TOWN OF GUTTENBERG

Financial Statements With
Supplementary Information

December 31, 2017

(With Independent Auditors' Reports Thereon)

TOWN OF GUTTENBERG

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Ferraioli, Wielkotz, Cerullo & Cuva, P.A.

Charles J. Ferraioli, Jr., MBA, CPA, RMA
Steven D. Wielkotz, CPA, RMA
James J. Cerullo, CPA, RMA
Paul J. Cuva, CPA, RMA
Thomas M. Ferry, CPA, RMA

Certified Public Accountants
401 Wanaque Avenue
Pompton Lakes, New Jersey 07442
973-835-7900
Fax 973-835-6631

Newton Office
100B Main Street
Newton, N.J. 07860
973-579-3212
Fax 973-579-7128

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and
Members of the Town Council
Town of Guttenberg
County of Hudson, New Jersey

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

Opinion on Regulatory Basis of Accounting

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

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Guttenberg's basic financial statements. The supplementary information listed in the table of contents and the letter of comments and recommendations section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

The letter of comments and recommendations section has not been subject to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 23, 2018 on our consideration of the Town of Guttenberg'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 Town of Guttenberg's internal control over financial reporting and compliance.

Steven D. Wielkotz, C.P.A.
Registered Municipal Accountant
No. CR00413

Ferraioli, Wielkotz, Cerullo & Cuva, P.A.

FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.
Certified Public Accountants
Pompton Lakes, New Jersey

April 23, 2018

FWCC

Exhibit A

TOWN OF GUTTENBERG

Comparative Balance Sheet-Regulatory Basis

Current Fund

December 31, 2017 and 2016

Assets	Ref.	2017	2016
Current Fund:			
Cash	A-4	$ 9,406,006	8,115,183
Due from State of New Jersey:			
Senior citizens' and veterans' deductions	A-7	25,662	23,282
		9,431,668	8,138,465
Receivables and other assets with full reserves:			
Delinquent property taxes receivable	A-5	1,714,104	1,756,254
Tax Title Liens	A-19	80,591	6,701
Revenue accounts receivable	A-6	51,744	43,567
Interfunds Receivable:			
Animal License Trust Fund	A-16	1,583	
Community Development Trust Fund	A-16	593	38
Escrow Trust Fund	A-16	99	12
Payroll Agency Account	A-16	85,000	
Net Payroll Account	A-16	2,745	3,371
General Capital Fund	A-16	20,855	30,015
Federal and State Grant Fund	A-17	2,746	
		1,960,060	1,839,958
		11,391,728	9,978,423
State and Federal Grant Fund:			
Cash	A-4	148,729	112,586
Grants receivable	A-20	20,943	27,352
Due from Current Fund	A-17		10,621
		169,672	150,559
		$ 11,561,400	10,128,982

Exhibit A

TOWN OF GUTTENBERG

Comparative Balance Sheet-Regulatory Basis

Current Fund

December 31, 2017 and 2016

	Ref.		2017	2016
Liabilities, Reserves and Fund Balance				
Current Fund:				
Appropriation reserves	A-3,A-11	$	493,820	674,943
Encumbrances payable	A-12		116,924	90,675
Tax overpayments	A-13		77,804	37,921
Prepaid taxes	A-14		1,024,946	325,802
School District Taxes Payable	A-8		46,129	46,129
County Added Taxes Payable	A-10		41,129	10,225
Reserve for Amount Due to the Hudson County Treasurer - Court Fines and Costs	A-15		6,764	6,764
Interfunds Payable:				
Other Trust Fund	A-16		2,247	2,500
Federal and State Grant Fund	A-17			10,621
Reserve for:				
Pension Deferral	A-18		228,137	228,137
Revaluation	A-18		17,130	17,130
Library Contribution	A-18		20,554	20,554
State Library Aid	A-18		6,419	6,419
Tax Appeals	A-18		238,608	252,671
DCA Fees Payable	A-18		1,694	929
Outside Liens	A-18		65,780	17,556
			2,388,085	1,748,976
Reserve for receivables and other assets	A		1,960,060	1,839,958
Fund balance	A-1		7,043,583	6,389,489
			11,391,728	9,978,423
State and Federal Grant Fund:				
Matching Funds for Grants			70,000	70,000
Due to Current Fund	A-17		2,746	
Appropriated reserves	A-21		75,075	78,134
Unappropriated reserves	A-22		16,803	2,425
Due to State of New Jersey	A-23		5,048	
			169,672	150,559
		$	11,561,400	10,128,982

See accompanying notes to financial statements.

Exhibit A-1

TOWN OF GUTTENBERG

Comparative Statement of Operations and Changes in Fund Balance-Regulatory Basis

Current Fund

Year Ended December 31, 2017 and 2016

		Dec. 31, 2017	Dec. 31, 2016
Revenue and other income realized:			
Fund balance utilized	$	1,702,073	1,051,000
Miscellaneous revenue anticipated		2,774,698	2,348,900
Receipts from delinquent taxes		1,464,107	1,531,407
Receipts from current taxes		27,616,480	27,274,089
Nonbudget revenues		736,630	355,141
Other credits to income:			
Unexpended balance of appropriation reserves		578,924	1,154,576
Liabilities Canceled			59,444
Interfunds Returned		33,436	9,095
Total revenue		34,906,348	33,783,652
Expenditures:			
Budget and emergency appropriations:			
Operations:			
Salaries and wages		5,148,225	5,023,000
Other expenses		9,291,870	8,819,665
Deferred charges and statutory expenditures		996,587	912,282
Capital improvements		100,000	100,000
Municipal debt service		960,471	776,355
County taxes		4,653,005	4,787,735
Due county for added taxes		41,129	10,225
Local district school taxes		11,158,596	11,151,383
Interfunds Advanced		103,500	2,500
Refunds		96,798	25,967
Total expenditures		32,550,181	31,609,112
Excess in Revenue		2,356,167	2,174,540

Exhibit A-1

TOWN OF GUTTENBERG

Comparative Statement of Operations and Changes in Fund Balance-Regulatory Basis

Current Fund

Year Ended December 31, 2017 and 2016

	Dec. 31, 2017	Dec. 31, 2016
Statutory excess to fund balance	2,356,167	2,174,540
Fund balance - January 1,	6,389,489	5,265,949
	8,745,656	7,440,489
Decreased by utilization as anticipated revenue	1,702,073	1,051,000
Fund balance - December 31,	$ 7,043,583	6,389,489

See accompanying notes to financial statements.

Exhibit A-2

TOWN OF GUTTENBERG

Statement of Revenues-Regulatory Basis

Current Fund

Year Ended December 31, 2017

	Budget	Realized	Excess (deficit)
Surplus anticipated	$ 1,702,073	1,702,073	
Miscellaneous revenues:			
Licenses:			
Alcoholic beverages	25,000	38,024	13,024
Other	65,000	186,733	121,733
Fees and permits:			
Other	80,000	103,003	23,003
Fines and costs municipal court	495,000	740,452	245,452
Parking meters	85,000	364,179	279,179
Interest and costs on taxes	160,000	213,026	53,026
Interest on investments and deposits	15,000	45,992	30,992
Consolidated Municipal Property Tax Relief Aid	205,625	205,625	
Energy Receipts Tax	553,150	553,150	
Uniform Construction Code Fees	50,000	171,903	121,903
Public and Private Programs Offset by Revenues:			
Recycling Tonnage Grant	13,001	13,001	
Clean Communities	16,217	16,217	
Body Armor Grant	2,428	2,428	
Municipal Alliance	9,655	9,655	
Drive Sober or Get Pulled Over	5,000	5,000	
Summer Food	40,455	40,455	
Alcohol Education and Rehabilitation Grant	4,440	4,440	
Verizon	60,000	61,415	1,415
Total miscellaneous revenues	1,884,971	2,774,698	889,727
Receipts from delinquent taxes	1,500,000	1,464,107	(35,893)
Amount to be raised by taxes for support of municipal budget	13,135,839	13,463,750	327,911
Budget total	$ 18,222,883	19,404,628	1,181,745
Nonbudget revenue		736,630	
		$ 20,141,258	

Exhibit A-2

TOWN OF GUTTENBERG

Statement of Revenues-Regulatory Basis

Current Fund

Year Ended December 31, 2017

Analysis of Realized Revenue

Allocation of current tax collections;	
Revenue from collections	$ 27,616,480
Allocated to:	
Local district school tax	11,158,596
County taxes	4,694,134
	15,852,730
Balance for support of municipal budget appropriations	11,763,750
Reserve for uncollected taxes	1,700,000
	$ 13,463,750
Receipts from:	
Delinquent tax collections	$ 1,464,107

Analysis of Miscellaneous Revenue Not Anticipated

Prior Year Voided Checks	270,518
Recycling Fees	3,298
Auction	7,055
COBRA Payments	1,406
ADS Refunds - State Health Benefits	159,129
FEMA Reimbursement	38,981
Death Certificates	3,190
Towing	200
Time Warner Franchise Fee	48,886
Insurance Rebate	24,577
Police Off Duty Administrative Fee	73,960
Restitution	1,107
Bus Franchise Fee	3,763
PILOT - Housing Authority	84,821
DMV Inspection Fines	5,598
Other	10,141
	$ 736,630

See accompanying notes to financial statements.

Exhibit A-3

TOWN OF GUTTENBERG

Statement of Expenditures-Regulatory Basis

Current Fund

Year ended December 31, 2017

Description	Budget	Budget after modifications	Paid or charged	Reserved	Unexpended Balance Canceled
Operations-within "CAPS"					
Administrative and executive:					
Salaries and wages	$ 364,000	348,000	347,868	132	
Other expenses	175,000	172,000	169,901	2,099	
Elections:					
Salaries and wages	2,000	2,000	2,000		
Other expenses	12,500	9,215	9,214	1	
Financial administration:					
Salaries and wages	275,000	280,300	280,211	89	
Other expenses	150,000	150,000	135,477	14,523	
Assessment of taxes:					
Salaries and wages	35,000	33,500	33,496	4	
Other expenses	34,000	32,400	32,386	14	
Municipal Court:					
Salaries and wages	195,000	187,600	187,521	79	
Other Expenses	20,000	10,000	7,704	2,296	
Collection of taxes:					
Salaries and wages	108,000	108,000	107,250	750	
Other expenses	13,250	3,250	2,524	726	

Exhibit A-3

TOWN OF GUTTENBERG

Statement of Expenditures-Regulatory Basis

Current Fund

Year ended December 31, 2017

Description	Budget	Budget after modifications	Paid or charged	Reserved	Unexpended Balance Canceled
Legal services and costs:					
Salaries and wages	94,000	38,625	38,625		
Other expenses	225,000	355,000	333,628	21,372	
Public building and grounds:					
Other expenses	150,000	160,000	158,439	1,561	
Engineering:					
Other expenses	200,000	160,000	158,988	1,012	
Municipal Land Use Law (NJSA 40:55D-1):					
Planning Board:					
Salaries and wages	24,000	18,600	18,536	64	
Other expenses	4,500	2,300	2,210	90	
Community Action Program:					
Other expenses	10,500	10,500		10,500	
Insurance:					
Insurance-Other	590,000	574,000	572,685	1,315	
Group Insurance for Employees	1,818,000	1,897,000	1,896,664	336	
Insurance/Deductible	5,000	58,000		58,000	
Unemployment Insurance	10,000	70,000	70,000		

Exhibit A-3

TOWN OF GUTTENBERG

Statement of Expenditures-Regulatory Basis

Current Fund

Year ended December 31, 2017

Description	Budget	Budget after modifications	Paid or charged	Reserved	Unexpended Balance Canceled
PUBLIC SAFETY:					
Police:					
Salaries and wages	2,950,000	2,957,000	2,956,246	754	
Other expenses	120,000	162,000	156,427	5,573	
Emergency management services:					
Other expenses	12,000	2,100	2,028	72	
Weehawken Volunteer Ambulance:					
Other expenses	45,000	41,000	25,675	15,325	
Fire Official/Inspector:					
Salaries and wages	100,000	90,000	89,765	235	
Other expenses	10,000	4,000	3,829	171	
Public Works:					
Street Cleaning:					
Salaries and wages	645,000	620,000	619,334	666	
Other expenses	130,000	190,000	180,911	9,089	
Recycling:					
Other expenses	105,000	102,300	102,235	65	
Solid Waste & Garbage Removal:					
Other expenses	780,000	787,000	766,219	20,781	

Exhibit A-3

TOWN OF GUTTENBERG

Statement of Expenditures-Regulatory Basis

Current Fund

Year ended December 31, 2017

Description	Budget	Budget after modifications	Paid or charged	Reserved	Unexpended Balance Canceled
Snow Removal:					
Other expenses	65,000	84,621	69,952	14,669	
Health and Welfare:					
Public Health Services:					
Other expenses	40,000	43,200	43,132	68	
Recreation and Education:					
Recreation:					
Salaries and wages	230,000	226,000	225,967	33	
Other expenses	130,000	48,000	47,105	895	
Celebration of public event, anniversary or holiday - other expenses	57,000	85,000	83,127	1,873	
Senior Citizens Nutrition Program:					
Salaries and wages	14,000	14,000	13,304	696	
Other expenses	40,000	38,500	38,471	29	
Senior Citizens Tranportation:					
Other expenses	16,000	16,550	16,511	39	
Senior Recreation Program:					
Other expenses	10,000	8,800	8,740	60	

Exhibit A-3

TOWN OF GUTTENBERG

Statement of Expenditures-Regulatory Basis

Current Fund

Year ended December 31, 2017

Description	Budget	Budget after modifications	Paid or charged	Reserved	Unexpended Balance Canceled
Uniform construction code official:					
Salaries and wages	212,000	183,000	182,522	478	
Other expenses	8,000	5,000	3,952	1,048	
License inspector:					
Salaries and wages	43,000	41,600	41,596	4	
Other expenses	2,500				
UNCLASSIFIED:					
Utilities:					
Electricity	105,000	109,350	109,313	37	
Street lighting	105,000	50,000	49,975	25	
Telephone	90,000	78,000	77,182	818	
Water	25,000	15,000	14,001	999	
Fire hydrant service	50,000	47,300	47,295	5	
Sewerage	25,000	18,000	17,836	164	
Gasoline	82,000	67,000	60,733	6,267	
Postage - all departments	30,000	30,000	28,281	1,719	
Technology	150,000	136,000	131,216	4,784	
Salary & Wage Adjustment	30,000				
Total Operations within "CAPS"	10,971,250	10,980,611	10,778,207	202,404	

