recycling Tonnage Grant		13,137.73	13,137.73	
Clean Communities		49,547.92	49,547.92	
Distracted Driver Crackdown		2,750.00	2,750.00	
Body Armor Replacement Fund		1,783.18	1,783.18	
Private Donation Body Armor Fund		400.00	400.00	
Bullet Proof Vests - Federal	\$ 4,452.44	2,400.00	4,895.25	\$ 1,957.19
DARE		1,011.66	1,011.66	
Drive Sober or Get Pulled Over		2,160.00		2,160.00
Drive Sober or Get Pulled Over	6,000.00	4,800.00	10,800.00	
Comcast Communications Grant		5,000.00		5,000.00
President Elect Security Assistance		5,389.00	5,389.00	
Highlands Water Protection & Planning Council:				
Plan Assistance Grant	92,745.60			92,745.60
Plan Conformance Consistency Review Report Grant	25,000.00			25,000.00
	<u>\$ 128,198.04</u>	<u>\$ 94,116.57</u>	<u>\$ 95,451.82</u>	<u>\$ 126,862.79</u>
	A			A
		Original Budget \$ 57,193.64		
		Added by NJSA 40A:4-87 <u>36,922.93</u>		
		<u>\$ 94,116.57</u>		
			Current Year Receivable \$ 61,747.41	
			Transfer from Unappropriated Reserves <u>33,704.41</u>	
			<u>\$ 95,451.82</u>	



TOWNSHIP OF BEDMINSTER  
CURRENT FUND  
SCHEDULE OF 2016 APPROPRIATION RESERVES  
YEAR ENDED DECEMBER 31, 2017

	Balance Dec. 31, 2016	Balance After Modification	Paid or Charged	Unexpended Balance Canceled
GENERAL GOVERNMENT:				
General Administration:				
Salaries and Wages	\$ 1,500.00	\$ 1,500.00		\$ 1,500.00
Other Expenses - Miscellaneous	8,735.80	8,735.80	\$ 5,890.83	2,844.97
Mayor and Township Committee:				
Other Expenses	546.50	546.50		546.50
Municipal Clerk:				
Salaries and Wages	298.58	298.58		298.58
Other Expenses	5,953.46	5,953.46	5,860.69	92.77
Financial Administration:				
Other Expenses	4,405.01	4,405.01	2,400.00	2,005.01
Annual Audit	15,653.00	15,653.00	15,645.00	8.00
Computerized Data Processing:				
Salaries and Wages	1,072.26	1,072.26		1,072.26
Other Expenses	27,679.76	27,679.76	15,088.81	12,590.95
Revenue Administration (Tax Collection):				
Salaries and Wages	105.00	105.00		105.00
Other Expenses	1,787.57	1,787.57	377.90	1,409.67
Legal Services and Costs:				
Other Expenses	5,348.69	19,948.69	14,077.24	5,871.45
Municipal Court:				
Other Expenses	5,795.93	5,795.93	2,005.12	3,790.81
Public Defender:				
Other Expenses	700.04	700.04		700.04
Engineering Services and Costs:				
Other Expenses	22,118.03	7,518.03	3,162.68	4,355.35
Local Historian:				
Other Expenses	200.00	200.00		200.00
Municipal Land Use Law (NJSA 40:55D-1):				
Planning Board:				
Salaries and Wages	81.10	81.10		81.10
Other Expenses	2,220.08	2,220.08	2,118.50	101.58
Preparation of Master Plan	10,000.00	10,000.00	835.00	9,165.00
Township Planner:				
Other Expenses	7,500.00	7,500.00	60.00	7,440.00
Zoning Board:				
Other Expenses	3,960.00	3,960.00	2,580.00	1,380.00
Insurance:				
General Liability	81,255.72	81,255.72	75,194.39	6,061.33
Group Insurance Plan for Employees	48,740.16	48,740.16	200.00	48,540.16

TOWNSHIP OF BEDMINSTER  
CURRENT FUND  
SCHEDULE OF 2016 APPROPRIATION RESERVES  
YEAR ENDED DECEMBER 31, 2017  
(Continued)

	Balance Dec. 31, 2016	Balance After Modification	Paid or Charged	Unexpended Balance Canceled
PUBLIC SAFETY:				
Police:				
Salaries and Wages	\$ 27,867.91	\$ 27,867.91	\$ 10,303.51	\$ 17,564.40
Other Expenses	39,283.40	39,283.40	27,843.67	11,439.73
Purchase of Police Vehicles	5,228.61	5,228.61	2,805.66	2,422.95
Emergency Management Services:				
Other Expenses	4,589.10	4,589.10	1,227.94	3,361.16
Fire Hydrant Service	13,650.13	13,650.13	11,430.54	2,219.59
Aid to Fire Companies:				
Outside Township- Union Hook and Ladder Company - Firehouse	66.32	66.32		66.32
Fire Official:				
Salaries and Wages	2,191.19	2,191.19	1,615.26	575.93
Other Expenses	281.23	281.23	78.69	202.54
Municipal Prosecutor:				
Other Expenses	5,021.59	5,021.59	4,170.79	850.80
STREETS AND ROADS:				
Road Repairs and Maintenance:				
Salaries and Wages	93,401.24	93,401.24		93,401.24
Other Expenses	134,780.21	134,780.21	45,356.98	89,423.23
Park Maintenance:				
Other Expenses	2,193.36	2,193.36		2,193.36
Somerset County Mandatory Recycling Program:				
Other Expenses	24,840.11	24,840.11	23,936.88	903.23
Public Buildings and Grounds:				
Other Expenses	12,599.19	12,599.19	8,462.33	4,136.86
Community Services Act:				
Street Lighting	21,430.47	21,430.47	21,427.47	3.00
HEALTH AND WELFARE:				
Board of Health:				
Other Expenses	2,720.94	2,720.94	87.50	2,633.44
Environmental Commission:				
Other Expenses	800.00	800.00		800.00
Animal Control Services:				
Other Expenses	1,330.00	1,330.00	1,330.00	

TOWNSHIP OF BEDMINSTER  
CURRENT FUND  
SCHEDULE OF 2016 APPROPRIATION RESERVES  
YEAR ENDED DECEMBER 31, 2017

(Continued)

