

TOWNSHIP OF FAIRFIELD

COUNTY OF ESSEX

NEW JERSEY

REPORT ON

EXAMINATION OF ACCOUNTS

FOR THE YEAR 2016

**SAMUEL KLEIN AND COMPANY
CERTIFIED PUBLIC ACCOUNTANTS**

TOWNSHIP OF FAIRFIELD
COUNTY OF ESSEX, NEW JERSEY

CONTENTS

<u>PART I</u>	<u>PAGE</u>
Independent Auditor's Report.....	2

FINANCIAL STATEMENTS

CURRENT FUND

EXHIBIT

A	Comparative Balance Sheet - Regulatory Basis	5
A-1	Comparative Operations and Change in Fund Balance - Regulatory Basis	7
A-2	Revenue - Regulatory Basis.....	8
A-2a	Revenue - Analysis of Miscellaneous Revenue - Regulatory Basis.....	9
A-2b	Revenue - Analysis of Tax Revenue - Regulatory Basis	10
A-2c	Revenue - Analysis of Other Licenses and Fees and Permits - Regulatory Basis	11
A-2d	Revenue - Analysis of Net Interfund Charge to Operations - Regulatory Basis	12
A-2e	Revenue - Analysis of Nonbudget Revenue - Regulatory Basis.....	13
A-3	Expenditures - Regulatory Basis	14

TRUST FUND

B	Comparative Balance Sheet - Regulatory Basis	21
B-1	Fund Balance - Assessment Trust Fund - Regulatory Basis	23

GENERAL CAPITAL FUND

C	Comparative Balance Sheet - Regulatory Basis	24
C-1	Fund Balance - Regulatory Basis.....	25

WATER UTILITY

D	Comparative Balance Sheet - Regulatory Basis	26
D-1	Comparative Operations and Changes in Fund Balance - Regulatory Basis	28

FINANCIAL STATEMENTS
(Continued)

WATER UTILITY
(Continued)

<u>EXHIBIT</u>		<u>PAGE</u>
D-2	Fund Balance - Capital Fund - Regulatory Basis	29
D-3	Revenue - Regulatory Basis	30
D-4	Expenditures - Regulatory Basis	31

SEWER UTILITY

E	Comparative Balance Sheet - Regulatory Basis	32
E-1	Comparative Operations and Changes in Fund Balance - Regulatory Basis	34
E-2	Fund Balance - Assessment Trust Fund - Regulatory Basis	35
E-3	Fund Balance - Capital Fund - Regulatory Basis	35
E-4	Revenue - Regulatory Basis	36
E-5	Expenditures - Regulatory Basis	37

SWIMMING POOL UTILITY

F	Comparative Balance Sheet - Regulatory Basis	38
F-1	Comparative Operations and Changes in Fund Balance - Regulatory Basis	39
F-2	Fund Balance - Capital Fund - Regulatory Basis	40
F-3	Revenue - Regulatory Basis	41
F-4	Expenditures - Regulatory Basis	42

PUBLIC ASSISTANCE TRUST FUND

G	Comparative Balance Sheet - Regulatory Basis	43
---	--	----

<u>NOTES TO FINANCIAL STATEMENTS</u>	44 - 74
---	---------

SUPPLEMENTARY DATA

CURRENT FUND

<u>EXHIBIT</u>		<u>PAGE</u>
A-4	Cash Receipts, Disbursements and Reconciliation - Treasurer.....	75
A-5	Cash Receipts, Disbursements and Reconciliation - Tax Collector.....	76
A-6	Cash - Money Market Account.....	77
A-7	Change Funds.....	77
A-8	Due from State of New Jersey per Chapter 129, P.L. 1976.....	78
A-9	Taxes Receivable and Analysis of Property Tax Levy.....	79
A-10	Tax Title Liens.....	80
A-11	Property Acquired for Taxes at Assessed Valuation.....	80
A-12	Revenue Accounts Receivable.....	81
A-13	Notes Receivable.....	83
A-14	Interfunds Receivable - Current Fund.....	84
A-15	Interfunds Receivable - Federal and State Grant Fund.....	85
A-16	Deferred Charges - N.J.S. 40A:4-53 Special Emergency Authorization.....	86
A-17	Federal and State Grants Receivable.....	87
A-18	Appropriation Reserves.....	89
A-19	Accounts Payable.....	92
A-20	Tax Overpayments.....	92
A-21	Interfunds Payable.....	93
A-22	Special Emergency Note Payable.....	94
A-23	County Taxes.....	95
A-24	Local School District Tax.....	95
A-25	Regional High School Taxes.....	96
A-26	Municipal Open Space Tax.....	97
A-27	Prepaid Taxes.....	97
A-28	Federal and State Grant Programs Appropriated.....	98
A-29	Unappropriated Reserves.....	101

TRUST FUND

B-2	Cash Receipts and Disbursements - Treasurer.....	102
B-3	Bank Reconciliations - December 31, 2016.....	103
B-4	Cash Receipts and Disbursements - Tax Collector.....	104
B-5	Cash - New Jersey Cash Management Fund.....	105
B-6	Analysis of Assessment Cash and Investments.....	106
B-7	Assessments Receivable.....	107
B-8	Assessment Lien Receivable.....	108
B-9	Due from Municipal Court.....	109
B-10	Interfunds Receivable.....	110
B-11	Prospective Assessments Funded.....	111
B-12	Community Development Block Grant Funds Receivable.....	112
B-13	Other Accounts Receivable.....	113
B-14	Due to State of New Jersey.....	114
B-15	Interfunds Payable.....	115
B-16	Due to Municipal Court.....	116
B-17	Other Deposits.....	117
B-18	Redemption of Tax Title Liens.....	118

SUPPLEMENTARY DATA
(Continued)

TRUST FUND
(Continued)

<u>EXHIBIT</u>		<u>PAGE</u>
B-19	Premium on Tax Sale	118
B-20	Reserve for Assessments and Liens	119
B-21	Reserve for Animal Control Trust Fund Expenditures	120
B-22	Reserve for Municipal Open Space Trust Fund	121
B-23	Reserve for Recreation Program Expenditures	122
B-24	Reserve for Community Development Block Grant Expenditures	123
B-25	Reserve for State Unemployment Insurance Trust Fund Expenditures	124
B-26	Reserve for Outside Employment of Off-Duty Police Officers	124
B-27	Reserve for Municipal Alliance	125
B-28	Developers' Escrow Trust Funds	125

GENERAL CAPITAL FUND

C-2	Cash Receipts, Disbursements and Reconciliation - Treasurer	126
C-3	Cash - Money Market Account	127
C-4	Analysis of Capital Cash	128
C-5	Note Receivable	131
C-6	Interfunds Receivable	132
C-7	Deferred Charges to Future Taxation - Funded	133
C-8	Deferred Charges to Future Taxation - Unfunded	134
C-9	Improvement Authorizations	135
C-10	Capital Improvement Fund	138
C-11	Interfunds Payable	139
C-12	Reserve for Contributions	140
C-13	Tax Appeal Refunding Notes	141
C-14	Bond Anticipation Notes	142
C-15	Serial Bonds	143
C-16	Bonds and Notes Authorized but Not Issued	144

WATER UTILITY

D-5	Cash Receipts, Disbursements and Reconciliations - Treasurer	145
D-6	Cash Receipts and Disbursements - Water Collector	146
D-7	Cash - Money Market Account	147
D-8	Analysis of Water Utility Capital Cash and Investments	148
D-9	Interfunds Receivable	149
D-10	Consumer Accounts Receivable	150
D-11	Water Utility Liens Receivable	151
D-12	Note Receivable	152
D-13	Fixed Capital	153
D-14	Fixed Capital Authorized and Uncompleted	154
D-15	Deferred Charges	155

SUPPLEMENTARY INFORMATION

(Continued)

WATER UTILITY

(Continued)

<u>EXHIBIT</u>		<u>PAGE</u>
D-16	Appropriation Reserves	156
D-17	Accrued Interest on Bonds	157
D-18	Accrued Interest on Notes	158
D-19	Water Rent Overpayments	159
D-20	Improvement Authorizations	160
D-21	Interfunds Payable	161
D-22	Reserve for Amortization	162
D-23	Deferred Reserve for Amortization	163
D-24	Bond Anticipation Notes	164
D-25	Serial Bonds	165
D-26	Bonds and Notes Authorized but Not Issued	166

SEWER UTILITY

E-6	Cash Receipts, Disbursements and Reconciliations - Treasurer	167
E-7	Cash Receipts and Disbursements - Sewer Collector	169
E-8	Cash - Money Market	170
E-9	Analysis of Sewer Utility Assessment Trust Cash	171
E-10	Analysis of Sewer Utility Capital Cash and Investments	172
E-11	Sewer Rents Receivable	173
E-12	Sewer Liens Receivable	174
E-13	Assessments Receivable	175
E-14	Assessment Liens	176
E-15	Assessment Lien Interest and Costs	176
E-16	Interfunds Receivable	177
E-17	Fixed Capital	178
E-18	Fixed Capital Authorized and Uncompleted	179
E-19	Appropriation Reserves	180
E-20	Accrued Interest on Bonds	181
E-21	Accrued Interest on Notes	181
E-22	Sewer User Overpayments	182
E-23	Improvement Authorizations	183
E-24	Capital Improvement Fund	184
E-25	Interfunds Payable	185
E-26	Reserve for Assessments and Liens	186
E-27	Reserve for Amortization	187
E-28	Deferred Reserve for Amortization	188
E-29	Bond Anticipation Notes	189
E-30	Refunding Bonds	190
E-31	Serial Bonds	191
E-32	Bonds and Notes Authorized but Not Issued	192

SUPPLEMENTARY INFORMATION
(Continued)

SWIMMING POOL UTILITY

<u>EXHIBIT</u>		<u>PAGE</u>
F-5	Cash Receipts, Disbursements and Reconciliations - Treasurer.....	193
F-6	Cash Receipts and Disbursements - Tax Collector's Account.....	195
F-7	Cash - Money Market Account.....	196
F-8	Analysis of Swimming Pool Utility Capital Cash and Investments.....	197
F-9	Interfunds Receivable.....	198
F-10	Fixed Capital.....	199
F-11	Fixed Capital Authorized and Uncompleted.....	200
F-12	Appropriation Reserves.....	201
F-13	Accrued Interest on Notes.....	202
F-14	Accrued Interest on Bonds.....	203
F-15	Improvement Authorizations.....	204
F-16	Capital Improvement Fund.....	205
F-17	Interfunds Payable.....	206
F-18	Reserve for Preliminary Study.....	207
F-19	Reserve for Amortization.....	207
F-20	Deferred Reserve for Amortization.....	208
F-21	Bond Anticipation Notes.....	209
F-22	Serial Bonds.....	210
F-23	Bonds and Notes Authorized but Not Issued.....	211

PUBLIC ASSISTANCE TRUST FUND

G-1	Cash Receipts, Disbursements and Reconciliation.....	212
G-2	Reserve for Public Assistance Expenditures.....	213

PART II

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL,
ROSTER OF OFFICIALS, LETTER OF TRANSMITTAL,
COMMENTS AND RECOMMENDATIONS**

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 <i>Government Auditing Standards</i>	215
Roster of Officials and Certain Employees and Report on Surety Bonds for the Year 2016.....	217
Letter of Transmittal.....	218
Comments.....	219
Recommendations.....	228

PART I
REPORT ON EXAMINATION
FINANCIAL STATEMENTS
NOTES TO FINANCIAL STATEMENTS
AND
SUPPLEMENTARY DATA
YEAR ENDED DECEMBER 31, 2016

SAMUEL KLEIN AND COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

550 BROAD STREET, 11TH FLOOR
NEWARK, NJ 07102-9969
PHONE (973) 624-6100
FAX (973) 624-6101

36 WEST MAIN STREET, SUITE 303
FREEHOLD, NJ 07728-2291
PHONE (732) 780-2600
FAX (732) 780-1030

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Members
of the Township Council
Township of Fairfield
Fairfield, New Jersey 07004

Report on the Financial Statements

We have audited the financial statements - regulatory basis of the various funds and account groups of the Township of Fairfield, in the County of Essex, as of and for the years then ended December 31, 2016 and December 31, 2015, and the related notes to the financial statements, as listed in the foregoing table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements - regulatory basis in accordance with accounting principles 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 - regulatory basis that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements - regulatory basis based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey 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 - regulatory basis are free from material misstatement.

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

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, these financial statements - regulatory basis have been prepared in conformity with accounting practices 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 demonstrate compliance with the modified accrual basis, with certain exceptions, and the budget laws 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 the Adverse Opinion on U.S. Generally Accepted Accounting Principles*" paragraph, the financial statements - regulatory basis referred to in the first paragraph, do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2016 and 2015, and the results of its operations for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements - regulatory basis referred to above, present fairly, in all material respects, the financial position of the various funds of the Township of Fairfield at December 31, 2016 and 2015, and the results of operations and changes in fund balance, where applicable, of such funds, thereof for the years then ended, in accordance with accounting principles on the basis of financial reporting provisions prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, as described in Note 1.

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

As discussed in Note 1, the financial statements of the Length of Service Award Program Fund ("LOSAP") have not been audited, and we are not required by the Division to audit nor were we engaged to audit the LOSAP financial statements as part of our audit of the Township's financial statements. The LOSAP financial activities are included in the Township's Trust Fund and represent 15.70% and 16.97% of the assets and liabilities, respectively, of the Township's Trust Funds as of December 2016 and 2015.

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

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

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements - regulatory basis that collectively comprise the Township's financial statements. The supplementary schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

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



SAMUEL KLEIN AND COMPANY
CERTIFIED PUBLIC ACCOUNTANTS



JOSEPH J. FACCONI, RMA, PA

Newark, New Jersey
September 28, 2017

TOWNSHIP OF FAIRFIELD
CURRENT FUND

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

A
Sheet #1

<u>ASSETS AND DEFERRED CHARGES</u>	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2016</u>	<u>Balance</u> <u>Dec. 31, 2015</u>
<u>Regular</u>			
Cash - Treasurer	A-4	\$ 9,861,883.71	\$ 7,940,641.98
Cash - Tax Collector	A-5	1,338.56	1,325.29
Cash - Money Market	A-6	131,908.90	131,145.49
Change Funds	A-7	170.00	170.00
		9,995,301.17	8,073,282.76
Due from State of New Jersey per Ch. 129, P.L. 1976	A-8	8,885.85	8,885.85
		10,004,187.02	8,082,168.61
 Receivables and Other Assets with Full Reserves:			
Taxes Receivable	A-9	576,837.13	523,228.90
Tax Title Liens Receivable	A-10	1,615,050.42	1,443,978.80
Property Acquired for Taxes - Assessed Valuation	A-11	4,810,800.00	4,810,800.00
Revenue Accounts Receivable	A-12	17,224.27	15,379.65
Notes Receivable	A-13	228,000.00	
Interfunds Receivable	A-14	242,939.13	223,374.32
		7,490,850.95	7,016,761.67
 Deferred Charges:			
Special Emergency Authorization (N.J.S.A. 40A:4-53)	A-16	70,580.00	141,160.00
		17,565,617.97	15,240,090.28
 <u>Federal and State Grant Fund</u>			
Interfunds Receivable	A-15	546,503.40	265,383.87
Federal and State Grants Receivable	A-17	1,656,239.33	1,707,245.65
		2,202,742.73	1,972,629.52
		\$ 19,768,360.70	\$ 17,212,719.80

TOWNSHIP OF FAIRFIELD
CURRENT FUND

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

A
Sheet #2

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2016</u>	<u>Balance</u> <u>Dec. 31, 2015</u>
<u>Regular</u>			
Appropriation Reserves:			
Encumbered	A-3,18	\$ 228,909.16	\$ 593,705.55
Unencumbered	A-3,18	2,418,102.27	1,418,260.97
Accounts Payable	A-19		1,147.50
Tax Overpayments	A-20	264,089.20	744,275.39
Interfunds Payable	A-21	2,064,143.04	1,520,824.03
Special Emergency Note Payable	A-22	70,580.00	141,160.00
Regional High School Taxes Payable	A-25		2.46
Prepaid Taxes	A-27	191,903.86	276,866.26
		<u>5,237,727.53</u>	<u>4,696,242.16</u>
Reserve for Receivables and Other Assets		7,490,850.95	7,016,761.67
Fund Balance	A-1	4,837,039.49	3,527,086.45
		<u>17,565,617.97</u>	<u>15,240,090.28</u>
 <u>Federal and State Grant Fund</u>			
Federal and State Grant Programs			
Appropriated:			
Encumbered	A-28	2,975.60	875.00
Unencumbered	A-28	2,194,115.13	1,967,954.52
		<u>2,197,090.73</u>	<u>1,968,829.52</u>
Unappropriated Reserves	A-29	5,652.00	3,800.00
		<u>2,202,742.73</u>	<u>1,972,629.52</u>
		<u>\$19,768,360.70</u>	<u>\$17,212,719.80</u>

See accompanying notes to financial statements.

TOWNSHIP OF FAIRFIELD
CURRENT FUND

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

A-1

	<u>Ref.</u>	<u>Year 2016</u>	<u>Year 2015</u>
<u>Revenue and Other Income</u>			
Fund Balance Utilized	A-2	\$ 1,765,000.00	\$ 1,828,000.00
Miscellaneous Revenue Anticipated	A-2a	4,519,723.77	4,987,316.55
Receipts from Current Taxes	A-2b	56,270,029.66	51,974,373.99
Receipts from Delinquent Taxes	A-2b	488,815.46	556,662.17
Nonbudget Revenue	A-2e	94,794.08	284,973.57
Other Credits to Income:			
Prior Year Outstanding Checks Voided			4,001.20
Other Accounts Receivable Realized			16,096.43
Unexpended Balance of Appropriation Reserves	A-18	1,474,853.79	825,320.02
Tax Overpayments Cancelled	A-20	4,078.15	
Increase in Deferred Local School District Tax	A-24	107,250.48	117,685.00
Increase in Deferred Regional High School Tax	A-25	708,474.94	190,432.00
		<u>65,433,020.33</u>	<u>60,784,860.93</u>
<u>Expenditures and Other Charges</u>			
Budget Appropriations:			
Operations:			
Salaries and Wages		7,215,580.00	7,161,470.00
Other Expenses		9,088,911.23	9,225,199.47
Capital Improvements		163,250.00	291,848.00
Debt Service		1,399,470.95	1,352,503.55
Deferred Charges		127,733.06	188,931.23
Statutory Expenditures		1,555,905.50	1,468,691.00
	A-3	<u>19,550,850.74</u>	<u>19,688,643.25</u>
Interfund Charge	A-2d	19,564.81	27,483.12
Prior Year Revenue Refunded	A-4	20,087.44	
Prior Year Senior Citizen Deductions Disallowed	A-8	1,500.00	2,250.00
Reserve for Other Accounts Receivable	A-13	228,000.00	
Grant Adjustments			26,895.13
County Taxes	A-23	15,489,277.17	13,515,416.09
Local School District Taxes	A-24	10,849,931.00	10,635,425.00
Regional High School Taxes	A-25	15,939,297.00	14,522,347.00
Municipal Open Space Tax	A-26	259,559.13	262,670.01
		<u>62,358,067.29</u>	<u>58,681,129.60</u>
Excess in Revenue		3,074,953.04	2,103,731.33
<u>Fund Balance</u>			
Balance January 1	A	<u>3,527,086.45</u>	<u>3,251,355.12</u>
		6,602,039.49	5,355,086.45
Decreased by:			
Utilized as Anticipated Revenue	A-2	<u>1,765,000.00</u>	<u>1,828,000.00</u>
Balance December 31	A	<u>\$ 4,837,039.49</u>	<u>\$ 3,527,086.45</u>

See accompanying notes to financial statements.

TOWNSHIP OF FAIRFIELD
CURRENT FUND

STATEMENT OF REVENUE - REGULATORY BASIS

A-2

	<u>Ref.</u>	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Anticipated	A-1	<u>\$ 1,765,000.00</u>	<u>\$ 1,765,000.00</u>	\$
Miscellaneous Revenue	A-2a	<u>4,470,347.37</u>	<u>4,519,723.77</u>	<u>49,376.40</u>
Receipts from Delinquent Taxes	A-2b	<u>500,000.00</u>	<u>488,815.46</u>	<u>(11,184.54)</u>
Amount to be Raised by Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purposes		13,512,489.42		
Minimum Library Tax		<u>1,017,645.00</u>		
	A-2b,9	<u>14,530,134.42</u>	<u>15,442,965.36</u>	<u>912,830.94</u>
Budget Totals	A-3	21,265,481.79	22,216,504.59	951,022.80
Nonbudget Revenue	A-2e	<u> </u>	<u>94,794.08</u>	<u>94,794.08</u>
		<u>\$21,265,481.79</u>	<u>\$22,311,298.67</u>	<u>\$1,045,816.88</u>

See accompanying notes to financial statements.

TOWNSHIP OF FAIRFIELD
CURRENT FUND

STATEMENT OF REVENUE (Continued)
ANALYSIS OF MISCELLANEOUS REVENUE - REGULATORY BASIS

A-2a

	<u>Ref.</u>	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
<u>Miscellaneous Revenue</u>				
Licenses:				
Alcoholic Beverages	A-12	\$ 45,800.00	\$ 45,901.00	\$ 101.00
Other	A-2c	10,300.00	10,762.00	462.00
Fees and Permits	A-2c	219,200.00	214,338.10	(4,861.90)
Fines and Costs:				
Municipal Court	A-12	325,000.00	233,169.01	(91,830.99)
Interest and Costs on Taxes	A-5	163,300.00	165,130.33	1,830.33
Interest on Investments and Deposits	A-12	15,000.00	46,415.31	31,415.31
Comcast Franchise Fees (N.J.S.A. 48:5A-30)	A-12	67,922.71	67,922.71	
Hazardous Chemical Control Fees	A-12	50,000.00	63,349.74	13,349.74
Recycling Fees	A-12	2,800.00	3,191.80	391.80
Hotel Inspection Fees	A-12	42,500.00	42,570.00	70.00
Engineering Escrow Fees	A-12	9,300.00	8,034.20	(1,265.80)
Fire Prevention Fees	A-12	160,000.00	184,567.75	24,567.75
Cellular Tower Rental	A-12	191,500.00	236,313.37	44,813.37
Site Plan Review	A-12	7,500.00	15,457.00	7,957.00
Verizon FIOS Franchise Fee (N.J.S.A. 48:5A-30)	A-12	66,376.93	66,376.93	
Sewer Utility Operating Surplus - Current Year	A-14	300,000.00	300,000.00	
Consolidated Municipal Property Tax Relief Act	A-12	13,018.00	13,018.00	
Energy Receipts Tax (P.L. 1997, Chapter 162 and 167)	A-12	1,161,877.00	1,161,877.00	
Garden State Trust Pilot	A-12	10,447.00	10,447.00	
Uniform Construction Code Fees	A-12	300,000.00	261,240.00	(38,760.00)
Special Items:				
Public and Private Revenue Offset with				
Appropriations:				
Body Armor Replacement Fund	A-17	3,387.15	3,387.15	
Municipal Alliance on Alcoholism and Drug Abuse	A-17	56,080.00	56,080.00	
Alcohol Education, Rehabilitation and Enforcement Fund	A-17	3,746.75	3,746.75	
Recycling Tonnage	A-17	27,129.54	27,129.54	
Drive Sober or Get Pulled Over	A-17	11,725.00	11,725.00	
Clean Communities Program	A-17	21,437.29	21,437.29	
Essex County Recreation and Open Space Trust Fund	A-17	150,000.00	150,000.00	
Comcast Technology:				
Recreation Center	A-17	25,000.00	25,000.00	
Over the Limit Under Arrest	A-17	3,800.00	3,800.00	
New Jersey Department of Transportation:				
Kaplan Drive (Section II)	A-17	127,500.00	127,500.00	
Other Special Items:				
Uniform Fire Safety Act	A-12	143,700.00	157,418.13	13,718.13
ECIA Annual Payment	A-12	110,000.00	110,000.00	
Hotel and Motel Occupancy Fees	A-12	625,000.00	672,418.66	47,418.66
	A-1,2	<u>\$ 4,470,347.37</u>	<u>\$ 4,519,723.77</u>	<u>\$ 49,376.40</u>

See accompanying notes to financial statements.