Exhibit A-3

TOWN OF GUTTENBERG

Statement of Expenditures-Regulatory Basis

Current Fund

Year ended December 31, 2017

Description	Budget	Budget after modifications	Paid or charged	Reserved	Unexpended Balance Canceled
Contingent	6,125	6,125		6,125	
Total Operations Including Contingent-within "CAPS"	10,977,375	10,986,736	10,778,207	208,529	
Detail:					
Salaries & Wages	5,321,000	5,148,225	5,144,241	3,984	
Other Expenses (Including Contingent)	5,656,375	5,838,511	5,633,966	204,545	
	10,977,375	10,986,736	10,778,207	208,529	
Deferred Charges and Statutory Expenditures-Municipal within "CAPS"					
STATUTORY EXPENDITURES:					
Contribution to:					
Social Security System (O.A.S.I.)	250,000	250,200	250,195	5	
Public Employees Retirement system	229,888	232,327	232,327		
Police and Firemans Retirement System of N.J.	12,000				
Consolidated Police and Firemen's Pension Fund	513,160	513,160	513,160		
DCRP	900	900	900		

Exhibit A-3

TOWN OF GUTTENBERG

Statement of Expenditures-Regulatory Basis

Current Fund

Year ended December 31, 2017

Description	Budget	Budget after modifications	Paid or charged	Reserved	Unexpended Balance Canceled
Total Deferred Charged and Statutory Expenditures-Municipal within "CAPS"	1,005,948	996,587	996,582	5	
Total General Appropriations for Municipal Purposes within "CAPS"	11,983,323	11,983,323	11,774,789	208,534	
Operations-Excluded from "CAPS"					
Reserve for Tax Appeals	69,800	69,800	69,800		
911-Other Expenses	37,000	37,000	35,177	1,823	
Stormwater Management	40,000	40,000	26,910	13,090	
Library Service-North Bergen:					
Other expenses	195,750	195,750	195,707	43	
North Hudson Regional Communication:					
Other expenses	83,200	83,200	75,000	8,200	
North Hudson Regional Fire & Rescue:					
Other expenses	2,934,000	2,934,000	2,671,870	262,130	

Exhibit A-3

TOWN OF GUTTENBERG

Statement of Expenditures-Regulatory Basis

Current Fund

Year ended December 31, 2017

Description	Budget	Budget after modifications	Paid or charged	Reserved	Unexpended Balance Canceled
Public and Private Programs Offset by Revenues					
Municipal Alliance	9,655	9,655	9,655		
Match	2,414	2,414	2,414		
Body Armor	2,428	2,428	2,428		
Clean Communities	16,217	16,217	16,217		
Alcohol Education & Rehab Fund	4,440	4,440	4,440		
Summer Food	40,455	40,455	40,455		
State Recycling	13,001	13,001	13,001		
Drive Sober or Get Pulled Over	5,000	5,000	5,000		
Total Operations-Excluded from "CAPS"	3,453,360	3,453,360	3,168,074	285,286	
Detail:					
Other Expenses	3,453,360	3,453,360	3,168,074	285,286	
Capital Improvements - Excluded from CAPS					
Capital Improvement Fund	100,000	100,000	100,000		
Total Capital Improvements - Excluded from CAPS	100,000	100,000	100,000		

Exhibit A-3

TOWN OF GUTTENBERG

Statement of Expenditures-Regulatory Basis

Current Fund

Year ended December 31, 2017

Description	Budget	Budget after modifications	Paid or charged	Reserved	Unexpended Balance Canceled
Municipal Debt Service-Excluded from "CAPS"					
Payment of Bond Principal	115,000	115,000	90,000		25,000
Payment of Bond Anticipation and Capital Notes	441,000	441,000	441,000		
Interest on Bonds	3,353	3,353	2,624		729
Interest on Notes	391,000	391,000	391,000		
Green Trust Loan Program:					
Loan Repayments for Principal and Interest	35,847	35,847	35,847		
Total Municipal Debt Service-Excluded from "CAPS"	986,200	986,200	960,471		25,729
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	4,539,560	4,539,560	4,228,545	285,286	25,729
Subtotal General Appropriations	16,522,883	16,522,883	16,003,334	493,820	25,729

Exhibit A-3

TOWN OF GUTTENBERG

Statement of Expenditures-Regulatory Basis

Current Fund

Year ended December 31, 2017

Description	Budget	Budget after modifications	Paid or charged	Reserved	Unexpended Balance Canceled
Reserve for Uncollected Taxes	1,700,000	1,700,000	1,700,000		
Total General Appropriations	$ 18,222,883	18,222,883	17,703,334	493,820	25,729

Adopted Budget	18,146,342
Added by N.J.S.A. 40A:4-87	76,541
	$ 18,222,883

Analysis of Paid or Charged	
Reserve for Uncollected Taxes	1,700,000
Due to Federal and State Grant Fund	93,610
Reserve for Tax Appeals	66,732
Reserve for Encumbrances	116,924
Cash	15,726,068
	$ 17,703,334

Exhibit B

TOWN OF GUTTENBERG

Comparative Balance Sheet-Regulatory Basis

Trust Funds

December 31, 2017 and 2016

Assets	Ref.	2017	2016
Animal License Fund:			
Cash	B-1	$ 6,708	4,442
Unemployment Compensation Trust Fund:			
Cash	B-1	43,889	52,595
Community Development Block Grant Trust Fund:			
Cash	B-1	74,433	10,878
Grants receivable	B-4	67,000	136,131
		141,433	147,009
Other Trust Funds:			
Cash	B-1	1,679,961	1,091,655
Interfund Receivables:			
Due from Current Fund	B-7	2,247	2,500
		1,682,208	1,094,155
		$ 1,874,238	1,298,201

Exhibit B

TOWN OF GUTTENBERG

Comparative Balance Sheet-Regulatory Basis

Trust Funds

December 31, 2017 and 2016

Liabilities and Reserves	Ref.	2017	2016
Animal License Fund:			
Reserve for Animal License Expenditures	B-2	5,074	4,391
Due to State of New Jersey	B-3	51	51
Due to Current Fund	B-7	1,583	
		6,708	4,442
Unemployment Compensation Trust Fund:			
Reserve for Expenditures	B-9	43,889	52,595
Community Development Block Grant Trust Fund:			
Reserve for Grant Expenditures	B-5	77,840	10,840
Due to General Capital Fund	B-7	63,000	136,131
Due to Current Fund	B-7	593	38
		141,433	147,009
Other Trust Funds:			
Due to State-Marriage Licenses	B-6	1,550	1,775
Due to State-Construction Fees	B-6	254	254
Interfunds Payable:			
Due to Current Fund - Escrow Trust	B-7	99	12
Reserve for:			
Other Trust Deposits	B-8	1,680,305	1,092,114
		1,682,208	1,094,155
		$ 1,874,238	1,298,201

See accompanying notes to financial statements.

Exhibit C

TOWN OF GUTTENBERG

Comparative Balance Sheet-Regulatory Basis

General Capital Fund

December 31, 2017 and 2016

Assets	Ref.	2017	2016
Cash:			
Checking	C-2,C-3	$ 4,381,233	10,430,888
Grants Receivable:			
Community Development Block Grant	C-6		63,000
State of New Jersey - Dept. of Transportation	C-7	455,000	
State of New Jersey - Department of Environmental Protection, Green Acres Program	C-8	217,263	217,263
State of New Jersey - Educational Facilities Construction Financing	C-9	2,191,042	3,286,563
Federal Emergency Management Agency	C-10	207,854	207,854
Interfund Receivable - Community Development Trust Fun(	C-15	63,000	136,131
Due from Board of Education	C-11	152,537	
Deferred charges to future taxation:			
Funded	C-4	120,590	268,530
Unfunded	C-5	24,310,178	22,347,818
		$ 32,098,697	36,958,047

Liabilities, Reserves and Fund Balance	Ref.	2017	2016
Serial Bonds	C-12		115,000
Green Acres Loans Payable	C-20	120,590	153,530
Bond Anticipation notes	C-21	20,975,000	19,519,265
Capital Improvement Fund	C-13	1,441,608	1,411,483
Due to Current Fund	C-14	20,855	30,015
Reserve for Payment of Notes	C-16	3,190,990	1,344,035
Reserve for Grants Receivable	C-17	2,853,896	3,557,417
Reserve for Green Acres	C-18	100	
Improvement authorizations:			
Funded	C-19	179,679	184,479
Unfunded	C-19	2,732,639	10,347,646
Fund Balance	C-1	583,340	295,177
		$ 32,098,697	36,958,047

There were bonds and notes authorized but not issued at December 31, 2017 and December 31, 2016 of $3,335,178 and $2,828,553 respectively. See exhibit C-20.

See accompanying notes to financial statements.

Exhibit C-1

TOWN OF GUTTENBERG

Comparative Schedule of Fund Balance - Regulatory Basis

General Capital Fund

Year Ended December 31, 2017 and 2016

	2017	2016
Balance - December 31, 2016	$ 295,177	82,026
Increased by :		
Prior year voided check	176	
Premium received on Sale of Bond Anticipation Notes	287,987	213,151
	288,163	213,151
Balance - December 31, 2017	$ 583,340	295,177

See Accompanying Notes to Financial Statements

Exhibit F

TOWN OF GUTTENBERG

Comparative Balance Sheets-Regulatory Basis

Payroll Account

December 31, 2017 and 2016

		2017	2016
Assets			
Cash	$	96,690	8,754
	$	96,690	8,754
Liabilities			
Due to Current Fund - Net Payroll	$	2,745	3,371
Due to Current Fund - Payroll Agency		85,000	
Net Payroll Payable		1,000	1,000
Withholdings Payable		7,945	4,383
	$	96,690	8,754

See accompanying notes to the financial statements.

Exhibit G

TOWN OF GUTTENBERG

Statement of General Fixed Assets-Regulatory Basis

General Fixed Assets Account Group

December 31, 2017 and 2016

		2017	2016
Land	$	1,817,400	1,817,400
Buildings		3,378,500	3,378,500
Vehicles and equipment		2,085,522	1,610,614
	$	7,281,422	6,806,514

See accompanying notes to financial statements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The GASB Codification establishes seven fund types and two account groups to be used by governmental units when reporting financial position and results of operations in accordance with accounting principles generally accepted in the United States of America (GAAP).

The financial statements of the Town of Guttenberg have been prepared in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") which is another comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Town accounts for its financial transactions through the following separate funds which differ from the fund structure required by GAAP.

A. Reporting Entity

The Town of Guttenberg (the "Town") operates under a Mayor/Council form of government. The Town's major operations include public safety, road repair and maintenance, sanitation, fire protection, recreation and parks, health services, and general administrative services.

GASB has issued Statement No. 14 which requires the financial reporting entity to include both the primary government and those component units for which the primary government is financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit's board, and either a) the ability to impose will by the primary government, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government.

However, the municipalities in the State of New Jersey do not prepare financial statements in accordance with GAAP and thus do not comply with all of the GASB pronouncements. The financial statements contained herein include only those boards, bodies, officers or commissions as required by NJS 40A:5-5. Accordingly, the financial statements of the Town do not include the Volunteer Fire Department or Housing Authority, which is considered a component unit under GAAP. Complete financial statements of the above components can be obtained by contacting the Treasurer of the respective entity.

TOWN OF GUTTENBERG
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016
(CONTINUED)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation

The Town uses funds, as required by the Division, to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial administration by segregating transactions related to certain Town functions or activities. An account group, on the other hand, is designed to provide accountability for certain assets and liabilities that are not recorded in those Funds.

The Town has the following funds and account group:

Current Fund - This fund accounts for resources and expenditures for governmental operations of a general nature, including Federal and State grants.

Trust Funds - Trust Funds are used to account for assets held by the government in a trustee capacity. Funds held by the Town as an agent for individual, private organizations, or other governments are recorded in the Trust Funds.

Other Trust Fund - This fund is established to account for the assets and resources which are also held by the Town as a trustee or agent for individuals, private organizations, other governments and/or other funds.

Animal License Fund - This fund is used to account for fees collected from animal licenses and expenditures, which are regulated by NJS 4:19-15.11.

Unemployment Trust Fund - This fund is used to account for all employee deductions and budget appropriations and subsequent payment of unemployment compensation bills from the State of New Jersey.

Community Development Block Grant - This fund is used to account for the award and receipt of grant monies and subsequent expenditure of grants awarded through the Department of Housing and Urban Development passed through the County of Hudson as required by the grant agreements.

General Capital Fund - This fund is used to account for the receipt and disbursement of funds used for acquisition or improvement of general capital facilities, other than those acquired in the Current Fund.

General Fixed Assets Account Group - To account for all fixed assets of the Town. The Town's infrastructure is not reported in the group.

Payroll Account - This fund is used to account for the receipt and disbursement of net payroll and all deductions and withholdings.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)

Basis of Accounting

A modified accrual basis of accounting is followed by the Town of Guttenberg. Under this method of accounting, revenues, except State/Federal Aid, are recognized when received and expenditures are recorded when incurred. The accounting principles and practices prescribed for municipalities by the Division differ in certain respects from accounting principles generally accepted in the United States of America (GAAP) applicable to local government units. The more significant differences are as follows:

Property Tax Revenues - Real property taxes are assessed locally, based upon the assessed value of the property. The tax bill includes a levy for Municipal, County, and School purposes. The bills are mailed annually in June for that calendar year's levy. Taxes are payable in four quarterly installments on February 1, May 1, August 1, and November 1. The amounts of the first and second installments are determined as one quarter of the total tax levied against the property for the preceding year. The installment due the third and fourth quarters is determined by taking the current year levy less the amount previously charged for the first and second installments, with the remainder being divided equally. If unpaid on these dates, the amount due becomes delinquent and subject to interest at 8% per annum, or 18% on any delinquency amount in excess of $1,500. The school levy is turned over to the Board of Education as expenditures are incurred, and the balance, if any, must be transferred as of June 30, of each fiscal year. County taxes are paid quarterly on February 15, May 15, August 15 and November 15, to the County by the Town. When unpaid taxes or any municipal lien, or part thereof, on real property, remains in arrears on the 11th day of the 11th month in the current year taxes are levied, the collector in the municipality shall subject to the provisions of the New Jersey Statutes enforce the lien by placing the property on a tax sale. Annual in rem tax foreclosure proceedings are instituted to enforce the tax collection or acquisition of title to the property by the Town. In accordance with the accounting principles prescribed by the State of New Jersey, current and delinquent taxes are realized as revenue when collected. Since delinquent taxes and liens are fully reserved, no provision has been made to estimate that portion of the taxes receivable and tax title liens that are uncollectible. GAAP requires property tax revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

Miscellaneous Revenues - Miscellaneous revenues are recognized on a cash basis. Receivables for the miscellaneous items that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the Town's Current Fund. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)

Basis of Accounting, (continued)

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

Budgets and Budgetary Accounting - An annual budget is required to be adopted and integrated into the accounting system to provide budgetary control over revenues and expenditures for the Current Fund. Budget amounts presented in the accompanying financial statements represent amounts adopted by the Town and approved by the State Division of Local Government Services per N.J.S.A. 40A:4 et seq.