	Balance Dec. 31, 2016	Balance After Modification	Paid or Charged	Unexpended Balance Canceled
RECREATION AND EDUCATION:				
Recreation:				
Salaries and Wages	\$ 117.14	\$ 317.14	\$ 200.00	\$ 117.14
Other Expenses	330.03	130.03		130.03
Senior Citizens' Van:				
Salaries and Wages	445.71	445.71	445.71	
Somerset Hills Municipal Alliance and Somerset Hills Youth Services:				
Other Expenses	0.01	0.01		0.01
State Uniform Construction Code - (NJS 52:27D-120 et seq.):				
Construction Official:				
Salaries and Wages	9,439.97	9,439.97	663.51	8,776.46
Other Expenses	12,227.83	12,227.83	2,461.40	9,766.43
UNCLASSIFIED:				
Utilities:				
Electricity	61,776.32	61,776.32	20,544.90	41,231.42
Township Open Space Committee:				
Other Expenses	250.00	250.00		250.00
Statutory Expenditures:				
Contribution to:				
Public Employees' Retirement System	2,141.36	2,141.36		2,141.36
Social Security System (O.A.S.I.)	4,111.61	4,111.61	884.00	3,227.61
Temporary Disability Insurance	837.64	837.64	610.81	226.83
Defined Contribution Retirement Program (DCRP)	185.02	185.02		185.02
Contribution to:				
Length of Service Awards Program (L.O.S.A.P.)	5,171.42	5,171.42	4,790.64	380.78
Interlocal Municipal Service Agreements:				
Far Hills - Tax Collection	600.43	600.43		600.43
Far Hills - Public Works	3,588.22	3,588.22	3,588.22	
Far Hills - IT Manager	3,215.08	3,215.08		3,215.08
Municipal Court	2,722.40	2,722.40		2,722.40
	\$ 755,091.88	\$ 755,091.88	\$ 339,762.57	\$ 415,329.31

Ref.

Analysis of Balance December 31, 2016:

Unencumbered	A	\$	517,991.72		
Encumbered	A	\$	237,100.16		
		\$	755,091.88		
				Cash Disbursed	\$ 326,171.93
				Accounts Payable	13,590.64
					\$ 339,762.57

TOWNSHIP OF BEDMINSTER  
CURRENT FUND  
SCHEDULE OF LOCAL SCHOOL DISTRICT TAXES PAYABLE

Balance December 31, 2016:	
Local School District Taxes Deferred	\$ 4,171,444.00
Increased by:	
Levy - Fiscal Year 2018	17,244,008.00
	<u>21,415,452.00</u>
Decreased by:	
Payments to Local School District	12,793,448.00
Payable to Local School District	4,311,002.00
	<u>17,104,450.00</u>
Balance December 31, 2017:	
Local School District Taxes Deferred	<u>\$ 4,311,002.00</u>
 <u>Analysis of Increase - Deferred School Tax:</u>	
Balance December 31, 2017	\$ 4,311,002.00
Balance December 31, 2016	<u>4,171,444.00</u>
Net Increase Credited to Operations	<u>\$ 139,558.00</u>

TOWNSHIP OF BEDMINSTER  
FEDERAL AND STATE GRANT FUND  
SCHEDULE OF APPROPRIATED RESERVES

	Balance Dec. 31, 2016	Prior Year Encumbrance Cancelled	Transferred from 2017 Budget Appropriations	Expended	Cancelled	Balance Dec. 31, 2017
Recycling Tonnage Grant	\$ 4,635.73	\$ 743.00	\$ 13,137.73	\$ 10,518.22	\$ 2,619.51	5,167.45
Drunk Driving Enforcement Fund	13,854.08		2,592.59	2,803.87		17,365.55
Clean Communities	1,111.06		49,547.92	46,036.45		940.55
Alcohol Education and Rehabilitation Fund			1,329.49	1,500.00		
Distracted Driver Crackdown Grant			2,750.00	2,750.00		
Click it or Ticket			1,815.00	1,815.00		
Body Armor Replacement Fund		1,677.78	1,783.18	3,460.96		
Private Donation Body Armor Replacement Fund			400.00	400.00		
Bullet Proof Vests - Federal	2,134.96	1,902.72	2,400.00	5,099.24		1,338.44
D.A.R.E. Grant	3,202.15		1,011.66	758.93		3,454.88
Comcast Communications Grant	15,903.83		5,000.00	3,000.00		17,903.83
Somerset County Planning Grant - 2006	6,004.20					6,004.20
Municipal Alliance Grant - Senior Citizen Program	500.00					500.00
Drive Sober or Get Pulled Over	3,540.00		2,160.00	4,260.00		1,440.00
Drive Sober or Get Pulled Over Plan Conformance Grant	25,000.00		4,800.00	4,800.00		25,000.00
Plan Assistance Grant	92,745.60					92,745.60
President Elect Security Assistance			5,389.00		\$ 5,389.00	
	<u>\$ 168,631.61</u>	<u>\$ 4,323.50</u>	<u>\$ 94,116.57</u>	<u>\$ 87,202.67</u>	<u>\$ 8,008.51</u>	<u>\$ 171,860.50</u>
	A					A
Original Budget			\$ 57,193.64			
Added by NJSA 40A:4-87			36,922.93			
			<u>\$ 94,116.57</u>			
Cash Disbursed			\$ 66,192.01			
Encumbrances Payable			21,010.66			
			<u>\$ 87,202.67</u>			

TOWNSHIP OF BEDMINSTER  
FEDERAL AND STATE GRANT FUND  
SCHEDULE OF UNAPPROPRIATED RESERVES

	Balance Dec. 31, 2016	Received	Transferred to 2017 Grants Receivable	Balance Dec. 31, 2017
Recycling Tonnage Grant	\$ 26,788.99	\$ 11,404.39	\$ 26,788.99	\$ 11,404.39
Clean Communities	1,329.49	1,029.44	1,329.49	1,029.44
Alcohol Education & Rehabilitation Fund	1,783.18	1,785.52	1,783.18	1,785.52
Body Armor Replacement Fund	400.00		400.00	
Private Donation - Body Armor Fund	810.16	734.42	810.16	734.42
DARE	2,592.59	3,072.08	2,592.59	3,072.08
Drunk Driving Enforcement Fund				
	<u>\$ 33,704.41</u>	<u>\$ 18,025.85</u>	<u>\$ 33,704.41</u>	<u>\$ 18,025.85</u>

Ref.      A

A

TOWNSHIP OF BEDMINSTER  
COUNTY OF SOMERSET  
2017  
TRUST FUNDS

TOWNSHIP OF BEDMINSTER  
TRUST FUNDS  
SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>	<u>Animal Control Fund</u>	<u>Other Trust Funds</u>
Balance December 31, 2016	B	\$ 5,338.99	\$ 3,860,149.26
Increased by Receipts:			
Animal Control License Fees:			
Dog License Fees		\$ 2,764.80	
Cat License Fees		876.00	
State Dog License Fees		1,218.60	
Prepaid Licenses		4,725.60	
Late Fees		390.00	
Miscellaneous		66.00	
Due to Current Fund:			
Interest Income		11.75	\$ 409.99
Interfund Advanced			65,000.00
Deposits and Interest:			
Special Escrow Deposits			241,500.33
Developers' Escrow Deposits			131,233.20
State Unemployment Insurance			5,052.58
Recreation Funds			186,912.58
Forfeited Assets			1,894.08
Parking Offenses Adjudication Act			4.00
Public Defender			1,050.00
Affordable Housing Trust			52,297.10
Open Space Trust Fund:			
Tax Levy			369,326.05
Miscellaneous			3,888.02
Fire Prevention			75.00
Police Outside Duty			215,281.91
Flexible Spending			7,000.00
Accumulated Absences			15,000.00
		10,052.75	1,295,924.84
		15,391.74	5,156,074.10