TOWNSHIP OF FAIRFIELD
CURRENT FUND

STATEMENT OF REVENUE (Continued)
ANALYSIS OF TAX REVENUE - REGULATORY BASIS

A-2b

	<u>Ref.</u>		
<u>Allocation of Current Taxes</u>			
<u>Collections of Current Taxes:</u>			
Due from State of New Jersey	A-8	\$ 71,750.00	
2016 Collections	A-9	55,866,134.73	
2015 Collections	A-27	276,866.26	
Tax Overpayments Applied	A-9	55,278.67	
	A-1	55,278.67	\$ 56,270,029.66
<u>Allocated to:</u>			
County Taxes	A-23	15,450,528.78	
County Added Taxes	A-23	38,748.39	
		15,489,277.17	
Local School District Tax	A-24	10,849,931.00	
Regional High School Taxes	A-25	15,939,297.00	
Municipal Open Space Tax	A-26	259,559.13	
		259,559.13	42,538,064.30
Balance for Support of Municipal Budget Appropriations			13,731,965.36
Plus: Appropriation for "Reserve for Uncollected Taxes"	A-3		1,711,000.00
Amount for Support of Municipal Budget Appropriations	A-2		\$ 15,442,965.36
<u>Receipts from Delinquent Taxes</u>			
<u>Collections of Delinquent Taxes:</u>			
Due from State of New Jersey	A-8	\$ 500.00	
2016 Collections:			
Taxes	A-9	488,141.38	
Tax Overpayments Applied:			
Taxes	A-9	174.08	
	A-1,2	174.08	\$ 488,815.46

See accompanying notes to financial statements.

TOWNSHIP OF FAIRFIELD
CURRENT FUND

STATEMENT OF REVENUE (Continued)
ANALYSIS OF OTHER LICENSES
AND FEES AND PERMITS - REGULATORY BASIS

A-2c

	<u>Ref.</u>		
<u>Other Licenses</u>			
Township Clerk:			
Raffle Licenses		\$ 760.00	
Amusement Licenses		<u>9,900.00</u>	
	A-12		\$ 10,660.00
Registrar of Vital Statistics:			
Marriage Licenses	A-12		<u>102.00</u>
	A-2a		<u>\$ 10,762.00</u>
<u>Other Fees and Permits</u>			
Construction Code Official:			
Electrical Filing Fees		\$51,303.00	
Plumbing Fees		34,612.00	
Fire Permits		14,084.00	
Certificate of Occupancy		55,430.00	
Elevator Fees		30,981.20	
Noise Permits		<u>300.00</u>	
	A-12		\$186,710.20
Tax Collector:			
Tax Searches	A-12		30.00
Police Department	A-12		5,638.90
Fire Department:			
Hazard Fees	A-12		736.00
Registrar of Vital Statistics	A-12		3,160.00
Engineering Department:			
Zoning Board of Adjustment Fees		5,750.00	
Planning Board Fees		2,383.00	
Zoning Permits		7,895.00	
Driveway Paving		675.00	
Nonresident Paving		<u>1,360.00</u>	
	A-12		<u>18,063.00</u>
	A-2a		<u>\$214,338.10</u>

See accompanying notes to financial statements.

TOWNSHIP OF FAIRFIELD
CURRENT FUND

STATEMENT OF REVENUE (Continued)
ANALYSIS OF NET INTERFUND CHARGE TO OPERATIONS - REGULATORY BASIS

A-2d

	<u>Ref.</u>	
<u>Analysis of Net Interfund Account Charge to Operations</u>		
Balance December 31, 2016	A	\$242,939.13
Balance December 31, 2015	A	<u>223,374.32</u>
Net Charge	A-1	<u>\$ 19,564.81</u>

See accompanying notes to financial statements.

TOWNSHIP OF FAIRFIELD
CURRENT FUND

STATEMENT OF REVENUE (Continued)
ANALYSIS OF NONBUDGET REVENUE - REGULATORY BASIS

A-2e

	<u>Ref.</u>		
<u>Miscellaneous Revenue Not Anticipated</u>			
Sale of Municipal Assets		\$15,218.00	
Prior Year Appropriation Refunds		8,991.53	
Suburban Essex Joint Insurance Fund Dividends		4,250.44	
Bus Shelter Advertising		3,653.22	
State of New Jersey:			
Administrative Fee for Senior Citizens' and Veterans' Deductions		1,415.00	
DMV Inspection Fines		2,998.67	
Restitution		721.00	
PSE&G Commission		1,575.00	
Borough of North Caldwell Reimbursements		1,245.00	
Bid Specifications		1,185.00	
Subdivision Fees		525.00	
Soil Removal		150.00	
Duplicate Tax Bill		64.00	
Miscellaneous		<u>5,780.54</u>	
	A-5		\$47,772.40
<u>Other Sources</u>			
Revenue Accounts Receivable	A-12	15,255.00	
Interfunds Receivable:			
Interest and Costs on Assessments	A-14	2,068.41	
Administrative Fee:			
Outside Employment of Off-Duty Police Officers	A-14	25,750.00	
Other Revenue	A-14	250.00	
Statutory Excess - Animal Control Trust Fund	A-14	<u>3,698.27</u>	
			<u>47,021.68</u>
	A-1,2		<u>\$94,794.08</u>

See accompanying notes to financial statements.

TOWNSHIP OF FAIRFIELD
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3
Sheet #1

	Appropriations		Paid or Charged	Expended		Balance Cancelled	
	Budget	Modified Budget		Encumbered	Reserved		Unencumbered
APPROPRIATIONS WITHIN "CAPS"							
GENERAL GOVERNMENT							
Administrative and Executive:							
Salaries and Wages	\$ 121,000.00	\$ 125,750.00	\$ 125,711.10	\$ 38.90	\$ 38.90	\$	
Other Expenses	65,000.00	60,000.00	44,097.73	4,960.95	10,941.32		
Mayor and Council:							
Salaries and Wages	43,270.00	43,270.00	42,419.64		850.36		
Township Clerk:							
Salaries and Wages	159,000.00	154,000.00	145,343.02		8,656.98		
Other Expenses	68,000.00	68,000.00	62,668.92	5,331.08			
Central Purchasing:							
Other Expenses	30,000.00	30,000.00	29,654.76	345.24			
Financial Administration:							
Salaries and Wages	133,000.00	133,000.00	127,793.22		5,206.78		
Other Expenses:							
Annual Audit	28,500.00	28,500.00		28,500.00			
Postage	30,000.00	30,000.00	29,591.40		408.60		
Miscellaneous Other Expenses	56,500.00	45,560.50	20,298.06	5,697.00	19,565.44		
Payroll Costs	35,000.00	40,000.00	35,395.07	621.94	3,982.99		
Assessment of Taxes:							
Salaries and Wages	73,000.00	73,000.00	65,582.66		7,417.34		
Other Expenses	31,000.00	21,000.00	14,913.94		6,086.06		
Collection of Taxes:							
Salaries and Wages	57,000.00	57,200.00	56,692.50		507.50		
Other Expenses	32,500.00	32,500.00	23,093.77	1,884.02	7,522.21		
Legal Services and Costs:							
Other Expenses:							
Miscellaneous	35,000.00	35,000.00			35,000.00		
Contractual	150,000.00	150,000.00	116,882.91	11,089.18	22,027.91		
Municipal Prosecutor:							
Salaries and Wages	28,000.00	28,000.00	22,916.63		5,083.37		
Engineering Services and Costs:							
Salaries and Wages	105,000.00	105,000.00	95,148.96		9,851.04		
Other Expenses	19,000.00	19,000.00	5,818.95	352.00	12,829.05		
Public Buildings and Grounds:							
Salaries and Wages	75,000.00	75,000.00	74,906.97		93.03		
Other Expenses	40,000.00	62,000.00	57,442.64	1,505.15	3,052.21		

TOWNSHIP OF FAIRFIELD
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3
Sheet #2

	Appropriations		Paid or Charged	Expended		Balance Cancelled
	Budget	Modified Budget		Encumbered	Reserved Unencumbered	
GENERAL GOVERNMENT						
Municipal Land Use Law (N.J.S. 40:55D-1):						
Planning Board:						
Salaries and Wages	\$ 9,500.00	\$ 9,500.00	\$ 7,277.43	\$ 2,222.57	\$ 2,222.57	\$
Other Expenses	13,000.00	13,000.00	8,704.33	1,142.00	3,153.67	
Board of Adjustment:						
Salaries and Wages	9,500.00	9,500.00	7,277.43		2,222.57	
Other Expenses	13,000.00	13,000.00	10,708.32	1,979.00	312.68	
Environmental Commission:						
Salaries and Wages	400.00	400.00			400.00	
Other Expenses	1,000.00	1,000.00		325.00	675.00	
Municipal Court:						
Salaries and Wages	166,000.00	166,000.00	160,828.31		5,171.69	
Other Expenses	10,500.00	10,500.00	4,473.44	712.00	5,314.56	
Insurance:						
General Liability	546,000.00	531,000.00	519,926.19		11,073.81	
Employee Group Health	2,240,000.00	2,340,000.00	2,275,394.78		64,605.22	
Employee Group Health - Waivers	91,000.00	91,000.00			91,000.00	
Stream Cleaning:						
Salaries and Wages	15,000.00	1,000.00	455.00		545.00	
Other Expenses	15,000.00	11,000.00	6,130.00	1,259.25	3,610.75	
	<u>4,544,670.00</u>	<u>4,612,680.50</u>	<u>4,197,548.08</u>	<u>65,703.81</u>	<u>349,428.61</u>	
PUBLIC SAFETY						
Fire:						
Other Expenses	115,000.00	145,000.00	132,434.55	7,309.67	5,255.78	
Police:						
Salaries and Wages	4,628,959.00	4,598,959.00	4,335,539.41		263,419.59	
Other Expenses	240,000.00	270,000.00	241,389.59	23,420.02	5,190.39	
First Aid Organization Contribution (N.J.S.A. 40:5-2)	16,000.00	16,000.00			16,000.00	
Fire Prevention Bureau:						
Salaries and Wages	190,000.00	190,000.00	189,958.14		41.86	
Other Expenses	90,000.00	90,000.00	80,965.52	1,607.29	7,427.19	
Emergency Management Services:						
Salaries and Wages	10,000.00	10,001.00	10,000.08		0.92	
Other Expenses	20,000.00	20,000.00	13,930.02	1,800.00	4,269.98	
	<u>5,309,959.00</u>	<u>5,339,960.00</u>	<u>5,004,217.31</u>	<u>34,136.98</u>	<u>301,605.71</u>	

TOWNSHIP OF FAIRFIELD
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3
Sheet #3

Appropriations	Appropriations		Paid or Charged	Expended		Balance Cancelled
	Budget	Modified Budget		Encumbered	Reserved	
	\$	\$	\$	\$	\$	\$
STREETS AND ROADS						
Road Repairs and Maintenance:						
Salaries and Wages	495,000.00	495,000.00	389,931.44	1,913.68	105,068.56	
Other Expenses	60,000.00	45,000.00	27,187.43		15,898.89	
Repairs and Maintenance of Vehicles:						
Salaries and Wages	204,000.00	204,000.00	186,424.10	7,914.36	17,575.90	
Other Expenses	165,000.00	165,000.00	107,156.08	9,828.04	49,929.56	
	<u>924,000.00</u>	<u>909,000.00</u>	<u>710,699.05</u>		<u>188,472.91</u>	
HEALTH AND WELFARE						
Board of Health:						
Other Expenses	122,000.00	122,000.00	120,329.80	783.16	887.04	
Garbage and Trash Removal:						
Other Expenses - Contractual	850,000.00	806,000.00	641,446.75	27,000.00	137,553.25	
Human Services:						
Other Expenses	42,000.00	32,000.00	25,710.00		6,290.00	
	<u>1,014,000.00</u>	<u>960,000.00</u>	<u>787,486.55</u>	<u>27,783.16</u>	<u>144,730.29</u>	
RECREATION AND EDUCATION						
Parks and Playgrounds:						
Salaries and Wages	235,000.00	220,000.00	193,924.01		26,075.99	
Other Expenses	25,000.00	26,000.00	25,148.41	815.20	36.39	
Camp Wyanokie:						
Other Expenses	2,500.00	2,500.00	2,361.00		139.00	
Park Maintenance:						
Salaries and Wages	190,000.00	190,000.00	177,467.58	774.75	12,532.42	
Other Expenses	27,000.00	27,000.00	17,681.42		8,543.83	
Historic Preservation Commission:						
Other Expenses	400.00	400.00			400.00	
	<u>479,900.00</u>	<u>465,900.00</u>	<u>416,582.42</u>	<u>1,589.95</u>	<u>47,727.63</u>	
UNIFORM CONSTRUCTION CODE - APPROPRIATIONS						
OFFSET BY DEDICATED REVENUES (N.J.A.C. 5:23-4.4.17)						
Construction Code Officials:						
Salaries and Wages	267,000.00	267,000.00	266,769.84	927.04	230.16	
Other Expenses	135,000.00	135,000.00	96,832.99	927.04	37,239.97	
	<u>402,000.00</u>	<u>402,000.00</u>	<u>363,602.83</u>	<u>927.04</u>	<u>37,470.13</u>	

TOWNSHIP OF FAIRFIELD
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3
Sheet #4

	Appropriations		Paid or Charged	Expended		Balance Cancelled
	Budget	Modified Budget		Encumbered	Reserved	
	\$	\$	\$	\$	\$	\$
<u>UNCLASSIFIED</u>						
Utilities:						
Electricity	125,000.00	145,000.00	142,218.24		2,781.76	
Street Lighting	168,000.00	168,000.00	149,120.07		18,879.93	
Telephone	55,000.00	61,000.00	58,711.82	812.24	1,475.94	
Gas - Heating Fuel	50,000.00	50,000.00	23,049.88		26,950.12	
Motor Fuel	200,000.00	155,000.00	82,760.76	13,778.63	58,460.61	
	<u>598,000.00</u>	<u>579,000.00</u>	<u>455,860.77</u>	<u>14,590.87</u>	<u>108,548.36</u>	
Municipal Service Agreements with Homeowners Association	28,000.00	28,000.00	5,689.48		22,310.52	
Salary Adjustment Account	60,000.00	60,000.00			60,000.00	
Compensated Absences	40,000.00	40,000.00	40,000.00			
	<u>13,400,529.00</u>	<u>13,396,540.50</u>	<u>11,981,686.49</u>	<u>154,559.85</u>	<u>1,260,294.16</u>	
Total Operations						
Detail:						
Salaries and Wages	7,274,629.00	7,215,580.00	6,682,367.47		533,212.53	
Other Expenses	6,125,900.00	6,180,960.50	5,299,319.02	154,559.85	727,081.63	
	<u>57,153.06</u>	<u>57,153.06</u>	<u>57,153.06</u>			
<u>DEFERRED CHARGES</u>						
Prior Years Bills						
<u>STATUTORY EXPENDITURES</u>						
Contribution to:						
Public Employees' Retirement System	306,179.00	306,179.00	306,179.00			
Police and Firemen's Retirement System	923,270.00	927,258.50	927,258.50			
Social Security System (OASI)	272,000.00	272,000.00	262,252.60		9,747.40	
Public Employees' Retirement System Early Retirement	21,468.00	21,468.00	21,468.00			
DC Retirement Program	4,000.00	4,000.00	2,153.19		1,846.81	
Unemployment Contribution	25,000.00	25,000.00			25,000.00	
	<u>1,551,917.00</u>	<u>1,555,905.50</u>	<u>1,519,311.29</u>		<u>36,594.21</u>	
Total General Appropriations Within "CAPS"	<u>15,009,599.06</u>	<u>15,009,599.06</u>	<u>13,558,150.84</u>	<u>154,559.85</u>	<u>1,296,888.37</u>	

TOWNSHIP OF FAIRFIELD
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3
Sheet #5

Appropriations	Appropriations		Paid or Charged	Expended		Balance Cancelled
	Budget	Modified Budget		Encumbered	Reserved Unencumbered	
	\$ 1,017,645.00	\$ 1,017,645.00	\$ 1,017,645.00	\$	\$	
<u>OTHER OPERATIONS</u>						
Maintenance of Free Public Library (Ch. 82 and Ch. 541, P.L. 1985)					50,000.00	
Length of Service Awards Program:					24,000.00	
Fire Department	50,000.00	50,000.00				
First Aid Squad	24,000.00	24,000.00				
Tax Appeals	1,500,000.00	1,500,000.00	378,436.79	74,349.31	1,047,213.90	
	2,591,645.00	2,591,645.00	1,396,081.79	74,349.31	1,121,213.90	
<u>STATE AND FEDERAL PROGRAMS</u>						
<u>OFFSET BY REVENUES</u>						
Clean Communities Program	21,437.29	21,437.29	21,437.29			
Municipal Alliance on Alcoholism and Drug Abuse:						
State Share	56,080.00	56,080.00	56,080.00			
Local Share	14,000.00	14,000.00	14,000.00			
Alcohol Education, Rehabilitation and Enforcement Fund	3,746.75	3,746.75	3,746.75			
Essex County Recreation and Open Space Trust Fund	150,000.00	150,000.00	150,000.00			
Recycling Tonnage	27,129.54	27,129.54	27,129.54			
Body Armor Replacement Fund	3,387.15	3,387.15	3,387.15			
Drive Sober or Get Pulled Over	11,725.00	11,725.00	11,725.00			
Comcast Technology - Recreation Center	25,000.00	25,000.00	25,000.00			
Over the Limit Under Arrest	3,800.00	3,800.00	3,800.00			
	316,305.73	316,305.73	316,305.73			
Total Operations Excluded from "CAPS"	2,907,950.73	2,907,950.73	1,712,387.52	74,349.31	1,121,213.90	
Detail:						
Other Expenses	2,907,950.73	2,907,950.73	1,712,387.52	74,349.31	1,121,213.90	
<u>CAPITAL IMPROVEMENTS</u>						
Capital Improvement Fund	35,750.00	35,750.00	35,750.00			
New Jersey Department of Transportation: Kaplan Drive (Section 2)	127,500.00	127,500.00	127,500.00			
	163,250.00	163,250.00	163,250.00			

TOWNSHIP OF FAIRFIELD
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3
Sheet #6

Appropriations	Appropriations		Paid or Charged	Expended		Balance Cancelled
	Budget	Modified Budget		Encumbered	Reserved Unencumbered	
APPROPRIATIONS EXCLUDED FROM "CAPS"						
DEBT SERVICE						
Payment of Bond Principal	\$ 625,000.00	\$ 625,000.00	\$ 623,000.00	\$	\$	\$ 2,000.00
Payment of Bond Anticipation Notes	567,000.00	567,000.00	567,000.00			
Interest on Bonds	157,977.00	157,977.00	157,977.00			1,631.05
Interest on Notes	53,125.00	53,125.00	51,493.95			3,631.05
	<u>1,403,102.00</u>	<u>1,403,102.00</u>	<u>1,399,470.95</u>			
DEFERRED CHARGES						
Special Emergency Authorizations 5 Years (N.J.S.A. 40A:4-55)	70,580.00	70,580.00	70,580.00			
Total General Appropriations Excluded from "CAPS"	<u>4,544,882.73</u>	<u>4,544,882.73</u>	<u>3,345,688.47</u>	<u>74,349.31</u>	<u>1,121,213.90</u>	<u>3,631.05</u>
Reserve for Uncollected Taxes	1,711,000.00	1,711,000.00	1,711,000.00			
Total Appropriations	<u>\$ 21,265,481.79</u>	<u>\$ 21,265,481.79</u>	<u>\$ 18,614,839.31</u>	<u>\$ 228,909.16</u>	<u>\$ 2,418,102.27</u>	<u>\$ 3,631.05</u>
Reference	A-2	Sheet #7	Sheet #7	A	A	

TOWNSHIP OF FAIRFIELD
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3
Sheet #7

	<u>Ref.</u>	<u>Modified Budget</u>	<u>Paid or Charged</u>
Adopted Budget		\$21,228,760.60	\$
Added by N.J.S. 40A:4-87		36,721.19	
	A-2	21,265,481.79	
Cash Disbursed:			
Salaries and Wages			7,215,580.00
Matching Funds for Grants	A-28		14,000.00
Other Expenditures			9,133,873.58
	A-4		16,363,453.58
Deferred Charges:			
Special Emergency Authorizations	A-16		70,580.00
Interfunds Payable	A-21		40,000.00
Federal and State Grant Programs	A-28		429,805.73
Reserve for Uncollected Taxes	A-2b		1,711,000.00
	Sheet #6	\$21,265,481.79	\$18,614,839.31
<u>Analysis of Charges to Operations</u>			
Paid or Charged			\$18,614,839.31
Reserved:			
Encumbered	Sheet #6	\$ 228,909.16	
Unencumbered	Sheet #6	2,418,102.27	
			2,647,011.43
			21,261,850.74
Less: Reserve for Uncollected Taxes	Above		1,711,000.00
	A-1		\$19,550,850.74

See accompanying notes to financial statements.

TOWNSHIP OF FAIRFIELD
TRUST FUND

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

B
Sheet #1

<u>ASSETS</u>	<u>Ref.</u>	Balance <u>Dec. 31, 2016</u>	Balance <u>Dec. 31, 2015</u>
<u>Assessment Trust Fund</u>			
Cash - Checking	B-2	\$ 38,831.94	\$ 31,979.01
Assessments Receivable:			
Pledged	B-7	2,644.33	3,207.90
Unpledged	B-7	18,272.47	22,405.40
Assessment Liens:			
Unpledged	B-8	4,658.21	4,658.21
Interfunds Receivable	B-10	40,098.17	42,254.60
Prospective Assessments Funded:			
Unpledged	B-11	115,690.95	115,690.95
		<u>220,196.07</u>	<u>220,196.07</u>
 <u>Animal Control Trust Fund</u>			
Cash - Checking	B-2	<u>28,601.22</u>	<u>25,085.02</u>
 <u>General Trust Fund</u>			
Cash - Checking	B-2	1,834,393.73	1,812,021.46
Cash - New Jersey Cash Management Fund	B-5	251,107.23	250,093.12
		<u>2,085,500.96</u>	<u>2,062,114.58</u>
Interfunds Receivable	B-10	1,584,228.07	1,426,697.78
Community Development Block Grant Funds Receivable	B-12	47,250.00	49,500.00
Other Accounts Receivable	B-13	21,593.76	16,561.03
		<u>3,738,572.79</u>	<u>3,554,873.39</u>
 <u>Developers' Escrow Trust Fund</u>			
Cash	B-2	<u>589,574.04</u>	<u>663,940.21</u>
		<u>\$4,576,944.12</u>	<u>\$4,464,094.69</u>

TOWNSHIP OF FAIRFIELD
TRUST FUND

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

B
Sheet #2

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2016</u>	<u>Balance</u> <u>Dec. 31, 2015</u>
<u>Assessment Trust Fund</u>			
Interfunds Payable	B-15	\$ 54,145.00	\$ 54,145.00
Reserve for Assessments and Liens	B-20	138,621.63	142,754.56
Fund Balance	B-1	<u>27,429.44</u>	<u>23,296.51</u>
		<u>220,196.07</u>	<u>220,196.07</u>
 <u>Animal Control Trust Fund</u>			
Interfunds Payable	B-15	21,627.89	17,929.62
Reserve for Expenditures	B-21	<u>6,973.33</u>	<u>7,155.40</u>
		<u>28,601.22</u>	<u>25,085.02</u>
 <u>General Trust Fund</u>			
Due to State of New Jersey	B-14	4,850.00	11,175.00
Interfunds Payable	B-15	7,533.00	7,533.00
Due to Municipal Court	B-16	28,599.60	27,559.60
Other Deposits	B-17	1,709,011.14	1,563,428.64
Redemption of Tax Title Liens	B-18	6,617.43	6,648.97
Premium on Tax Sale	B-19	477,200.00	536,600.00
Reserves for:			
Municipal Open Space	B-22	1,058,470.36	917,438.88
Recreation Program Expenditures	B-23	298,688.88	285,871.36
Community Development Block Grant Expenditures	B-24	47,250.00	89,200.00
State Unemployment Insurance Trust Expenditures	B-25	5,477.98	17,617.24
Outside Employment of Off-Duty Police Officers	B-26	64,359.47	62,419.46
Municipal Alliance	B-27	<u>30,514.93</u>	<u>29,381.24</u>
		<u>3,738,572.79</u>	<u>3,554,873.39</u>
 <u>Developers' Escrow Trust Fund</u>			
Interfunds Payable	B-15	204,400.68	203,907.08
Developers' Escrow Trust Funds	B-28	<u>385,173.36</u>	<u>460,033.13</u>
		<u>589,574.04</u>	<u>663,940.21</u>
		<u>\$4,576,944.12</u>	<u>\$4,464,094.69</u>

See accompanying notes to financial statements.