The Town is not required to adopt budgets for the following funds:

General Capital Fund
Trust Fund

The governing body shall introduce and approve the annual budget not later than February 10, of the fiscal year. The budget shall be adopted not later than March 20, and prior to adoption must be certified by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The Director of the Division of Local Government Services, with the approval of the Local Finance Board may extend the introduction and approval and adoption dates of the municipal budget. The budget is prepared by fund, function, activity and line item (salary or other expense) and includes information on the previous year. The legal level of control for appropriations is exercised at the individual line item level for all operating budgets adopted.

Emergency appropriations, those made after the adoption of the budget and determination of the tax rate, may be authorized by the governing body of the municipality. During the last two months of the fiscal year, the governing body may, by a 2/3 vote, amend the budget through line item transfers. Management has no authority to amend the budget without the approval of the Governing Body. Expenditures may not legally exceed budgeted appropriations at the line item level. During 2017, the Mayor and Council approved additional revenues and appropriations of $76,541 in accordance with N.J.S.A. 40A:4-87. In addition, several budget transfers were also approved by the governing body.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)

Basis of Accounting, (continued)

Expenditures - Are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with an encumbrance accounting system. Outstanding encumbrances at December 31, are reported as a cash liability in the financial statements. Unexpended or uncommitted appropriations, at December 31, are reported as expenditures through the establishment of appropriation reserves unless canceled by the governing body. GAAP requires expenditures to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, which should be recognized when due.

Encumbrances - Contractual orders outstanding at June 30 are reported as expenditures through the establishment of an encumbrance payable. Encumbrances do not constitute expenditures under GAAP.

Appropriation Reserves - Are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding year. Lapsed appropriation reserves are recorded as additions to income. Appropriation reserves do not exist under GAAP.

Compensated Absences - Expenditures relating to obligations for unused vested accumulated vacation and sick pay are not recorded until paid. GAAP requires that the amount that would normally be liquidated with expendable available financial resources be recorded as an expenditure in the operating funds and the remaining obligations be recorded as a long-term obligation.

Property Acquired for Taxes - Is recorded in the Current Fund at the assessed valuation when such property was acquired and fully reserved. GAAP requires such property to be recorded in the General Fixed Assets Account Group at market value on the date of acquisition.

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)

Basis of Accounting, (continued)

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

Cash and Investments - Cash includes amounts in demand deposits as well as short-term investments with a maturity date within one year of the date acquired by the government. Investments are stated at fair value and are limited by N.J.S.A. 40A:5-15.1(a).

Deferred Charges to Future Taxation Funded and Unfunded - Upon the authorization of capital projects, the Town establishes deferred charges for the costs of the capital projects to be raised by future taxation. Funded deferred charges relate to permanent debt issued, whereas unfunded deferred charges relate to temporary or nonfunding of the authorized cost of capital projects. According to N.J.S.A. 40A:2-4, the Town may levy taxes on all taxable property within the local unit to repay the debt. Annually, the Town raises the debt requirements for that particular year in the current budget. As the funds are raised by taxation, the deferred charges are reduced.

General Fixed Assets - In accordance with Technical Accounting Directive No. 85-2, Accounting for Governmental Fixed Assets, the Town of Guttenberg has developed a fixed assets accounting and reporting system.

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

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available.

No depreciation has been provided for in the financial statements.

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)

Basis of Accounting, (continued)

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

GAAP requires that fixed assets be capitalized at historical or estimated historical cost if actual historical cost is not available.

Use of Estimates

The preparation of financial statements requires management of the Town to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from these estimates.

Comparative Data - Comparative data for the prior year has been presented in the accompanying balance sheets and statements of operations in order to provide an understanding of changes in the Town's financial position and operations. However, comparative data have not been presented in all statements because their inclusion would make certain statements unduly complex and difficult to understand.

C. Recent Accounting Pronouncements

In June 2015, the Government Accounting Standards Board issued GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.* This Statement applies to government employers who provided OPEB plans to their employees and basically parallels GASB Statement 68 and replaces GASB Statement 45. The Statement is effective for periods beginning after June 15, 2017. The Town does not believe this Statement will have any effect on future financial statements.

In June 2015, the Government Accounting Standards Board issued GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, which reduces the GAAP hierarchy to two categories of authoritative GAAP from the four categories under GASB Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments.* The first category of authoritative GAAP consists of GASB

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

C. Recent Accounting Pronouncements, (continued)

Statements of Governmental Accounting Standards. The second category comprises GASB Technical Bulletins and Implementation Guides, as well as guidance from the American Institute of Certified Public Accountants that is cleared by the GASB. This Statement is effective for periods beginning after June 15, 2015. The Town does not believe this Statement will have any effect on future financial statements.

In August 2015, the Government Accounting Standards Board issued GASB Statement No. 77, *Tax Abatement Disclosures*, which improve financial reporting by giving users of financial statements essential information that is not consistently or comprehensively reported to the public at present. Disclosure of information about the nature and magnitude of tax abatements will make these transactions more transparent to financial statement users. As a result, users will be better equipped to understand (1) how tax abatements affect a government's future ability to raise resources and meet its financial obligations and (2) the impact those abatements have on a government's financial position and economic condition. The Town does not believe this Statement will have any effect on future financial statements.

In December 2015, the Government Accounting Standards Board issued GASB Statement No. 78, *Pensions Provided Through Certain Multiple-Employer Defined Benefit Pension Plans*. The objective of this Statement is to address a practice issue regarding the scope and applicability of Statement No. 68, *Accounting and Financial Reporting for Pensions*. This issue is associated with pensions provided through certain multiple-employer defined benefit pension plans and to state or local governmental employers whose employees are provided with such pensions. This Statement is effective for reporting periods beginning after December 15, 2015. The Town does not believe this Statement will have any effect on future financial statements.

In December 2015, the Government Accounting Standards Board issued GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*. This Statement addresses accounting and financial reporting for certain external investment pools and pool participants. Specifically, it established criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. This Statement is effective for periods beginning after June 15, 2015, and for certain provisions, periods beginning after December 15, 2015. The Town does not believe this Statement will have any effect on future financial statements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

C. Recent Accounting Pronouncements, (continued)

In January 2016, the Government Accounting Standards Board issued GASB Statement No. 80, *Blending Requirements for Certain Component Units*, which provides clarity about how certain component units incorporated as not-for-profit corporations should be presented in the financial statements of the primary state or local government. The Town does not believe this Statement will have any effect on future financial statements.

In March 2016, the Government Accounting Standards Board issued GASB Statement No. 81, *Irrevocable Split-Interest Agreements*. The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The Town does not believe this Statement will have any effect on future financial statements.

In March 2016, the Government Accounting Standards Board issued GASB Statement No. 82, *Pension Issues - an Amendment of GASB Statements No. 67, No. 68 and No. 73*. The objective of this Statement is to address certain issues that have been raised with respect to Statement No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. This Statement is effective for reporting periods beginning after June 15, 2016. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice.

In November 2016, the Government Accounting Standards Board issued GASB Statement No. 83, *Certain Asset Retirement Obligations*. This Statement establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflows of resources for asset retirement obligations (AROs). The Town does not believe this Statement will have any effect on future financial statements.

In January 2017, the Government Accounting Standards Board issued GASB Statement No. 84, *Fiduciary Activities*. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus on the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify component units and postemployment benefit arrangements that are fiduciary activities. The Town is currently evaluating the effects, if any, this Statement may have on future financial statements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

C. Recent Accounting Pronouncements, (continued)

In March 2017, the Government Accounting Standards Board issued GASB Statement No. 85, *Omnibus 2017*, which addresses practice issues that have been identified during the implementation and application of certain GASB statements. This Statement addresses a variety of topics including issues relating to blending component units, goodwill, fair value measurement and application, and postemployment benefits. The Town is currently reviewing what effect, if any, this Statement might have on future financial statements.

In May 2017, the Governmental Accounting Standards Board issued GASB Statement No. 86, *Certain Debt Extinguishment Issues*, which improves consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The requirements of this Statement are effective for reporting periods beginning after June 15, 2017. The Town is currently reviewing what effect, if any, this Statement might have on future financial statements.

In June 2017, the Governmental Accounting Standards Board issued GASB Statement No. 87, Leases, which is intended to increase the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, as a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about the government's leasing activities. The Town is currently reviewing what effect, if any, this Statement might have on future financial statements.

D. Basic Financial Statements

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

NOTE 2. PENSION PLANS

Description of Plans:

Town employees participate in one of the two contributory, defined benefit public employee retirement systems: the State of New Jersey Public Employees' 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).

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.state.nj.us/treasury/pensions/annrpts.shtml.

Benefits Provided

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

Service retirement benefits of $1/55^{th}$ 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 $1/60^{th}$ 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

NOTE 2. PENSION PLANS, (continued)

Public Employees' Retirement System (PERS), (continued)

Benefits Provided, (continued)

reaching age 60, to Tiers 3 and 4 before age 62 with 25 or more years of service credit and Tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 50 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.

Police and Firemens' Retirement System (PFRS)

Plan Description

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

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 43:16A. 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

NOTE 2. PENSION PLANS, (continued)

Police and Firemens' Retirement System (PFRS), (continued)

Benefits Provided, (continued)

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.

Defined Contribution Retirement Program

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 expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions for DCRP are matched by a 3% employer contribution.

Contribution Requirements

The contribution policy is set by laws of the State of New Jersey and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The

NOTE 2. PENSION PLANS, (continued)

Contribution Requirements, (continued)

pension funds provide for employee contributions based on 5.5% for PERS. This amount will increase to 6.5% plus an additional 1% phased in over 7 years beginning 2012 and 8.5% for PFRS, which increased to 10% in October 2011, of the employee's annual compensation, as defined by law. Employers are required to contribute at an actuarially determined rate in all Funds. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits in the PERS and PFRS. In the PERS and PFRS, the employer contribution includes funding for post-retirement medical premiums.

The Town's contribution to the various plans, equal to the required contributions for each year, were as follows.

Year	PERS	PFRS	DCRP
2017	$140,613	$420,577	$113
2016	223,354	483,285	
2015	180,455	458,117	

Statement No's 68 and 71 require a state or local government employer to recognize a net pension liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year. However, since the financial statements are prepared on another comprehensive basis of accounting, the net pension liability of the various pension systems is not recorded in the financial statements and is only required to be disclosed in the notes to the financial statements. The following pension information is as of June 30, 2017 which is the latest information available.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Public Employees Retirement System (PERS)

At December 31, 2017, the Town had a liability of $6,375,273 for its proportionate share of the PERS 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 that date. The Town's proportion of the net pension liability was

NOTE 2. PENSION PLANS, (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, (continued)

Public Employees Retirement System (PERS), (continued)

based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2017, the Town's proportion was .02738707490 percent, which was an increase of .00224551810 percent from its proportion measured as of June 30, 2016.

For the year ended December 31, 2017, the Town recognized pension expense of $253,712. At December 31, 2017, deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$150,116	$
Changes of assumptions	1,284,398	1,279,689
Net difference between projected and actual earnings on pension plan investments	43,411	
Changes in proportion and differences between Town contributions and proportionate share of contributions	1,234,954	187,110
Town contributions subsequent to the measurement date		
Total	$2,712,879	$1,466,799

Amounts reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date (June 30, 2017) will be recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions (excluding changes in proportion) will be recognized in pension expense as follows:

Year ended June 30:	
2018	$150,080
2019	226,475
2020	137,232
2021	(182,519)
2022	(133,032)

NOTE 2. PENSION PLANS, (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, (continued)

Public Employees Retirement System (PERS), (continued)

Changes in Proportion

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.48, 5.57, 5.72 and 6.44 years for 2017, 2016, 2015 and 2014 amounts, respectively.

Additional Information

Local Group Collective balances at June 30, 2017 and June 30, 2016 are as follows:

	June 30, 2017	June 30, 2016
Collective deferred outflows of resources	$6,424,455,842	$8,685,338,380
Collective deferred inflows of resources	5,700,625,981	870,133,595
Collective net pension liability	23,278,401,588	29,617,131,759
Town's Proportion	.02738707490%	.02514155680%

Actuarial Assumptions

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

Inflation	2.25 Percent
Salary Increases:	
Through 2026	1.65-4.15 Percent (based on age)
Thereafter	2.65-5.15 Percent (based on age)
Investment Rate of Return	7.00 Percent

NOTE 2. PENSION PLANS, (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, (continued)

Public Employees Retirement System (PERS), (continued)

The actuarial assumptions used in the June 30, 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.

Mortality Rates

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

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2017) 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

NOTE 2. PENSION PLANS, (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, (continued)

Public Employees Retirement System (PERS), (continued)

each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2017 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
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 markets equity	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

NOTE 2. PENSION PLANS, (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, (continued)

Public Employees Retirement System (PERS), (continued)

Discount Rate, (continued)

from employers will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 40% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2040. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2040 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate

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

	June 30, 2017		
	1% Decrease 4.00%	At Current Discount Rate 5.00%	1% Increase 6.00%
Town's proportionate share of the pension liability	$7,908,959	$6,375,273	$5,097,523

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System (PERS). The financial report may be accessed at www.state.nj.us/treasury/pensions.

NOTE 2. PENSION PLANS, (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, (continued)

Police and Firemen's Retirement System (PFRS)

At December 31, 2017, the Town had a liability of $9,602,330 for its proportionate share of the PFRS 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 that date. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2017, the Town's proportion was .062199041700 percent, which was an increase of .2925039600 percent from its proportion measured as of June 30, 2016.

For the year ended December 31, 2017, the Town recognized pension expense of $550,473. At December 31, 2017, deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference in actual and expected experience	$62,294	$
Changes of assumptions	1,184,074	1,572,581
Net difference between projected and actual earnings on pension plan investments	183,235	56,358
Changes in proportion and differences between Town contributions and proportionate share of contributions	873,491	157,398
Town contributions subsequent to the measurement date		
Total	$2,303,094	$1,786,337

NOTE 2. PENSION PLANS, (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, (continued)

Police and Firemen's Retirement System (PFRS), (continued)

Amounts reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date (June 30, 2017) will be recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions (excluding changes in proportion) will be recognized in pension expense as follows:

Year ended June 30:	
2018	$116,844
2019	316,448
2020	65
2021	(438,559)
2022	(194,133)

Changes in Proportion

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.59, 5.58, 5.53 and 6.17 years for 2017, 2016, 2015 and 2014 amounts respectively.