TOWNSHIP OF BEDMINSTER  
TRUST FUNDS  
SCHEDULE OF CASH - TREASURER  
(Continued)

<u>Ref.</u>	<u>Animal Control Fund</u>	<u>Other Trust Funds</u>
Decreased by Disbursements:		
Administrative Expenses	\$ 4,556.16	
Due to State of New Jersey	1,218.60	
Due to Current Fund:		
Interest Income	3.56	\$ 17.36
Interfund Advanced		65,000.00
Special Escrow Deposits		168,607.41
Developers' Escrow Deposits		89,606.73
State Unemployment Insurance		1,365.00
Recreation Funds		192,184.68
Public Defender		790.00
Affordable Housing Trust		47,264.35
Open Space Trust Fund:		
Open Space		279,722.33
Due to General Capital Fund		100,000.00
Fire Prevention		150.00
Police Outside Duty		211,332.56
Flexible Spending		11,200.20
Developer Reforestation		1,710.00
	<u>\$ 5,778.32</u>	<u>\$ 1,168,950.62</u>
Balance December 31, 2017	<u><u>\$ 9,613.42</u></u>	<u><u>\$ 3,987,123.48</u></u>

TOWNSHIP OF BEDMINSTER  
ANIMAL CONTROL TRUST FUND  
SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES

	<u>Ref.</u>	
Balance December 31, 2016	B	\$ 1,824.64
Increased by:		
Animal Control Fees:		
Current Year Collections - Dog and Cat Licenses		\$ 3,640.80
Prior Year Prepaids Applied		4,241.60
Late Fees and Penalties		390.00
Miscellaneous Fees		66.00
		8,338.40
		10,163.04
Decreased by:		
Expenditures Under R.S. 4:19-15.11		4,556.16
		4,556.16
Balance December 31, 2017	B	\$ 5,606.88

License Fees Collected

<u>Year</u>	<u>Amount</u>
2015	\$ 8,161.60
2016	8,086.00
	8,086.00
Maximum Allowable Reserve	\$ 16,247.60

TOWNSHIP OF BEDMINSTER  
COUNTY OF SOMERSET  
2017  
GENERAL CAPITAL FUND

TOWNSHIP OF BEDMINSTER  
GENERAL CAPITAL FUND  
SCHEDULE OF CASH

	<u>Ref.</u>	
Balance December 31, 2016	C	\$ 447,879.86
Increased by Receipts:		
Due Current Fund:		
Interest Income		\$ 897.05
Due Federal and State Grant Fund:		
Grant Receipts - NJ Department of Transportation		296,595.54
Due Open Space Trust Fund:		
Prior Year Interfund Returned		105,200.01
2017 Budget Appropriation:		
Capital Improvement Fund		575,700.00
Reserve Due to NJ Department of Transportation		13,258.65
Appropriation Refund - Capital Improvement Fund		2,950.84
		<u>994,602.09</u>
		1,442,481.95
Decreased by:		
Improvement Authorizations		399,537.73
Due Other Trust		5,200.01
Due Current Fund		
Interest Income		82.74
		<u>404,820.48</u>
Balance December 31, 2017	C	<u>\$ 1,037,661.47</u>



TOWNSHIP OF BEDMINSTER  
GENERAL CAPITAL FUND  
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

Ord. No.	Improvement Description	Balance Dec. 31, 2016	Notes Paid by			Balance Dec. 31, 2017	Analysis of Balance Dec. 31, 2017	
			2017 Improvement Authorizations	Budget Appropriation	Other Trust Fund - Reserve for Open Space		Bond Anticipation Notes	Unexpended Improvement Authorizations
08-32	Various Capital Improvements	\$ 291,600.00	\$ 97,200.00		\$ 194,400.00	\$ 194,400.00		
10-02	Purchase of a Development Easement Block 9 Lots 8, 9, 10 and 10.01	163,600.00		\$ 81,800.00	81,800.00	81,800.00		
12-13	Acquisition of Equipment	537,750.00	89,625.00		448,125.00	448,125.00		
16-13	Acquisition of Property	1,900,000.00			1,900,000.00			\$ 1,900,000.00
		\$ 2,892,950.00	\$ 186,825.00	\$ 81,800.00	\$ 2,624,325.00	\$ 724,325.00		\$ 1,900,000.00

Ref. C C

TOWNSHIP OF BEDMINSTER  
GENERAL CAPITAL FUND  
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

2017 Authorizations

Ord. No.	Improvement Description	Ordinance Date	Ordinance Amount	Balance Dec. 31, 2016		Capital Improvement Fund	Other Sources	Prior Year Encumbrances Cancelled	Paid or Charged	Balance Dec. 31, 2017	
				Funded	Unfunded					Funded	Unfunded
12-13	Acquisition of Equipment	11/05/12	\$ 1,000,000.00					\$ 1,111.36	\$ 1,111.36		
15-02	Road Improvements - Old Dutch Road	3/2/2015	305,100.00					7,102.38	7,102.38		
15-05	Various Capital Improvements	5/4/2015	197,526.00	\$ 12,690.07				4,610.43	10,412.81	\$ 6,887.69	
15-06	Various Capital Improvements	5/4/2015	80,000.00	14,840.59				1,240.90	9,853.52	6,227.97	
16-05	Acquisition of DPW Vehicles and Equipment	5/16/2016	130,000.00	796.00						796.00	
16-07	Various Police Equipment	6/6/2016	33,000.00	13,197.18				1,120.49	4,038.65	10,279.02	
16-10	Road Improvements - Robertson Drive	6/20/2016	155,000.00	30,811.82				2,663.62	12,565.33	20,910.11	
16-11	Road Management Plan	6/20/2016	100,000.00	58,833.23					58,833.23		
16-13	Acquisition of Property	6/20/2016	2,000,000.00	100,000.00	\$ 1,900,000.00					100,000.00	\$ 1,900,000.00
16-14	Municipal Court Improvements	8/15/2016	10,000.00	6,367.97					3,496.00	2,871.97	
16-16	Bedminster/ Far Hills Fire Department Equipment and Improvements	10/3/2016	16,000.00	16,000.00					16,000.00		
16-17	Pottersville Volunteer Fire Company Equipment and Improvements	11/7/2016	17,600.00	670.90				16,929.10	17,529.10	70.90	
17-01	Bedminster/ Far Hills Fire Department Equipment and Improvements	2/21/2017	16,000.00			\$ 16,000.00			9,120.07	6,879.93	
17-09	Acquisition of Motor Vehicles and Heavy Equipment for the Public Works Department	5/15/2017	75,000.00			75,000.00			26,126.54	48,873.46	
17-10	Road Management Plan	5/15/2017	200,000.00			200,000.00			46,833.85	153,166.15	
17-11	Road Improvements to Meadow Road	5/15/2017	50,000.00			50,000.00			29,380.07	20,619.93	
17-12	Facility Improvements	5/15/2017	25,000.00			25,000.00				25,000.00	
17-15	Acquisition of Various Police Equipment	7/7/2017	43,450.00			43,450.00			28,950.07	14,499.93	