TOWNSHIP OF FAIRFIELD
TRUST FUND

STATEMENT OF FUND BALANCE
ASSESSMENT TRUST FUND - REGULATORY BASIS

B-1

	<u>Ref.</u>	
Balance December 31, 2015	B	\$ 23,296.51
Increased by:		
Collection of Unpledged Assessments	B-20	<u>4,132.93</u>
Balance December 31, 2016	B	<u>\$ 27,429.44</u>

See accompanying notes to financial statements.

TOWNSHIP OF FAIRFIELD
GENERAL CAPITAL FUND

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

C

<u>ASSETS AND DEFERRED CHARGES</u>	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2016</u>	<u>Balance</u> <u>Dec. 31, 2015</u>
Cash - Checking	C-2	\$ 2,496,062.70	\$ 4,626,308.53
Cash - Money Market Account	C-3	631,929.94	631,929.94
	C-4	<u>3,127,992.64</u>	<u>5,258,238.47</u>
Note Receivable	C-5	70,580.00	141,160.00
Interfunds Receivable	C-6	382,791.44	319,715.82
Deferred Charges to Future Taxation:			
Funded	C-7	4,636,000.00	5,259,000.00
Unfunded	C-8	<u>9,622,868.66</u>	<u>9,515,144.23</u>
		<u>\$17,840,232.74</u>	<u>\$20,493,258.52</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Serial Bonds	C-15	\$ 4,636,000.00	\$ 5,259,000.00
Bond Anticipation Notes	C-14	9,516,152.00	8,923,652.00
Tax Appeal Refunding Notes	C-13	192,000.00	674,000.00
Improvement Authorizations:			
Funded	C-9	433,618.01	573,271.66
Unfunded	C-9	2,064,036.54	4,193,830.25
Capital Improvement Fund	C-10	75,400.00	77,150.00
Interfunds Payable	C-11	342,936.56	371,101.56
Reserve for Contributions	C-12	243,174.78	203,174.78
Fund Balance	C-1	<u>336,914.85</u>	<u>218,078.27</u>
		<u>\$17,840,232.74</u>	<u>\$20,493,258.52</u>
Bonds and Notes Authorized but Not Issued	C-16	<u>\$ 110,590.20</u>	<u>\$ 110,590.48</u>

See accompanying notes to financial statements.

TOWNSHIP OF FAIRFIELD
GENERAL CAPITAL FUND

STATEMENT OF FUND BALANCE - REGULATORY BASIS

C-1

	<u>Ref.</u>		
Balance December 31, 2015	C		\$ 218,078.27
Increased by:			
Premium on Sale of Notes	C-2	\$84,361.00	
Funded Improvement Authorizations Cancelled	C-9	<u>34,475.58</u>	
			<u>118,836.58</u>
Balance December 31, 2016	C		<u><u>\$336,914.85</u></u>

See accompanying notes to financial statements.

TOWNSHIP OF FAIRFIELD
WATER UTILITY

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

D
Sheet #1

<u>ASSETS AND DEFERRED CHARGES</u>	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2016</u>	<u>Balance</u> <u>Dec. 31, 2015</u>
<u>Operating Fund</u>			
Cash - Checking Account	D-5	\$1,759,559.52	\$1,396,884.75
Cash - Money Market	D-7	149,625.10	149,383.46
Interfunds Receivable	D-9	126.00	126.00
		<u>1,909,310.62</u>	<u>1,546,394.21</u>
Receivables with Full Reserves:			
Consumer Accounts Receivable	D-10	114,596.80	99,949.96
Water Utility Liens Receivable	D-11	1,224.96	
Notes Receivable	D-12	25,000.00	
		<u>140,821.76</u>	<u>99,949.96</u>
Deferred Charges:			
Emergency Appropriation	D-15		10,948.00
		<u>2,050,132.38</u>	<u>1,657,292.17</u>
<u>Capital Fund</u>			
Cash - Checking Account	D-5	202,838.66	209,910.10
Cash - Money Market	D-7	92,144.23	92,144.23
	D-8	294,982.89	302,054.33
Interfunds Receivable	D-9	156,156.93	149,555.07
Fixed Capital	D-13	6,614,189.98	4,984,660.95
Fixed Capital Authorized and Uncompleted	D-14	457,388.23	2,207,000.00
		<u>7,522,718.03</u>	<u>7,643,270.35</u>
		<u>\$9,572,850.41</u>	<u>\$9,300,562.52</u>

TOWNSHIP OF FAIRFIELD
WATER UTILITY

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

D
Sheet #2

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2016</u>	<u>Balance</u> <u>Dec. 31, 2015</u>
<u>Operating Fund</u>			
Appropriation Reserves:			
Encumbered	D-4,16	\$ 90,349.58	\$ 11,254.88
Unencumbered	D-4,16	770,724.62	263,237.03
Accrued Interest on Bonds	D-17	8,646.75	8,946.75
Accrued Interest on Notes	D-18	534.25	174.32
Water Rent Overpayments	D-19	4,450.06	6,014.17
Interfunds Payable	D-21	311,477.48	296,908.20
		<u>1,186,182.74</u>	<u>586,535.35</u>
Reserve for Receivables		140,821.76	99,949.96
Fund Balance	D-1	723,127.88	970,806.86
		<u>2,050,132.38</u>	<u>1,657,292.17</u>
 <u>Capital Fund</u>			
Serial Bonds	D-25	678,000.00	718,000.00
Bond Anticipation Notes	D-24	1,073,750.00	1,088,750.00
Improvement Authorizations:			
Funded	D-20	350.00	120,082.74
Unfunded	D-20	151,325.18	159,245.18
Reserves for:			
Amortization	D-22	5,267,189.98	5,024,660.95
Deferred Reserve for Amortization	D-23	42,888.23	350,150.00
Fund Balance	D-2	309,214.64	182,381.48
		<u>7,522,718.03</u>	<u>7,643,270.35</u>
		<u>\$9,572,850.41</u>	<u>\$9,300,562.52</u>
Bonds and Notes Authorized but Not Issued	D-26	<u>\$ 9,750.00</u>	<u>\$ 10,100.00</u>

See accompanying notes to financial statements.

TOWNSHIP OF FAIRFIELD
WATER UTILITY

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

D-1

	<u>Ref.</u>	<u>Year 2016</u>	<u>Year 2015</u>
<u>Revenue and Other Income</u>			
Operating Surplus Anticipated	D-3	\$ 387,806.00	\$ 185,375.00
Water Rents	D-3	2,231,713.12	2,219,589.07
Miscellaneous	D-3	59,777.53	60,527.17
Other Credits to Income:			
Prior Year Outstanding Checks Cancelled			4,966.25
Unexpended Balance of Appropriation Reserves	D-16	117,236.37	170,116.37
		<u>2,796,533.02</u>	<u>2,640,573.86</u>
 <u>Expenditures</u>			
Budget Appropriations:			
Operations	D-4	2,463,600.00	1,937,600.00
Debt Service	D-4	85,758.00	201,649.88
Deferred Charges	D-4	10,948.00	
Statutory Expenditures	D-4	70,500.00	65,000.00
		<u>2,630,806.00</u>	<u>2,204,249.88</u>
Prior Year Revenue Refunds	D-5	600.00	
Reserve for Notes Receivable	D-12	25,000.00	
		<u>2,656,406.00</u>	<u>2,204,249.88</u>
 Excess in Revenue		 140,127.02	 436,323.98
 <u>Fund Balance</u>			
Balance January 1	D	970,806.86	719,857.88
		<u>1,110,933.88</u>	<u>1,156,181.86</u>
 Decreased by:			
Utilized as Anticipated Revenue	D-3	387,806.00	185,375.00
Balance December 31	D	<u>\$ 723,127.88</u>	<u>\$ 970,806.86</u>

See accompanying notes to financial statements.

TOWNSHIP OF FAIRFIELD
WATER UTILITY

STATEMENT OF FUND BALANCE
CAPITAL FUND - REGULATORY BASIS

D-2

	<u>Ref.</u>		
Balance December 31, 2015	D		\$182,381.48
Increased by:			
Premium on Sale of Notes	D-9	\$ 7,100.42	
Cancellation of Funded Improvement Authorizations	D-23	<u>119,732.74</u>	
			<u>126,833.16</u>
Balance December 31, 2016	D		<u>\$309,214.64</u>

See accompanying notes to financial statements.

TOWNSHIP OF FAIRFIELD
WATER UTILITY

STATEMENT OF REVENUE - REGULATORY BASIS

D-3

<u>Source</u>	<u>Ref.</u>	<u>Budget</u>	<u>Realized</u>	<u>Excess</u>
Operating Surplus Anticipated	D-1	\$ 387,806.00	\$ 387,806.00	\$
Water Rents	D-1,Below	2,200,000.00	2,231,713.12	31,713.12
Miscellaneous	D-1,Below	<u>43,000.00</u>	<u>59,777.53</u>	<u>16,777.53</u>
Total Revenue	D-4	<u>\$ 2,630,806.00</u>	<u>\$ 2,679,296.65</u>	<u>\$ 48,490.65</u>
 <u>Analysis of Water Rents</u>				
Consumer Accounts Receivable:				
Collections	D-6,10		\$ 2,218,155.83	
Interfunds Receivable	D-9		7,543.12	
Overpayment Applied	D-10		<u>6,014.17</u>	
	Above		<u>\$ 2,231,713.12</u>	
 <u>Analysis of Miscellaneous Revenue</u>				
Tax Collector:				
Water Penalty			\$ 21,477.80	
Meter Charges			10,605.00	
Water Connection Fees			7,200.00	
Tap-Ins			8,825.00	
Inspection Fees			775.00	
Swimming Pool Fill Fees			1,365.00	
Final Reading Fees			690.00	
Temporary Water Fees			300.00	
Miscellaneous			<u>1,100.00</u>	
	D-6		52,337.80	
Interest and Costs on Water Rents	D-9		1,633.84	
Interest on Investments and Deposits:				
Collections	D-5	\$ 5,065.69		
Money Market	D-7	241.64		
Interfunds Receivable	D-9	<u>498.56</u>		
	Above		<u>5,805.89</u>	
			<u>\$ 59,777.53</u>	

See accompanying notes to financial statements.

TOWNSHIP OF FAIRFIELD
WATER UTILITY

STATEMENT OF EXPENDITURES - REGULATORY BASIS

D-4

<u>Ref.</u>	<u>Budget</u>	<u>Expended</u>		<u>Unencumbered</u>
		<u>Paid or Charged</u>	<u>Encumbered</u>	
<u>Operating</u>				
Salaries and Wages	\$ 358,000.00	\$ 316,726.57		\$ 41,273.43
Other Expenses	2,100,000.00	1,293,558.69	84,749.58	721,691.73
Financial Administration:				
Other Expenses	5,600.00		5,600.00	
	<u>2,463,600.00</u>	<u>1,610,285.26</u>	<u>90,349.58</u>	<u>762,965.16</u>
<u>Debt Service</u>				
Payment of Bond Principal	40,000.00	40,000.00		
Payment of Bond Anticipation Notes and Capital Notes	15,000.00	15,000.00		
Interest on Bonds	23,558.00	23,558.00		
Interest on Notes	7,200.00	7,200.00		
	<u>85,758.00</u>	<u>85,758.00</u>		
<u>Deferred Charges and Statutory Expenditures</u>				
Deferred Charges :				
Emergency Authorization	10,948.00	10,948.00		
<u>Statutory Expenditures</u>				
Contributions to:				
Public Employees' Retirement System	38,500.00	38,500.00		2,759.46
Social Security System (OASI)	27,000.00	24,240.54		5,000.00
Unemployment Compensation Insurance	5,000.00			7,759.46
	<u>70,500.00</u>	<u>62,740.54</u>		
	<u>\$ 2,630,806.00</u>	<u>\$ 1,769,731.80</u>	<u>\$ 90,349.58</u>	<u>\$ 770,724.62</u>

Reference

D-3

Below

D

D

Ref.

Cash Disbursed	\$ 1,689,525.80
Deferred Charges	10,948.00
Accrued Interest on Bonds	23,558.00
Accrued Interest on Notes	7,200.00
Interfunds Payable	38,500.00
	<u>\$ 1,769,731.80</u>
	<u>Above</u>

See accompanying notes to financial statements.

TOWNSHIP OF FAIRFIELD
SEWER UTILITY

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

E
Sheet #1

<u>ASSETS</u>	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2016</u>	<u>Balance</u> <u>Dec. 31, 2015</u>
<u>Operating Fund</u>			
Cash - Checking	E-6	\$ 3,295,088.23	\$ 2,735,642.11
Cash - Money Market	E-8	1,214.09	1,207.68
Interfunds Receivable	E-16	<u>153,046.97</u>	<u>153,173.57</u>
		3,449,349.29	2,890,023.36
Receivables with Full Reserves:			
Sewer Rents Receivable	E-11	138,784.63	158,168.12
Sewer Liens Receivable	E-12	<u>2,390.43</u>	<u> </u>
		3,590,524.35	3,048,191.48
<u>Assessment Trust Fund</u>			
Cash - Checking Account	E-6,9	63,458.44	63,427.88
Assessments Receivable:			
Unpledged	E-13	19,730.67	19,730.67
Assessment Liens:			
Unpledged	E-14	2,580.60	2,580.60
Assessment Lien Interest and Costs	E-15	428.13	428.13
Interfunds Receivable	E-16	<u>13,698.00</u>	<u>13,698.00</u>
		99,895.84	99,865.28
<u>Capital Fund</u>			
Cash - Checking Account	E-6	268,531.66	379,473.63
Cash - Money Market	E-8	<u>5,213.61</u>	<u>5,213.61</u>
	E-10	273,745.27	384,687.24
Interfunds Receivable	E-16	18,786.46	15,456.42
Fixed Capital	E-17	22,839,368.14	22,123,151.35
Fixed Capital Authorized and Uncompleted	E-18	<u>531,000.00</u>	<u>1,264,100.00</u>
		23,662,899.87	23,787,395.01
		<u>\$ 27,353,320.06</u>	<u>\$ 26,935,451.77</u>

TOWNSHIP OF FAIRFIELD
SEWER UTILITY

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

E
Sheet #2

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2016</u>	<u>Balance</u> <u>Dec. 31, 2015</u>
<u>Operating Fund</u>			
Appropriation Reserves:			
Encumbered	E-5,19	\$ 243,516.61	\$ 887.40
Unencumbered	E-5,19	459,813.25	159,931.82
Accrued Interest on Bonds	E-20	4,689.06	5,932.32
Accrued Interest on Notes	E-21	273.55	231.53
Sewer User Overpayments	E-22	97,367.98	7,083.62
Interfunds Payable	E-25	88,254.60	91,713.19
		<u>893,915.05</u>	<u>265,779.88</u>
Reserve for Receivables		141,175.06	158,168.12
Fund Balance	E-1	2,555,434.24	2,624,243.48
		<u>3,590,524.35</u>	<u>3,048,191.48</u>
 <u>Assessment Trust Fund</u>			
Interfunds Payable	E-25	25,033.98	25,003.42
Reserves for:			
Assessment Lien Interest and Costs	E-15	428.13	428.13
Assessments and Liens Receivable	E-26	22,311.27	22,311.27
Fund Balance	E-2	52,122.46	52,122.46
		<u>99,895.84</u>	<u>99,865.28</u>
 <u>Capital Fund</u>			
Serial Bonds	E-31	28,000.00	38,000.00
Refunding Bonds	E-30	280,000.00	360,000.00
Bond Anticipation Notes	E-29	605,000.00	630,000.00
Improvement Authorizations:			
Funded	E-23		16,883.21
Unfunded	E-23	359,329.16	471,037.16
Capital Improvement Fund	E-24	38,530.00	38,530.00
Reserves for:			
Amortization	E-27	22,306,368.14	22,179,751.35
Deferred Reserve for Amortization	E-28	15,500.00	44,000.00
Fund Balance	E-3	30,172.57	9,193.29
		<u>23,662,899.87</u>	<u>23,787,395.01</u>
		<u>\$ 27,353,320.06</u>	<u>\$ 26,935,451.77</u>
 Bonds and Notes Authorized but Not Issued			
	E-32	<u>\$ 135,500.00</u>	<u>\$ 135,500.00</u>

See accompanying notes to financial statements.

TOWNSHIP OF FAIRFIELD
SEWER UTILITY

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

E-1

	<u>Ref.</u>	<u>Year 2016</u>	<u>Year 2015</u>
<u>Revenue and Other Income</u>			
Operating Surplus Anticipated	E-4	\$ 327,700.00	\$
Sewer Rents	E-4	4,915,774.59	4,876,534.85
Interest on Investments and Deposits	E-4	14,935.25	4,747.80
Miscellaneous	E-4	50,165.52	58,540.79
Nonbudget Revenue	E-4	6,500.00	
Other Credits to Income:			
Prior Year Outstanding Checks Cancelled			9,394.61
Unexpended Balance of Appropriation			
Reserves	E-19	157,515.40	103,893.69
		<u>5,472,590.76</u>	<u>5,053,111.74</u>
<u>Expenditures</u>			
Budget Appropriations:			
Operations	E-5	4,718,600.00	4,252,600.00
Debt Service	E-5	129,600.00	96,694.68
Statutory Expenditures	E-5	65,500.00	60,000.00
Surplus (General Budget)	E-5	300,000.00	300,000.00
		<u>5,213,700.00</u>	<u>4,709,294.68</u>
Excess in Revenue		258,890.76	343,817.06
<u>Fund Balance</u>			
Balance January 1	E	2,624,243.48	2,280,426.42
		<u>2,883,134.24</u>	<u>2,624,243.48</u>
Decreased by:			
Utilized as Anticipated Revenue	E-4	327,700.00	<u> </u>
Balance December 31	E	<u>\$ 2,555,434.24</u>	<u>\$ 2,624,243.48</u>

See accompanying notes to financial statements.

TOWNSHIP OF FAIRFIELD
SEWER UTILITY

STATEMENT OF FUND BALANCE
ASSESSMENT TRUST FUND - REGULATORY BASIS

E-2

	<u>Ref.</u>	
Balance December 31, 2015	E	<u>\$ 52,122.46</u>
Balance December 31, 2016	E	<u><u>\$ 52,122.46</u></u>

STATEMENT OF FUND BALANCE
CAPITAL FUND - REGULATORY BASIS

E-3

	<u>Ref.</u>		
Balance December 31, 2015	E		\$ 9,193.29
Increased by:			
Premium on Sale of Notes	E-16	\$ 4,096.07	
Cancellation of Improvement Authorizations - Funded	E-28	<u>16,883.21</u>	
			<u>20,979.28</u>
Balance December 31, 2016	E		<u><u>\$ 30,172.57</u></u>

See accompanying notes to financial statements.

TOWNSHIP OF FAIRFIELD
SEWER UTILITY

STATEMENT OF EXPENDITURES - REGULATORY BASIS

E-5

	Ref.	Budget	Modified Budget	Paid or Charged	Expended		Reserved	Unencumbered
					Encumbered	Unencumbered		
<u>Operating</u>								
Salaries and Wages		\$ 358,000.00	\$ 358,000.00	\$ 314,556.62	\$	\$ 43,443.38		
Other Expenses		890,000.00	890,000.00	253,648.96		398,434.43		
Financial Administration:								
Other Expenses		5,600.00	20,599.00					
Regional Sewerage Authority Share of Costs		3,460,000.00	3,450,001.00	3,450,001.00		5,600.00		14,999.00
	E-1	<u>4,713,600.00</u>	<u>4,718,600.00</u>	<u>4,018,206.58</u>		<u>243,516.61</u>		<u>456,876.81</u>
<u>Debt Service</u>								
Payment of Bond Principal		90,000.00	90,000.00	90,000.00				
Payment of Bond Anticipation Note Principal		25,000.00	25,000.00	25,000.00				
Interest on Bonds		10,600.00	10,600.00	10,600.00				
Interest on Notes		4,000.00	4,000.00	4,000.00				
	E-1	<u>129,600.00</u>	<u>129,600.00</u>	<u>129,600.00</u>				
<u>Statutory Expenditures</u>								
Contributions to:								
Public Employees' Retirement System		38,500.00	38,500.00	38,500.00				2,936.44
Social Security System (OAS)		27,000.00	27,000.00	24,063.56				
Unemployment Compensation Insurance		5,000.00	65,500.00	62,563.56				2,936.44
	E-1	<u>70,500.00</u>	<u>65,500.00</u>	<u>62,563.56</u>				
Surplus (General Budget)		300,000.00	300,000.00	300,000.00				
	E-1	<u>\$ 5,213,700.00</u>	<u>\$ 5,213,700.00</u>	<u>\$ 4,510,370.14</u>		<u>\$ 243,516.61</u>		<u>\$ 459,813.25</u>
<u>Reference</u>		<u>E-4</u>		<u>Below</u>		<u>E</u>		<u>E</u>
	<u>Ref.</u>							
Cash Disbursed	E-6			\$ 4,457,270.14				
Accrued Interest on Bonds	E-20			10,600.00				
Accrued Interest on Notes	E-21			4,000.00				
Interfunds Payable	E-25			38,500.00				
				<u>\$ 4,510,370.14</u>				
				<u>Above</u>				

TOWNSHIP OF FAIRFIELD
SWIMMING POOL UTILITY

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

E

<u>ASSETS</u>	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2016</u>	<u>Balance</u> <u>Dec. 31, 2015</u>
<u>Operating Fund</u>			
Cash - Checking	F-5	\$ 98,132.06	\$ 97,738.19
Cash - Money Market	F-7	7,801.77	7,783.18
Interfunds Receivable	F-9	36,013.55	1,001.63
		<u>141,947.38</u>	<u>106,523.00</u>
<u>Capital Fund</u>			
Cash - Checking Account	F-5	50,817.00	805.08
Cash - Money Market	F-7	10,806.00	10,806.00
	F-8	61,623.00	11,611.08
Interfunds Receivable	F-9	1,923.49	1,584.98
Fixed Capital	F-10	1,674,727.77	1,548,406.45
Fixed Capital Authorized and Uncompleted	F-11	199,000.00	374,000.00
		<u>1,937,274.26</u>	<u>1,935,602.51</u>
		<u>\$ 2,079,221.64</u>	<u>\$ 2,042,125.51</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
<u>Operating Fund</u>			
Appropriation Reserves:			
Encumbered	F-4,12	\$ 3,400.00	\$ 12.99
Unencumbered	F-4,12	28,275.18	47,877.38
Accrued Interest on Notes	F-13	66.67	
Accrued Interest on Bonds	F-14	828.98	1,211.73
Interfunds Payable	F-17	20,873.83	22,083.33
		<u>53,444.66</u>	<u>71,185.43</u>
Fund Balance	F-1	88,502.72	35,337.57
		<u>141,947.38</u>	<u>106,523.00</u>
<u>Capital Fund</u>			
Serial Bonds	F-22	65,000.00	95,000.00
Bond Anticipation Notes	F-21	50,000.00	
Improvement Authorizations:			
Funded	F-15		48,678.68
Unfunded	F-15	34,299.97	69,299.97
Capital Improvement Fund	F-16	3,350.00	3,350.00
Interfunds Payable	F-17	36,013.55	1,001.63
Reserves for:			
Preliminary Study	F-18	7,280.80	7,280.80
Amortization	F-19	1,667,727.77	1,686,406.45
Deferred Amortization	F-20	23,000.00	23,000.00
Fund Balance	F-2	50,602.17	1,584.98
		<u>1,937,274.26</u>	<u>1,935,602.51</u>
		<u>\$ 2,079,221.64</u>	<u>\$ 2,042,125.51</u>
 Bonds and Notes Authorized but Not Issued	 F-23	 <u>\$ 68,000.00</u>	 <u>\$ 118,000.00</u>

See accompanying notes to financial statements.