Additional Information

Local Group Collective balances at June 30, 2017 and June 30, 2016 are as follows:

	June 30, 2017	June 30, 2016
Collective deferred outflows of resources	$2,941,952,753	$4,547,316,543
Collective deferred inflows of resources	3,262,432,093	688,197,590
Collective net pension liability	17,167,260,198	20,706,699,056
Town's Proportion	.062199041700%	.0592740021%

NOTE 2. PENSION PLANS, (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, (continued)

Police and Firemen's Retirement System (PFRS), (continued)

Actuarial Assumptions

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

Inflation	2.25 Percent
Salary Increases:	
Through 2026	2.10-8.98 Percent (based on age)
Thereafter	3.10-9.98 Percent (based on age)
Investment Rate of Return	7.00 Percent

Mortality Rates

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

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

NOTE 2. PENSION PLANS, (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, (continued)

Police and Firemen's Retirement System (PFRS), (continued)

Long-Term Rate of Return

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
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 markets equity	11.50%	9.00%
Emerging markets equity	6.50%	11.64%
Buyouts/venture capital	8.25%	13.08%

NOTE 2. PENSION PLANS, (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, (continued)

Police and Firemen's Retirement System (PFRS), (continued)

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

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate

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

	June 30, 2017		
	1% Decrease 5.14%	At Current Discount Rate 6.14%	1% Increase 7.14%
Town's proportionate share of the pension liability	$12,993,434	$9,602,330	$6,816,153

NOTE 2. PENSION PLANS, (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, (continued)

Police and Firemen's Retirement System (PFRS), (continued)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Police and Firemen's Retirement System (PFRS). The financial report may be accessed at www.state.nj.us/treasury/pensions.

NOTE 3. LONG-TERM DEBT

Long-term debt as of December 31, 2017 consisted of the following:

	Balance December 31, 2016	Additions	Reductions	Balance December 31, 2017	Amounts Due Within One Year
Governmental Activities:					
Bonds Payable:					
General Obligation Debt	$115,000	$	$115,000	$	$
Total Bonds Payable	115,000		115,000		
Other Liabilities:					
Deferred PERS/PFRS Pension Contribution	173,385		17,021	156,364	18,952
Green Acres Loan Obligation Debt	153,530		32,940	120,590	33,601
Total Other Liabilities	326,915		49,961	276,954	52,553
	$441,915	$	$164,961	$276,954	$52,553

	Balance December 31, 2015	Additions	Reductions	Balance December 31, 2016	Amounts Due Within One Year
Governmental Activities:					
Bonds Payable:					
General Obligation Debt	$692,000	$	$577,000	$115,000	$115,000
Total Bonds Payable	692,000		577,000	115,000	115,000
Other Liabilities:					
Deferred PERS/PFRS Pension Contribution	189,005		15,620	173,385	17,021
Green Acres Loan Obligation Debt	185,821		32,291	153,530	32,940
Total Other Liabilities	374,826		47,911	326,915	49,961
	$1,066,826	$	$624,911	$441,915	$164,961

NOTE 3. LONG-TERM DEBT, (continued)

Summary of Municipal Debt (Excluding Current Operating Debt)

	2017	2016	2015
Issued-general-bonds, loans and notes	$21,095,590	$19,787,795	$14,190,930
Authorized but not issued-general-bonds and notes	3,335,178	2,828,553	9,248,636
	24,430,768	22,616,348	23,439,566
Less funds on hand to pay debt and other deductions	3,190,990	1,344,035	1,192,331
Net bonds and notes issued and authorized but not issued	$21,239,778	$21,272,313	$22,247,235

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 2.201% for 2017.

	Gross Debt	Deductions	Net Debt
General debt	$24,430,768	$3,190,990	$21,239,778
School debt	-0-	-0-	-0-
	$24,430,768	$3,190,990	$21,239,778

Net debt of $21,239,778 divided by equalized valuation basis per N.J.S.A. 40A:2-2, as amended, of $965,149,634 equals 2.201%.

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 2.316% for 2016.

	Gross Debt	Deductions	Net Debt
General debt	$22,616,348	$1,344,035	$21,272,313
School debt	-0-	-0-	-0-
	$22,616,348	$1,344,035	$21,272,313

Net debt of $21,272,313 divided by equalized valuation basis per N.J.S.A. 40A:2-2, as amended, of $918,534,021 equals 2.316%.

NOTE 3. LONG-TERM DEBT, (continued)

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

	2017	2016
3 ½% of equalized valuation basis (municipal)	$33,780,237	$32,148,691
Net Debt	21,239,778	21,272,313
Remaining borrowing power	$12,540,459	$10,876,378

The Town's long-term debt consisted of the following at December 31, 2017 and 2016:

Paid by Current Fund:

	2017	2016
$755,000 Pension Refunding Bonds - Term Bond - 5.83% issued April 1, 1991, sinking fund redemptions due through April 1, 2017	$ -0-	$115,000
	$ -0-	$115,000

General capital serial bonds are direct obligations of the Town for which its full faith and credit are pledged, and are payable from taxes levied on all taxable property located within the Town.

At December 31, 2017, the Town had authorized but not issued debt as follows:

General Capital Fund	$3,335,178

NOTE 4. INTERGOVERNMENTAL LOAN PAYABLE

The Town has entered into a loan agreement with the State of New Jersey for the financing relating to the development of recreation facilities. Aggregate Green Acres Loan payment requirements is as follows:

Year	Total	Principal	Interest
2018	$35,846	$33,601	$2,245
2019	35,846	34,277	1,569
2020	35,846	34,966	880
2021	17,924	17,746	178
	$125,462	$120,590	$4,872

TOWN OF GUTTENBERG
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016
(CONTINUED)

NOTE 5. BOND ANTICIPATION NOTES

The Town issues bond anticipation notes to temporarily fund various capital projects prior to the issuance of serial bonds. The term of the notes cannot exceed one year but the notes may be renewed from time to time for a period not exceeding one year. Generally such notes must be paid no later than the tenth anniversary of the date of the original notes. The State of New Jersey also prescribes that on or before the third anniversary date of the original note a payment of an amount at least equal to the first legally payable installment of the bonds in anticipation of which such notes were issued be paid or retired. A second and third legal installment must be paid if the notes are to be renewed beyond the fourth and fifth anniversary date of the original issuance.

On December 31, 2017 and 2016, the Town had $20,975,000 and $19,519,265, respectively, in outstanding General Capital Fund bond anticipation notes. The notes outstanding as of December 31, 2017 were due on March 15, 2018 at 2.50% and were renewed for a three month period due on June 18, 2018.

	Balance Dec. 31, 2016	Additions	Reductions	Balance Dec. 31, 2017
General Capital Notes Payable				
Janney Montgomery Scott, LLC	$0	$	$	$0
Depository Trust Company, NY	0	20,975,000		20,975,000
Oppenheimer & Company	19,519,265		19,519,265	0
	$19,519,265	$20,975,000	$19,519,265	$20,975,000

	Balance Dec. 31, 2015	Additions	Reductions	Balance Dec. 31, 2016
General Capital Notes Payable				
Janney Montgomery Scott, LLC	$813,109	$	$813,109	$0
TD Securities LLC	12,500,000		12,500,000	0
Oppenheimer & Company		19,519,265		19,519,265
	$13,313,109	$19,519,265	$13,313,109	$19,519,265

NOTE 6. FUND BALANCE APPROPRIATED

There was $1,700,000 of fund balance appropriated as anticipated revenue in the 2018 Current Fund budget.

NOTE 7. ACCRUED SICK AND VACATION BENEFITS

The Town no longer permits employees to accrue unused sick and vacation pay; therefore, there is no liability for unpaid compensation at December 31, 2017.

NOTE 8. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Town's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. As of December 31, 2017 and 2016, $-0- of the Town's bank balance of $16,058,080 and $21,638,272, respectively, was exposed to custodial credit risk.

Investments

Investment Rate Risk

The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, New Jersey Statutes 40A:5-15.1(a) limits the length of time for most investments to 397 days.

Credit Risk

New Jersey Statutes 40A:5-15.1(a) limits municipal investments to those specified in the Statutes. The type of allowance investments are Bonds of the United States of America, bonds or other obligations of the municipality or bonds or other obligations of the local unit or units within which the municipality is located: obligations of federal agencies not exceeding 397 days; government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

Concentration of Credit Risk

The Town places no limit on the amount the Town may invest in any one issuer.

NOTE 9. FIXED ASSETS

The following is a summary of charges in the General Fixed Assets Account Group as of December 31, 2017.

	Balance December 31, 2016	Additions	Retirements	Balance December 31, 2017
Land	$1,817,400	$	$	$1,817,400
Building	3,378,500			3,378,500
Equipment	1,610,614	607,920	133,012	2,085,522
	$6,806,514	$607,920	$133,012	$7,281,422

NOTE 10. DUE TO/FROM OTHER FUNDS

Balances due to/from other funds at December 31, 2017 consist of the following:

$1,583	Due to the Current Fund from the Animal License Trust Fund for the current year's outstanding excess calculation.
20,855	Due to the Current Fund from the General Capital Fund for interest earnings not turned over.
593	Due to the Current Fund from the Community Development Trust Fund for current year interest earnings.
200	Due from the Current Fund to the Other Trust Fund for deposits made in error.
2,746	Due from the Federal and State Grant Fund to the Current Fund for grant revenue collected less expenditures made and interest earned.
63,000	Due to the General Capital Fund from the Community Development Trust Fund for grant proceeds related to the Community Center Project.
99	Due to the Current Fund from the Escrow Trust Fund for accumulated interest earnings due to the Town.
85,000	Due to the Current Fund from the Payroll Agency Account for payroll advanced.
2,047	Due to the Other Trust Fund from the Current. Redemption account to reimburse redemptions paid by the Other Trust Fund in error.
2,745	Due to the Current Fund from the Net Payroll Account for the unallocated balance in the account.
$178,868	

It is anticipated that all interfunds will be liquidated during the fiscal year.

NOTE 11. OTHER POST RETIREMENT BENEFITS

In addition to the pension benefits described in Note 2, the Town currently provides lifetime medical benefits to employees who retire on a paid pension under the following conditions:

- After twenty-five years of continuous service with the Town, or
- After fifteen years of continuous service with the Town at age sixty-two or older; or
- On an accidental disability pension with not less than five years of continuous service with the Town in the case of firemen and policemen, or ten years in the case of employees in the Public Employees Retirement System

Coverage is also provided for family members per the employees union contracts and paid by the Town for the life of the retiree.

For Police and Fire personnel, upon the death of the retiree, the surviving spouse and dependent children under the age of twenty-three may elect to continue the coverage at the surviving spouse's own cost. This coverage ceases when any of the following occurs:

- Spouse dies.
- Spouse remarries.

For Police and Fire personnel, prescription drug benefits are provided and paid by the Town under the same circumstances except upon retiree's death, coverage would be provided for the surviving spouse only, and would be discontinued upon:

- Surviving spouse's remarriage.
- Surviving spouse obtaining coverage from another spouse.

Plan Description

The Town of Guttenberg contributes to the State Health Benefits Program (SHBP) a cost-sharing, multi-employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. The SHBP was established in 1961 under N.J.S.A. 52:14-17.25 et seq. to provide health benefits to State employees, retirees, and their dependents.

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

NOTE 11. OTHER POST RETIREMENT BENEFITS, (continued)

The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295 or by visiting their website at http://www.state.nj.us/treasury/pensions/gasb-43-july2011.pdf.

Funding Policy

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

Contributions to pay for the health premiums of participating employees in the SHBP are billed to the Town of Guttenberg on a monthly basis. The rates charges by the system for the year ended December 31, 2017 were as follows:

The Town of Guttenberg's contributions to SHBP for post-retirement benefits for the year ended December 31, 2017 was $459,130 and for December 31, 2016 was $483,182, which equaled the required contribution for the year.

NOTE 12. CONTINGENT LIABILITIES

A. Grants

The Town received financial assistance from the State of New Jersey and the U.S. Government in the form of grants and revenue sharing entitlements. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of the funds for eligible purposes. During 2015, the Town is subject to the requirements of the Single Audit Act Amendments of 1996 which mandated that all Federal grant revenues and expenditures be audited in conjunction with a municipal audit. In addition, substantially all State grants, entitlements and cost reimbursements are subject to financial and compliance audits by the grantors.

NOTE 12. CONTINGENT LIABILITIES, (continued)

B. Other Litigation

The Town is involved in several other claims and lawsuits incidental to its operations. In the opinion of the administration and legal counsel, the ultimate resolution of these matters will not have a material adverse effect on the financial position of the Town.

NOTE 13. ECONOMIC DEPENDENCY

The Town receives a substantial amount of its support from Federal and State governments. A significant reduction in the level of support, if this were to occur, may cause an increase in the local tax rate, and could also have a detrimental effect on the level of service that the Town would be able to provide.

NOTE 14. NORTH HUDSON REGIONAL FIRE AND RESCUE

Second Amended and Restated Consolidated Municipal Services Agreement for the Formation of a Joint Meeting Pursuant to N.J.S.A. 40:48B-1 et seq., known as North Hudson Regional Fire and Rescue (the "Agreement")

Background of the Agreement

On December 30, 1998, the Town adopted a resolution approving it to enter into a joint contract with the municipalities of North Bergen, Union City, Weehawken and West New York (the "Other Municipalities"), in order to form a joint meeting pursuant to the Consolidated Municipal Services Act, N.J.S.A. 40:48B-1 et seq. (the "Act"). The entity created by the formation of this joint meeting is known as the North Hudson Regional Fire and Rescue (the "NHRFR"), which is a public body, corporate and politic, constituting a political subdivision of the State of New Jersey, having all powers and authorities permitted by the Act. The purpose of the NHRFR is to provide for the joint operation of fire protection, rescue and emergency services, and other related governmental services.

The NHRFR was in effect from October 1, 1998, as the Other Municipalities had already formed the Agreement before the Town entered on December 30, 1998. The term of the Agreement expires September 30, 2023, but may be subject to earlier termination pursuant to the Act. The operations of the NHRFR commenced on January 1, 1999. The NHRFR is governed by a five member management committee, consisting of one representative from each municipality, and this committee may appoint one or two executive director(s), and other such officers, employees and counsel as it deems necessary. A municipality's admission to or withdrawal from the NJFRF requires four votes from the management committee.

NOTE 14. NORTH HUDSON REGIONAL FIRE AND RESCUE, (continued)

Required Contributions by the Town

The Town adopted an ordinance on December 30, 1998, authorizing the sale, lease transfer, conveyance or other disposition of and improvement of real and personal property to the NHRFR, pursuant to New Jersey Statutes. The Town has agreed to convey two parcels of its real property, the value of which will be determined by a qualified appraiser. The Town had also agreed to convey four items of its personal property, which consist of vehicles with an aggregate minimum purchase price of $341,000. The estimated proceeds of all property conveyed, real and personal, was approximately $1,000,000.