TOWNSHIP OF BEDMINSTER  
GENERAL CAPITAL FUND  
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

2017 Authorizations

Ord. No.	Improvement Description	Date	Ordinance Amount	Balance Dec. 31, 2016		Capital Improvement Fund	Other Sources	Prior Year Encumbrances Cancelled	Paid or Charged	Balance Dec. 31, 2017	
				Funded	Unfunded					Funded	Unfunded
17-16	Bedminster/ Far Hills Fire Department and Pottersville Volunteer Fire Company Equipment	7/7/2017	84,000.00			\$ 84,000.00			\$ 5,584.83	\$ 78,415.17	
17-18	Repaving of Meadow Road	7/7/2017	325,000.00			101,500.00	\$ 223,500.00		133,540.84	191,459.16	
				\$ 254,207.76	\$ 1,900,000.00	\$ 594,950.00	\$ 223,500.00	\$ 34,778.28	\$ 420,478.65	\$ 686,957.39	\$ 1,900,000.00
			Ref.	C	C					C	C
						NJ DOT Grant	\$ 223,500.00				
							\$ 223,500.00		Cash Disbursed \$ 399,537.73		
									Encumbrances 20,940.92		
									\$ 420,478.65		



TOWNSHIP OF BEDMINSTER  
GENERAL CAPITAL FUND  
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance December 31, 2016	C	\$ 350,986.34
Increased by:		
2017 Budget Appropriation		575,700.00
Appropriation Refund		2,950.84
		<u>929,637.18</u>
Decreased by:		
Appropriated to Finance Improvement Authorizations		<u>594,950.00</u>
Balance December 31, 2017	C	<u>\$ 334,687.18</u>



TOWNSHIP OF BEDMINSTER  
GENERAL CAPITAL FUND  
SCHEDULE OF SERIAL BONDS PAYABLE

Purpose	Date of Issue	Original Issue	Maturities of Bonds			Interest Rate	Balance Dec. 31, 2016	Matured	Balance Dec. 31, 2017
			Date	Outstanding Dec. 31, 2017	Amount				
Series 2015 Refunding Bonds	12/08/15	\$ 1,862,000.00	9/15/2018	\$ 397,000.00	1.30%	\$ 1,469,000.00	\$ 395,000.00	\$ 1,074,000.00	
			9/15/2019	403,000.00	1.30%				
			9/15/2020	274,000.00	1.30%				
						<u>\$ 1,469,000.00</u>	<u>\$ 395,000.00</u>	<u>\$ 1,074,000.00</u>	

Ref. C C

TOWNSHIP OF BEDMINSTER  
GENERAL CAPITAL FUND  
SCHEDULE OF GREEN TRUST PROGRAM LOANS PAYABLE

	<u>Ref.</u>	
Balance December 31, 2016	C	\$ 290,794.14
Decreased by:		
Principal Matured		<u>83,341.97</u>
Balance December 31, 2017	C	<u><u>\$ 207,452.17</u></u>

Schedule of Principal and Interest Payments Outstanding December 31, 2017

Loan Payable #1

<u>Payment Number</u>	<u>Due</u>	<u>Principal</u>	<u>Interest</u>	<u>Loan Balance</u>
				\$ 25,644.04
39	01/22/18	<u>\$ 25,644.04</u>	<u>\$ 266.40</u>	
		<u><u>\$ 25,644.04</u></u>	<u><u>\$ 266.40</u></u>	

Schedule of Principal and Interest Payments Outstanding December 31, 2017

Loan Payable #2

<u>Payment Number</u>	<u>Due</u>	<u>Principal</u>	<u>Interest</u>	<u>Loan Balance</u>
				\$ 5,503.24
38	06/12/18	<u>\$ 5,503.24</u>	<u>\$ 55.02</u>	
		<u><u>\$ 5,503.24</u></u>	<u><u>\$ 55.02</u></u>	

TOWNSHIP OF BEDMINSTER  
GENERAL CAPITAL FUND  
SCHEDULE OF GREEN TRUST PROGRAM LOANS PAYABLE  
(Continued)

Schedule of Principal and Interest Payments Outstanding December 31, 2017

Loan Payable #3

<u>Payment Number</u>	<u>Due</u>	<u>Principal</u>	<u>Interest</u>	<u>Loan Balance</u>
				\$ 29,731.46
34	05/28/18	\$ 4,832.80	\$ 297.31	24,898.66
35	11/28/18	4,881.13	248.99	20,017.53
36	05/28/19	4,929.94	200.18	15,087.59
37	11/28/19	4,979.24	150.88	10,108.35
38	05/28/20	5,029.03	101.08	5,079.32
39	11/28/20	5,079.32	50.79	
		<u>\$ 29,731.46</u>	<u>\$ 1,049.23</u>	

TOWNSHIP OF BEDMINSTER  
GENERAL CAPITAL FUND  
SCHEDULE OF GREEN TRUST PROGRAM LOANS PAYABLE  
(Continued)

Schedule of Principal and Interest Payments Outstanding December 31, 2017

Loan Payable #4

<u>Payment Number</u>	<u>Due</u>	<u>Principal</u>	<u>Interest</u>	<u>Loan Balance</u>
				\$ 146,573.43
19	05/01/18	\$ 6,307.16	\$ 1,465.73	140,266.27
20	10/31/18	6,370.24	1,402.66	133,896.03
21	05/01/19	6,433.94	1,338.96	127,462.09
22	10/31/19	6,498.28	1,274.62	120,963.81
23	05/01/20	6,563.26	1,209.64	114,400.55
24	10/31/20	6,628.89	1,144.01	107,771.66
25	05/01/21	6,695.18	1,077.72	101,076.48
26	10/31/21	6,762.13	1,010.76	94,314.35
27	05/01/22	6,829.76	943.14	87,484.59
28	10/31/22	6,898.05	874.85	80,586.54
29	05/01/23	6,967.03	805.87	73,619.51
30	10/31/23	7,036.70	736.19	66,582.81
31	05/01/24	7,107.07	665.83	59,475.74
32	10/31/24	7,178.14	594.76	52,297.60
33	05/01/25	7,249.92	522.98	45,047.68
34	10/31/25	7,322.42	450.48	37,725.26
35	05/01/26	7,395.65	377.25	30,329.61
36	10/31/26	7,469.60	303.30	22,860.01
37	05/01/27	7,544.30	228.60	15,315.71
38	10/31/27	7,619.74	153.16	7,695.97
39	05/01/28	7,695.97	76.93	
		<u>\$ 146,573.43</u>	<u>\$ 16,657.44</u>	

TOWNSHIP OF BEDMINSTER  
GENERAL CAPITAL FUND  
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED  
YEAR ENDED DECEMBER 31, 2017

Ord. No.	Improvement Description	Balance Dec. 31, 2016	Balance Dec. 31, 2017
16-13	Acquisition of Property	\$ 1,900,000.00	\$ 1,900,000.00