TOWNSHIP OF FAIRFIELD
SWIMMING POOL UTILITY

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

F-1

	<u>Ref.</u>	<u>Year 2016</u>	<u>Year 2015</u>
<u>Revenue and Other Income</u>			
Fund Balance Utilized	F-3	\$ 35,270.00	\$ 66,910.00
Membership Fees	F-3	166,235.21	145,735.00
Nonbudget Revenue	F-3	17,976.98	22,208.26
Other Credits to Income:			
Outstanding Checks Cancelled			62.97
Unexpended Balance of Appropriation Reserves	F-12	<u>47,877.38</u>	<u>19,333.01</u>
		<u>267,359.57</u>	<u>254,249.24</u>
 <u>Expenditures</u>			
Budget Appropriations:			
Operations	F-4	146,400.00	185,400.00
Debt Service	F-4	32,524.42	33,350.00
Statutory Expenditures			2,500.00
		<u>178,924.42</u>	<u>221,250.00</u>
Excess in Revenue		88,435.15	32,999.24
 <u>Fund Balance</u>			
Balance January 1	F	<u>35,337.57</u>	<u>69,248.33</u>
		123,772.72	102,247.57
Decreased by:			
Utilized as Anticipated Revenue	F-3	<u>35,270.00</u>	<u>66,910.00</u>
Balance December 31	F	<u>\$ 88,502.72</u>	<u>\$ 35,337.57</u>

See accompanying notes to financial statements.

TOWNSHIP OF FAIRFIELD
SWIMMING POOL UTILITY

STATEMENT OF FUND BALANCE
CAPITAL FUND - REGULATORY BASIS

F-2

	<u>Ref.</u>		
Balance December 31, 2015	F		\$ 1,584.98
Increased by:			
Premium on Sale of Notes	F-9	\$ 338.51	
Cancellation of Funded Improvement Authorizations	F-20	<u>48,678.68</u>	
			<u>49,017.19</u>
Balance December 31, 2016	F		<u>\$ 50,602.17</u>

See accompanying notes to financial statements.

TOWNSHIP OF FAIRFIELD
SWIMMING POOL UTILITY

STATEMENT OF REVENUE - REGULATORY BASIS

F-3

	<u>Ref.</u>	<u>Budget</u>	<u>Realized</u>	<u>Excess</u>
<u>Revenue</u>				
Fund Balance Utilized	F-1	\$ 35,270.00	\$ 35,270.00	\$
Membership Fees	F-1,Below	<u>145,735.00</u>	<u>166,235.21</u>	<u>20,500.21</u>
 Budget Totals	 F-4	 181,005.00	 201,505.21	 20,500.21
 Nonbudget Revenue	 F-1,Below	 <u> </u>	 <u>17,976.98</u>	 <u>17,976.98</u>
		<u>\$ 181,005.00</u>	<u>\$ 219,482.19</u>	<u>\$ 38,477.19</u>
 <u>Membership Fees</u>				
Collections	F-6		\$ 163,190.21	
Interfunds Receivable	F-9		<u>3,045.00</u>	
	Above		<u>\$ 166,235.21</u>	
 <u>Nonbudget Revenue Realized</u>				
<u>Guest Passes:</u>				
Collections	F-6	\$ 7,610.00		
Interfunds Receivable	F-9	<u>1,000.00</u>		
			\$ 8,610.00	
Nursery School Fees	F-6		5,700.00	
Concession Rent	F-6		1,328.00	
Swimming Team Fees	F-6		2,000.00	
Lost Badges	F-9		<u>5.00</u>	
			17,643.00	
 <u>Interest on Deposits:</u>				
Collections	F-5	303.47		
Money Market Account	F-7	18.59		
Interfunds Receivable	F-9	<u>11.92</u>		
			<u>333.98</u>	
	Above		<u>\$ 17,976.98</u>	

See accompanying notes to financial statements.

TOWNSHIP OF FAIRFIELD
SWIMMING POOL UTILITY

STATEMENT OF EXPENDITURES - REGULATORY BASIS

F-4

Ref.	Budget	Modified Budget	Paid or Charged	Expended		Reserved Unencumbered	Balance Cancelled
				Encumbered			
	\$ 85,000.00	\$ 85,000.00	\$ 76,454.91	\$	\$	\$ 8,545.09	\$
	50,000.00	58,000.00	38,269.91			19,730.09	
F-1	3,400.00	3,400.00	114,724.82	3,400.00		28,275.18	
	138,400.00	146,400.00		3,400.00			
	30,000.00	30,000.00	30,000.00				17.25
	2,475.00	2,475.00	2,457.75				2,063.33
F-1	2,130.00	2,130.00	66.67				2,080.58
	34,605.00	34,605.00	32,524.42				
	7,500.00						
	500.00						
	8,000.00						
	\$181,005.00	\$181,005.00	\$147,249.24	\$ 3,400.00		\$ 28,275.18	\$ 2,080.58
Reference		F-3	Below	F		F	
		Ref.					
	Cash Disbursed	F-5	\$144,724.82				
	Accrued Interest on Notes	F-13	66.67				
	Accrued Interest on Bonds	F-14	2,457.75				
		Above	\$147,249.24				

See accompanying notes to financial statements.

TOWNSHIP OF FAIRFIELD
PUBLIC ASSISTANCE TRUST FUND

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

G

<u>ASSETS</u>	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2016</u>	<u>Balance</u> <u>Dec. 31, 2015</u>
Cash	G-1	<u>\$ 1,180.42</u>	<u>\$ 1,180.30</u>
 <u>LIABILITIES AND FUND BALANCE</u>			
Reserve for Public Assistance Expenditures	G-2	<u>\$ 1,180.42</u>	<u>\$ 1,180.30</u>

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

TOWNSHIP OF FAIRFIELD

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2016**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Township of Fairfield is governed by the Small Municipality Plan of the Optional Municipal Charter Law. The Township Council consists of four members, one of which is appointed Council President on an annual basis. The Mayor and each Council member are elected in a general election for a term of three years. Each Council member, including the Mayor, carries the power of one legislative vote.

Governmental Accounting Standards Board (GASB) Statement No. 14 establishes certain standards for defining and reporting on the financial reporting entity. In accordance with these standards, the reporting entity should include the primary government and those component units which are fiscally accountable to the primary government.

The financial statements of the Township of Fairfield include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Township, as required by the provisions of N.J.S. 40A:5-5. The financial statements, however, do not include the operations of the Municipal Library, which is a separate entity subject to a separate examination.

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

Description of Funds

The Governmental Accounting Standards Board (GASB) is the recognized standard setting body for establishing governmental accounting and financial reporting principles. The GASB establishes three 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 accounting policies of the Township of Fairfield conform to the accounting principles applicable to municipalities which have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. These principles are a "Modified Accrual Basis of Accounting" which differs from accounting principles generally accepted in the United States of America (GAAP) for governmental entities. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Township of Fairfield accounts for its financial transactions through the following separate funds which differ from the fund structure required by GAAP:

Current Fund - Encompasses resources and expenditures for basic governmental operations. Fiscal activity of Federal and State grant programs are reflected in a segregated section of the Current Fund.

Trust Funds - The records of receipts, disbursements and custodianship of monies in accordance with the purpose for which each account was created are maintained in Trust Funds. These include the Assessment Trust Fund, Animal Control Trust Fund, General Trust Fund and Developers' Escrow Trust Fund.

General Capital Fund - The receipts and expenditure records for the acquisition of general infrastructure and other capital facilities, other than those acquired in the Current Fund, are maintained in this Fund, as well as, related long-term debt accounts.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Description of Funds (Continued)

Utilities Funds - Water, Sewer and Swimming Pool Utilities are treated as separate entities. Each maintains its own Operating and Capital Funds which reflect revenue, expenditures, stewardship, acquisitions of utility infrastructure and other capital facilities, debt service, long-term debt and other related activity.

Public Assistance Trust Fund - Receipts and disbursements of funds that provide assistance to certain residents of the Township of Fairfield pursuant to the provisions of Title 44 of the New Jersey statutes are maintained in the Public Assistance Trust Fund.

Free Public Library - Budget Appropriations and State Aid are transferred to the Free Public Library bank account and are expended with the approval of the Library for its purposes. Interest on investments, Library fines and other revenue are retained by the Library and expended therefrom. The Library is the subject of a separate report.

Payroll Fund - Net salaries, certain payroll deductions and social security contributions of municipal and utility operations are deposited into various bank accounts of the Payroll Fund. A Payroll Fund does not exist under GAAP.

Capital Fixed Assets - These accounts reflect estimated valuations of land, buildings and certain movable fixed assets of the Township as discussed under the caption of "Basis of Accounting".

Basis of Accounting

The accounting principles and practices prescribed for municipalities by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, differ in certain respects from accounting principles generally accepted in the United States of America. The accounting system is maintained on the modified accrual basis with certain exceptions. Significant accounting policies in New Jersey are summarized as follows:

Property Taxes and Other Revenue

Property taxes and other revenue are realized when collected in cash or approved by regulation for accrual from certain sources of the State of New Jersey and the Federal Government. Accruals of taxes and other revenue are otherwise deferred as to realization by the establishment of offsetting reserve accounts. GAAP requires such revenue to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

Grant Revenue

Federal and State grants, entitlements or shared revenue received for purposes normally financed through the Current Fund are recognized when anticipated in the Township of Fairfield budget. GAAP requires such revenue to be recognized in the accounting period when they become susceptible to accrual.

Expenditures

Expenditures for general and utility operations are generally recorded on the accrual basis. Unexpended appropriation balances, except for amounts which may have been cancelled by the governing body or by statutory regulation, are automatically recorded as liabilities at December 31st of each year, under the title of "Appropriation Reserves".

Grant appropriations are charged upon budget adoption to create spending reserves.

Budgeted transfers to the Capital Improvement Fund are recorded as expenditures to the extent permitted by law.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Basis of Accounting (Continued)

Expenditures (Continued)

Expenditures from Trust and Capital Funds are recorded upon occurrence and charged to accounts statutorily established for specific purposes.

Budget Appropriations for interest on General Capital Long-Term Debt is raised on the cash basis and is not accrued on the records; interest on Utility Debt is raised on the accrual basis and so recorded.

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

As of January 1, 1986 all local units were required by Technical Accounting Directive No. 85-1, as promulgated by the Division of Local Government Services, to maintain an encumbrance accounting system. The directive states that contractual orders outstanding at December 31st are reported as expenditures through the establishment of an encumbrance payable. Encumbrances do not constitute expenditures under GAAP.

Appropriation Reserves

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 sick, vacation and compensatory 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

Property Acquired for Taxes (Foreclosed Property) is recorded in the Current Fund at the assessed valuation during the year when such property was acquired by deed or foreclosure and is offset by a corresponding reserve account. GAAP requires such property to be recorded in the Capital Fixed Assets at market value on the date of acquisition.

Self-Insurance Contributions

Contributions to self-insurance funds are charged to budget appropriations. GAAP requires that payments be accounted for as an operating transfer and not as an expenditure.

Interfunds Receivable

Interfunds Receivable in the Current Fund are generally recorded with offsetting reserves which are established by charges to operations. Collections are recognized as income in the year that the receivables are realized. Interfunds Receivable of all other funds are recorded as accrued and are not offset with reserve accounts. Interfunds Receivable of one fund are offset with Interfunds Payable of the opposite fund. GAAP does not require the establishment of an offsetting reserve.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Basis of Accounting (Continued)

Inventories of Supplies

Materials and supplies purchased by all funds are recorded as expenditures.

An annual inventory of materials and supplies for the Water, Sewer and Swimming Pool Utilities are required, by regulation, to be prepared by Township personnel for inclusion on the Water, Sewer and Swimming Pool Utilities Operating Fund balance sheet. Annual changes in valuations, offset with a Reserve Account, are not considered as affecting results of operations. Materials and supplies of other funds are not inventoried nor included on their respective balance sheets.

Capital Fixed Assets

General:

In accordance with Technical Accounting Directive No. 85-2, Accounting for Governmental Fixed Assets, as promulgated by the Division of Local Government Services, which differs in certain respects from GAAP, the Township of Fairfield has developed a fixed asset accounting and reporting system.

GAAP requires that fixed assets be capitalized at historical or estimated historical cost if actual historical cost is not available. Depreciation on utility fixed assets should also be recorded.

Fixed assets used in governmental operations (capital fixed assets) are accounted for in the Capital Fixed Assets. Public domain ("infrastructure") capital 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.

Acquisitions of land, buildings, machinery, equipment and other capital assets are recorded on a perpetual fixed asset record.

Vehicles, furniture, equipment and other items are reflected at replacement values at time of inventory preparation. Additions to the established fixed assets are valued at cost.

Depreciation of assets is not recorded as an operating expense of the Township.

Utilities:

Capital acquisitions, including utility infrastructure costs of the Water, Sewer and Swimming Pool Utilities, are recorded at cost upon purchase or project completion in the Fixed Capital Account of the utilities. The Fixed Capital Accounts are adjusted for dispositions or abandonments. The accounts include movable fixed assets of the Utility but are not specifically identified and are considered as duplicated in the Capital Fixed Assets. The duplication is considered as insignificant on its effect on the financial statements taken as a whole.

Utility improvements that may have been constructed by developers are not recorded as additions to Fixed Capital.

Fixed Capital of the Utilities are offset by accumulations in Amortization Reserve Accounts. The accumulations represent costs of fixed assets purchased with budgeted funds or acquired by gift as well as grants, developer contributions or liquidations of related bonded debt and other liabilities incurred upon fixed asset acquisition.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Basis of Accounting (Continued)

Capital Fixed Assets (Continued)

The Fixed Capital Accounts reflected herein are as recorded in the records of the municipality and do not necessarily reflect the true condition of such Fixed Capital. The records consist of a control account only. Detailed records are not maintained.

C. Basic Financial Statements

The GASB Codification also defines the financial statements of a governmental unit to be presented in the general purpose financial statements to be in accordance with GAAP. The Township of Fairfield presents the financial statements listed in the table of contents which are required by the Division of Local Government Services 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.

D. Recent Accounting Pronouncements

In June 2015, the Government Accounting Standards Board issued GASB Statement 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 periods beginning after June 15, 2015 - except those provisions that address employers and governmental non-employer contributing entities for pensions that are not within the scope of Statement 68, which are effective for financial statements for periods beginning after June 15, 2016. The Township is currently reviewing what effect, if any, this Statement might have on future financial statements.

In June 2015, the Government Accounting Standards Board issued GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans. This Statement applies to OPEB plans and basically parallels GASB Statement 67 and replaces GASB Statement 43 and is effective for periods beginning after June 15, 2016. The Township is currently reviewing what effect, if any, this Statement might have on future financial statements.

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 Township is currently reviewing what effect, if any, this Statement might have 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 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 Township is currently reviewing what effect, if any, this Statement might have on future financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Recent Accounting Pronouncements (Continued)

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 Township is currently reviewing what effect, if any, this Statement might have 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 Township is currently reviewing what effects, if any, this Statement might have 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 Township is currently reviewing what effects, if any, this Statement might have on future financial statements.

In January 2016, the Government Accounting Standards Board issued GASB Statement No. 80, Blending Requirements for Certain Component Units - An Amendment of GASB Statement No. 14. The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the blending requirements established in paragraph 53 of Statement No. 14, The Financial Reporting Entity, as amended and is effective for reporting periods beginning after June 15, 2016. The Township is currently reviewing what effect, if any, this Statement might have 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 and is effective for reporting periods beginning after December 15, 2016. The Township is currently reviewing what effect, if any, this Statement might have 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 Statements No. 67, Financial Reporting for Pensions, 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. 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 for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements and is effective for reporting periods beginning after June 15, 2017. The Township is currently reviewing what effect, if any, this Statement might have on future financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Recent Accounting Pronouncements (Continued)

In November 2016, the Government Accounting Standards Board issued GASB Statement No. 83, Certain Asset Retirement Obligations. This Statement addresses accounting and financial reporting for certain asset retirement obligations (ARO's). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement and is effective for reporting periods beginning after June 15, 2017. The Township is currently reviewing what effect, if any, this Statement might have on future financial statements.

2. CASH, CASH EQUIVALENTS AND INVESTMENTS

A. Cash and Cash Equivalents

New Jersey statutes permit the deposit of public funds in institutions located in New Jersey, which are insured by the Federal Deposit Insurance Corporation (FDIC) or any other agencies of the United States that insures deposits or the State of New Jersey Cash Management Fund.

The State of New Jersey Cash Management Fund is authorized by statute and regulations of the State Investment Council to invest in fixed income and debt securities which mature or are redeemed within one year. Twenty-five percent of the Fund may be invested in eligible securities which mature within two years provided, however, the average maturity of all investments in the Fund shall not exceed one year. Collateralization of Fund investments is generally not required.

In addition, by regulation of the Division of Local Government Services, municipalities are allowed to deposit funds in the Municipal Bond Insurance Association (MBIA) through their investment management company, the Municipal Investors Service Corporation.

In accordance with the provisions of the Governmental Unit Deposit Protection Act of New Jersey, public depositories are required to maintain collateral for deposits of public funds that exceed insurance limits as follows:

The market value of the collateral must equal five percent of the average daily balance of public funds or

If the public funds deposited exceed 75 percent of the capital funds of the depository, the depository must provide collateral having a market value equal to 100 percent of the amount exceeding 75 percent.

All collateral must be deposited with the Federal Reserve Bank, The Federal Home Loan Bank Board or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.00.

Cash equivalents include money market funds, mutual funds, cash management funds and certificates of deposit with maturity dates of less than three months. Investments include certificates of deposit with maturity dates of more than three months. Cash equivalents and investments are stated at cost, which approximates market. Cash equivalents and investments were held by the Township in the Township's name.

Custodial Credit Risk - This is the risk that in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, the Township will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Township does not have a policy for custodial credit risk. Federal depository insurance and New Jersey's Governmental Unit Deposit Protection Act mitigate this risk.

2. CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

A. Cash and Cash Equivalents (Continued)

Interest Rate Risk - This is the risk that changes in market interest rates that will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to change in market interest rates. The Township's investment policy does not include limits on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentrations - The Township's policy is to maintain a diversified portfolio to minimize the risk of loss resulting from over concentration of assets.

B. Investments

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

- . Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America. This includes instruments such as Treasury bills, notes and bonds.
- . Government money market mutual funds.
- . Any federal agency or instrumentality obligation authorized by Congress that matures within 397 days from the date of purchase, and has a fixed rate of interest not dependent on any index or external factors.
- . Bonds or other obligations of the local unit or school districts of which the local unit is a part.
- . Any other obligations with maturities not exceeding 397 days, as permitted by the Division of Investments.
- . Local government investment pools, such as New Jersey CLASS, and the New Jersey Arbitrage Rebate Management Program.
- . New Jersey State Cash Management Fund.
- . Repurchase agreements of fully collateralized securities, subject to special conditions.

In addition, a variety of state laws permit local governments to invest in a wide range of obligations issued by state governments and its agencies.

As of December 31, 2016, the Township had funds invested and on deposit in checking, governmental money market funds and New Jersey Cash Management Accounts. The amount of the Township's cash and cash equivalents on deposit as of December 31, 2016 was \$23,505,766.09. These funds constitute "deposits with financial institutions" as defined by GASB Statement No. 40. There were no securities categorized as investments as defined by GASB Statement No. 40.

3. TAXES AND TAX TITLE LIENS RECEIVABLE

Property assessments are determined on true values and taxes are assessed based upon these values. The residential tax bill includes the levies for the Township, County and School purposes. Certified adopted budgets are submitted to the County Board of Taxation by each taxing district. The tax rate is determined by the board upon the filing of these budgets.

The tax bills are mailed by the Tax Collector annually in June and are payable in four quarterly installments due the first of August and November of the current year and a preliminary billing due the first of February and May of the subsequent year. The August and November billings represent the third and fourth quarter installments and are calculated by taking the total year tax levy less the preliminary first and second quarter installments due February and May. The preliminary levy is based on one-half of the current year's total tax.

3. TAXES AND TAX TITLE LIENS RECEIVABLE (Continued)

Tax installments not paid by the above due dates are subject to interest penalties determined by a resolution of the governing body. The rate of interest in accordance with the aforementioned resolution is 8% per annum on the first \$1,500.00 of delinquency and 18% on any delinquency in excess of \$1,500.00. The resolution also sets a grace period of ten days before interest is calculated. In addition, any delinquency in excess of \$10,000.00 at the end of the calendar year is subject to a 6% penalty on the unpaid balance.

Taxes unpaid on the 11th day of the eleventh month in the fiscal year when the taxes become in arrears are subject to the tax sale provisions of the New Jersey statutes. The municipality may institute in rem foreclosure proceedings after six months from the date of the sale if the lien has not been redeemed.

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

Comparative Schedule of Tax Rates

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Tax Rate	<u>\$2.203</u>	<u>\$2.019</u>	<u>\$1.956</u>	<u>\$1.937</u>	<u>\$1.886</u>
Apportionment of Tax Rate:					
Municipal	\$0.522	\$0.501	\$0.483	\$0.467	\$0.457
Municipal Open Space	0.010	0.010	0.010	0.010	0.010
County	0.580	0.500	0.482	0.496	0.470
County Open Space	0.017	0.015	0.015	0.016	0.016
Local School	0.419	0.406	0.395	0.384	0.372
Regional High School	0.616	0.554	0.538	0.529	0.525
Library	0.039	0.033	0.033	0.035	0.036

Assessed Valuations

<u>Year</u>	<u>Amount</u>
2016	\$ 2,589,100,680.00
2015	2,620,481,953.00
2014	2,629,496,403.00
2013	2,654,422,440.00
2012	2,687,207,540.00

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2016	\$ 57,180,875.76	\$ 56,270,029.66	98.41 %
2015	53,032,264.89	51,974,373.99	98.01
2014	51,560,096.21	50,691,843.82	98.31
2013	51,462,791.50	50,502,224.23	98.13
2012	50,755,185.63	49,637,048.77	97.79

3. TAXES AND TAX TITLE LIENS RECEIVABLE (Continued)

Delinquent Taxes and Tax Title Liens

<u>Year</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2016	\$ 1,615,050.42	\$ 576,837.13	\$ 2,191,887.55	3.83 %
2015	1,443,978.80	523,228.90	1,967,207.70	3.71
2014	1,217,231.70	623,244.61	1,840,476.31	3.57
2013	1,885,906.62	563,417.05	2,449,323.67	4.76
2012	1,829,829.43	727,870.93	2,557,700.36	5.09

4. PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

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

<u>Year</u>	<u>Amount</u>
2016	\$ 4,810,800.00
2015	4,810,800.00
2014	4,810,800.00
2013	4,028,500.00
2012	6,137,614.00

5. WATER CONSUMER ACCOUNTS RECEIVABLE

The Township of Fairfield maintains a utility fund for the billing and collection of water rents. Billings are done on a quarterly basis.

A comparison of Water Utility billings and collections for the past five (5) years are as follows:

<u>Year</u>	<u>Billing</u>	<u>Collections*</u>
2016	\$ 2,247,095.21	\$ 2,231,713.12
2015	2,230,447.52	2,219,589.07
2014	1,946,056.39	1,976,699.69
2013	1,937,810.15	1,907,888.26
2012	1,934,095.39	1,911,303.95

*Collections include amounts that were levied in prior years.

6. SEWER RENTALS RECEIVABLE

The Township of Fairfield maintains a utility fund for the billing and collection of sewer user charges. Billings are done on a quarterly basis.