The Town was required to contribute $1,500,000 annually to the NHRFR. This annual contribution is subject to an increase based on the percentage of increase of the total fire and rescue related appropriations over the base year (SFY 1998) of the Other Municipalities. The Agreement also contains provisions for cost and budget balance allocations, and a growth value adjustment to be made in calendar year 2001, but these provisions do not pertain to the Town. As of December 31, 2017, the town budgeted $2,934,000 and contributed $2,671,870.

NOTE 15. TAXES COLLECTED IN ADVANCE

Taxes collected in advance are recorded as cash liabilities in the financial statements. Following is a comparison of the liability for the previous two periods:

	Balance December 31, 2017	Balance December 31, 2016
Prepaid Taxes	$1,024,946	$325,802
Cash Liability for Taxes Collected in Advance	$1,024,946	$325,802

NOTE 16. RISK MANAGEMENT

The Town of Guttenberg is exposed to various risks of loss related to general liability, automobile coverage, damage and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town has obtained insurance coverage to guard against these events which will provide minimum exposure to the Town should they occur. During the year ended December 31, 2017, the Town did not incur claims in excess of their coverage and the amount of coverage did not significantly decrease.

NOTE 16. RISK MANAGEMENT, (continued)

The Town of Guttenberg is a member of the New Jersey Intergovernmental Insurance Fund (the "NJIIF"). The NJIIF is a self-administered group of municipalities established for the purpose of providing certain low-cost general liability, automobile liability and workers' compensation insurance coverage for member municipalities. The Town of Guttenberg pays an annual assessment to the NJIIF and should it be determined that payments received by the NJIIF are deficient, additional assessments may be levied.

The NJIIF can declare and return excess surplus to members upon approval of the State of New Jersey Department of Insurance. These distributions would be divided amongst the members in the same ratio as their individual assessment relates to the total assessment of the membership body. In accordance with Statement No. 10 of the Government Accounting Standards Board, these distributions may be sued to reduce the amount recorded for membership expense in the year in which the distribution was declared.

The NJIIF provides Property coverage (i.e. Boiler and Machinery, Flood, Valuable Papers, etc.) to its members by participating in a state-wide joint purchase program.

Financial statements for the Funds are available at the office of the Funds' Executive Director, New Jersey Intergovernmental Insurance Fund.

The Town of Guttenberg continues to carry commercial insurance coverage for all other risks of loss, including employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE 17. SUBSEQUENT EVENT

The Town has evaluated subsequent events through April 23, 2018, the date which the financial statements were available to be issued, and besides the item described below, no other items were noted for disclosure.

NOTE 18. DEFALCATION OF FUNDS

During 2016, a defalcation was discovered concerning certain members of the Department of Public Works and the collection of monies from the Town's parking meters. This alleged defalcation is currently being prosecuted by the Police Department and Hudson County Prosecutor's Office. The amount of the alleged theft is undetermined at this time.

SUPPLEMENTARY DATA

TOWN OF GUTTENBERG

Supplementary Data

Comparative Schedule of Tax Rate Information

	2017	2016	2015
Tax rate	3.675	3.650	3.620
Apportionment of tax rate:			
Local school	1.416	1.412	1.402
County	0.592	0.606	0.611
Municipal	1.667	1.632	1.607

Year Ended December 31,	Assessed Valuation
2017	$ 787,777,940
2016	794,207,080
2015	796,783,400

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.

Year Ended December 31,	Tax Levy	Cash Collections	Percentage of Collections
2017	$ 29,203,146	27,616,480	94.57%
2016	28,893,114	27,274,089	94.40%
2015	28,798,597	27,127,346	94.20%

TOWN OF GUTTENBERG

Supplementary Data

Delinquent Taxes and Tax Title Liens

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

Year Ended December 31,	Amount of tax title liens	Amount of delinquent taxes	Total delinquent	Percentage of tax levy
2017	80,591	1,714,104	1,794,695	6.15%
2016	6,701	1,756,254	1,762,955	6.10%
2015	6,264	1,746,214	1,752,478	6.09%

Property Acquired By Tax Title Lien Liquidation

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

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

Year		Amount
2017	$	None
2016		None
2015		None

Comparative Schedule of Fund Balances

	Year Ended December 31,		Year ended	Utilized in budget of succeding year
Current Fund:	2017	$	7,043,583	1,700,000
	2016		6,389,489	1,702,073
	2015		5,265,949	1,051,000
	2014		3,894,960	1,300,000
	2013		3,192,852	1,231,000

TOWN OF GUTTENBERG

Supplementary Data

Official in Office and Surety Bonds

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

Name	Title	Amount of bond	Name of corporate surety
Gerald Drasheff	Mayor		
Alfonso Caso	Councilman		
Donna Florio - to 9/30/2017	Councilwoman		
Nicholas Floria - from 9/30/2017	Councilman		
Monica Fundora	Councilwoman		
John D. Habermann	Councilman		
Wayne Zitt	Councilman		
Michael Jimenez	Town Attorney		
Cosmo Cirillo	Town Administrator		
Vincent Buono	Chief Financial Officer	1,000,000	(A)
Nicholas Goldsack	Tax Collector/Treasurer	1,000,000	(A)
Alberto Cabrera	Town Clerk	1,000,000	(A)
Ann Setliff	Deputy Tax Collector	1,000,000	(A)
Ashley Mazure	Court Administrator	1,000,000	(A)
Bleydeliz Collado	Deputy Court Administrator	1,000,000	(A)
Maria Rodriguez	Violations Clerk	1,000,000	(A)
Martha Martinez	Violations Clerk	1,000,000	(A)

(A) Coverage provided through the Garden State Municipal Joint Insurance Fund. Coverage is provided up to $1,000,000 per occurrence.

TOWN OF GUTTENBERG

Schedule of Expenditures of Federal Awards

Year ended December 31, 2017 and 2016

Federal grantor	Program	CFDA number	FAIN number	Grant or State Project number	Grant period	Award Amount	Cash Received	Expenditures	Adjustment/ Cancelled		(MEMO) Cumulative Expenditures
Current Fund:											
Department of Transportation	State and Community Highway Safety										
	National Highway Traffic Safety Program										
	Alcohol Impaired Driving Countermeasures Incentive Grant										
	Drive Sober or Get Pulled Over	20.601			2015	5,000	$			*	5,000
	Drive Sober or Get Pulled Over	20.601			2016	5,000		611		*	2,836
	Drive Sober or Get Pulled Over	20.601			2016	5,000				*	5,000
	Drive Sober or Get Pulled Over	20.601			2017	5,000	5,000	5,000		*	5,000
										*	
Department of Agriculture	Summer Food Program	10.559			2014	23,703				*	23,703
	Summer Food Program	10.559			2015	17,688			(2,070)	*	17,688
	Summer Food Program	10.559			2016	23,703			2,070	*	19,042
	Summer Food Program	10.559			2017	40,455	23,572	18,524		*	
										*	
	Total Current Fund						28,572	24,135		*	
										*	
General Capital Fund:										*	
Department of Homeland Security	Federal Emergency Management									*	
	Acquisition/Installation of a Generator -									*	
	Ord. 7-2016, HMPG-DR-4086-NJ-0123	97.039				207,854		45,052		*	92,365
										*	
Community Development Block Grant Trust Fund:										*	
Department of Housing and Urban Development										*	
(passed through County of Hudson):	Community Development Block Grant:									*	
	3-03E1-15 Community Center Improvements	14.218			2015-16	136,131	136,131			*	136,131
	3-03E1-16 Community Center Improvements	14.218			2016-17	63,000	63,000			*	63,000
	3-03K1-17 70th Street Improvements	14.218			2017-18	67,000				*	
										*	
	Total General Capital Fund						199,131			*	
										*	
Total Federal Financial Assistance							$ 227,703	69,187		*	

Note: This schedule was not subject to an audit in accordance with the Uniform Guidance.

Schedule 2

TOWN OF GUTTENBERG

Schedule of Expenditures of State Awards and Other Financial Assistance

Year ended December 31, 2017 and 2016

State grantor	Program	Grant number	Grant period	Award Amount	Cash Received	Budgetary Expenditures	Adjustment		(MEMO) Cumulative Expenditures
Federal and State Grant Fund:									
Department of Commerce & Economic Development	Urban Enterprise Zone Assistance Fund		2011	$ 24,038				*	23,588
								*	
								*	
Department of Environmental Protection	Recycling Tonnage Grant	042-4900-752-001	2017		14,378			*	
	Recycling Tonnage Grant	042-4900-752-001	2016	13,001	13,001	2,971		*	
	Recycling Tonnage Grant	042-4900-752-001	2014	13,973		4,945		*	13,973
	Clean Communities Program	042-4900-765-004	2017	16,217	16,217			*	
	Clean Communities Program	042-4900-765-004	2016	19,089		14,476		*	14,476
	Clean Communities Program	042-4900-765-004	2015	16,704		16,704		*	16,704
	Clean Communities Program	042-4900-765-004	2005-06	7,530				*	7,530
					43,596	39,096		*	
								*	
Department of Law and Public Safety	Body Armor Grant	066-1020-718-001	2017	2,428	2,428			*	
	Body Armor Grant	066-1020-718-001	2016	2,425				*	
	Body Armor Grant	066-1020-718-001	2015	2,436				*	
	Highway Safety		2006-07	1,945				*	1,555
								*	
Department of Law and Public Safety								*	
	Drunk Driving Enforcement Fund	1110-448-031020-22	2012	6,899				*	3,866
					2,428			*	
								*	
								*	
County of Hudson (1)	Municipal Alliance Grant Fund	100-082-2000-044	2017-18	9,655				*	
			Match	2,414	2,414			*	
	Municipal Alliance Grant Fund	100-082-2000-044	2016-17	9,655	9,655	3,396		*	9,655
			Match	2,414		657		*	357
			Match	345		345	345	*	345
					12,069	4,398	345	*	
								*	

Schedule 2

TOWN OF GUTTENBERG

Schedule of Expenditures of State Awards and Other Financial Assistance

Year ended December 31, 2017 and 2016

State grantor	Program	Grant number	Grant period	Award Amount	Cash Received	Budgetary Expenditures	Adjustment	(MEMO) Cumulative Expenditures
Administrative Offices of the Courts	Alcohol Education and Rehabilitation Fund	098-9735-760-001	2017	4,439	4,439	699		
	Alcohol Education and Rehabilitation Fund	098-9735-760-001	2016	3,505				
	Alcohol Education and Rehabilitation Fund	098-9735-760-001	2015	2,711				
	Alcohol Education and Rehabilitation Fund	098-9735-760-001	2013	950		1		950
					4,439	700		
	Total State and Federal Grant Fund				62,532	44,194	345	
General Capital Fund:								
Department of Transportation								
State Aid Highway Projects								
Highway Planning and Construction	Municipal Aid - Broadway & Bellevue Ave - Ord. 22-2017		2017	240,000				
	Municipal Aid - Broadway & Bellevue Ave - Ord. 22-2017		2016	215,000				
Department of Environmental Protection	Green Acres Program - Waterfront Park Imp. - Ord. 18-2012		2012	62,263				62,263
	Green Acres Program - Waterfront Park Imp. - Ord. 6-2008		2007-08	155,000				155,000
Department of Education	Section 15 Educational Facilities Financing Act Grant Construction of Building & Imps. To the Anna L. Klein School for Community, Recreational and Educational Purposes	Ord. 2-2012	2012	3,651,737	1,095,521	191,274		3,651,737
	Total General Capital Fund				1,095,521	191,274		
Total State Financial Assistance					$ 1,158,053	235,468	345	
Other Financial Assistance:								
Hudson County Open Space	PI-17-14 Community Center (previously PI11-14)			300,000	300,000			
	PI-15-14 Community Center			300,000	275,000	25,000		
	Total Other Financial Assistance				575,000	25,000		
Total State and Other Financial Assistance					$ 1,733,053	260,468	345	

Note: This schedule was not subject to an audit in accordance with N.J. OMB 2015-08.

(1) - Passed through the State of New Jersey

Exhibit A-4

TOWN OF GUTTENBERG

Schedule of Cash - Collector/Treasurer

Current Fund

Year Ended December 31, 2017

		Regular Fund	Federal and State Grant Fund
Balance - December 31, 2016	$	8,115,183	112,586
Increased by receipts:			
Revenue accounts receivable		2,670,824	
Miscellaneous revenues not anticipated		736,630	
Taxes receivable		28,704,100	
Senior citizens and veterans deductions		16,620	
Disallowed Senior and Veteran Deducations			
Prepaid Taxes		1,024,946	
Interfunds		43,733	
Due to Federal and State Grant Fund		465	
Tax Overpayments		77,804	
Various Reserves		1,371,226	
Grants Receivable			69,265
Due from Current Fund			11,096
Unappropriated reserves			14,378
Due to State - Federal and State Grant Fund			5,048
		34,646,348	99,787
		42,761,531	212,373
Decreased by disbursements:			
2017 budget appropriations		15,726,068	
2016 appropriation reserves		186,694	
Tax overpayment refunds		6,986	
Local district school tax		11,158,596	
County taxes		4,653,005	
County added taxes		10,225	
Due to Federal and State Grant Fund		10,621	
Various Reserves		1,403,032	
Refund of Prior Year Revenue		96,798	
Interfunds		103,500	
Due to Current Fund			465
Appropriated Reserves			63,179
		33,355,525	63,644
Balance, December 31, 2017	$	9,406,006	148,729

Exhibit A-5

TOWN OF GUTTENBERG

Schedule of Taxes Receivable and Analysis of Property Tax Levy

Current Fund

Year Ended December 31, 2017

Year	Balance, Dec. 31,	2017 Levy	Added 2017 Levy	Collected 2016	Collected 2017	Senior & Veteran's Deductions	Transferred to Tax Title Liens	Canceled	Balance, Dec. 31, 2017
2011	$ 4,400								4,400
2012	39,783								39,783
2013	143,259								143,259
2014	16,436							2,682	13,754
2015	9,457								9,457
2016	1,542,919	750			1,464,107		55,198	24,364	
	1,756,254	750			1,464,107		55,198	27,046	210,653
2017		28,950,845	252,301	325,802	27,270,928	19,750	235	82,980	1,503,451
	$ 1,756,254	28,951,595	252,301	325,802	28,735,035	19,750	55,433	110,026	1,714,104

Overpayments Applied	30,935
Prior Year Senior and Veteran Deductions collected	750
Cash Receipts	28,703,350
	$ 28,735,035

Analysis of 2017 Tax Levy

Tax yield:	
General property tax	$ 28,950,845
Added tax (R.S.54:4-63.1 et seq.)	252,301
	$ 29,203,146
Tax levy:	
Local district school tax (abstract)	$ 11,158,596
County tax (abstract)	4,653,005
Local tax for municipal purpose (abstract)	13,135,839
Additional tax levies	255,706
	$ 29,203,146