TOWNSHIP OF BEDMINSTER  
COUNTY OF SOMERSET  
2017  
WATER UTILITY FUND

NOT APPLICABLE



TOWNSHIP OF BEDMINSTER  
COUNTY OF SOMERSET  
2017  
SEWER UTILITY FUND

TOWNSHIP OF BEDMINSTER  
SEWER UTILITY OPERATING FUND  
SCHEDULE OF CASH - TREASURER

<u>Ref.</u>	<u>Operating</u>	<u>Assessment</u>	<u>Capital</u>
Balance December 31, 2016	\$ 2,056,209.88	\$ 22,492.45	\$ 474,483.22
Increased by Receipts:			
Sewer Utility Collector	\$ 385,137.50		
Interest on Investments	1,938.77		
Miscellaneous Revenue	6,920.27		
Due Current Fund:			
Current Year Interfund Advanced	3,159.00		
Due Sewer Utility Operating Fund:			
Sewer Utility Capital Account		\$ 26.48	\$ 480.32
Sewer Utility Assessment Account		\$ 26.48	
Appropriation Refunds	29,582.83		
Due Sewer Utility Assessment Fund:			
Interfund Returned	7.94		
Due Sewer Utility Capital Fund:			
Interfund Returned	317.83		
Budget Appropriations:			
Reserve for Equipment Renewal			
Replacement- Sanitary Sewer Collection System			36,727.17
Reserve for Equipment Renewal			
Replacement- Sanitary Sewer Treatment System			5,000.00
Reserve for Lamington Road Pump Station			4,000.00
	427,064.14	26.48	46,207.49
	2,483,274.02	22,518.93	520,690.71
Decreased by Disbursements:			
2017 Budget Appropriations	386,056.53		
2016 Appropriation Reserves	34,066.47		
Improvement Authorizations:			
Funded			18,605.00
Refund of Rent Overpayments	29,582.83		
Investments	724,325.00		
Due Current Fund:			
Interest Income		7.94	317.83
	1,174,030.83	7.94	18,922.83
Balance December 31, 2017	\$ 1,309,243.19	\$ 22,510.99	\$ 501,767.88

TOWNSHIP OF BEDMINSTER  
SEWER UTILITY OPERATING FUND  
SCHEDULE OF CASH - COLLECTOR  
YEAR ENDED DECEMBER 31, 2017

Increased by Receipts:

Consumer Accounts Receivable:

Rents

\$ 384,333.17

Interest on Delinquent Rents

804.33

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385,137.50

Decreased by Disbursements:

Paid to Treasurer

\$ 385,137.50

TOWNSHIP OF BEDMINSTER  
SEWER UTILITY CAPITAL FUND  
ANALYSIS OF CASH

	Balance		Receipts		Disbursements		Transfers		Balance Dec. 31, 2017
	Dec. 31, 2016		Miscellaneous		Improvement Authorizations	Miscellaneous	From	To	
Capital Fund Balance	\$ 101,278.96								\$ 101,278.96
Due Sewer Utility Operating Fund	18.18	\$	480.32			\$ 317.83			180.67
Reserve for:									
Capital	95,770.55								95,770.55
Equipment Renewal and Replacement - SCS	85,000.00		5,000.00						90,000.00
Equipment Renewal and Replacement - SSTS	136,346.47		36,727.17				\$ 25,000.00		148,073.64
Lamington Road Pump Station	31,000.00		4,000.00						35,000.00
<u>Improvement Authorizations</u>									
Ord.									
No.									
13-06	Miller Lane Pump Station	8,538.74		\$ 8,538.74					13,350.32
13-10	Lamington Farm Pump	16,530.32		3,180.00					18,113.74
17-17	Miller Lane Pump Station			6,886.26				\$ 25,000.00	
		\$ 474,483.22	\$ 46,207.49	\$ 18,605.00	\$ 317.83	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	\$ 501,767.88

TOWNSHIP OF BEDMINSTER  
SEWER UTILITY ASSESSMENT FUND  
ANALYSIS OF CASH

	Balance	<u>Receipts</u>	<u>Disbursements</u>	Balance
	Dec. 31, 2016	<u>Miscellaneous</u>	<u>Miscellaneous</u>	Dec. 31, 2017
Assessment Fund Balance	\$ 22,491.88			\$ 22,491.88
Due Sewer Utility Operating Fund	<u>0.57</u>	<u>\$ 26.48</u>	<u>\$ 7.94</u>	<u>19.11</u>
	<u>\$ 22,492.45</u>	<u>\$ 26.48</u>	<u>\$ 7.94</u>	<u>\$ 22,510.99</u>

TOWNSHIP OF BEDMINSTER  
SEWER UTILITY OPERATING FUND  
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE

	<u>Ref.</u>	
Balance December 31, 2016	E	\$ 9,067.14
Increased by:		
Rents, Fees and Other Charges Levied		<u>386,668.58</u>
		395,735.72
Decreased by:		
Collections - Rents	\$ 384,333.17	
Collections - Other Fees	804.33	
Prepaid Sewer Rents Applied	<u>4,382.45</u>	
		<u>389,519.95</u>
Balance December 31, 2017	E	<u><u>\$ 6,215.77</u></u>

TOWNSHIP OF BEDMINSTER  
SEWER UTILITY ASSESSMENT FUND  
SCHEDULE OF ASSESSMENTS RECEIVABLE  
YEAR ENDED DECEMBER 31, 2017

NOT APPLICABLE

TOWNSHIP OF BEDMINSTER  
SEWER UTILITY CAPITAL FUND  
SCHEDULE OF FIXED CAPITAL

	<u>Ref.</u>	
Balance December 31, 2016	E	\$ 7,098,967.06
Increased by:		
Additions by Ordinance		<u>18,605.00</u>
Balance December 31, 2017	E	<u><u>\$ 7,117,572.06</u></u>



TOWNSHIP OF BEDMINSTER  
SEWER UTILITY CAPITAL FUND  
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

Improvement Description	Ordinance		Balance Dec. 31, 2016	2017 Authorizations	Costs to Fixed Capital	Balance Dec. 31, 2017
	Date	Amount				
Miller Lane Pump Station	03/18/13	\$ 25,000.00	\$ 8,538.74		\$ 8,538.74	
Lamington Farm Pump	03/18/13	25,000.00	16,530.32		3,180.00	\$ 13,350.32
Miller Lane Pump Station	07/07/17	25,000.00		\$ 25,000.00	6,886.26	18,113.74
			\$ 25,069.06	\$ 25,000.00	\$ 18,605.00	\$ 31,464.06

Ref.