A comparison of billings and collections for the past five (5) years are as follows:

<u>Year</u>	<u>Billing</u>	<u>Collection*</u>
2016	\$ 4,897,853.60	\$ 4,915,774.59
2015	4,845,789.11	4,876,534.85
2014	4,626,956.11	4,720,582.88
2013	4,676,232.95	4,591,586.24
2012	4,489,102.70	4,495,199.71

*Collections include amounts that were levied in prior years.

7. SWIMMING POOL UTILITY

Swimming Pool Utility membership and guest fee collections for the past five (5) years are as follows:

<u>Year</u>	<u>Membership</u>	<u>Guests</u>
2016	\$166,235.21	\$ 8,610.00
2015	145,735.00	3,320.00
2014	155,605.00	7,495.00
2013	159,787.30	22,185.00
2012	181,275.00	13,060.00

8. FUND BALANCES APPROPRIATED

	<u>Year</u>	<u>Balance December 31</u>	<u>Budgets of Succeeding Year</u>
Current Fund:	2016	\$ 4,837,039.49	\$ 1,822,000.00
	2015	3,527,086.45	1,765,000.00
	2014	3,251,355.12	1,828,000.00
	2013	3,100,270.88	1,600,000.00
	2012	2,324,812.96	1,300,000.00
Water Utility Operating Fund:	2016	723,127.88	372,458.00
	2015	970,806.86	387,806.00
	2014	719,857.88	185,375.00
	2013	484,920.48	38,840.00
	2012	340,163.52	41,900.00
Sewer Utility Operating Fund:	2016	2,555,434.24	\$ 668,429.00
	2015	2,624,243.48	327,700.00
	2014	2,280,426.42	-
	2013	1,820,151.76	-
	2012	1,364,930.03	-

8. FUND BALANCES APPROPRIATED (Continued)

	<u>Year</u>	<u>Balance December 31</u>	<u>Utilized in Budgets of Succeeding Year</u>
Swimming Pool Utility Operating Fund:	2016	\$ 88,502.72	\$ 42,000.00
	2015	35,337.57	35,270.00
	2014	69,248.33	66,910.00
	2013	70,963.28	6,769.00
	2012	84,480.81	62,000.00

9. PENSION PLANS

Description of Systems

Substantially all of the Township's employees participate in one of the following contributory defined benefit public employee retirement systems which have been established by State statute: the Public Employees' Retirement System (PERS) or the Police and Firemen's Retirement System (PFRS). These systems are sponsored and administered by the New Jersey Division of Pensions and Benefits. The Public Employees' Retirement System and the Police and Firemen's Retirement System are considered a cost-sharing multiple-employer plan.

The amount of the Township's contribution is certified each year by PERS and PFRS on the recommendation of the actuary, who makes an annual actuarial valuation. The valuation is based on a determination of the financial condition of the retirement system. It includes the computation of the present dollar value of benefits payable to former and present members and the present dollar value of future employer and employee contributions, giving effect to mortality among active and retired members and also to the rates of disability, retirement, withdrawal, former service, salary and interest. In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Specific information on actuarial assumptions and rates of return can be found at www.state.nj.us/treasury/pensions/annrpts.shtml.

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.

	PERS		
	<u>2016</u>	<u>2015</u>	<u>2014</u>
Covered Employee Payroll	\$ 2,838,535	\$ 2,815,862	\$ 2,836,466
Total Payroll	7,932,876	7,876,764	7,700,113
Actuarial Contribution			
Requirements	374,772	364,681	334,188
Total Contributions	577,156	564,646	531,127
Employer Share	374,772	364,681	334,188
% of Covered Payroll	13.20%	12.95%	11.78%
Employee's Share	202,384	199,965	196,939
% of Covered Payroll	7.13%	7.10%	6.94%

9. PENSION PLANS (Continued)

Description of Systems (Continued)

	PFRS		
	<u>2016</u>	<u>2015</u>	<u>2014</u>
Covered Employee Payroll	\$ 3,713,357	\$ 3,450,554	\$ 3,389,224
Total Payroll	7,932,876	7,876,764	7,700,113
Actuarial Contribution Requirements	851,332	866,605	790,154
Total Contributions	1,222,689	1,214,993	1,136,458
Employer Share	851,332	866,605	790,154
% of Covered Payroll	22.92%	25.11%	23.31%
Employee's Share	371,357	348,388	346,304
% of Covered Payroll	10.00%	10.10%	10.22%

Assumptions

The total PERS and PFRS pension liability for June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015 using an actuarial experience study for the period July 1, 2011 to June 30, 2014. The pension liability was rolled forward to June 30, 2016. The actuarial valuation used an inflation rate of 3.08%, projected salary increases through 2026 of 1.65% to 4.15% for PERS and 2.10% to 8.98% for PFRS based on age and thereafter 2.65% to 5.15% for PERS and 3.10% to 9.98% for PFRS based on age and an investment rate of return of 7.65%.

The discount rate used to measure the total pension liability was 3.98% for PERS and 5.55% for PFRS as of June 30, 2016. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 30% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2034 for PERS and 2050 for PFRS. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2034 for PERS and 2050 for PFRS and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability. More information on mortality rates and other assumptions, and investment policies, can be found at www.state.nj.us/treasury/pensions/annrpts.shtml.

Public Employees' Retirement System:

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

Significant Legislation

P.L. 2011, c. 78, effective June 28, 2011, made various changes to the manner in which PERS operates and to the benefit provisions of that system. Provisions impacting employee pension and health benefits include:

- New members of PERS hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of ¼ to 1 percent for each month that the member is under age 65.

9. PENSION PLANS (Continued)

Significant Legislation (Continued)

- The eligibility age to qualify for a service retirement in the PERS is increased from age 62 to 65 for Tier 5 members.
- Active member contribution rates will increase. PERS active member rates increase from 5.5 percent of annual compensation to 6.5 percent plus an additional 1 percent phased-in over 7 years. For Fiscal Year 2013, the member contribution rates increased in July 2013. The phase-in of the additional incremental member contributions for PERS members will take place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law.

In addition, the method for amortizing the pension systems' unfunded accrued liability changed (from a level percent of pay method to a level dollar of pay).

The following presents the Township's proportionate share of the PERS net pension liability calculated using the discount rate of 3.98% and 4.90% as of June 30, 2016 and 2015, respectively, as well as what the PERS net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the assumed rate.

**Sensitivity of the Township's Proportionate Share of the PERS Local Share
Net Pension Liability to Changes in the Discount Rate**

	At 1% Decrease <u>(2.98%)</u>	At Current Discount Rate <u>(3.98%)</u>	At 1% Increase <u>(4.98%)</u>
2016	<u>\$ 15,310,188</u>	<u>\$ 12,494,203</u>	<u>\$ 10,169,364</u>
	At 1% Decrease <u>(3.90%)</u>	At Current Discount Rate <u>(4.90%)</u>	At 1% Increase <u>(5.90%)</u>
2015	<u>\$ 11,834,669</u>	<u>\$ 9,521,990</u>	<u>\$ 7,583,057</u>

Police and Firemen's Retirement System:

The Police and Firemen's Retirement System (PFRS) was established in July, 1944 under the provisions of N.J.S.A. 43:16A to provide coverage to substantially all full-time county and municipal police and firemen and State firemen appointed after June 30, 1944. Membership is mandatory for such employees. Members may opt for Service retirement if over age 55 or Special Retirement at any age if they have a minimum of 25 years of service or 20 years of service if enrolled in the PFRS as of January 18, 2000. Retirement benefits vary depending on age and years of service.

Chapter 428, Public Law of 1999, effective January 18, 2000, allows a member, age 55 and older with 20 or more years of service, to retire with a benefit equaling 50% of final compensation, in lieu of the regular retirement allowance available to the member. Final compensation means the compensation received by the member in the last twelve months of creditable service preceding retirement.

9. PENSION PLANS (Continued)

Police and Firemen's Retirement System: (Continued)

In addition, a member of the system as of the effective date of this law may retire with 20 or more years of service with a retirement allowance of 50% of final compensation, regardless of age, and if required to retire because of attaining the mandatory retirement age of 65, an additional 3% of final compensation for every additional year of creditable service up to 25 years.

P.L. 2011, c. 78, effective June 28, 2011, made various changes to the manner in which PFRS operates and to the benefit provisions of that system.

This new legislation's provisions impacting employee pension and health benefits include:

- The annual benefit under special retirement for new PFRS members enrolled after June 28th, 2011 (Tier 3 members), will be 60 percent instead of 65 percent of the members' final compensation plus 1 percent for each year of creditable service over 25 years but not to exceed 30 years.

The following presents the Township's proportionate share of the PFRS net pension liability calculated using the discount rate of 5.55% and 5.79% as of June 30, 2016 and 2015, respectively, as well as what the PFRS net pension liability would be if it were calculated using a discount rate of one percentage point lower or one percentage point higher than the assumed rate.

***Sensitivity of the Township's Proportionate Share of the PFRS Local Share
Net Pension Liability to Changes in the Discount Rate***

	At 1% Decrease <u>(4.55%)</u>	At Current Discount Rate <u>(5.55%)</u>	At 1% Increase <u>(6.55%)</u>
2016	<u>\$ 28,465,437</u>	<u>\$ 19,945,798</u>	<u>\$ 16,865,874</u>
	At 1% Decrease <u>(4.79%)</u>	At Current Discount Rate <u>(5.79%)</u>	At 1% Increase <u>(6.79%)</u>
2015	<u>\$ 25,463,743</u>	<u>\$ 17,758,016</u>	<u>\$ 14,301,857</u>

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

Although the Division administers one cost-sharing multiple-employer defined benefit pension plan, separate (sub) actuarial valuations are prepared to determine the actuarially determined contribution rate by group. Following this method, the measurement of the collective net pension liability, deferred outflows of resources, deferred inflows of resources and pension expense excluding that attributable to employer-paid member contributions are determined separately for each individual employer of the State and local groups.

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages presented for each group in the schedule of employer allocations are applied to amounts presented in the schedules of pension amount by employer. The allocation percentages for each group as of June 30, 2016 and 2015 are based on the ratio of each employer's contributions to total employer contributions of the group for the fiscal years ended June 30, 2016 and 2015, respectively.

9. PENSION PLANS (Continued)

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

Following is the total of the Township's portion of the PERS and PFRS net pension liabilities, deferred outflows of resources and deferred inflows of resources related to pensions and the pension expense and expenditures for the fiscal year ended June 30, 2016:

	<u>PERS</u>	<u>PFRS</u>
Net Pension Liabilities	\$ 12,494,203	\$ 19,945,798
Deferred Outflow of Resources	3,626,951	4,479,699
Deferred Inflow of Resources	37,851	662,126
Pension Expense	900,587	1,230,245
Contributions Made After Measurement Date	374,772	851,332

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collected deferred outflows of resources, collective deferred inflows of resources and collective pension expense excluding that attributable to employer-paid member contributions. The employer allocation percentages presented in the PERS schedule of employer allocations and applied to amounts presented in the PERS schedule of pension amounts by employer are based on the ratio of the contributions as an individual employer to total contributions to the PERS and PFRS during the years ended June 30, 2016 and 2015. The Township's proportionate share of the collective net pension liability as of June 30, 2016 and 2015 was .0422% and .0424% for PERS and .1044% and .1066% for PFRS, respectively.

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

At June 30, 2016, the amount determined as the Township's proportionate share of the PERS net pension liability was \$12,494,203. For the year ended June 30, 2016, the Township would have recognized PERS pension expense of \$900,587. At June 30, 2016, deferred outflows of resources and deferred inflows of resources related to the PERS pension are as follows:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 232,354	\$
Change of Assumptions	2,588,132	
Net Difference Between Projected and Actual Investment Earnings	476,415	
Net Change in Proportions	330,050	37,851
Total Contributions and Proportionate Share of Contributions After the Measurement Date	<u>374,772</u>	
	<u>\$ 4,001,723</u>	<u>\$ 37,851</u>

9. PENSION PLANS (Continued)

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

At June 30, 2016, the amount determined as the Township's proportionate share of the PFRS net pension liability was \$19,945,798. For the year ended June 30, 2016, the Township would have recognized PFRS pension expense of \$1,230,245. At June 30, 2016, deferred outflows of resources and deferred inflows of resources related to the PFRS pension are as follows:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$	\$ 130,748
Change of Assumptions	2,762,657	
Net Difference Between Projected and Actual Investment Earnings	1,397,562	
Net Change in Proportions	319,480	531,378
Total Contributions and Proportionate Share of Contributions After the Measurement Date	<u>851,332</u>	
	<u>\$ 5,331,031</u>	<u>\$ 662,126</u>

Long-Term Expected Rate of Return

The long-term expected rate of return was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2016 are summarized in the following table:

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

9. PENSION PLANS (Continued)

Contributions Required and Made

Contributions made by employees for PERS and PFRS are currently 7.20% as of July 1, 2016 and 10.0% of their base wages, respectively. Employer contributions are actuarially determined on an annual basis by the Division of Pensions. Contributions to the plan for the past three (3) years are as follows:

Year	PERS		PFRS	
	Township	Employees	Township	Employees
2016	\$ 383,179.00	\$ 202,384.04	\$ 927,258.50	\$ 371,356.70
2015	282,072.00	199,965.21	846,651.00	348,388.04
2014	247,928.00	196,938.59	835,692.00	346,303.81

The Township of Fairfield, in accordance with the provisions of Public Law 2009, c. 19 (S21), elected by resolution of the governing body to defer the 50% of their 2009 normal and accrued pension liability for the PERS and PFRS pension retirement system obligation in the amount of \$496,879.00. This deferred pension liability will be repaid over a 15 year period which started in April 2012.

10. DEFINED CONTRIBUTION RETIREMENT PROGRAM

Description of System

The Defined Contribution Retirement Program (DCRP) was established on July 1, 2007 for certain public employees under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007. The program provides eligible members, with a minimum base salary of \$1,500.00 or more, with a tax-sheltered, defined contribution retirement benefit, in addition to life insurance and disability coverage. The DCRP is jointly administered by the Division of Pensions and Benefits and Prudential Financial.

If the eligible elected or appointed official will earn less than \$5,000.00 annually, the official may choose to waive participation in the DCRP for that office or position. This waiver is irrevocable.

As of May 21, 2010, the minimum base salary required for eligibility in the DCRP was increased to \$5,000.00.

This retirement program is a new pension system where the value of the pension is based on the amount of the contribution made by the employee and employer and through investment earnings. It is similar to a Deferred Compensation Program where the employee has a portion of tax deferred salary placed into an account that the employee manages through investment options provided by the employer.

The law requires that three classes of employees enroll in the DCRP, detailed as follows:

- All elected officials taking office on or after July 1, 2007, except that a person who is reelected to an elected office held prior to that date without a break in service may remain in the Public Employees' Retirement System (PERS).
- A Governor appointee with the advice and consent of the Legislature or who serves at the pleasure of the Governor only during that Governor's term of office.
- Employees enrolled in the PERS on or after July 1, 2007 or employees enrolled in the PFRS after May 21, 2010 who earn salary in excess of established "maximum compensation" limits.
- Employees otherwise eligible to enroll in the PERS on or after November 2, 2008 who do not earn the minimum salary for PERS Tier 3, but who earn salary of at least \$5,000.00.

10. DEFINED CONTRIBUTION RETIREMENT PROGRAM (Continued)

Description of System (Continued)

- Employees otherwise eligible to enroll in the PERS after May 21, 2010, who do not work the minimum number of hours per week required for PERS Tier 4 or Tier 5 enrollment (32 hours per week) but who earn salary of at least \$5,000.00 annually.

Notwithstanding the foregoing requirements, other employees who hold a professional license or certificate or meet other exceptions are permitted to remain to join or remain in PERS.

Contributions Required and Made

Contributions made by employees for DCRP are currently at 5.5% of their base wages. Member contributions are matched by a 3.0% employer contribution.

During the year 2016, there were two officials or employees enrolled in the DCRP.

11. VOLUNTEER LENGTH OF SERVICE AWARD PLAN (LOSAP)

The Township has established a Volunteer Length of Service Award Plan ("LOSAP") ("Plan") to ensure retention of the Township's volunteer fire department. The Plan shall be construed under the laws of the State of New Jersey and is established with the intent that it meets the requirements of a "Length of Service Award Plan under Section 457(c)11 of the Internal Revenue Code". The LOSAP financial statements have not been nor are they required to be audited.

12. POST-EMPLOYMENT BENEFITS OTHER THAN PENSION

Plan Description

The Township of Fairfield, by contractual agreement, provides medical benefits which include health and dental insurance coverage and prescription benefits to employees and their spouse after retirement with twenty-five years of full-time service with the municipality. These benefits are similar to health benefits provided to current employees.

Actuarial Valuation

An actuarial computation for the annual payment for currently retired employees and the future costs for those employees has not been prepared.

13. MUNICIPAL DEBT

The Local Bond Law governs the issuance of bonds and notes to finance general capital expenditures. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Township are general obligation bonds, backed by the full faith and credit of the Township. Pursuant to N.J.S.A. 40A:2-8.1, bond anticipation notes, which are issued to temporarily finance capital projects, cannot be renewed past the third anniversary unless an amount equal to at least the first legally required installment is paid prior to each anniversary and must be paid off within ten years and five months or retired by the issuance of bonds.

Summary of Municipal Debt (Excluding Current and Operating Debt)

	<u>Year 2016</u>	<u>Year 2015</u>	<u>Year 2014</u>
<u>Issued</u>			
General:			
Bonds and Notes	\$ 14,344,152.00	\$ 14,856,652.00	\$ 9,062,550.00
Assessments:			
Bonds and Notes			41,000.00
Water Utility:			
Bonds and Notes	1,751,750.00	1,806,750.00	1,761,250.00
Sewer Utility:			
Bonds and Notes	913,000.00	1,028,000.00	730,000.00
Swimming Pool Utility:			
Bonds and Notes	115,000.00	95,000.00	125,000.00
	<u>17,123,902.00</u>	<u>17,786,402.00</u>	<u>11,719,800.00</u>
 <u>Authorized but Not Issued</u>			
General:			
Bonds and Notes	110,590.20	110,590.48	110,590.48
Water Utility:			
Bonds and Notes	9,750.00	10,100.00	10,100.00
Sewer Utility:			
Bonds and Notes	135,500.00	135,500.00	135,500.00
Swimming Pool Utility:			
Bonds and Notes	68,000.00	118,000.00	118,000.00
	<u>323,840.20</u>	<u>374,190.48</u>	<u>374,190.48</u>
 Total Debt	 <u>17,447,742.20</u>	 <u>18,160,592.48</u>	 <u>12,093,990.48</u>
 Less: Cash on Hand:			
General	195,873.54	193,098.25	193,098.25
Assessment			0.44
	<u>195,873.54</u>	<u>193,098.25</u>	<u>193,098.69</u>
 Net Bonds and Notes Issued and Authorized but Not Issued	 <u>\$ 17,251,868.66</u>	 <u>\$ 17,967,494.23</u>	 <u>\$ 11,900,891.79</u>

13. MUNICIPAL DEBT (Continued)

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 0.499%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School	\$ 490,000.00	\$ 490,000.00	\$
Regional High School	5,415,419.34	5,415,419.34	
Water Utility	1,761,500.00	1,761,500.00	
Sewer Utility	1,048,500.00	1,048,500.00	
Swimming Pool Utility	183,000.00	183,000.00	
General	<u>14,454,742.20</u>	<u>195,873.54</u>	<u>14,258,868.66</u>
	<u>\$ 23,353,161.54</u>	<u>\$ 9,094,292.88</u>	<u>\$ 14,258,868.66</u>

Net debt, \$14,258,868.66, divided by Average Equalized Valuation Basis per N.J.S. 40A:2-2 as amended, \$2,855,597,823.00 equals 0.499%.

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

3 1/2% of Equalized Valuation Basis	\$ 99,945,923.81
Net Debt	<u>14,258,868.66</u>
Remaining Borrowing Power	<u>\$ 85,687,055.15</u>

School Debt Deductions

Local School Debt is deductible up to the extent of 2.50% of the Average Equalized Assessed Valuations of real property for the Local School District. As of December 31, 2016, local school district debt was the sum of \$490,000.00 and is fully deductible. Regional High School Debt is deductible in full. Regional High School Debt apportioned to the Township of Fairfield as of December 31, 2016 was the sum of \$5,415,419.34.

Calculation of "Self-Liquidating Purposes" Water Utility per N.J.S. 40A:2-45

Surplus and Cash Receipts from Fees, Rents or Other Charges for Year		\$ 2,679,296.65
Deductions:		
Operating and Maintenance Costs	\$ 2,534,100.00	
Debt Service per Water Utility Operating Fund	<u>85,758.00</u>	
		<u>2,619,858.00</u>
Excess in Revenue		<u>\$ 59,438.65</u>

There being an excess in revenue, all Water Utility Debt is deductible for Debt Statement purposes.

13. MUNICIPAL DEBT (Continued)

Calculation of "Self-Liquidating Purposes" Sewer Utility per N.J.S. 40A:2-45

Surplus and Cash Receipts from Fees, Rents or Other Charges for Year		\$ 5,315,075.36
Deductions:		
Operating and Maintenance Costs	\$ 4,784,100.00	
Debt Service per Sewer Utility Operating Fund	<u>129,600.00</u>	
		<u>4,913,700.00</u>
Excess in Revenue		<u>\$ 401,375.36</u>

There being an excess in revenue, all Sewer Utility Debt is deductible for Debt Statement purposes.

Calculation of "Self-Liquidating Purposes" Swimming Pool Utility per N.J.S. 40A:2-45

Surplus and Cash Receipts from Fees, Rents or Other Charges for Year		\$ 219,482.19
Deductions:		
Operating and Maintenance Costs	\$ 146,400.00	
Debt Service per Swimming Pool Utility Operating Fund	<u>32,524.42</u>	
		<u>178,924.42</u>
Excess in Revenue		<u>\$ 40,557.77</u>

There being an excess in revenue, all Swimming Pool Utility Debt is deductible for Debt Statement purposes.