Exhibit A-6

TOWN OF GUTTENBERG

Schedule of Revenue Accounts Receivable

Current Fund

Year Ended December 31, 2017

	Balance, Dec. 31, 2016	Accrued in 2017	Collected	Balance, Dec. 31, 2017
Clerk:				
Licenses:				
Alcoholic beverages	$	38,024	38,024	
Other		186,733	186,733	
Fees and permits		103,003	103,003	
Construction Code Official-fees and permits		171,903	171,903	
Municipal Court fines and costs	43,567	748,629	740,452	51,744
Parking meters		364,179	364,179	
Interest and cost on taxes		213,026	213,026	
Interest on investments		45,992	45,992	
Consolidated Municipal Property Tax Relief		205,625	205,625	
Energy Receipts Tax		553,150	553,150	
Verizon		61,415	61,415	
	$ 43,567	2,691,679	2,683,502	51,744

Interest on Investments	12,678
Cash	2,670,824
	$ 2,683,502

Exhibit A-7

TOWN OF GUTTENBERG

Schedule of Due from State of New Jersey
Senior Citizens' and Veterans' Deductions

Current Fund

Year Ended December 31, 2017

Balance - December 31, 2016			$	23,282
Increased by:				
Senior citizens' and veterans' deductions per tax billings				19,750
				43,032
Decreased by:				
Deductions Disallowed	$	750		
Cash received		16,620		
				17,370
Balance - December 31, 2017			$	25,662

Exhibit A-8

Schedule of Local District School Taxes Payable

Current Fund

Year Ended December 31, 2017

Balance - December 31, 2016	$	46,129
Increased by:		
2017 Levy		11,158,596
		11,204,725
Decreased by:		
Cash Disbursed		11,158,596
Balance - December 31, 2017	$	46,129

Exhibit A-9

TOWN OF GUTTENBERG

Schedule of County Taxes Payable

Current Fund

Year Ended December 31, 2017

Increased by:		
County Tax Levy	$	4,653,005
Decreased by:		
Cash Disbursed	$	4,653,005

Exhibit A-10

Schedule of Due County for Added and Omitted Taxes

Current Fund

Year Ended December 31, 2017

Balance - December 31, 2016	$	10,225
Increased by:		
2017 Added Levy		41,129
		51,354
Decreased by:		
Cash Disbursed		10,225
Balance - December 31, 2017	$	41,129

Exhibit A-11

TOWN OF GUTTENBERG, N.J.

Schedule of 2016 Appropriation Reserves

Current Fund

Year Ended December 31, 2017

	Balance, Dec. 31, 2016	Balance after Transfers	Paid or Charged	Balance Lapsed
Salaries and Wages Within "CAPS":				
Administrative and Executive	$ 25,572	25,572		25,572
Financial Administration	8,703	8,703		8,703
Collection of Taxes	1,406	1,406		1,406
Assessment of Taxes	5,167	5,167		5,167
Municipal Court	4,849	4,849	333	4,516
Legal Services	2,200	2,200		2,200
Planning Board	6	6		6
Police	12,151	12,151	299	11,852
Fire Inspector	1,759	1,759		1,759
Streets and Roads	13,492	13,492		13,492
Recreation	9,612	9,612	46	9,566
Senior Citizens Nutrition Program	1,461	1,461		1,461
Uniform Construction Code	3,234	3,234		3,234
License Inspector	1	1		1
Total Salaries and Wages Within "CAPS"	89,613	89,613	678	88,935
Other Expenses Within "CAPS":				
Administrative and Executive	3,557	17,649	16,073	1,576
Elections	3,957	3,957		3,957
Financial Administration	10,640	15,720	4,637	11,083
Collection of Taxes	1,768	2,678	877	1,801
Assessment of Taxes	12,782	14,132	12,997	1,135
Municipal Court	7,609	8,612	1,176	7,436
Legal Services	11,416	37,526	37,511	15
Public Buildings and Grounds	26,934	34,003	16,871	17,132
Engineering	35,217	52,262	19,597	32,665
Planning Board	2,021	2,151		2,151
Community Action Programs	500	500		500
Group Insurance for Employees	14,607	14,607		14,607
Insurance - Other	6,101	10,394	6,699	3,695
Insurance/Deductible	25,000	25,000		25,000
Police	3,641	18,527	17,547	980
Emergency Management	10	10		10
Weehawken Volunteer Ambulance	12,625	12,625	9,945	2,680
Fire Inspector	520	520	20	500
Streets and Roads	2,492	20,872	7,541	13,331
Recycling	13,275	13,275		13,275
Solid Waste & Garbage Removal	22,804	934	115	819
Snow Removal	1,818	1,818		1,818
Public Health Services	4,244	4,244	715	3,529
Recreation	1,806	3,055	2,083	972
Celebration of Public Events	1,070	4,720	3,521	1,199
Senior Citizens Nutrition Program	62	1,474	1,474	
Senior Citizens Transportation	365	1,839	1,474	365
Senior Recreation Program	434	434		434

Exhibit A-11

TOWN OF GUTTENBERG, N.J.

Schedule of 2016 Appropriation Reserves

Current Fund

Year Ended December 31, 2017

	Balance, Dec. 31, 2016	Balance after Transfers	Paid or Charged	Balance Lapsed
Uniform Construction Code	2,591	2,703	111	2,592
License Inspector	1,928	1,928		1,928
Electricity	22,877	2,879	1,221	1,658
Street Lighting	13,792	13,792	8,083	5,709
Telephone	4,903	6,757	2,733	4,024
Water	5,127	5,127		5,127
Fire Hydrant Service	4,663	4,663		4,663
Sewerage	4,760	4,760	104	4,656
Gasoline	10,367	10,367		10,367
Postage - All Departments	2,524	2,524		2,524
Technology	217	12,661	12,411	250
Contingent	6,125	6,125		6,125
Total Other expenses Within "CAPS"	307,149	397,824	185,536	212,288
Deferred Charges and Statutory Expenditures Within "CAPS":				
Social Security (O.A.S.I.)	266	266		266
Total Deferred Charges and Statutory Expenditures Within "CAPS"	266	266		266
Total Reserves Within "CAPS"	397,028	487,703	186,214	301,489
Other Expenses Excluded From "CAPS":				
911 - Other Expenses	5,000	5,000	480	4,520
Stormwater Management	6,775	6,775		6,775
North Hudson Regional Communication	6,600	6,600		6,600
North Hudson Regional Fire and Rescue	259,520	259,520		259,520
Library Services-North Bergen	20	20		20
Total Other Expenses Excluded from "CAPS"	277,915	277,915	480	277,435
Total Reserves Excluded from "CAPS"	277,915	277,915	480	277,435
Total Reserves	$ 674,943	765,618	186,694	578,924

Appropriation reserves	674,943
Encumbrances	90,675
	$ 765,618

Cash Disbursements	186,694
	$ 186,694

Exhibit A-12

TOWN OF GUTTENBERG

Schedule of Reserve for Encumbrances

Current Fund

Year Ended December 31, 2017

Balance - December 31, 2016		$ 90,675
Increased by:		
2017 Encumbrances		116,924
		207,599
Decreased by:		
Transferred to appropriation reserves		90,675
Balance - December 31, 2017		$ 116,924

Exhibit A-13

Schedule of Tax Overpayments

Current Fund

Year Ended December 31, 2017

Balance - December 31, 2016		$ 37,921
Increased by:		
Cash Receipts		77,804
		115,725
Decreased by:		
Cash Disbursements	$ 6,986	
Overpayments Applied	30,935	
		37,921
Balance - December 31, 2017		$ 77,804

Exhibit A-14

TOWN OF GUTTENBERG

Schedule of Prepaid Taxes

Current Fund

Year Ended December 31, 2017

Balance - December 31, 2016	$	325,802
Increased by:		
Prepaid Taxes Collected		1,024,946
		1,350,748
Decreased by:		
Applied to 2017 Taxes		325,802
Balance - December 31, 2017	$	1,024,946

Exhibit A-15

Schedule of Amount Due to the Hudson County Treasurer - Court Fines and Costs

Current Fund

Year Ended December 31, 2017

Balance - December 31, 2016	$	6,764
Balance - December 31, 2017	$	6,764

Exhibit A-16

TOWN OF GUTTENBERG

Schedule of Interfunds Due from/(to) Other Funds

Current Fund

Year Ended December 31, 2017

	Balance Dec. 31, 2016	Increased	Decreased	Balance Dec. 31, 2017
Trust Funds:				
Animal License Trust Fund	$	1,583		1,583
CDBG Trust Fund	38	593	38	593
Other Trust Fund - Redemption Account	(2,500)	18,500	18,047	(2,047)
Other Trust Fund			200	(200)
Escrow Trust Fund	12	99	12	99
General Capital Fund	30,015	30,952	40,112	20,855
Payroll Agency Account		85,000		85,000
Net Payroll Account	3,371	2,745	3,371	2,745
	$ 30,936	139,472	61,780	108,628

	Increased	Decreased
Interfunds Returned - Cash Receipts	$	33,436
Cash Disbursements	18,500	
Cash Receipts		10,297
Interfunds Advanced - Cash Disbursements	85,000	
Reimburse Expenditures Paid		18,047
Unallocated balance in Net Payroll Account	2,745	
Statutory Excess	1,583	
Interest Earned	31,644	
	$ 139,472	61,780

Exhibit A-17

TOWN OF GUTTENBERG

Schedule of Due from/(to) Federal and State Grant Fund

Current Fund

Year Ended December 31, 2017

Balance - December 31, 2016			$	(10,621)
Increased by:				
Matching Budget Appropriations	$	2,414		
Cash Receipts		465		
				2,879
				(13,500)
Decreased by:				
Cash Disbursements		10,621		
Reimbursement of expenditures		5,150		
Interest earned on Investments		475		
				16,246
Balance - December 31, 2017			$	2,746

Exhibit A-18

TOWN OF GUTTENBERG

Schedule of Various Reserves

Current Fund

Year Ended December 31, 2017

	Balance, Dec. 31, 2016	Increased	Decreased	Balance, Dec. 31, 2017
Reserve for:				
Pension Deferral	$ 228,137			228,137
Revaluation	17,130			17,130
Library Contribution - North Bergen	20,554			20,554
State Library Aid	6,419			6,419
Tax Appeals	252,671	66,732	80,795	238,608
DCA Fees Payable	929	9,887	9,122	1,694
Outside Liens	17,556	1,361,339	1,313,115	65,780
	$ 543,396	1,437,958	1,403,032	578,322

	Increased	Decreased
Cash Receipts	1,371,226	
Cash Disbursements		1,403,032
Transfer from 2017 Budget Appropriations	66,732	
	$ 1,437,958	1,403,032

Exhibit A-19

TOWN OF GUTTENBERG

Schedule of Tax Title Liens

Current Fund

Year Ended December 31, 2017

Balance - December 31, 2016		$ 6,701
Increased by:		
Tax Sale	$ 55,198	
Interest and Costs	18,457	
Transferred from taxes receivable	235	
		73,890
Balance - December 31, 2017		$ 80,591

Exhibit A-20

TOWN OF GUTTENBERG

Schedule of Grants Receivable

Federal and State Grant Fund

Year Ended December 31, 2017

Purpose		Balance, Dec. 31, 2016	2017 Budget Revenue Realized	Received	Cancelled	Balance, Dec. 31, 2017
Clean Communities	$	640	16,217	16,217		640
Drunk Driving Enforcement Fund		3,033				3,033
Community Forestry Grant		3,000				3,000
Urban Enterprise Zone - Remaining Balance		4,490				4,490
Municipal Alliance		9,655	9,655	9,655		9,655
Summer Food Program		6,409	40,455	18,524	(28,340)	
Body Armor Replacement Fund			2,428	2,428		
Recycling Tonnage Grant			13,001	13,001		
Alcohol Education and Rehabilitation Grant			4,440	4,440		
Drive Sober or Get Pulled Over		125	5,000	5,000		125
	$	27,352	91,196	69,265	(28,340)	20,943
			Cash receipts	69,265		

Exhibit A-21

TOWN OF GUTTENBERG

Schedule of Appropriated Grant Reserves

Federal and State Grant Fund

Year Ended December 31, 2017

Purpose	Balance, Dec. 31, 2016	Budget Appropriations	Expended	Cancelled	Balance, Dec. 31, 2017
Highway Safety Grant	$ 390				390
Summer Food Program	3,841				3,841
Community Forestry Grant	3,000				3,000
Recycling Tonnage Grant	4,945		4,945		
Urban Enterprise Zone - Remaining Funds	449				449
Muncipal Alliance		9,655			9,655
Municipal Alliance - Match		2,414			2,414
Municipal Alliance - Match	345		345		
Municipal Alliance	3,396		3,396		
Municipal Alliance - Match	2,414		657		1,757
Summer Food Program	4,685			(4,685)	
Alcohol Education and Rehabilitation	1		1		
Summer Food Program	186				186
Summer Food Program	9,325			(1,724)	7,601
Summer Food Program		40,455	18,524	(21,931)	
Body Armor Replacement Fund	373				373
Drive Sober or Get Pulled Over	2,775		611		2,164
Drive Sober or Get Pulled Over		5,000	5,000		
Recycling Tonnage Grant		13,001	2,971		10,030
Body Armor Replacement Fund		2,428			2,428
Clean Communities Grant		16,217			16,217
Clean Communities Grant	16,704		16,704		
Clean Communities Grant	19,089		14,476		4,613
Alcohol Education and Rehabilitation Grant		4,440	699		3,741
Alcohol Education and Rehabilitation Grant	3,505				3,505
Alcohol Education and Rehabilitation Grant	2,711				2,711
	$ 78,134	93,610	68,329	(28,340)	75,075

Adopted Budget	14,655
Matching Appropriations	2,414
Added by N.J.S.A. 40A:4-87	76,541
	$ 93,610

Due to Current Fund	5,150
Cash Disbursements	63,179
	$ 68,329

Exhibit A-22

TOWN OF GUTTENBERG

Schedule of Unappropriated Grant Reserves

Federal and State Grant Fund

Year Ended December 31, 2017

Purpose		Balance, Dec. 31, 2016	Received	Balance, Dec. 31, 2017
Body Armor Replacement Fund	$	2,425		2,425
Recycling Tonnage Grant			14,378	14,378
	$	2,425	14,378	16,803

Cash Receipts		14,378
	$	14,378

Exhibit A-23

Schedule of Due to State - Overpayment of Grant

Federal and State Grant Fund

Year Ended December 31, 2017

Increased by:		
Grant Proceeds received in excess of reimbursable expenditures	$	5,048
Balance - December 31, 2017	$	5,048