E

E

TOWNSHIP OF BEDMINSTER  
SEWER UTILITY OPERATING FUND  
SCHEDULE OF 2016 APPROPRIATION RESERVES  
YEAR ENDED DECEMBER 31, 2017

		<u>Balance</u> <u>Dec. 31, 2016</u>	<u>Balance</u> <u>After</u> <u>Modification</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Operating:					
Other Expenses		\$ 86,981.87	\$ 86,981.87	\$ 34,066.47	\$ 52,915.40
		<u>\$ 86,981.87</u>	<u>\$ 86,981.87</u>	<u>\$ 34,066.47</u>	<u>\$ 52,915.40</u>
	<u>Ref.</u>				
<u>Balance December 31, 2016:</u>					
Appropriation Reserves:					
Unencumbered	E	\$ 71,414.87			
Encumbered	E	<u>15,567.00</u>			
		<u>\$ 86,981.87</u>			

TOWNSHIP OF BEDMINSTER  
SEWER UTILITY CAPITAL FUND  
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Improvement Description	Date	Ordinance No.	Amount	Balance Dec. 31, 2016		2017 Authorizations		Balance Dec. 31, 2017	
				Funded	Other Sources	Paid or Charged	Funded		
Miller Lane Pump Station	03/18/13	13-06	\$ 25,000.00	\$ 8,538.74		\$ 8,538.74			
Lamington Farm Pump	03/18/13	13-10	25,000.00	16,530.32		3,180.00		\$ 13,350.32	
Miller Lane Pump Station	07/07/17	17-17	25,000.00		\$ 25,000.00	6,886.26		18,113.74	
				\$ 25,069.06	\$ 25,000.00	\$ 18,605.00		\$ 31,464.06	

Ref.

E

E

TOWNSHIP OF BEDMINSTER  
SEWER UTILITY CAPITAL FUND  
SCHEDULE OF RESERVE FOR AMORTIZATION

	<u>Ref.</u>	
Balance December 31, 2016	E	\$ 7,098,967.06
Increased by:		
Transfer from Deferred Reserve for Amortization		<u>18,605.00</u>
Balance December 31, 2017	E	<u>\$ 7,117,572.06</u>

TOWNSHIP OF BEDMINSTER  
SEWER UTILITY CAPITAL FUND  
SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

Improvement Description	Date of Ordinance	Balance Dec. 31, 2016	2017 Authorizations	Transferred to Reserve for Amortization	Balance Dec. 31, 2017
Miller Lane Pump Station	03/18/13	\$ 8,538.74		\$ 8,538.74	
Lamington Farm Pump	03/18/13	16,530.32		3,180.00	\$ 13,350.32
Miller Lane Pump Station	07/07/17		\$ 25,000.00	6,886.26	18,113.74
		\$ 25,069.06	\$ 25,000.00	\$ 18,605.00	\$ 31,464.06

Ref.

E

E

TOWNSHIP OF BEDMINSTER  
COUNTY OF SOMERSET  
2017  
PUBLIC ASSISTANCE FUND

TOWNSHIP OF BEDMINSTER  
PUBLIC ASSISTANCE FUND  
SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>	<u>Total</u>	<u>P.A.T.F. I</u>	<u>P.A.T.F. II</u>
Balance December 31, 2016	F	\$ 11,048.79	\$ 10,705.93	\$ 342.86
Increased by Receipts:				
Interest Earned		13.01	12.61	0.40
Balance December 31, 2017	F	<u>\$ 11,061.80</u>	<u>\$ 10,718.54</u>	<u>\$ 343.26</u>

TOWNSHIP OF BEDMINSTER

PART II

SINGLE AUDIT

YEAR ENDED DECEMBER 31, 2017



TOWNSHIP OF BEDMINSTER  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED DECEMBER 31, 2017

Federal Department	Federal Program	C.F.D.A. Account Number	State Program Account Number	Grant Award	Grant Period		Grant Receipts	Grant Expenditures	MEMO	
					From	To			Cumulative Total Expenditures	Amounts Provided to Subrecipients
Department of Transportation: Passed through NJ Department of Transportation	New Jersey Transportation Trust Fund Authority Act - Meadow Road	20.205	16-480-078-6320	223,500.00	01/01/17	12/31/18	\$ 136,752.60	\$ 136,752.60	\$ 136,752.60	
		20.205	16-480-078-6320	134,742.00	01/01/16	12/31/18	112,342.94	9,901.71	113,831.89	
	New Jersey Transportation Trust Fund Authority Act - Robertson Drive	20.205	16-480-078-6320	190,000.00	01/01/15	12/31/18	47,500.00		190,000.00	
							296,595.54	146,654.31	440,584.49	
Passed through NJ Department of Law and Public Safety	Click it or Ticket	20.602	100-066-1020-03100	\$ 1,815.00	01/01/17	12/31/18	1,815.00	\$ 1,815.00	\$ 1,815.00	
		20.616	066-1160-100-158	2,750.00	01/01/17	12/31/18	2,750.00	2,750.00	2,750.00	
		20.601	100-067-1160-031020	6,000.00	01/01/16	12/31/17	6,000.00	3,540.00	6,000.00	
				2,160.00	01/01/17	12/31/18	2,160.00	2,160.00	2,160.00	
		4,800.00	01/01/17	12/31/18	2,640.00	3,360.00	4,800.00			
					10,800.00	9,060.00	12,960.00			
Total Department of Transportation				309,210.54	157,529.31	455,359.49	\$ -0-			
U.S. Department of Justice: Office of Justice Program	Bulletproof Vest Partnership Grant	16.607	N/A	2,317.87	01/01/16	12/31/17	2,317.87	2,317.87	2,317.87	
				5,099.24	01/01/17	12/31/18	2,577.38	5,099.24	5,099.24	
				4,895.25			5,099.24	7,417.11	-0-	
TOTAL FEDERAL AWARDS				\$ 314,105.79	\$ 162,628.55	\$ 462,776.60	\$ -0-			

N/A - Not Available/Applicable

SEE ACCOMPANYING NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

TOWNSHIP OF BEDMINSTER  
SCHEDULE OF EXPENDITURES OF STATE AWARDS  
YEAR ENDED DECEMBER 31, 2017

Name of State Agency or Department	State Program Account Number	Name of Program	Grant Award	Grant Period		Grant Receipts	Grant Expenditures	MEMO Cumulative Total Expenditures
				From	To			
Department of Environmental Protection	765-042-4900- 004-178900	Clean Communities Grant	\$ 23,341.36 49,547.92	01/01/16 01/01/17	12/31/17 12/31/18	\$ 22,758.93	\$ 3,996.58 42,039.87	\$ 23,341.36 19,344.78
						22,758.93	46,036.45	42,686.14
	752-042-4900- 004-178840	Recycling Tonnage Grant	10,051.18 10,183.45 24,512.12	01/01/15 01/01/16 01/01/17	12/31/17 12/31/18 12/31/18		1,272.69 9,245.53	10,051.18 9,245.53
						24,542.12	10,518.22	19,296.71
		Total Department of Environmental Protection				47,301.05	56,554.67	61,982.85
Department of Law and Public Safety	100-066-1110- 260-YYYY	Drunk Driving Enforcement Fund	6,258.33 3,072.08	01/01/15 01/01/17	12/31/18 12/31/18		2,060.87	3,128.74
						3,072.08		
						3,072.08	2,060.87	3,128.74
	98-718-066- 1020-001	Body Armor Replacement Fund	1,847.11 1,785.52	01/01/16 01/01/17	12/31/18 12/31/18		1,783.18	1,783.18
						1,785.52	1,783.18	1,783.18
		Total Department of Law and Public Safety				4,857.60	3,844.05	4,911.92