As of December 31, 2016, the Township's long-term debt is as follows:

General Capital Bonds

Serial Bonds:

\$5,316,000.00, 2013 Bonds due in annual installments of \$326,000.00 to \$410,000.00 through August 2028, interest at 2.00% to 4.00%	<u>\$ 4,636,000.00</u>
---	------------------------

Water Utility Bonds

Serial Bonds:

\$758,000.00, 2013 Bonds due in annual installments of \$38,000.00 to \$40,000.00 through August 2033, interest at 2.00% to 4.60%	<u>\$ 678,000.00</u>
---	----------------------

13. MUNICIPAL DEBT (Continued)

Sewer Utility Bonds

Serial Bonds:

\$163,000.00, 2004 Bonds due in annual installments of \$13,000.00 to \$15,000.00 through July 2018, interest at 3.65% \$ 28,000.00

Refunding Bonds:

\$760,000.00, 2009 Bonds due in annual installments of \$55,000.00 to \$75,000.00 through January 2020, interest at 3.00% to 4.00% 280,000.00

\$ 308,000.00

Swimming Pool Utility Bonds

\$257,000.00, 2004 Bonds due in annual installments of \$17,000.00 to \$20,000.00 through July 2018, interest at 3.65% \$ 37,000.00

\$58,000.00, 2013 Bonds due in annual installments of \$8,000.00 to \$10,000.00 through August 2019, interest at 1.75% to 4.05% 28,000.00

\$ 65,000.00

Tax Appeal Refunding Note

Outstanding Tax Appeal Refunding Notes are summarized as follows:

	<u>Interest Rate</u>	<u>Amount</u>
General Capital Fund	1.00 %	<u>\$ 192,000.00</u>

Special Emergency Note

Outstanding Special Emergency Note is summarized as follows:

	<u>Interest Rate</u>	<u>Amount</u>
Current Fund	1.00%	<u>\$ 70,500.00</u>

13. MUNICIPAL DEBT (Continued)

Bond Anticipation Notes

Outstanding Bond Anticipation Notes are summarized as follows:

	<u>Interest Rate</u>	<u>Amount</u>
General Capital Fund	2.00 %	\$ 636,250.00
	2.00	538,800.00
	2.00	712,500.00
	2.00	5,700,000.00
	2.00	1,251,102.00
		<u>\$ 9,516,152.00</u>
Water Capital Fund	2.00	\$ 155,250.00
	2.00	675,000.00
	-	25,000.00
	2.00	<u>218,500.00</u>
		<u>\$ 1,073,750.00</u>
Sewer Capital Fund	2.00	\$ 225,000.00
	2.00	<u>380,000.00</u>
		<u>\$ 605,000.00</u>
Swimming Pool Capital Fund	2.00	<u>\$ 50,000.00</u>

Statutory requirements for providing sums equivalent to legally payable installments for the redemption of notes (Budget Appropriations) and permanent funding (Bond Issues) are summarized as follows:

<u>Original Notes Issued</u>	<u>Legal Installments Due</u>	<u>Permanent Funding Required as of May 1</u>
2012	2015 - 2022	2023
2013	2016 - 2023	2024
2014	2017 - 2024	2025
2015	2018 - 2025	2026
2016	2019 - 2026	2027

13. MUNICIPAL DEBT (Continued)

A schedule of annual debt service for general bonds principal and interest for bonded debt is as follows:

Calendar Year	Total	General		Water Utility		Sewer Utility		Swimming Pool Utility	
		Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2016	\$ 889,992.50	\$ 623,000.00	\$ 157,977.00	\$ 40,000.00	\$ 23,858.00	\$ 10,000.00	\$ 1,387.00	\$ 30,000.00	\$ 3,770.00
2017	635,105.50	385,000.00	139,115.00	40,000.00	23,058.00	15,000.00	1,022.00	30,000.00	1,910.50
2018	620,128.00	385,000.00	131,415.00	40,000.00	22,258.00	13,000.00	474.50	27,000.00	980.50
2019	578,333.00	385,000.00	123,715.00	40,000.00	21,458.00			8,000.00	160.00
2020	561,673.00	385,000.00	116,015.00	40,000.00	20,658.00				
2021	551,048.00	385,000.00	106,390.00	40,000.00	19,658.00				
2022	538,298.00	385,000.00	94,840.00	40,000.00	18,458.00				
2023	525,548.00	385,000.00	83,290.00	40,000.00	17,258.00				
2024	512,798.00	385,000.00	71,740.00	40,000.00	16,058.00				
2025	525,048.00	410,000.00	60,190.00	40,000.00	14,858.00				
2026	509,298.00	410,000.00	45,840.00	40,000.00	13,458.00				
2027	491,298.00	410,000.00	29,440.00	40,000.00	11,858.00				
2028	389,298.00	326,000.00	13,040.00	40,000.00	10,258.00				
2029	48,658.00			40,000.00	8,658.00				
2030	47,008.00			40,000.00	7,008.00				
2031	45,308.00			40,000.00	5,308.00				
2032	43,548.00			40,000.00	3,548.00				
2033	39,748.00			38,000.00	1,748.00				
	<u>\$ 7,552,136.00</u>	<u>\$ 5,259,000.00</u>	<u>\$ 1,173,007.00</u>	<u>\$ 718,000.00</u>	<u>\$ 259,424.00</u>	<u>\$ 38,000.00</u>	<u>\$ 2,883.50</u>	<u>\$ 95,000.00</u>	<u>\$ 6,821.00</u>

The interest reflected above is on the cash basis for all funds.

13. MUNICIPAL DEBT (Continued)

A schedule of annual debt service for sewer refunding bonds principal and interest for bonded debt is as follows:

<u>Calendar Year</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2017	\$ 83,231.25	\$ 75,000.00	\$ 8,231.25
2018	80,981.25	75,000.00	5,981.25
2019	78,356.25	75,000.00	3,356.25
2020	<u>55,928.13</u>	<u>55,000.00</u>	<u>928.13</u>
	<u>\$ 298,496.88</u>	<u>\$ 280,000.00</u>	<u>\$ 18,496.88</u>

The interest reflected above is on the cash basis.

Bonds and Notes Authorized but Not Issued

	<u>Balance Dec. 31, 2016</u>	<u>Balance Dec. 31, 2015</u>	<u>Balance Dec. 31, 2014</u>
General Capital Fund:			
General Improvements	\$ 110,590.20	\$ 110,590.48	\$ 110,590.48
Water Utility Capital Fund:			
General Improvements	9,750.00	10,100.00	10,100.00
Sewer Utility Capital Fund:			
General Improvements	135,500.00	135,500.00	135,500.00
Swimming Pool Utility Capital Fund:			
General Improvements	<u>68,000.00</u>	<u>118,000.00</u>	<u>118,000.00</u>
	<u>\$ 323,840.20</u>	<u>\$ 374,190.48</u>	<u>\$ 374,190.48</u>

14. INTERFUND RECEIVABLES AND PAYABLES

As of December 31, 2016, interfund receivables and payables that resulted from various interfund transactions were as follows:

<u>Fund</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
Current Fund	\$ 242,939.13	\$ 2,064,143.04
Federal and State Grant Fund	546,503.40	
Assessment Trust Fund	40,098.17	54,145.00
Animal Control Trust Fund		21,627.89
General Trust Fund	1,584,228.07	7,533.00
Developers' Escrow Trust Fund		204,400.68
General Capital Fund	382,791.44	342,936.56
Water Operating Fund	126.00	311,477.48
Water Capital Fund	156,156.93	
Sewer Operating Fund	153,046.97	88,254.60
Sewer Assessment Trust Fund	13,698.00	25,033.98
Sewer Capital Fund	18,786.46	
Swimming Pool Operating Fund	36,013.55	20,873.83
Swimming Pool Capital Fund	1,923.49	36,013.55
Payroll Fund	128.00	
	<u>\$ 3,176,439.61</u>	<u>\$ 3,176,439.61</u>

15. DEFERRED CHARGES TO BE RAISED IN SUCCEEDING YEARS' BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2016, the following deferred charges are shown on the balance sheet of the Current Fund:

<u>Current Fund</u>	<u>Balance Dec. 31, 2016</u>	<u>2017 Budget Appropriation</u>
Special Emergency Authorization (N.J.S.A. 40A:4-53)	<u>\$ 70,580.00</u>	<u>\$ 70,580.00</u>

16. DEFERRED SCHOOL TAXES

The Local School District Tax and the Regional High School Tax were raised on the school year basis and liability deferred by statute, resulting in school taxes payable set forth in liabilities computed as follows:

	<u>Local School District Balance Dec. 31, 2016</u>	<u>Regional High School Balance Dec. 31, 2016</u>
*Balance of Tax	\$ 5,424,960.98	\$ 7,969,648.44
Amount Deferred	<u>5,424,960.98</u>	<u>7,969,648.44</u>
Tax Payable (Cash Liability)	<u>\$ -</u>	<u>\$ -</u>

*Required for school operations for the six month period following December 31st.

17. DEFERRED COMPENSATION PLAN

The Township of Fairfield offers its employees a Deferred Compensation Plan created in accordance with the provisions of N.J.S. 43:15B-1 et seq., and the Internal Revenue Code, Section 457. The plan, available to all municipal employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

Statutory and regulatory requirements governing the establishment and operation of Deferred Compensation Plans have been codified in the New Jersey Administrative Code under the reference N.J.A.C. 5:37.

The "Small Business Job Protective Act of 1996" revised several provisions of Section 457 of the Internal Revenue Code. A provision of the act required that all existing plans be modified to provide that the funds be held for the exclusive benefit of the participating employees and their beneficiaries.

The Township of Fairfield authorized such modifications to their plan by resolution of the Township Council adopted September 28, 1998.

The Administrator for the Township of Fairfield's Deferred Compensation Plan is AXA Equitable Life Insurance Company.

18. RISK MANAGEMENT

The Township of Fairfield is a member of the Suburban Essex Joint Insurance Fund with respect to General Liability, Property, Workers' Compensation and Employer Liability.

Members may be subject to additional assessments and are also responsible for their respective share of the fund's liabilities, should the fund be dissolved.

Payment to this Fund for the year 2016 was the sum of \$526,004.20.

19. CONTINGENT LIABILITY

A. Compensated Absences

The Township of Fairfield has an accrued sick policy plan whereby eligible employees may receive one-half of accumulated sick time not to exceed twenty days. Employees are compensated for unused vacation days.

It is estimated that the sum of \$617,903.92 would be payable to seventy officials and employees as of December 31, 2016 for accumulated vacation and sick days. This amount was not verified by audit.

A provision for the above is not reflected on the financial statements of the Township.

B. Tax Appeal

As of August 31, 2017, there were 189 tax appeals pending before the New Jersey Tax Court with an assessed valuation of \$976,823,600.00. Potential liability was undeterminable.

Judgments favorable to the taxpayers generally extend to two years following the year judged and would also subject the Township to a liability for statutory interest based upon the amount of taxes refunded from the date of payment to the date of refund (R.S. 54:3-27.2).

C. Federal and State Awards

The Township participates in several federal and state grant programs which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the Township has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectibility of any related receivable at December 31, 2016 may be impaired. In the opinion of management, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying statutory basis financial statements for such contingencies.

D. Other

A general liability claim against the Township of Fairfield was settled in the year 2012 for the sum of \$1,425,000.00. Liability coverage for the Township was provided by the Municipal Excess Liability Joint Insurance Fund (MEL). An agreement was entered into with the MEL whereby the MEL would pay the entire settlement costs and the Township would reimburse the MEL 50% of these costs over a ten year period. The agreement provides that payments of \$71,250.00 would commence on January 1, 2013 and each January thereafter through January 2023.

E. Arbitrage Rebate Calculation

In 1985, under the Tax Reform Act, the Arbitrage Rebate Law went into effect requiring issuers of tax exempt debt obligations to rebate to the Federal Government all of the earnings in excess of the yield on investments of proceeds of such debt issuances (the "rebate arbitrage"). The Rebate Regulations apply to obligations issued after August 31, 1986. The arbitrage rebate liability must be calculated every installment computation date (last day of the fifth bond year) or earlier if the bonds are retired, defeased or refunded and pay at least 90% of the rebatable arbitrage (plus any earnings thereon) within 60 days after such date.

F. Payments in Lieu of Taxes (PILOT)

Under N.J.S.A. 40A:20-12, each municipality is required to annually remit to the County five percent (5%) of the annual service charge for each long-term PILOT financial agreement entered into by the municipality.

19. CONTINGENT LIABILITY (Continued)

G. Litigation

There is no significant litigation or any contingent liabilities, unasserted claims or assessments or statutory violations which would affect the financial position or results of operations of the Township.

20. SECONDARY MARKET DISCLOSURE

Solely for purposes of complying with Rule 1602-12 of the Securities and Exchange Commission, as amended and interpreted from time to time (the "Rule"), and provided that the Bonds are not exempt from the Rule and provided that the Bonds are not exempt from the requirements in accordance with Paragraph (d) of the Rule, for so long as the Bonds remain outstanding (unless the Bonds have been wholly defeased), the municipality shall provide for the benefit of the holders of the Bonds and the beneficial owners thereof various financial documents relating to the financial conditions of the Municipal Securities Rulemaking Board through the Electronic Municipal Access Data Port (the "MSRB").

21. SUBSEQUENT EVENT

The Township of Fairfield has evaluated subsequent events that occurred after the balance sheet date, but before September 28, 2017. No items were determined to require disclosure.

TOWNSHIP OF FAIRFIELD
CURRENT FUND

CASH RECEIPTS, DISBURSEMENTS AND RECONCILIATION
TREASURER

A-4

	<u>Ref.</u>	<u>Current Fund</u>	<u>Grant Fund</u>
Balance December 31, 2015	A	\$ 7,940,641.98	\$
Increased by Receipts:			
Collector	A-5	\$ 60,689,684.71	\$
Interfunds Receivable	A-14	323,712.78	
Federal and State Grants Receivable	A-17		477,012.05
Interfunds Payable	A-21	637,777.53	
Township's Matching Funds for Grants	A-28		14,000.00
Unappropriated Reserves	A-29		5,652.00
		61,651,175.02	
		69,591,817.00	496,664.05
			496,664.05
Decreased by Disbursements:			
Prior Year Revenue Refunded	A-1	20,087.44	
Budget Appropriations	A-3	16,363,453.58	
Notes Receivable	A-13	228,000.00	
Interfunds Receivable	A-14,15	134,085.72	281,119.53
Appropriation Reserves	A-18	537,112.73	
Accounts Payable	A-19	1,147.50	
Tax Overpayments	A-20	650,634.11	
Interfunds Payable	A-21	262,050.00	
Special Emergency Note Payable	A-22	70,580.00	
County Taxes	A-23	15,489,277.17	
Local School District Tax	A-24	10,742,680.52	
Regional High School Taxes	A-25	15,230,824.52	
Federal and State Grant Programs:			
Appropriated	A-28		215,544.52
		59,729,933.29	496,664.05
Balance December 31, 2016	A	\$ 9,861,883.71	\$ -
<u>Bank Reconciliation December 31, 2016</u>			
Balance per Statements:			
PNC Bank:			
Account #81-0142-8686		\$ 3,489,060.92	
TD Bank:			
Account #3452885534		4,019,946.60	
BCB Bank:			
Account #2822900003		3,029,596.77	
Clifton Savings Bank:			
Account #803009101		995,704.48	
Clifton Savings Bank:			
Account #87000444		5,000.00	
		11,539,308.77	
Plus: In-Transit Items		320,972.68	
		11,860,281.45	
Less: Outstanding Checks		\$ 1,984,513.90	
In-Transit Items		13,883.84	
		1,998,397.74	
		\$ 9,861,883.71	

TOWNSHIP OF FAIRFIELD
CURRENT FUND

CASH RECEIPTS, DISBURSEMENTS AND RECONCILIATION
TAX COLLECTOR

A-5

	<u>Ref.</u>			
Balance December 31, 2015	A		\$	1,325.29
Increased by Receipts:				
Interest and Costs on Taxes	A-2a	\$ 165,130.33		
Miscellaneous Revenue Not Anticipated	A-2e	47,772.40		
Due from State of New Jersey (Ch. 129, P.L. 1976)	A-8	70,750.00		
Taxes Receivable	A-9	56,354,276.11		
Revenue Accounts Receivable	A-12	3,629,886.46		
Tax Overpayments	A-20	229,978.82		
Prepaid Taxes	A-27	<u>191,903.86</u>		
				<u>60,689,697.98</u>
				<u>60,691,023.27</u>
Decreased by Disbursements:				
Payments to Treasurer	A-4			<u>60,689,684.71</u>
Balance December 31, 2016	A		\$	<u><u>1,338.56</u></u>
<u>Bank Reconciliation December 31, 2016</u>				
Balance per Statement:				
PNC Bank:				
Account #345-3103645			\$	6,562.00
Plus: Due from Bank				<u>2.90</u>
				<u>6,564.90</u>
Less: In-Transit Items				<u>5,226.34</u>
			\$	<u><u>1,338.56</u></u>

TOWNSHIP OF FAIRFIELD
CURRENT FUND

CASH - MONEY MARKET ACCOUNT

A-6

	<u>Ref.</u>	
Balance December 31, 2015	A	\$131,145.49
Increased by:		
Accrued Interest	A-12	<u>763.41</u>
Balance December 31, 2016	A	<u>\$131,908.90</u>
 <u>Bank Reconciliation December 31, 2016</u>		
Balance per Statement:		
Columbia Bank,		
Fairfield, New Jersey:		
Account #024804518		
		<u>\$131,908.90</u>

CHANGE FUNDS

A-7

	<u>Ref.</u>	
Balance December 31, 2015	A	<u>\$ 170.00</u>
Balance December 31, 2016	A	<u>\$ 170.00</u>
 <u>Analysis of Balance</u>		
Tax Collector		\$ 100.00
Municipal Court		50.00
Police Department		<u>20.00</u>
		<u>\$ 170.00</u>

TOWNSHIP OF FAIRFIELD
CURRENT FUND

DUE FROM STATE OF NEW JERSEY
PER CHAPTER 129, P.L. 1976

A-8

	<u>Ref.</u>		
Balance December 31, 2015	A		\$ 8,885.85
Increased by:			
Deductions per Tax Billings:			
Senior Citizens		\$ 6,250.00	
Veterans		<u>64,750.00</u>	
		71,000.00	
Less: Deductions Disallowed			
by Tax Collector:			
Senior Citizen		<u>250.00</u>	
		70,750.00	
Plus: Deductions Allowed			
by Tax Collector:			
Senior Citizens		\$ 500.00	
Veterans		<u>500.00</u>	
		1,000.00	
	A-2b	<u>71,750.00</u>	
2015 Deductions Allowed by Tax			
Collector:			
Senior Citizens	A-2b A-9	<u>500.00</u>	
			<u>72,250.00</u>
			81,135.85
Decreased by:			
2015 Deductions Disallowed by			
Tax Collector			
Collections	A-1 A-5	1,500.00 <u>70,750.00</u>	
			<u>72,250.00</u>
Balance December 31, 2016	A		<u>\$ 8,885.85</u>

TOWNSHIP OF FAIRFIELD
CURRENT FUND

TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

A-9

Year	Balance Dec. 31, 2015	2016 Levy	Added Taxes	Collections 2016	Due from State of New Jersey	Tax Overpayments Applied	Transfers to Tax Title Liens	Cancelled	Balance Dec. 31, 2016
2013	\$ 16,273.40	\$	\$	2.83	\$	\$	\$	\$	\$ 16,270.57
2014	8,575.60			203.92		174.08	1,992.75		8,371.68
2015	498,379.90		1,500.00	487,934.63	500.00	174.08	1,992.75		9,278.44
	<u>523,228.90</u>	57,180,875.76	<u>1,500.00</u>	488,141.38	500.00	174.08	1,992.75		33,920.69
2016	\$ 523,228.90		\$ 1,500.00	55,866,134.73	71,750.00	55,278.67	168,487.65	199,442.01	542,916.44
	<u>\$ 523,228.90</u>	<u>\$ 57,180,875.76</u>	<u>\$ 1,500.00</u>	<u>\$ 56,354,276.11</u>	<u>\$ 72,250.00</u>	<u>\$ 55,452.75</u>	<u>\$ 170,480.40</u>	<u>\$ 199,442.01</u>	<u>\$ 576,837.13</u>
	Reference A	Below	Reserve	A-27	A-8	A-2b,20	A-10	Reserve	A

ANALYSIS OF 2016 PROPERTY TAX LEVY

Tax Yield	Ref.	Ref.
General Purpose Tax:		
General Purpose Tax		
Business Personal Property Tax		
Added Taxes (N.J.S. 54:4-63.1 et seq.)		
	\$56,890,963.00	\$15,450,528.78
	<u>146,926.88</u>	<u>38,748.39</u>
	57,037,889.88	15,489,277.17
	142,985.88	10,849,931.00
		15,939,297.00
		259,559.13
		<u>14,642,811.46</u>
		<u>\$ 57,180,875.76</u>

TOWNSHIP OF FAIRFIELD
CURRENT FUND

TAX TITLE LIENS

A-10

	<u>Ref.</u>		
Balance December 31, 2015	A		\$1,443,978.80
Increased by:			
Transfers from Taxes Receivable	A-9	\$170,480.40	
Interest and Cost Accrued by Tax			
Sale of December 6, 2016	Reserve	<u>591.22</u>	
			<u>171,071.62</u>
Balance December 31, 2016	A		<u>\$1,615,050.42</u>

PROPERTY ACQUIRED FOR TAXES
AT ASSESSED VALUATION

A-11

	<u>Ref.</u>		
Balance December 31, 2015	A		<u>\$4,810,800.00</u>
Balance December 31, 2016	A		<u>\$4,810,800.00</u>

TOWNSHIP OF FAIRFIELD
CURRENT FUND

REVENUE ACCOUNTS RECEIVABLE

A-12
Sheet #1

<u>Source</u>	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2015</u>	<u>Accruals</u>	<u>Collections</u>	<u>Balance</u> <u>Dec. 31, 2016</u>
<u>Budget Revenue</u>					
Clerk:					
ABC Licenses	A-2a	\$	\$ 45,901.00	\$ 45,901.00	\$
Other Licenses	A-2c		10,660.00	10,660.00	
Hotel Inspection Fees	A-2a		42,570.00	42,570.00	
Construction Code Official:					
Building Permits	A-2a		261,240.00	261,240.00	
Other Fees and Permits	A-2c		186,710.20	186,710.20	
Collector:					
Fees and Permits	A-2c		30.00	30.00	
Police:					
Fees and Permits	A-2c		5,638.90	5,638.90	
Fire Department:					
Fees and Permits	A-2c		736.00	736.00	
Registrar of Vital Statistics:					
Marriage Licenses	A-2c		102.00	102.00	
Fees and Permits	A-2c		3,160.00	3,160.00	
Magistrate:					
Fines and Costs	A-2a	15,379.65	235,013.63	233,169.01	17,224.27
Fire Inspector:					
Fire Prevention Fees	A-2a		184,567.75	184,567.75	
Hazardous Chemical Control Fees	A-2a		63,349.74	63,349.74	
Engineer:					
Recycling Fees	A-2a		3,191.80	3,191.80	
Fees and Permits	A-2c		18,063.00	18,063.00	
Escrow Fees	A-2a		8,034.20	8,034.20	
Site Plan	A-2a		15,457.00	15,457.00	
State of New Jersey:					
Consolidated Municipal Property Tax					
Relief Aid	A-2a		13,018.00	13,018.00	
Energy Receipts Tax	A-2a		1,161,877.00	1,161,877.00	
Uniform Fire Safety Fees	A-2a		157,418.13	157,418.13	
Hotel and Motel Occupancy Fees	A-2a		672,418.66	672,418.66	
Garden State Trust Pilot	A-2a		10,447.00	10,447.00	
Other:					
Comcast Franchise Fees	A-2a		67,922.71	67,922.71	
Verizon FIOS Franchise Fee	A-2a		66,376.93	66,376.93	
Interest on Investments	A-2a		46,415.31	46,415.31	
ECIA Annual Payment	A-2a		110,000.00	110,000.00	
Cellular Tower Rental	A-2a		236,313.37	236,313.37	
		<u>15,379.65</u>	<u>3,626,632.33</u>	<u>3,624,787.71</u>	<u>17,224.27</u>

TOWNSHIP OF FAIRFIELD
CURRENT FUND

REVENUE ACCOUNTS RECEIVABLE

A-12
Sheet #2

<u>Source</u>	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2015</u>	<u>Accruals</u>	<u>Collections</u>	<u>Balance</u> <u>Dec. 31, 2016</u>
<u>Nonbudget Revenue</u>					
Other Licenses:					
Limousine		\$	\$ 2,365.00	\$ 2,365.00	\$
Omnibus			1,350.00	1,350.00	
Other Fees and Permits:					
Towing			10,780.00	10,780.00	
Assessor			760.00	760.00	
	A-2e	<u> </u>	<u>15,255.00</u>	<u>15,255.00</u>	<u> </u>
		<u>\$ 15,379.65</u>	<u>\$ 3,641,887.33</u>	<u>\$ 3,640,042.71</u>	<u>\$ 17,224.27</u>
	<u>Reference</u>	<u>A</u>	<u>Reserve</u>	<u>Below</u>	<u>A</u>
			<u>Ref.</u>		
			A-5	\$ 3,629,886.46	
Interest on Investments and Deposits:					
			A-6	763.41	
			A-14	<u>9,392.84</u>	
			Above	<u>\$ 3,640,042.71</u>	

TOWNSHIP OF FAIRFIELD
CURRENT FUND

NOTES RECEIVABLE

A-13

	<u>Ref.</u>	
Increased by:		
Note Issued	A-4	<u>\$228,000.00</u>
Balance December 31, 2016	A	<u><u>\$228,000.00</u></u>