Exhibit B-1

TOWN OF GUTTENBERG

Schedule of Cash - Treasurer

Trust Funds

Year Ended December 31, 2017

		Animal License Fund	Unemployment Compensation Fund	Community Development Block Grant	Other Trust Funds
Balance - December 31, 2016	$	4,442	52,595	10,878	1,091,655
Increased by:					
Employee payroll deductions			9,356		
Budget Appropriation			70,000		
Dog License Fees		2,266			
State Fees		264			1,925
Interest earned on investments			107	593	99
Interfunds					2,500
Grant proceeds received				199,131	
Miscellaneous Reserves					2,057,963
		2,530	79,463	199,724	2,062,487
		6,972	132,058	210,602	3,154,142
Decreased by:					
State Fees		264			2,350
Interfunds				136,169	18,059
Unemployment Claims payable			85,103		
Cancellation of prior year deposit in transit			3,066		
Miscellaneous Reserves					1,453,772
		264	88,169	136,169	1,474,181
Balance - December 31, 2017	$	6,708	43,889	74,433	1,679,961

Exhibit B-2

TOWN OF GUTTENBERG

Schedule of Reserve for Expenditures

Animal License Fund

Year Ended December 31, 2017

Balance - December 31, 2016	$	4,391
Increased by:		
License Fees		2,266
		6,657
Decreased by:		
Statutory Excess		1,583
Balance - December 31, 2017	$	5,074

Dog License Fees Collected		
2015		2,572
2016		2,502
	$	5,074

Exhibit B-3

TOWN OF GUTTENBERG

Schedule of Due to State of New Jersey-
Animal License Fees

Animal License Trust Fund

Year Ended December 31, 2017

Balance - December 31, 2016	$	51
Increased by:		
2017 Fees Collected		264
		315
Decreased by:		
Paid to State Treasurer		264
Balance - December 31, 2017	$	51

Exhibit B-4

TOWN OF GUTTENBERG

Schedule of Community Development Block Grants Receivable

Community Development Block Grant Trust Fund

Year Ended December 31, 2017

Balance - December 31, 2016	$	136,131
Increased by:		
Grant Awarded		130,000
		266,131
Decreased by:		
Cash Receipts - Due to General Capital Fund		199,131
Balance - December 31, 2017	$	67,000

Analysis of Balance		
70th Street Improvements - 3-03K1-17		67,000
	$	67,000

Exhibit B-5

TOWN OF GUTTENBERG

Schedule of Reserve for Community Development Block Grants Expenditures

Community Development Block Grant Trust Fund

Year Ended December 31, 2017

Balance - December 31, 2016	$	10,840
Increased by:		
Grant Awarded		130,000
		140,840
Decreased by:		
Due to General Capital Fund		63,000
Balance - December 31, 2017	$	77,840

Exhibit B-6

TOWN OF GUTTENBERG

Schedule of Amount Due to State of New Jersey

Other Trust Funds

Year Ended December 31, 2017

Balance - December 31, 2016			$	2,029
Increased by:				
Due from Current Fund	$	200		
Cash Receipts		1,925		
				2,125
				4,154
Decreased by:				
Cash Disbursements				2,350
Balance - December 31, 2017			$	1,804

Analysis of Balance		
Marriage License Fees - 1st Quarter of 2015		600
Marriage License Fees - 3rd Quarter of 2015		25
Marriage License Fees - 4th Quarter of 2015		525
Marriage License Fees - 4th Quarter of 2017		400
DCA Fees		254
	$	1,804

Exhibit B-7

TOWN OF GUTTENBERG

Schedule of Interfunds

Trust Funds

Year Ended December 31, 2017

		Balance Due from/(to) Dec. 31, 2016	Increased	Decreased	Balance, from/(to) Dec. 31, 2017
Animal License Fund:					
Current Fund	$		1,583		(1,583)
Community Development Block Grant Fund:					
Current Fund		(38)	593	38	(593)
General Capital Fund		(136,131)	63,000	136,131	(63,000)
Other Trust Fund:					
Escrow Trust - Current Fund		(12)	99	12	(99)
Current Fund - Redemption Account			16,000	18,047	2,047
Current Fund		2,500	2,500	200	200
	$	(133,681)	83,775	154,428	(63,028)

Cash Receipts	$	65,500	
Cash Disbursements			154,228
Statutory Excess		1,583	
Deposit errors			200
Reimburse Current for Expenditures Paid		16,000	
Interest on Investments		692	
	$	83,775	154,428

TOWN OF GUTTENBERG

Schedule of Miscellaneous Reserves

Other Trust Funds

Year Ended December 31, 2017

	Balance, Dec. 31, 2016	Increased	Decreased	Balance, Dec. 31, 2017
Reserve for:				
Snow Removal	$ 160,000			160,000
P.O.A.A.	16,883	10,398	4,902	22,379
Law Enforcement Trust	10,318	10,098	14,108	6,308
Recreation Trust	70,292	28,813	25,067	74,038
Annual Celebrations	2,004	5,090	2,004	5,090
Fire Prevention	6,827	4,317	2,190	8,954
Builders Escrow Deposits	43,090	38,105	18,723	62,472
Police Special Detail	47,857	688,310	557,962	178,205
Public Defender	3,539	2,210	10,486	(4,737)
Asset Forfeitures				
Justice	364	1		365
Treasury	503	1	116	388
Senior Citizens	7,837	7,520	6,214	9,143
Tax Sale Premiums	719,100	1,263,100	824,500	1,157,700
Safe Kids Day	3,500		3,500	
	$ 1,092,114	2,057,963	1,469,772	1,680,305

	Increased	Decreased
Cash Receipts	2,057,963	
Cash Disbursements		1,453,772
Interfund - Due from Current		16,000
	$ 2,057,963	1,469,772

Exhibit B-9

TOWN OF GUTTENBERG

Schedule of Reserve for Unemployment Compensation Insurance

Unemployment Insurance Compensation Trust

Year Ended December 31, 2017

Balance - December 31, 2016			$	52,595
Increased by:				
Employee Payroll Deductions	$	9,356		
Interest earnings		107		
Budget Appropriation		70,000		
				79,463
				132,058
Decreased by:				
Payment of Unemployment Insurance Claims		85,103		
Cancellation of prior year Deposit in Transit		3,066		
				88,169
Balance - December 31, 2017			$	43,889

Exhibit C-2

TOWN OF GUTTENBERG

Schedule of Cash - Treasurer

General Capital Fund

Year Ended December 31, 2017

Balance - December 31, 2016		$ 10,430,888
Increased by receipts:		
Premium on Sale of Notes	$ 287,987	
Prior year Voided Check	176	
Due to/(from) Current Fund	30,952	
Due from CDBG Trust Fund	136,131	
Grant Receipts	1,095,521	
Reserve for Payment of Notes	688,434	
Reserve for Green Acres	100	
Budget Appropriation - Paydown on Notes	29,265	
Bond Anticipation Notes	20,975,000	
Capital Improvement Fund	100,000	
		23,343,566
		33,774,454
Decreased by disbursements:		
Due to/(from) Current Fund	40,112	
Due from Board of Education	152,537	
Bond Anticipation Notes	19,519,265	
Improvement Authorizations	9,681,307	
		29,393,221
Balance - December 31, 2017		$ 4,381,233

Exhibit C-3

TOWN OF GUTTENBERG

Schedule of General Capital Fund Cash

General Capital Fund

Year Ended December 31, 2017

Capital Improvement Fund		$	1,441,608
Reserve for Payment of Notes			3,190,990
Grants Receivable - NJ Department of Transportation			(455,000)
Grant Receivable - Federal Emergency Management Agency			(207,854)
Grant Receivable - State of NJ, Green Acres Program			(217,263)
Grant Receivable - State of NJ, Educational Facilities Construction			(2,191,042)
Reserve for Grants Receivable			2,853,896
Due from Community Development Trust Fund			(63,000)
Due to Current Fund			20,855
Due from Board of Education			(152,537)
Reserve for Green Acres			100
Fund Balance			583,340
	Improvement description		
6-2008/18-2012/ 26-2013/16-2014	Improvements to Waterfront Park		(23,315)
03-2010	Improvements to 71st Street		(27,438)
08-2011	Various Capital Improvements		(210,263)
2-2012	Construction of Building and Imps. to the Anna L. Klein School for Community, Recreational and Educational Purposes		(255,712)
17-2012/3-2013	Improvements to 68th Street, Sec. 4		(16,601)
25-2013	Various Street Improvements		60,149
27-2013	Sewer Repairs - Broadway & 70th Street		57,151
13-2014	Improvements to 69th Street		42,833
16-2015	Improvements to 69th Street		(1,000)
7-2016	Acquisition and Installation of a Generator		34,612
22-2017	70th Street Road and Related Sewer Imps.		(76,487)
26-2017	Various Capital Improvements (amend 16-2015)		(6,789)
		$	4,381,233

Exhibit C-4

TOWN OF GUTTENBERG

Schedule of Deferred Charges to Future Taxation - Funded

General Capital Fund

Year Ended December 31, 2017

Balance - December 31, 2016			$	268,530
Decreased by:				
Budget appropriations:				
Green Acres Loan	$	32,940		
Municipal Bonds		115,000		
				147,940
Balance - December 31, 2017			$	120,590

Exhibit C-5

TOWN OF GUTTENBERG

Schedule of Deferred Charges to Future Taxation - Unfunded

General Capital Fund

Year Ended December 31, 2017

						Analysis of Balance - December 31, 2017		
Ordinance number	Improvement description	Balance, Dec. 31, 2016	2017 Authorizations	Decreased by:	Balance, Dec. 31, 2017	Funded by Bond Anticipation Notes	Expenditures	Unexpended improvement authorization
18-2006	Various Capital Improvements	$ 240,095		19,500	220,595	220,595		
5-2008	Various Capital Improvements	188,087		9,765	178,322	178,322		
03-2010	Improvements to 71st Street, Sec. 4	27,438			27,438		27,438	
08-2011	Various Capital Improvements	210,263			210,263		210,263	
2-2012	Construction of Building and Improvements to the Anna L. Klein School for Community, Recreational and Educational purposes	19,366,666			19,366,666	18,500,000	318,090	548,576
17-2012	Improvements to 68th Street, Section 4	125,519			125,519		16,601	108,918
26-2013	Improvements to Waterfront Park	23,750			23,750	23,750		
13-2014	Improvements to 69th Street	470,000			470,000	470,000		
16-2014	Improvements to Waterfront Park	209,000			209,000	97,333	23,315	88,352
16-2015	Various Capital Improvements	1,316,000			1,316,000	1,315,000	1,000	
26-2017	Various Capital Improvements		1,341,625		1,341,625		76,487	1,265,138
7-2016	Acquisition and Installation of a Generator	171,000			171,000	170,000		1,000
22-2017	70th Street Road and Sewer Imps.		650,000		650,000		6,789	643,211
		$ 22,347,818	1,991,625	29,265	24,310,178	20,975,000	679,983	2,655,195

Budget Appropriation	29,265
	$ 29,265

Improvement Authorizations - Unfunded		2,732,639
Less: Unexpended note proceeds		
Ord. 13-2014	42,832	
Ord. 7-2016	34,612	
		77,444
		$ 2,655,195

Exhibit C-6

TOWN OF GUTTENBERG

Schedule of Grants Receivable
Community Development Block Grant

General Capital Fund

Year Ended December 31, 2017

Balance - December 31, 2016	$	63,000
Decreased by:		
Due from Community Development Trust Fund	$	63,000

Exhibit C-7

Schedule of Grants Receivable - State of New Jersey
Department of Transportation

General Capital Fund

Year Ended December 31, 2017

Increased by:		
Grant Awards	$	455,000
Balance - December 31, 2017	$	455,000

Analysis of Balance		
Ord. 22-2017: 70th Street Road and related Sewer Imps.	$	455,000

Exhibit C-8

TOWN OF GUTTENBERG

Schedule of Grants Receivable - State of New Jersey
Green Acres Program

General Capital Fund

Year Ended December 31, 2017

Balance - December 31, 2016	$	217,263
Balance - December 31, 2017	$	217,263

Analysis of Balance

Ord. 6-2008/18-2012: Improvements to Waterfront Park	$	217,263

Exhibit C-9

Schedule of Grants Receivable - State of New Jersey
Section 15 Educational Facilities Construction
Financing Act Grant - Ord. 2-2012

General Capital Fund

Year Ended December 31, 2017

Balance - December 31, 2016	$	3,286,563
Decreased by:		
Cash Receipts		1,095,521
Balance - December 31, 2017	$	2,191,042

Exhibit C-10

TOWN OF GUTTENBERG

Schedule of Grant Receivable - Federal Emergency Management Agency
Acquisition and Installation of a Generator - Ord. 7-2016

General Capital Fund

Year Ended December 31, 2017

Balance - December 31, 2016	$ 207,854
Balance - December 31, 2017	$ 207,854

Exhibit C-11

Schedule of Amount Due from the
Guttenberg Board of Education

General Capital Fund

Year Ended December 31, 2017

Increased by:	
Cash Disbursements - Community Center Project	$ 152,537
Balance - December 31, 2017	$ 152,537

Exhibit C-12

TOWN OF GUTTENBERG

Schedule of Serial Bonds

General Capital Fund

Year Ended December 31, 2017

Purpose	Date of issue	Original issue	Maturities of bonds outstanding		Interest rate	Balance, Dec. 31, 2016	Decreased
			Date	Amount			
Pension Refunding Bonds	Apr. 1, 2005	755,000			5.83%	$ 115,000	115,000
						$ 115,000	115,000

Exhibit C-13

TOWN OF GUTTENBERG

Schedule of Capital Improvement Fund

General Capital Fund

Year Ended December 31, 2017

Balance - December 31, 2016	$	1,411,483
Increased by:		
Budget Appropriation		100,000
		1,511,483
Decreased by:		
Appropriated to Finance Improvement Authorizations		69,875
Balance - December 31, 2017	$	1,441,608

Exhibit C-14

Schedule of Interfund Payable/(Receivable) - Due to Current Fund

General Capital Fund

Year Ended December 31, 2017

Balance - December 31, 2016	$	30,015
Increased by:		
Interest on Investments		30,952
		60,967
Decreased by:		
Cash Disbursements		40,112
Balance - December 31, 2017	$	20,855

Exhibit C-15

TOWN OF GUTTENBERG

Schedule of Interfund Receivable - Community Development Trust Fund

General Capital Fund

Year Ended December 31, 2017

Balance - December 31, 2016	$	136,131
Increased by:		
Grant proceeds received in Trust Fund		63,000
		199,131
Decreased by:		
Cash Receipts		136,131
Balance - December 31, 2017	$	63,000

Exhibit C-16

Schedule of Reserve for Payment of Notes

General Capital Fund

Year Ended December 31, 2017

Balance - December 31, 2016			$	1,344,035
Increased by:				
Due from Community Development Trust Fund	$	63,000		
Budget Appropriation - Paydown on Notes		413,434		
Grant proceeds received		1,370,521		
				1,846,955
Balance - December 31, 2017			$	3,190,990