TOWNSHIP OF BEDMINSTER  
SCHEDULE OF EXPENDITURES OF STATE AWARDS  
YEAR ENDED DECEMBER 31, 2017

Name of State Agency or Department	Name of Program	State Program Account Number	Grant Award	Grant Period		Grant Receipts	Grant Expenditures	MEMO Cumulative Total Expenditures
				From	To			
Department of Health and Senior Services	Alcohol Education, Rehabilitation and Enforcement Fund (Trust)	760-046-	1,061.17	01/01/16	12/31/17		1,061.17	1,061.17
		4240-001	1,029.44	01/01/17	12/31/18	\$ 1,029.44	438.83	438.83
Total Department of Health and Senior Services						1,029.44	1,500.00	1,500.00
TOTAL STATE AWARDS						\$ 53,188.09	\$ 61,898.72	\$ 68,394.77

SEE ACCOMPANYING NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

TOWNSHIP OF BEDMINSTER  
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
YEAR ENDED DECEMBER 31, 2017

Note 1. BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal and state awards (the "Schedules") includes the federal and state grant activity of the Township of Bedminster under programs of the federal and state governments for the year ended December 31, 2017. The information in these schedules is presented in accordance with the requirements of the Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Because the schedules present only a selected portion of the operations of the Township, they are not intended to and do not present the financial position, changes in fund balance or cash flows of the Township.

Note 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the accompanying schedules of expenditures of federal and state awards are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts, if any, shown on the Schedules represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through identifying numbers are presented where available. The Township has elected not to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Note 3. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

Note 4. STATE LOANS OUTSTANDING

The Township of Bedminster has the following loans outstanding as of December 31, 2017:

General Capital Fund:	
NJ Green Acres Loans	<u>\$ 207,452.17</u>

Currently the Township is in the process of repaying these loan balances. There were no loan receipts or expenditures in the current year. The projects which relate to the loans are complete.



Mount Arlington Corporate Center  
 200 Valley Road, Suite 300  
 Mt. Arlington, NJ 07856  
 973-328-1825 | 973-328-0507 Fax

Lawrence Business Center  
 11 Lawrence Road  
 Newton, NJ 07860  
 973-383-6699 | 973-383-6555 Fax

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

The Honorable Mayor and Members  
 of the Township Committee  
 Township of Bedminster  
 Bedminster, New Jersey

We have audited, in accordance with auditing standards generally accepted in the United States of America, audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey ("the Division"), and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements - *regulatory basis* - of the various funds of the Township of Bedminster, in the County of Somerset (the "Township") as of and for the years ended December 31, 2017 and 2016, and the related notes to the financial statements and have issued our report thereon dated May 30, 2018. These financial statements have been prepared in accordance with accounting practices prescribed or permitted by the Division to demonstrate compliance with the Division's regulatory basis of accounting, and the budget laws of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America. That qualified report also indicated that we did not audit the general fixed assets account group.

**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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control.

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

The Honorable Mayor and Members  
of the Township Committee  
Township of Bedminster  
Page 2

Our consideration of the 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 weakness or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings and Responses as Finding 2017-01, which we consider to be a significant deficiency.

### **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*.

### **The Township's Response to the Finding**

The Township's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Responses. The Township's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **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 result 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.

Mount Arlington, New Jersey  
May 30, 2018

  
NISIVOCCIA LLP



Francis J. Jones, Jr.  
Registered Municipal Accountant No. 442  
Certified Public Accountant

TOWNSHIP OF BEDMINSTER  
SCHEDULE OF FINDINGS AND RESPONSES  
YEAR ENDED DECEMBER 31, 2017

Summary of Auditors' Results:

- The Independent Auditors' Report expresses a qualified opinion on the Township's financial statements, prepared in accordance with accounting practices prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey to demonstrate compliance with the Division's regulatory basis of accounting and the budget laws of New Jersey, as the general fixed assets account group was not audited.
- A significant deficiency was disclosed during the audit of the financial statements as reported in the *Independent Auditors' 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*. No material weaknesses are reported.
- No instances of noncompliance material to the financial statements of the District which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
- The Township was not subject to the single audit provisions of the Uniform Guidance and New Jersey's OMB Circular 15-08 for the year ended December 31, 2017 as both state and federal grant expenditures were less than the single audit thresholds of \$750,000 identified in the Uniform Guidance and NJOMB 15-08.

Findings Relating to the Financial Statements which are required to be Reported in Accordance with Generally Accepted Government Auditing Standards:

- The audit disclosed the following significant deficiency required to be reported under Generally Accepted Government Auditing Standards:

Finding 2017-1

Segregation of Duties

Criteria

Concentration of duties and responsibilities in a limited number of individuals is not desirable from a control point of view.

Condition

The Township does not maintain an adequate segregation of duties with respect to the recording and treasury functions.

The various departments/offices of the Township are responsible for the issuance of permits and licenses; collections of taxes and permit and license fees; and recording of collections.

Cause

This is due, in part, to the limited number of personnel of the Township and the decentralized nature of governmental collection procedures.

TOWNSHIP OF BEDMINSTER  
SCHEDULE OF FINDINGS AND RESPONSES  
YEAR ENDED DECEMBER 31, 2017  
(Continued)

Findings Relating to the Financial Statements which are required to be Reported in Accordance with Generally Accepted Government Auditing Standards: (Cont'd)

Effect or Potential Effect

Segregation of duties refers to separating those functions that place too much control over a transaction or class of transactions that would enable a person to perpetuate errors and prevent detection within a reasonable period of time.

Management's Response

The finding was evaluated, however, due to budgetary constraints, no resolution can be made at this time.

Findings and Questioned Costs for Federal Awards:

- Not applicable since federal expenditures were below the single audit threshold.

Findings and Questioned Costs for State Awards:

- Not applicable since state expenditures were below the single audit threshold.



TOWNSHIP OF BEDMINSTER  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2017

The Township's prior year audit finding 2016-01 regarding segregation of duties has not been resolved due to budgetary constraints and is included as current year Finding 2017-1.