TOWNSHIP OF FAIRFIELD
CURRENT FUND

INTERFUNDS RECEIVABLE
CURRENT FUND

A-14

Ref.	Total	Assessment Trust Fund	Animal Control Trust Fund	General Trust Fund	Developers' Escrow Trust Fund	General Capital Fund	Water Operating Fund	Sewer Operating Fund	Swimming Pool Operating Fund
Balance December 31, 2015	\$ 223,374.32	\$	\$ 17,929.62	\$	\$ 1,803.99	\$	\$ 113,955.46	\$ 76,256.77	\$ 13,428.48
Increased by:									
Miscellaneous Revenue Anticipated:									
Sewer Utility Surplus	300,000.00							300,000.00	
Miscellaneous Revenue Not Anticipated:									
Interest and Costs on Assessments	2,068.41	2,068.41							
Administrative Fees:									
Outside Employment of Off-Duty Police Officers	25,750.00			25,750.00					
Other Revenue	250.00			250.00					
Statutory Excess - Animal Control Fund	3,698.27		3,698.27						
Expenses Paid by Current Fund	134,085.72			95,000.00			24,401.96	11,843.26	2,840.50
Interest on Investments and Deposits	9,392.84			1,306.84					
	<u>475,245.24</u>	<u>2,156.43</u>	<u>3,698.27</u>	<u>122,306.84</u>	<u>493.60</u>	<u>7,504.38</u>	<u>24,401.96</u>	<u>311,843.26</u>	<u>2,840.50</u>
	698,619.56	2,156.43	21,627.89	122,306.84	2,297.59	7,504.38	138,357.42	388,100.03	16,268.98
Decreased by:									
Settlements	323,712.78								
Transfers from Interfunds Payable	131,967.65	2,156.43		122,306.84		7,504.38	9,176.96	314,535.82	
	<u>455,680.43</u>	<u>2,156.43</u>	<u>21,627.89</u>	<u>122,306.84</u>	<u>2,297.59</u>	<u>7,504.38</u>	<u>9,176.96</u>	<u>314,535.82</u>	<u></u>
Balance December 31, 2016	\$ 242,939.13	\$ -	\$ 21,627.89	\$ -	\$ 2,297.59	\$ -	\$ 129,180.46	\$ 73,564.21	\$ 16,268.98

TOWNSHIP OF FAIRFIELD
CURRENT FUND

INTERFUNDS RECEIVABLE
FEDERAL AND STATE GRANT FUND

A-15

	<u>Ref.</u>	<u>Total</u>	<u>Current Fund</u>	<u>General Trust Fund</u>	<u>General Capital Fund</u>
Balance December 31, 2015	A	\$265,383.87	\$225,612.82	\$ 7,533.00	\$32,238.05
Increased by: Advances	A-4	<u>281,119.53</u>	<u>281,119.53</u>	_____	_____
Balance December 31, 2016	A	<u>\$546,503.40</u>	<u>\$506,732.35</u>	<u>\$ 7,533.00</u>	<u>\$32,238.05</u>

TOWNSHIP OF FAIRFIELD
CURRENT FUND

A-16

DEFERRED CHARGES
N.J.S. 40A:4-53 SPECIAL EMERGENCY AUTHORIZATION

<u>Date Authorized</u>	<u>Purpose</u>	<u>Net Amount Authorized</u>	1/5 of	<u>Net Amount Authorized</u>	<u>Balance Dec. 31, 2015</u>	<u>Budget Appropriation</u>	<u>Balance Dec. 31, 2016</u>
03-26-12	Reassessment of Real Property	\$ 102,900.00		\$ 20,580.00	\$ 41,160.00	\$ 20,580.00	\$ 20,580.00
12-26-12	Hurricane Sandy	250,000.00		50,000.00	100,000.00	50,000.00	50,000.00
				<u>Reference</u>	<u>A</u>	<u>A-3</u>	<u>A</u>
					<u>\$ 141,160.00</u>	<u>\$ 70,580.00</u>	<u>\$ 70,580.00</u>

TOWNSHIP OF FAIRFIELD
CURRENT FUND

FEDERAL AND STATE GRANTS RECEIVABLE

A-17
Sheet #1

<u>Program</u>	<u>Balance</u> <u>Dec. 31, 2015</u>	<u>Grants</u>	<u>Decrease</u>	<u>Balance</u> <u>Dec. 31, 2016</u>
<u>State Grants</u>				
<u>Municipal Alliance and Drug Abuse</u>				
Program:				
2016	\$	\$ 56,080.00	\$ 43,393.37	\$ 12,686.63
2015	8,078.23		8,078.23	
2014	11,839.59			11,839.59
2013	22,199.08			22,199.08
2012	28,652.76			28,652.76
2011	11,789.56			11,789.56
2010	47,437.99			47,437.99
2009	21,765.91			21,765.91
2008	32.10			32.10
2007	24.79			24.79
2006	3,731.26			3,731.26
Child Passenger Safety	475.68			475.68
Hazard Mitigation	55,725.00			55,725.00
Comprehensive Traffic Safety Grant	75.00			75.00
Alcohol Education, Rehabilitation and Enforcement Fund	3,072.17	3,746.75	3,746.75	3,072.17
Recycling Tonnage		27,129.54	27,129.54	
New Jersey Department of Environmental Protection	184,800.00			184,800.00
Highway Safety Fund "Safe Corridors":				
2015	10,953.81		10,953.81	
2014	29,514.06			29,514.06
2012	23,903.63			23,903.63
Clean Communities Program		21,437.29	21,437.29	
Body Armor Fund		3,387.15	3,387.15	
New Jersey Department of Transportation: Kaplan Drive (Section 2)		127,500.00		127,500.00
<u>Federal Grants</u>				
<u>Passed-Through New Jersey Department of Transportation Trust Fund:</u>				
Lehigh Drive	265,239.75		172,160.91	93,078.84
Big Piece Road - Section VII	23,408.44			23,408.44
Big Piece Road - Section X	35,699.20			35,699.20
Beverly Road - Section II	72,119.84			72,119.84
Industrial Road:				
2011	25,541.98			25,541.98
2012	250,000.00			250,000.00
Bulletproof Vest Program:				
2007	2,075.75			2,075.75
Over the Limit Under Arrest		3,800.00	3,800.00	
Drive Sober or Get Pulled Over:				
2016		11,725.00	11,725.00	
2013	3,725.00			3,725.00
2012	675.00			675.00

TOWNSHIP OF FAIRFIELD
CURRENT FUND

FEDERAL AND STATE GRANTS RECEIVABLE

A-17
Sheet #2

<u>Program</u>	<u>Balance</u> <u>Dec. 31, 2015</u>	<u>Grants</u>	<u>Decrease</u>	<u>Balance</u> <u>Dec. 31, 2016</u>
<u>Federal Grants</u>				
COPS Hiring Recovery Program:				
2012	\$ 0.01	\$	\$	\$ 0.01
2011	4,476.58			4,476.58
FEMA:				
National Preparedness	13,462.00			13,462.00
Hazard Mitigation Grant I	157,500.00			157,500.00
Hazard Mitigation Grant II	75,000.00			75,000.00
<u>County Programs</u>				
Essex County Recreation and Open Space Trust Fund	150,000.00	150,000.00	150,000.00	150,000.00
<u>Other Grants</u>				
Skyline Auto Exchange	164,251.48			164,251.48
Comcast Technology Grant for the Recreation Center		25,000.00	25,000.00	
	<u>\$1,707,245.65</u>	<u>\$429,805.73</u>	<u>\$480,812.05</u>	<u>\$1,656,239.33</u>
<u>Reference</u>	<u>A</u>	<u>A-2a</u>	<u>Below</u>	<u>A</u>
		<u>Ref.</u>		
Collections		A-4	\$477,012.05	
Unappropriated Reserves Applied		A-29	<u>3,800.00</u>	
		Above	<u>\$480,812.05</u>	

TOWNSHIP OF FAIRFIELD
CURRENT FUND

APPROPRIATION RESERVES

A-18
Sheet #1

	<u>Balance</u> <u>Dec. 31, 2015</u>		<u>Balance</u> <u>After</u> <u>Transfers</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
	<u>Encumbered</u>	<u>Unencumbered</u>			
<u>APPROPRIATION</u>	\$ 4,325.11	\$	\$ 4,980.84	\$	\$ 4,980.84
<u>APPROPRIATIONS WITHIN "CAPS"</u>					
<u>Salaries and Wages</u>		655.73	4,980.84		4,980.84
Administrative and Executive		850.36	850.36		850.36
Mayor and Council		12,547.05	12,047.05	5,768.67	6,278.38
Township Clerk		3,374.57	3,374.57		3,374.57
Financial Administration		2,431.29	2,431.29		2,431.29
Assessment of Taxes		765.82	765.82		765.82
Collection of Taxes		3,833.37	3,833.37	2,083.33	1,750.04
Municipal Prosecutor		4,483.60	4,483.60		4,483.60
Engineering Services and Costs		2,052.14	2,052.14		2,052.14
Public Buildings and Grounds					
Municipal Land Use Law (N.J.S. 40:55D-1):					
Planning Board		1,513.75	1,513.75		1,513.75
Board of Adjustment		1,513.75	1,513.75		1,513.75
Environmental Commission		400.00	400.00		400.00
Municipal Court		1,967.70	1,967.70		1,967.70
Stream Cleaning		11,465.00	11,465.00		11,465.00
Police		327,784.45	312,784.45	168,522.80	144,261.65
Fire Prevention Bureau		4,405.42	4,405.42		4,405.42
Emergency Management Services		49.94	49.94		49.94
Road Repair and Maintenance		72,360.79	72,360.79		72,360.79
Repair and Maintenance of Vehicles		5,631.49	5,631.49		5,631.49
Parks and Playgrounds		52,602.21	52,602.21		52,602.21
Park Maintenance		7,691.81	7,691.81		7,691.81
Construction Code Officials		744.62	744.62		744.62
Salary Adjustment Account		75,000.00	75,000.00		75,000.00
	<u>4,325.11</u>	<u>594,124.86</u>	<u>582,949.97</u>	<u>176,374.80</u>	<u>406,575.17</u>
<u>Other Expenses</u>					
Administrative and Executive		15,248.79	15,248.79	4,820.28	10,428.51
Township Clerk	364.55	1,659.30	2,023.85	2,023.85	
Central Purchasing	388.29	208.13	1,596.42	1,596.42	

TOWNSHIP OF FAIRFIELD
CURRENT FUND

APPROPRIATION RESERVES

A-18
Sheet #2

	Balance Dec. 31, 2015	Balance After Transfers	Paid or Charged	Balance Lapsed
	<u>Encumbered</u>	<u>Unencumbered</u>		
<u>APPROPRIATION</u>				
<u>APPROPRIATIONS WITHIN "CAPS"</u>				
<u>Other Expenses</u>				
Financial Administration:				
Miscellaneous Other Expenses	\$ 9,177.70	\$ 5,081.91	\$ 3,234.13	\$ 9,525.48
Payroll Costs	651.18	5,841.79	1,492.97	6,500.00
Assessment of Taxes	1,980.00	7,075.15	8,005.00	1,050.15
Collection of Taxes	172.00	6,987.09	4,552.00	2,607.09
Legal Services and Costs:				
Contractual	11,917.61	45,144.31	23,957.20	33,104.72
Engineering Services and Costs	74.05	4,204.62	898.10	3,380.57
Public Buildings and Grounds	22,894.45	3,759.82	23,556.34	3,097.93
Planning Board	400.00	9,281.55	2,069.50	7,612.05
Board of Adjustment	1,089.00	11,124.11	2,179.00	10,034.11
Environmental Commission		635.00	325.00	310.00
Municipal Court	1,198.00	3,586.41	1,737.72	3,046.69
Insurance:				
General Liability		57,823.24		57,823.24
Employee Group Health		86,967.73	2,517.60	84,450.13
Stream Cleaning	92.23	189.86	92.23	189.86
Fire	3,253.41	1,669.67	4,260.58	662.50
Police	7,759.92	1,866.26	20,760.64	3,865.54
First Aid Organization Contribution (N.J.S.A. 40:5-2)		11,675.29		11,675.29
Fire Prevention Bureau		159.85		159.85
Emergency Management Services	1,455.76	2,103.23	200.05	1,903.18
Road Repairs and Maintenance	4,061.54	2,386.80	2,527.19	1,315.37
Repair and Maintenance of Vehicles	752.92	8,223.85	12,285.39	
Board of Health		734.80	752.92	734.80
Garbage and Trash Removal - Contractual	26,108.75	158,635.54	56,466.24	128,278.05
Human Services	4,180.00	11,470.00	7,790.00	7,860.00
Parks and Playgrounds	1,446.91	248.90	1,519.83	175.98
Camp Wyanokie		139.00		139.00

TOWNSHIP OF FAIRFIELD
CURRENT FUND

APPROPRIATION RESERVES

A-18
Sheet #3

	<u>Encumbered</u>	<u>Balance Dec. 31, 2015</u>	<u>Unencumbered</u>	<u>Balance After Transfers</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
<u>APPROPRIATION</u>						
<u>APPROPRIATIONS EXCLUDED FROM "CAPS"</u>						
<u>Other Expenses</u>						
Park Maintenance	\$ 558.00	\$ 5,824.28		\$ 6,382.28	\$ 6,382.28	\$ 400.00
Historic Preservation Commission		400.00		400.00		419.67
Construction Code Officials	569.51	206.27		775.78	356.11	
Utilities:						
Electricity	250.35	53,670.08		53,920.43	44,086.93	9,833.50
Street Lighting		18,843.48		18,843.48	17,324.44	1,519.04
Telephone		56.88		56.88	19.65	37.23
Gas - Heating Fuel		6,553.29		6,553.29	2,653.68	3,899.61
Motor Fuel	10,692.17	80,917.36		91,109.53	12,343.97	78,765.56
Municipal Service Agreements with Homeowners Association	5,454.02	22,545.98		28,000.00	18,062.97	9,937.03
Contribution to:						
Social Security System		16,858.64		16,858.64		16,858.64
Defined Contribution Retirement Program		392.78		392.78		392.78
Unemployment Contribution		43,000.00		43,000.00		43,000.00
Maintenance of Free Public Library		0.02		0.02		0.02
Length of Service Awards Program:						
Fire Department		50,000.00		50,000.00	47,887.72	2,112.28
First Aid Squad		22,000.00		22,000.00	22,000.00	
Tax Appeals	472,438.12	38,735.05		511,173.17		511,173.17
	<u>589,380.44</u>	<u>824,136.11</u>		<u>1,429,016.55</u>	<u>360,737.93</u>	<u>1,068,278.62</u>
	<u>\$ 593,705.55</u>	<u>\$ 1,418,260.97</u>		<u>\$ 2,011,966.52</u>	<u>\$ 537,112.73</u>	<u>\$ 1,474,853.79</u>

A-1

A-4

A

A

Reference

TOWNSHIP OF FAIRFIELD
CURRENT FUND

ACCOUNTS PAYABLE

A-19

	<u>Ref.</u>	
Balance December 31, 2015	A	\$ 1,147.50
Decreased by:		
Payments	A-4	<u>1,147.50</u>
		<u>\$ -</u>

TAX OVERPAYMENTS

A-20

	<u>Ref.</u>	
Balance December 31, 2015	A	\$744,275.39
Increased by:		
Collections	A-5	<u>229,978.82</u>
		974,254.21
Decreased by:		
Cancelled	A-1	\$ 4,078.15
Refunds	A-4	650,634.11
Applied to Taxes Receivable	A-9	<u>55,452.75</u>
		<u>710,165.01</u>
Balance December 31, 2016	A	<u>\$264,089.20</u>

TOWNSHIP OF FAIRFIELD
CURRENT FUND

INTERFUNDS PAYABLE

A-21

<u>Ref.</u>	<u>Total</u>	<u>Federal and State Grant Fund</u>	<u>General Trust Fund</u>	<u>Assessment Trust Fund</u>	<u>General Capital Fund</u>	<u>Sewer Assessment Trust Fund</u>	<u>Payroll Fund</u>
Balance December 31, 2015	\$ 1,520,824.03	\$ 225,612.82	\$ 1,185,361.82	\$ 32,555.66	\$ 63,467.73	\$ 13,698.00	\$ 128.00
Increased by:							
Budget Appropriation	40,000.00		40,000.00				
Advances	637,299.53	281,119.53	285,600.00		70,580.00		
Revenue Deposited in Error	478.00		478.00				
Municipal Open Space Tax	259,559.13		259,559.13				
	<u>937,336.66</u>	<u>281,119.53</u>	<u>585,637.13</u>		<u>70,580.00</u>		
	<u>2,458,160.69</u>	<u>506,732.35</u>	<u>1,770,998.95</u>	<u>32,555.66</u>	<u>134,047.73</u>	<u>13,698.00</u>	<u>128.00</u>
Decreased by:							
Settlements	262,050.00		262,050.00				
Transfers from Interfunds	131,967.65		122,306.84	2,156.43	7,504.38		
Receivable	394,017.65		384,356.84	2,156.43	7,504.38		
	<u>\$ 2,064,143.04</u>	<u>\$ 506,732.35</u>	<u>\$ 1,386,642.11</u>	<u>\$ 30,399.23</u>	<u>\$ 126,543.35</u>	<u>\$ 13,698.00</u>	<u>\$ 128.00</u>

TOWNSHIP OF FAIRFIELD
CURRENT FUND

SPECIAL EMERGENCY NOTE PAYABLE

A-22

	<u>Ref.</u>	
Balance December 31, 2015	A	\$141,160.00
Decreased by: Payments	A-4	<u>70,580.00</u>
Balance December 31, 2016	A	<u>\$ 70,580.00</u>

Analysis of Balance

<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Amount</u>
12-01-17	1.00%	<u>\$ 70,500.00</u>

TOWNSHIP OF FAIRFIELD
CURRENT FUND

COUNTY TAXES

A-23

	<u>Ref.</u>	
Increased by:		
2016 Levy:		
General County		\$15,003,621.81
Open Space Preservation		<u>446,906.97</u>
	A-2b	15,450,528.78
2016 Added Assessments:		
General County	A-2b	<u>38,748.39</u>
	A-1,9	<u>15,489,277.17</u>
Decreased by:		
Payments	A-4	<u>15,489,277.17</u>
		<u>\$ -</u>

LOCAL SCHOOL DISTRICT TAX

A-24

	<u>Ref.</u>	
Balance December 31, 2015:		
School Tax Deferred		\$ 5,317,710.50
Increased by:		
2016 - 2017 Fiscal Year Levy	A-1,2b,9	<u>10,849,931.00</u>
		16,167,641.50
Decreased by:		
Payments	A-4	<u>10,742,680.52</u>
Balance December 31, 2016:		
School Tax Deferred		<u>\$ 5,424,960.98</u>
<u>Analysis of Increase in Deferred School Tax</u>		
Deferred School Tax December 31, 2016		\$ 5,424,960.98
Deferred School Tax December 31, 2015		<u>5,317,710.50</u>
	A-1	<u>\$ 107,250.48</u>

TOWNSHIP OF FAIRFIELD
CURRENT FUND

REGIONAL HIGH SCHOOL TAXES

A-25

	<u>Ref.</u>		
Balance December 31, 2015:			
School Tax Payable	A	\$ 2.46	
School Tax Deferred		<u>7,261,173.50</u>	\$ 7,261,175.96
Increased by:			
2016 - 2017 Fiscal Year Levy	A-1,2b,9		<u>15,939,297.00</u>
			<u>23,200,472.96</u>
Decreased by:			
Payments	A-4		<u>15,230,824.52</u>
Balance December 31, 2016:			
School Tax Deferred			<u><u>\$ 7,969,648.44</u></u>
 <u>Analysis of Increase in Deferred School Tax</u>			
Deferred School Tax December 31, 2016			\$ 7,969,648.44
Deferred School Tax December 31, 2015			<u>7,261,173.50</u>
	A-1		<u><u>\$ 708,474.94</u></u>

TOWNSHIP OF FAIRFIELD
CURRENT FUND

MUNICIPAL OPEN SPACE TAX

A-26

	<u>Ref.</u>		
Increased by:			
2016 Calendar Year Levy		\$258,910.00	
2016 Added Assessments		<u>649.13</u>	
	A-1,2b,9		\$259,559.13
Decreased by:			
Payments	A-21		<u>259,559.13</u>
			<u>\$ -</u>

PREPAID TAXES

A-27

	<u>Ref.</u>		
Balance December 31, 2015	A		\$276,866.26
Increased by:			
Collections	A-5		<u>191,903.86</u>
			468,770.12
Decreased by:			
Applied to 2016 Taxes	A-2b,9		<u>276,866.26</u>
Balance December 31, 2016	A		<u>\$191,903.86</u>

TOWNSHIP OF FAIRFIELD
CURRENT FUND

FEDERAL AND STATE GRANT PROGRAMS APPROPRIATED

A-28
Sheet #1

	Balance Dec. 31, 2015		2016 Budget Appropriation	Expended	Balance Dec. 31, 2016	
	Encumbered	Unencumbered			Encumbered	Unencumbered
State Programs						
Clean Communities Program:						
2014	\$	10,031.42	\$	9,835.75	\$	195.67
2015		18,746.05		14,323.13		4,422.92
2016			21,437.29			21,437.29
Drunk Driving Enforcement Fund:						
2013		2,046.42		896.09		1,150.33
2014		7,536.08				7,536.08
Highway Safety Fund "Safe Corridors":						
2015		10,953.81				10,953.81
Municipal Alliance Program:						
2010		2,653.06				2,653.06
2011		26,417.92				26,417.92
2014		13,858.91		168.00		13,690.91
2015		11,893.82		10,469.77		1,424.05
2016			70,080.00	42,535.53	2,075.60	25,468.87
Body Armor Replacement Fund:						
2014	875.00	499.95		1,374.95		1,661.87
2015		2,761.92		1,100.05		3,387.15
2016			3,387.15			
Recycling Tonnage:						
2007		14.48		14.48		
2011		33,606.09		6,897.05	900.00	25,809.04
2012		15,596.71				15,596.71
2013		26,330.98				26,330.98
2015		27,955.77				27,955.77
2016			27,129.54			27,129.54
Over the Limit, Under Arrest:						
2011		1,968.45				1,968.45
2016			3,800.00	3,800.00		
Hazard Mitigation:						
2007		115,975.00		6,600.00		109,375.00
Child Passenger Safety:						
2007		475.68				475.68
Municipal Storm Water Regulation Program:						
2006		1,939.68				1,939.68
2007		1,346.62				1,346.62
New Jersey Department of Transportation: Kaplan Drive - Section II			127,500.00			127,500.00

TOWNSHIP OF FAIRFIELD
CURRENT FUND

FEDERAL AND STATE GRANT PROGRAMS APPROPRIATED

A-28
Sheet #2

	Balance Dec. 31, 2015		2016 Budget Appropriation	Expended	Balance Dec. 31, 2016	
	Encumbered	Unencumbered			Encumbered	Unencumbered
<u>State Programs</u>						
Alcohol Education, Rehabilitation and Enforcement Fund:						
2012	\$ -	\$ 31,326.66	\$ -	\$ 5,450.00	\$ -	\$ 25,876.66
2014		2,472.19				2,472.19
2016			3,746.75			3,746.75
New Jersey Department of Environmental Protection		153,467.00				153,467.00
Comprehensive Traffic Safety		19,000.00				19,000.00
<u>Federal Programs</u>						
Passed Through New Jersey Department of Transportation Trust Fund:						
Big Piece Road:						
Section VII		8,617.22				8,617.22
Section X		58,232.25				58,232.25
Beverly Road:						
Section II		75,419.84				75,419.84
Industrial Road:						
2011		18,029.92				18,029.92
2012		250,000.00				250,000.00
Law Drive		59,168.60				59,168.60
Lehigh Drive - Section I		9,796.21				9,796.21
Lehigh Drive - Section II		226,000.00		12,500.00		213,500.00
Drive Sober or Get Pulled Over:						
2012		15,912.50				15,912.50
2013		12,125.00				12,125.00
2014		12,825.00				12,825.00
2015		12,500.00		12,500.00		
2016			11,725.00	11,145.00		580.00
FEMA:						
National Preparedness Fire Administration:						
2008		17,559.56				17,559.56
Hazard Mitigation - Grant I		273,826.61	309.72			273,516.89
Hazard Mitigation - Grant II		103,000.00	75,625.00			27,375.00
Flood Mitigation Acquisition		3,976.16				3,976.16