Reserve for payment of Notes		544,004
Ord. 17-2012		21,367
Ord. 13-2014		250,000
Ord. 15-2008		1
Ord. 6-2008/18-2012		29,266
Ord. 2-2012 - Community Development Block Grant		310,657
Ord. 2-2012 - Hudson County Open Space		575,000
Ord. 2-2012 - State Educational Facilities Construction Financing		1,460,695
	$	3,190,990

Exhibit C-17

TOWN OF GUTTENBERG

Schedule of Reserve for Grants Receivable

General Capital Fund

Year Ended December 31, 2017

Balance - December 31, 2016	$	3,557,417
Increased by:		
Grants Awarded not Appropriated		455,000
		4,012,417
Decreased by:		
Grant receipts transferred to reserve for payment of notes		1,158,521
Balance - December 31, 2017	$	2,853,896

Ord. 7-2016: Federal Emergency Management Agency		207,854
Ord. 22-2017: Department of Transportation		455,000
Ord. 2-2012: Sec. 15 Educational Facilities Construction Financing Grant		2,191,042
	$	2,853,896

Exhibit C-18

Schedule of Reserve for Green Acres

General Capital Fund

Year Ended December 31, 2017

Increased by:		
Cash Receipts	$	100
Balance - December 31, 2017	$	100

Exhibit C-19

TOWN OF GUTTENBERG

Schedule of Improvement Authorizations

General Capital Fund

Year Ended December 31, 2017

Ordinance number	Improvement description	Ordinance Date	Amount	Balance, Dec. 31, 2016 Funded	Balance, Dec. 31, 2016 Unfunded	Authorized	Expended	Balance, Dec. 31, 2017 Funded	Balance, Dec. 31, 2017 Unfunded
6-2008/18-2012/26-2013/16-2014	Improvements to Waterfront Park	Mar. 24, 2008	450,000	$	88,352				88,352
2-2012	Construction of Building and Improvements to the Anna L. Klein School for Community, Recreation and Educational Purposes	May 29, 2012	20,335,000		9,566,492		9,017,916		548,576
17-2012/3-2013	Imprs. to 68th Street, Section 4	Oct. 22, 2012 Feb. 25, 2013	250,000 120,000	62,379	108,918			62,379	108,918
25-2013	Various Street Improvements	Sept. 23, 2013	850,000	60,149				60,149	
27-2013/1-2015	Sewer Repairs - Broadway & 70th Street	Dec. 30, 2013 Feb. 23, 2015	744,680 400,000	61,951			4,800	57,151	
13-2014	Improvements to 69th Street	Oct. 14, 2014	470,000		42,832				42,832
16-2015/20-2015/26-2017	Various Capital Improvements	Oct. 26, 2015, Nov. 27, 2017	2,797,500		460,387	1,411,500	606,749		1,265,138
7-2016	Acq. and Installation of a Generator	Apr. 25, 2016	180,000		80,665		45,053		35,612
22-2017	70th Street Road and related Sewer Imps.	Oct. 23, 2017	650,000			650,000	6,789		643,211
				$ 184,479	10,347,646	2,061,500	9,681,307	179,679	2,732,639

Capital Improvement Fund	69,875
Deferred Charges Unfunded	1,991,625
	$ 2,061,500

Cash Disbursed	$ 9,681,307

Exhibit C-20

TOWN OF GUTTENBERG

Schedule of Green Acres Loans Payable

General Capital Fund

Year Ended December 31, 2017

Purpose	Date of issue	Original issue	Maturities of Loans Outstanding Date	Maturities of Loans Outstanding Amount	Interest rate	Balance, Dec. 31, 2016	Decreased	Balance, Dec. 31, 2017
Ball Field Project No. 0903-94-052	3/11/2005	475,200	1/11/2018	16,717	2.00%	$ 153,530	32,940	120,590
			7/11/2018	16,884				
			1/11/2019	17,053				
			7/11/2019	17,224				
			1/11/2020	17,396				
			7/11/2020	17,570				
			1/11/2021	17,746				
						$ 153,530	32,940	120,590

Exhibit C-21

TOWN OF GUTTENBERG

Schedule of Bond Anticipation Notes Payable

General Capital Fund

Year Ended December 31, 2017

Ord. Number	Purpose	Date of original issue	Original issue	Date of Maturity	Interest rate	Balance, Dec. 31, 2016	Increased	Decreased	Balance, Dec. 31, 2017
18-2006	Various Capital Improvements	Mar. 24, 2008	522,500	Mar. 15, 2018	2.50%	240,095	220,595	240,095	220,595
06-2008	Waterfront Park Improvements	Mar. 23, 2009	295,000	Mar. 15, 2018	2.50%				
5-2008/15-2008	Various Capital Improvements	Mar. 23, 2009	370,500	Mar. 15, 2018	2.50%	188,087	178,322	188,087	178,322
2-2012	Construction of a building and Imps. To the Anna L. Klein School for Community, Recreational and Educational Purposes	Mar. 18, 2016	12,500,000	Mar. 15, 2018	2.50%	12,500,000	12,500,000	12,500,000	12,500,000
		Mar. 17, 2016	6,000,000	Mar. 15, 2018	2.50%	6,000,000	6,000,000	6,000,000	6,000,000
26-2013	Amend 18-12/6-08: Waterfront Park Improvements, Phase I	Mar. 17, 2016	23,750	Mar. 15, 2018	2.50%	23,750	23,750	23,750	23,750
13-2014	Improvements to 69th Street	Mar. 17, 2016	470,000	Mar. 15, 2018	2.50%	470,000	470,000	470,000	470,000
16-2014	Supplemental Approp: Waterfront Park, Phase I	Mar. 17, 2016	97,333	Mar. 15, 2018	2.50%	97,333	97,333	97,333	97,333
16-2015	Various Capital Improvements	Mar. 15, 2017	1,315,000	Mar. 15, 2018	2.50%		1,315,000		1,315,000
07-2016	Acquisition & Installation of Generator	Mar. 15, 2017	170,000	Mar. 15, 2018	2.50%		170,000		170,000
						$ 19,519,265	20,975,000	19,519,265	20,975,000

	Increased	Decreased
Cash	1,485,000	
Renewed	19,490,000	19,490,000
Budget Appropriation - Principal Paydown		29,265
	$ 20,975,000	19,519,265

Exhibit C-22

TOWN OF GUTTENBERG

Schedule of Bonds and Notes Authorized but not Issued

General Capital Fund

Year Ended December 31, 2017

Ordinance number	Improvement description	Balance, Dec. 31, 2016	Authorized	Decreased by:	Balance, Dec. 31, 2017
03-2010	Improvements to 71st Street	$ 27,438			27,438
08-2011	Various Capital Improvements	210,263			210,263
2-2012	Construction of Building and Imps. To the Anna L. Klein School for Community Recreational and Educational purposes	866,666			866,666
17-2012	Improvements to 68th Street, Sec. 4	125,519			125,519
16-2014	Supplemental Approp: Waterfront Park, Phase I	111,667			111,667
16-2015	Various Capital Improvements	1,316,000		1,315,000	1,000
7-2016	Acquisition and Installation of a Generator	171,000		170,000	1,000
22-2017	70th Street Road and related Sewer Imps.		650,000		650,000
26-2017	Additional Appropriation: Ord. 16-2015		1,341,625		1,341,625
		$ 2,828,553	1,991,625	1,485,000	3,335,178
			Bond Anticipation Notes Issued	1,485,000	

TOWN OF GUTTENBERG

PART II

LETTERS ON COMPLIANCE AND ON INTERNAL CONTROL

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2017

Ferraioli, Wielkotz, Cerullo & Cuva, P.A.

Charles J. Ferraioli, Jr., MBA, CPA, RMA
Steven D. Wielkotz, CPA, RMA
James J. Cerullo, CPA, RMA
Paul J. Cuva, CPA, RMA
Thomas M. Ferry, CPA, RMA

Certified Public Accountants
401 Wanaque Avenue
Pompton Lakes, New Jersey 07442
973-835-7900
Fax 973-835-6631

Newton Office
100B Main Street
Newton, N.J. 07860
973-579-3212
Fax 973-579-7128

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

The Honorable Mayor and
Members of the Town Council
Town of Guttenberg
County of Hudson, New Jersey

We have audited, in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; 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 Town of Guttenberg in the County of Hudson as of and for the year ended December 31, 2017 and the related notes to the financial statements, and have issued our report thereon dated April 23, 2018, which was adverse due to being presented in accordance with New Jersey regulatory basis of accounting. The regulatory basis of opinion was qualified for not meeting the disclosure requirements of GASB Statement No. 68.

Internal Control Over Financial Reporting

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

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

FWCC

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

We did identify certain immaterial deficiencies in internal control that we have reported to management of the Town of Guttenberg in the accompany comments and recommendations section of this report.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Guttenberg's financial statements-regulatory basis 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.*

However, we noted certain immaterial instances of noncompliance that we have reported to the management of the Town of Guttenberg in the accompanying comments and recommendations section of this report.

Purpose of this Report

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

Steven D. Wielkotz, C.P.A.
Registered Municipal Accountant
No. CR00413

Ferraioli, Wielkotz, Cerullo & Cuva, P.A.

FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.
Certified Public Accountants
Pompton Lakes, New Jersey

April 23, 2018

FWCC

TOWN OF GUTTENBERG

GENERAL COMMENTS

Contracts and Agreements

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 (C.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 (C.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(C.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:

a. 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 therefor, except as is provided otherwise in this act of specifically by any other law. The governing body of a contracting unit may, be 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, 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 Town Counsel's opinion should be sought before a commitment is made.

The minutes indicate that bids were requested by public advertising for the following items:

– Summer Food Service Program
– Improvements to 70th Street, Sections 5&6
– Parking Lot Construction at 312 68th Street
– (2) 2018 Elkhart Coach ECII Class Buses - Adult Mini-buses

Resolutions were adopted authorizing the awarding of contracts and agreements for "Professional Services" N.J.S. 40A:11-5.

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any material or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear cut violation existed. No violations were disclosed.

Our examination of expenditures did not reveal any individual payments, contracts or agreements in excess of the statutory threshold "for the performance of any work or the furnishing or hiring of any materials or supplies," other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of N.J.S. 40A:11-6.

Collection of Interest on Delinquent Taxes and Assessments

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

The governing body on January 4, 2017 adopted the following resolution authorizing interest to be charged on delinquent taxes:

WHEREAS, Chapter 75 of the Public Laws of 1991 of the State of New Jersey authorizes the governing body of each municipality by resolution to fix the rate of interest to be charged for nonpayment of taxes or assessments on or before the date when they would become delinquent, and

TOWN OF GUTTENBERG

GENERAL COMMENTS, (continued)

WHEREAS, the provisions of said statute provides that the rate of interest to be so charged may be fixed at a rate not to exceed 8% per annum on the first $1,500 of delinquency, and a rate of 18% per annum on any amount in excess of $1,500.

WHEREAS, the statute further provides that the governing body may provide that no interest shall be charged if payment is made within the tenth calendar day following the date which the same became payable, and

It appears from our test of the collector's record that interest was collected in accordance with the foregoing resolution.

Delinquent Taxes and Tax Title Liens

The last tax sale was held on December 13, 2017 and was not complete.

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

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

	Number of Liens
Year Ended December 31, 2017	5
Year Ended December 31, 2016	3
Year Ended December 31, 2015	3

TOWN OF GUTTENBERG
DECEMBER 31, 2017
COMMENTS AND RECOMMENDATIONS

COMMENTS

FINANCE/TAX COLLECTOR

1. *The following reconciled bank account cash balances did not agree to the ending general ledger balance; auditor adjustments to the general ledger were necessary to reflect the proper cash balances.
    a. Current Fund
    b. General Capital – Trustee*
    c. Redemption Trust Fund
    d. Escrow Trust Fund
    e. Law Enforcement Trust Fund
2. 1099's were not issued on lien redemption refunds in excess of IRS thresholds.
3. There are Capital Fund improvement authorizations greater than five years old that have unfunded portions outstanding.

MUNICIPAL CLERK

1. *Detailed minutes of caucus meetings were not provided for review at the time of audit.

MUNICIPAL COURT

1. *A review of the December monthly management report indicated the following:
    a. There is an excessive amount of tickets assigned over 180 days.
    b. There is a substantial amount of tickets eligible for failure to appear notices over 14 days.
2. *The analysis of open bail per the ATS/ACS Reports is not in agreement with the reconciled cash balance in the bail account at 12/31/2017.
3. *Stale dated checks are being carried on the Fines and Bail account reconciliations.
4. *The Fines and Bail account bank reconciliations are, in some instances, not in agreement with the ATS/ACS cashbook reconciliation balance as required due to various deposit and transaction recording errors.
5. *The Bail account reconciliation includes various deposits in transit that have not cleared as of the audit date.

TOWN OF GUTTENBERG
DECEMBER 31, 2017
COMMENTS AND RECOMMENDATIONS
(CONTINUED)

RECOMMENDATIONS

FINANCE/TAX COLLECTOR

1. A more thorough review of general ledger postings be made to ensure all transactions are recorded and that the cash balances agree to the reconciled bank balances.
2. All unincorporated vendors compensated in excess of $600 receive a Form 1099 as required by IRS Rev. Rul. 2003-66.
3. That unfunded improvement authorizations that are over 5 years old, where projects have been completed, be funded through either budget appropriation or through the issuance of temporary or permanent debt.

MUNICIPAL CLERK

1. *Detailed minutes of caucus meetings be provided for review at the time of audit.

MUNICIPAL COURT

1. *Policies be implemented to address the excessive amount of tickets that need follow up.
2. *Steps be taken to compare and agree the open bail as listed in the ATS/ACS report to that of the reconciled cash balance at 12/31/2017.
3. *Stale dated checks in both the Fines and Bail account be investigated and cancelled by resolution.
4. *Proper steps be taken to ensure that bank reconciliations are in agreement with the ATS/ACS reconciliation on a monthly basis as required. All errors and adjustments be properly recorded in the system.
5. *Steps be taken to verify the validity of the outstanding deposits in transit.

TOWN OF GUTTENBERG

Status of Prior Year Audit Findings/Recommendations

A review was performed on all prior year recommendations and corrective action was taken on all, with the exception of the comments preceded with an "*".

Acknowledgment

We received the complete cooperation of all of the officials of the municipality and we greatly appreciate the courtesies extended to all members of the audit team.

Respectfully submitted,

Steven D. Wielkotz
Registered Municipal Accountant
No. CR00413

FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.
Certified Public Accountants
Pompton Lakes, New Jersey

April 23, 2018