TOWNSHIP OF BEDMINSTER

PART III

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2017

TOWNSHIP OF BEDMINSTER  
COMMENTS AND RECOMMENDATIONS

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

N.J.S.A. 40A:11-3 states:

a. " When the cost or price of any contract awarded by the contracting agent in the aggregate does not exceed in a contract year the total sum of \$17,500, the contract may be awarded by a purchasing agent when so authorized by ordinance or resolution, as appropriate to the contracting unit, of the governing body of the contracting unit without public advertising for bids, except that the governing body of any contracting unit may adopt an ordinance or resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations. If the purchasing agent is qualified pursuant to Subsection b. of Section 9 of P.L. 1971, C.198 (N.J.S.A. 40A:11-9), the governing body of the contracting unit may establish that the bid threshold may be up to \$25,000. Such authorization may be granted for each contract or by a general delegation of the power to negotiate and award such contracts pursuant to this section.

b. Any contract made pursuant to this section may be awarded for a period of 24 consecutive months, except that contracts for professional services pursuant to subparagraph (i) of paragraph (a) of subsection (1) of section 5 of P.L. 1971, C.198 (N.J.S.A. 40A:11-5) may be awarded for a period not exceeding 12 consecutive months. The Division of Local Government Services shall adopt and promulgate rules and regulations concerning the methods of accounting for all contracts that do not coincide with the contracting unit's fiscal year.

c. The Governor, in consultation with the Department of the Treasury, shall, no later than March 1 of every fifth year beginning in the fifth year after the year in which P.L.1999, C.440 takes effect, adjust the threshold amount and the higher threshold amount which the governing body is permitted to establish, as set forth in subsection a. of this section, or the threshold amount resulting from any adjustment under this subsection, in direct proportion to the rise or fall of the index rate as that term is defined in section 2 of P.L. 1971, C.198 (N.J.S.A. 40A:11-2), and shall round the adjustment to the nearest \$1,000. The Governor shall, no later than June 1 of every fifth year, notify each governing body of the adjustment. The adjustment shall become effective on July 1 of the year in which it is made."

N.J.S.A. 40A: 11-4 states: "Every contract awarded by the contracting agent for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. The governing body of a contracting unit may, by resolution approved by a majority of the governing body and subject to subsections b. and c. of this section, disqualify a bidder who would otherwise be determined to be the lowest responsible bidder, if the governing body finds that it has had prior negative experience with the bidder."

Effective July 1, 2015 and thereafter the bid threshold in accordance with N.J.S.A. 40A:11-3 and 40A:11-4 (as amended) is \$17,500, and with a qualified purchasing agent the threshold may be up to \$40,000.

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

The minutes indicated that bids were requested by public advertising per N.J.S.A. 40A:11-4. The minutes also indicated that resolutions were adopted and advertised authorizing the awarding of contracts or agreements for "Professional Services" and "Extraordinary Unspecifiable Services" per N.J.S.A. 40A:11-5.

TOWNSHIP OF BEDMINSTER  
COMMENTS AND RECOMMENDATIONS  
(Continued)

Contracts and Agreements Required to be Advertised for N.J.S.A. 40A:11-4 (Cont'd)

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed. None were noted.

Collection of Interest on Delinquent Taxes and Assessments

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

On January 6, 2017, the governing body adopted the following resolution authorizing interest to be charged on delinquent taxes or assessments:

“BE IT RESOLVED that the rate of interest to be charged by the Township of Bedminster for non-payment of taxes or assessments when due, according to the statutes in such case made and provided, be and the same is hereby fixed at the rate of 8% per annum on the first \$1,500.00 of delinquency and 18% per annum on any amount on the first excess of \$1,500.00 to be computed from the date on which such taxes shall become due to the actual date of payment of same, said interest to be charged upon the whole or portion of any taxes that no interest as aforesaid shall be charged if the payment of any installment is made within ten days after the date upon which the same shall have become payable. The Tax Collector is hereby authorized to hold an annual Tax Sale in Accordance with NJSA 54:5-19.

BE IT FURTHER RESOLVED that a penalty on delinquent taxes, in excess of \$10,000.00 be charged at 6%, if not paid by the end of the year (N.J.S. 54-4-67). This penalty is in addition to the 8% per annum on the first \$1,500.00 of delinquency and 18% per annum on any amount in excess of \$1,500.00.”

Section 3 of an ordinance adopted August 15, 1977 to “Establish Service Charges for Certain Sanitary Sewerage Facilities in the Township of Bedminster, Somerset County, and to Provide for the Establishment Therein of a Sewerage Advisory Committee” states “The Annual Sewerage Charge Herein Established Shall Be Due and Payable in Equal Quarterly Installments on March 1, June 1, September 1, and December 1 of each year. Any unpaid installments shall draw the same interest from the time they become due as taxes upon real estate in the Township of Bedminster; provided that no interest shall be charged if the payment of any installment is made within ten days after the date upon which the same shall have become payable.”

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

TOWNSHIP OF BEDMINSTER  
COMMENTS AND RECOMMENDATIONS  
(Continued)

Delinquent Taxes and Tax Title Liens

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

<u>Year</u>	<u>Tax Title Liens</u>
2017	-0-
2016	-0-
2015	-0-

Verification of Delinquent Taxes and Other Charges

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

<u>Type</u>	<u>Number Mailed</u>
Payment of Taxes	20
Delinquent Taxes	15
Payment of Sewer Rents	20
Delinquent Sewer Rents	15

New Jersey Administrative Code Accounting Requirements

The Division of Local Government Services has established three (3) technical accounting requirements which are prescribed in the New Jersey Administrative Code. They are as follows:

1. Maintenance of an encumbrance accounting system.
2. Fixed asset accounting and reporting system.
3. General ledger accounting system.

The Township is in compliance with the requirements.

TOWNSHIP OF BEDMINSTER  
COMMENTS AND RECOMMENDATIONS  
(Continued)

Municipal Court

The report of the Municipal Court has been forwarded to the Division of Local Government Services and the Township's Magistrate under separate cover. Reflected below is a summary of receipts and disbursements for the year ended December 31, 2017.

RECEIPTS AND DISBURSEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017

<u>Agency</u>	<u>Balance</u> <u>12/31/16</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance</u> <u>12/31/17</u>
State of New Jersey	\$ 25,599.76	\$ 422,468.28	\$ 419,418.37	\$ 28,649.67
County of Somerset	4,016.00	73,234.00	73,448.00	3,802.00
Township of Bedminster	12,280.24	196,736.72	198,547.63	10,469.33
Interest:				
Regular Account	1.59	62.00	20.23	43.36
Bail Account	0.18	3.66	1.30	2.54
P.O.A.A - Fines	3.00	4.00	7.00	
Public Defender	200.00	1,050.00	1,050.00	200.00
Conditional Discharge	75.00	632.00	695.00	12.00
Weights and Measures	3,400.00	2,300.00	5,700.00	
Cash Bail	4,254.00	38,015.00	39,348.00	2,921.00
Total	<u>\$ 49,829.77</u>	<u>\$ 734,505.66</u>	<u>\$ 738,235.53</u>	<u>\$ 46,099.90</u>

Status of Prior Year Recommendations

The prior year recommendation regarding the Township establishing an adequate segregation of duties with respect to the recording and treasury functions has not been resolved and is included in the current year recommendations.

TOWNSHIP OF BEDMINSTER  
SUMMARY OF RECOMMENDATIONS

It is recommended that:

1. An adequate segregation of duties be maintained with respect to the recording and treasury functions.

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