TOWNSHIP OF FAIRFIELD
CURRENT FUND

UNAPPROPRIATED RESERVES

A-29

	<u>Balance</u> <u>Dec. 31, 2015</u>	<u>Collections</u>	<u>Applied</u> <u>to</u> <u>Revenue</u>	<u>Balance</u> <u>Dec. 31, 2016</u>
<u>Federal and State Grant Fund</u>				
<i>State Grant Program:</i>				
Over the Limit, Under Arrest	\$ 3,800.00	\$	\$3,800.00	\$
<i>Private Donation:</i>				
National Night Out	<u> </u>	<u>5,652.00</u>	<u> </u>	<u>5,652.00</u>
	<u>\$ 3,800.00</u>	<u>\$ 5,652.00</u>	<u>\$ 3,800.00</u>	<u>\$ 5,652.00</u>
<u>Reference</u>	<u>A</u>	<u>A-4</u>	<u>A-17</u>	<u>A</u>

TOWNSHIP OF FAIRFIELD
TRUST FUND

CASH RECEIPTS AND DISBURSEMENTS
TREASURER

B-2

Ref.	Assessment Trust Fund	Animal Control Trust Fund	General Trust Fund	Developers' Escrow Trust Fund	General Trust Fund	Developers' Escrow Trust Fund	General Trust Fund	Developers' Escrow Trust Fund	General Trust Fund
Balance December 31, 2015	\$ 31,979.01	\$ 25,085.02	\$ 1,812,021.46	\$ 663,940.21					
Increased by Receipts:									
Collector	\$ 4,686.50	\$ 3,858.20			\$ 183,202.92				
Interfunds Receivable					307,050.00				
Community Development Block Grant					33,650.90				
Other Accounts Receivable					134,003.50				
Interfunds Payable	2,156.43				4,592.73	493.60			
Other Deposits					32,057.46				
Redemption of Tax Title Liens					526,296.30				
Reserve for Municipal Open Space Trust Fund					30.34				
Reserve for Recreation Program Expenditures					341,886.02				
Municipal Alliance					22,968.94				
Developers' Escrow Trust Fund	6,852.93		3,858.20	341,195.20	1,585,741.11				341,688.80
	38,831.94		28,943.22		3,397,762.57				1,005,629.01
Decreased by Disbursements:									
Due to State of New Jersey									
Other Deposits		342.00			35,309.00				
Redemption of Tax Title Liens					80,131.88				
Premium on Tax Sale					526,329.84				
Reserve for Municipal Open Space Trust Fund					295,000.00				
Reserve for Recreation Program Expenditures					118,557.99				
Reserve for Community Development Block Grant Expenditures					329,068.50				
Reserve for State Unemployment Insurance Trust Fund Expenditures					33,650.90				
Reserve for Outside Employment of Off-Duty Police Officers					22,146.58				
Municipal Alliance					101,338.90				
Developers' Escrow Trust Fund			342.00	416,054.97	1,563,368.84				416,054.97
Balance December 31, 2016	\$ 38,831.94	\$ 28,601.22	\$ 1,834,393.73	\$ 589,574.04	\$ 1,834,393.73	\$ 589,574.04			\$ 589,574.04

TOWNSHIP OF FAIRFIELD
TRUST FUND

BANK RECONCILIATIONS
DECEMBER 31, 2016

B-3

	<u>Assessment Trust Fund</u>	<u>Animal Control Trust Fund</u>	<u>General Trust Fund</u>	<u>Developers' Escrow Trust Fund</u>
Balance per Statements:				
PNC Bank,				
Fairfield, New Jersey:				
Account #80-4236-6859	\$	\$	\$ 45,556.92	\$
Account #80-4236-5979			29,730.30	
Account #80-4236-5952			51,544.78	
Columbia Bank,				
Fairfield, New Jersey:				
Account #024804851			30,338.22	
Account #024803740			115,110.88	
TD Banknorth, N.A.,				
Fairfield, New Jersey:				
Account #345-2885445	39,540.44			
Account #345-2885453		28,730.22		
Account #3452885550			46,122.45	
Account #4243537573			159.85	
Account #3452885437			41,354.40	
Account #3451154870			527,542.19	
Account #3450991442			303,812.79	
Account #4274672463			4,006.20	
Account #0050098				606,464.58
Lincoln Financial Group,				
Fort Wayne, Indiana:				
Account #CR32658			679,579.77	
	<u>39,540.44</u>	<u>28,730.22</u>	<u>1,874,858.75</u>	<u>606,464.58</u>
Plus: In-Transit Items		81.00	14,549.50	
	<u>39,540.44</u>	<u>28,811.22</u>	<u>1,889,408.25</u>	<u>606,464.58</u>
Less: Outstanding Checks			53,312.52	16,890.54
In-Transit Items	708.50	210.00	1,702.00	
	<u>708.50</u>	<u>210.00</u>	<u>55,014.52</u>	<u>16,890.54</u>
	<u>\$38,831.94</u>	<u>\$28,601.22</u>	<u>\$1,834,393.73</u>	<u>\$589,574.04</u>
<u>Reference</u>	<u>B-2</u>	<u>B-2</u>	<u>B-2</u>	<u>B-2</u>

TOWNSHIP OF FAIRFIELD
TRUST FUND

CASH RECEIPTS AND DISBURSEMENTS
TAX COLLECTOR

B-4

	<u>Ref.</u>	<u>Assessment Trust Fund</u>	<u>Animal Control Trust Fund</u>	<u>General Trust Fund</u>
Increased by Receipts:				
Assessments Receivable	B-7	\$ 4,696.50	\$	\$
Due from Municipal Court	B-9			9,682.00
Due to State of New Jersey	B-14		340.80	28,848.00
Other Deposits	B-17			144,672.92
Reserve for Animal Control Trust				
Fund Expenditures	B-21	<u>4,696.50</u>	<u>3,517.40</u>	<u>183,202.92</u>
		4,696.50	3,858.20	183,202.92
Decreased by Disbursements:				
Turnover to Treasurer	B-2	<u>4,696.50</u>	<u>3,858.20</u>	<u>183,202.92</u>
		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

TOWNSHIP OF FAIRFIELD
TRUST FUND

CASH
NEW JERSEY CASH MANAGEMENT FUND

B-5

	<u>Ref.</u>	<u>General Trust Fund</u>
Balance December 31, 2015	B	\$ 250,093.12
Increased by:		
Accrued Interest	B-15	<u>1,014.11</u>
Balance December 31, 2016	B	<u>\$ 251,107.23</u>
 <u>Bank Reconciliation December 31, 2016</u>		
Morgan Stanley Trust:		
#171-000102520		<u>\$ 251,107.23</u>

TOWNSHIP OF FAIRFIELD
TRUST FUND

ANALYSIS OF ASSESSMENT CASH AND INVESTMENTS

B-6

<u>Ordinance Number</u>	<u>Balance Dec. 31, 2015</u>	<u>Receipts</u>		<u>Balance Dec. 31, 2016</u>
		<u>Assessments Receivable</u>	<u>Other</u>	
<u>General Accounts</u>				
Fund Balance	\$ 23,296.51	\$ 4,132.93	\$ -	\$ 27,429.44
Interfund Current Fund	(32,555.66)		2,156.43	(30,399.23)
Interfund Sewer Assessment Trust Fund	(9,698.94)			(9,698.94)
Interfund General Capital Fund				
05-12				
07-14	50,937.10	563.57		51,500.67
	\$ 31,979.01	\$ 4,696.50	\$ 2,156.43	\$ 38,831.94
<u>Reference</u>	<u>B</u>	<u>B-7</u>	<u>Below</u>	<u>B</u>
		<u>Ref.</u>		
Interest on Deposits		B-15	\$ 88.02	
Interest and Costs on Assessments		B-15	2,068.41	
		Above	\$ 2,156.43	

TOWNSHIP OF FAIRFIELD
TRUST FUND

B-7

ASSESSMENTS RECEIVABLE

<u>Ordinance Number</u>	<u>Purpose</u>	<u>Confirmation</u>		<u>Balance Dec. 31, 2015</u>		<u>Balance Dec. 31, 2016</u>	
		<u>Date</u>	<u>Installments</u>	<u>Pledged</u>	<u>Unpledged</u>	<u>Pledged</u>	<u>Unpledged</u>
95-02	Curbing - Various Streets	2-22-99	10	\$	\$ 361.48	\$	\$ 361.48
02-12	Curbing - Various Streets	5-09-05 3-23-09	10		4,282.12	1,370.83	2,911.29
05-12	Curbing - Fleetwood Drive	3-23-09	10	2,974.10		563.57	2,410.53
05-12	Curbing - Various Streets	3-26-12	10		12,785.63	1,936.81	10,848.82
07-14	Curbing - Dale Drive	3-23-09	10	233.80		233.80	
07-14	Curbing - Various Streets	3-26-12	10		4,976.17	825.29	4,150.88
				<u>\$3,207.90</u>	<u>\$22,405.40</u>	<u>\$ 4,696.50</u>	<u>\$18,272.47</u>
		<u>Reference</u>	<u>B</u>	<u>B</u>	<u>B</u>	<u>B-4</u>	<u>B</u>

TOWNSHIP OF FAIRFIELD
TRUST FUND

ASSESSMENT LIEN RECEIVABLE

B-8

<u>Ordinance Number</u>	<u>Purpose</u>	<u>Balance Dec. 31, 2015 Unpledged</u>	<u>Balance Dec. 31, 2016 Unpledged</u>
95-02	Curbing - Montesano Road	\$ 2,629.60	\$ 2,629.60
02-12	Curbing - Various Streets	<u>2,028.61</u>	<u>2,028.61</u>
		<u>\$ 4,658.21</u>	<u>\$ 4,658.21</u>
		<u>B</u>	<u>B</u>

TOWNSHIP OF FAIRFIELD
TRUST FUND

DUE FROM MUNICIPAL COURT

B-9

	<u>Ref.</u>		
Increased by:			
Parking Offense Adjudication Act		\$ 158.00	
Public Defender Application Fees		<u>8,826.00</u>	
	B-17		\$ 8,984.00
Decreased by:			
Collections:			
Parking Offense Adjudication Act		148.00	
Public Defender Application Fees		<u>9,534.00</u>	
	B-4	<u>9,682.00</u>	
Interfunds Receivable:			
Public Defender Application Fees	B-10	<u>342.00</u>	
		10,024.00	
Less: Transfers to Due to Municipal Court	B-16	<u>1,040.00</u>	
			<u>8,984.00</u>
			<u>\$ -</u>

TOWNSHIP OF FAIRFIELD
TRUST FUND

PROSPECTIVE ASSESSMENTS FUNDED

B-11

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2015 Unpledged</u>	<u>Balance Dec. 31, 2016 Unpledged</u>
02-12	Curbing - Various Streets	<u>\$ 115,690.95</u>	<u>\$ 115,690.95</u>
	<u>Reference</u>	<u>B</u>	<u>B</u>

TOWNSHIP OF FAIRFIELD
TRUST FUND

B-12

COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS RECEIVABLE

<u>Program Year</u>	<u>Balance Dec. 31, 2015</u>	<u>Grant</u>	<u>Collections</u>	<u>Cancelled</u>	<u>Balance Dec. 31, 2016</u>
2015	\$ 49,500.00	\$	\$ 33,650.90	\$ 15,849.10	\$
2016	<u>47,250.00</u>	<u>47,250.00</u>	<u>33,650.90</u>	<u>15,849.10</u>	<u>47,250.00</u>
	<u>\$ 49,500.00</u>	<u>\$ 47,250.00</u>	<u>\$ 33,650.90</u>	<u>\$ 15,849.10</u>	<u>\$ 47,250.00</u>
<u>Reference</u>	<u>B</u>	<u>B-24</u>	<u>B-2</u>	<u>B-24</u>	<u>B</u>

TOWNSHIP OF FAIRFIELD
TRUST FUND

OTHER ACCOUNTS RECEIVABLE

B-13

	<u>Ref.</u>	<u>Total</u>	<u>Action Date Service</u>	<u>Outside Employment of Off-Duty Police Officers</u>
Balance December 31, 2015	B	\$ 16,561.03	\$ 602.47	\$ 15,958.56
Increased by:				
Unemployment Insurance Trust	B-25	10,007.32	10,007.32	
Fund Payroll Deductions	B-26	129,028.91		129,028.91
Billings		<u>155,597.26</u>	<u>10,609.79</u>	<u>144,987.47</u>
Decreased by:				
Collections	B-2	<u>134,003.50</u>	<u>10,021.03</u>	<u>123,982.47</u>
Balance December 31, 2016	B	<u>\$ 21,593.76</u>	<u>\$ 588.76</u>	<u>\$ 21,005.00</u>

TOWNSHIP OF FAIRFIELD
TRUST FUND

DUE TO STATE OF NEW JERSEY

B-14

		<u>Animal Control Trust Fund Registration Fees</u>	<u>Total General Trust Fund</u>	<u>General Trust Fund</u>	
<u>Ref.</u>				<u>Construction Training Fees</u>	<u>Marriage License Fees</u>
Balance December 31, 2015	B	\$	<u>\$ 11,175.00</u>	<u>\$ 10,900.00</u>	<u>\$ 275.00</u>
Increased by:					
Registration and Other Fees		244.00	28,848.00	27,998.00	850.00
Pilot Clinic Fees		48.80			
Animal Population Control		48.00			
	B-4	<u>340.80</u>	<u>28,848.00</u>	<u>27,998.00</u>	<u>850.00</u>
Interfunds Receivable	B-10		136.00	136.00	
Prior Period Adjustment	B-21	1.20			
		<u>342.00</u>	<u>28,984.00</u>	<u>28,134.00</u>	<u>850.00</u>
		342.00	40,159.00	39,034.00	1,125.00
Decreased by:					
Payments	B-2	<u>342.00</u>	<u>35,309.00</u>	<u>34,434.00</u>	<u>875.00</u>
Balance December 31, 2016	B	<u>\$ -</u>	<u>\$ 4,850.00</u>	<u>\$ 4,600.00</u>	<u>\$ 250.00</u>

TOWNSHIP OF FAIRFIELD
TRUST FUND

INTERFUNDS PAYABLE

B-15

Ref.	Assessment Trust Fund		Animal Control Fund	General Trust Fund			Developers' Escrow Trust Fund				
	Total	Current Fund		General Capital Fund	Current Fund	Federal and State Grant Fund	General Capital Fund	Swimming Pool Operating Fund	Total	Current Fund	General Capital Fund
B	\$ 54,145.00	\$ -	\$ 17,929.62	\$ 7,533.00	\$ -	\$ 7,533.00	\$ -	\$ -	\$ 203,907.08	\$ 1,803.99	\$ 202,103.09
	88.02	88.02		292.73	292.73				493.60	493.60	
	2,068.41	2,068.41		250.00	250.00				493.60	493.60	
				4,050.00	4,050.00				4,050.00	4,050.00	
B-2	2,156.43	2,156.43		4,592.73	542.73				493.60	493.60	
B-5				1,014.11	1,014.11						
B-21			3,698.27								
B-24				39,700.00	39,700.00						
B-26	2,156.43	2,156.43	3,698.27	25,750.00	25,750.00				493.60	493.60	
	56,301.43	2,156.43	21,627.89	71,056.84	27,306.84				204,400.68	2,297.59	202,103.09
				78,589.84	27,306.84				7,533.00	39,700.00	4,050.00
B-10	2,156.43	2,156.43		71,056.84	27,306.84				39,700.00	4,050.00	
B	\$ 54,145.00	\$ -	\$ 21,627.89	\$ 7,533.00	\$ -	\$ 7,533.00	\$ -	\$ -	\$ 204,400.68	\$ 2,297.59	\$ 202,103.09

Increased by:

Interest on Deposits
Interest and Costs on Assessments
Current Fund Revenue Deposited in
General Trust Fund in Error
Swimming Pool Operating Fund Revenue
Deposited in General Trust Fund in
Error

Interest Income
Excess Fund Balance
General Trust Fund Expenditures Paid
by General Capital Fund in Error
Off-Duty Administration Fees

Decreased by:

Interfund Transfers

Balance December 31, 2016

TOWNSHIP OF FAIRFIELD
TRUST FUND

DUE TO MUNICIPAL COURT

B-16

	<u>Ref.</u>	
Balance December 31, 2015	B	\$27,559.60
Increased by:		
Transfer from Due from Municipal Court	B-9	<u>1,040.00</u>
Balance December 31, 2016	B	<u>\$ 28,599.60</u>
 <u>Analysis of Balance</u>		
Due to Essex County		\$ 29,206.60
Public Defender Fees		(595.00)
POAA Fees		<u>(12.00)</u>
		<u>\$ 28,599.60</u>

TOWNSHIP OF FAIRFIELD
TRUST FUND

B-17

OTHER DEPOSITS

	<u>Balance</u> <u>Dec. 31, 2015</u>	<u>Increase</u>	<u>Expended</u>	<u>Balance</u> <u>Dec. 31, 2016</u>
Security Deposits	\$ 10,951.50	\$		\$ 10,951.50
Maintenance and Performance Deposits	31,738.85			31,738.85
Other Deposits	17,801.78			17,801.78
Van Ness Improvements	1,566.70			1,566.70
Uniform Fire Safety Act	41,216.38	3,440.00	1,675.00	42,981.38
Public Defender Service Fees	2,697.00	8,826.00	11,523.00	
Parking Offenses Adjudication Act	1,662.06	158.00		
Housing Trust Fund	489,088.93	63,538.22	39,624.78	1,820.06
Detention Basin	80,500.00			513,002.37
Law Enforcement Forfeiture Trust Fund	67,789.45	74,540.38	27,059.10	80,500.00
Senior Citizen Trips	387.48	3,154.32	250.00	115,270.73
Snow Removal Trust Fund	15,000.00			3,291.80
Compensated Absences	151,500.00	40,000.00		15,000.00
Hurricane Sandy	4,006.20			191,500.00
Length of Service Award Program	647,522.31	32,057.46		4,006.20
	<u>\$ 1,563,428.64</u>	<u>\$ 225,714.38</u>	<u>\$ 80,131.88</u>	<u>\$ 1,709,011.14</u>

B

B-2

Below

B

Reference

Ref.

Receipts			
Collections		\$ 32,057.46	B-2
Due from Municipal Court		144,672.92	B-4
Interfunds Receivable		8,984.00	B-9
		<u>40,000.00</u>	B-10
		<u>\$ 225,714.38</u>	Above

TOWNSHIP OF FAIRFIELD
TRUST FUND

REDEMPTION OF TAX TITLE LIENS

B-18

	<u>Ref.</u>	
Balance December 31, 2015	B	\$ 6,648.97
Increased by:		
Deposits	B-2	<u>526,298.30</u>
		532,947.27
Decreased by:		
Redemptions	B-2	<u>526,329.84</u>
Balance December 31, 2016	B	<u>\$ 6,617.43</u>

PREMIUM ON TAX SALE

B-19

	<u>Ref.</u>	
Balance December 31, 2015	B	\$ 536,600.00
Increased by:		
Due from Current Fund	B-10	<u>235,600.00</u>
		772,200.00
Decreased by:		
Refunds	B-2	<u>295,000.00</u>
Balance December 31, 2016	B	<u>\$ 477,200.00</u>

TOWNSHIP OF FAIRFIELD
TRUST FUND

RESERVE FOR ASSESSMENTS AND LIENS

B-20

<u>Ordinance Number</u>	<u>Purpose</u>	<u>Balance Dec. 31, 2015</u>	<u>Collections to Fund Balance</u>	<u>Balance Dec. 31, 2016</u>
	<u>Assessments Receivable</u>			
95-02	Curbing - Montesano Road	\$ 361.48	\$	\$ 361.48
02-12	Curbing - Various Streets	4,282.12	1,370.83	2,911.29
05-12	Curbing - Various Streets	12,785.63	1,936.81	10,848.82
07-14	Curbing - Various Streets	4,976.17	825.29	4,150.88
	<u>Prospective Assessments Funded</u>			
02-12	Curbing - Various Streets	115,690.95		115,690.95
	<u>Assessment Liens</u>			
95-02	Curbing - Montesano Road	2,629.60		2,629.60
02-12	Curbing - Various Streets	2,028.61		2,028.61
		<u>\$142,754.56</u>	<u>\$ 4,132.93</u>	<u>\$138,621.63</u>
	<u>Reference</u>	<u>B</u>	<u>B-1</u>	<u>B</u>

TOWNSHIP OF FAIRFIELD
TRUST FUND

RESERVE FOR ANIMAL CONTROL TRUST FUND EXPENDITURES

B-21

	<u>Ref.</u>		
Balance December 31, 2015	B		\$ 7,155.40
Increased by:			
Collections:			
Dog License Fees		\$3,367.20	
Cat License Fees		31.00	
Miscellaneous Revenue:			
Late Fees		51.00	
Interest on Deposits		67.20	
Replacement Fees		1.00	
	B-4	3,517.40	10,672.80
Decreased by:			
Prior Period Adjustment:			
Due to State of New Jersey	B-14	1.20	
Statutory Excess Due to Current Fund	B-15	3,698.27	3,699.47
Balance December 31, 2016	B		\$ 6,973.33

License Revenue

	<u>Year</u>		
	2015		\$ 3,553.80
	2014		3,419.53
Maximum Balance			\$ 6,973.33

TOWNSHIP OF FAIRFIELD
TRUST FUND

RESERVE FOR MUNICIPAL OPEN SPACE TRUST FUND

B-22

	<u>Ref.</u>		
Balance December 31, 2015	B		\$ 917,438.88
Increased by:			
Tax Levy		\$258,910.00	
Added Taxes		<u>649.13</u>	
	B-10	259,559.13	
Interest on Deposits	B-2	<u>30.34</u>	
			<u>259,589.47</u>
			1,177,028.35
Decreased by:			
Expenditures	B-2		<u>118,557.99</u>
Balance December 31, 2016	B		<u><u>\$1,058,470.36</u></u>

TOWNSHIP OF FAIRFIELD
TRUST FUND

RESERVE FOR RECREATION PROGRAM EXPENDITURES

B-23

	<u>Ref.</u>	
Balance December 31, 2015	B	\$285,871.36
Increased by:		
Fees	B-2	<u>341,886.02</u>
		<u>627,757.38</u>
Decreased by:		
Expenditures	B-2	<u>329,068.50</u>
Balance December 31, 2016	B	<u><u>\$298,688.88</u></u>

TOWNSHIP OF FAIRFIELD
TRUST FUND

B-24

RESERVE FOR COMMUNITY DEVELOPMENT BLOCK GRANT EXPENDITURES

<u>Program</u> <u>Year</u>	<u>Balance</u> <u>Dec. 31, 2015</u>	<u>Grants</u>	<u>Expended</u>	<u>Cancelled</u>	<u>Balance</u> <u>Dec. 31, 2016</u>
2014	\$ 39,700.00	\$	\$ 39,700.00	\$	\$
2015	49,500.00		33,650.90	15,849.10	
2016	<u>47,250.00</u>	<u>47,250.00</u>			<u>47,250.00</u>
	<u>\$ 89,200.00</u>	<u>\$ 47,250.00</u>	<u>\$ 73,350.90</u>	<u>\$ 15,849.10</u>	<u>\$ 47,250.00</u>
	<u>Reference</u>	<u>B</u>	<u>Below</u>	<u>B-12</u>	<u>B</u>
		<u>Ref.</u>			
	Collections	B-2	\$ 33,650.90		
	Interfunds Payable	B-15	<u>39,700.00</u>		
		Above	<u>\$ 73,350.90</u>		

TOWNSHIP OF FAIRFIELD
TRUST FUND

RESERVE FOR STATE UNEMPLOYMENT
INSURANCE TRUST FUND EXPENDITURES

B-25

	<u>Ref.</u>	
Balance December 31, 2015	B	\$ 17,617.24
Increased by:		
Payroll Deductions:		
Collections	B-13	10,007.32
		<u>27,624.56</u>
Decreased by:		
Expenditures	B-2	<u>22,146.58</u>
Balance December 31, 2016	B	<u>\$ 5,477.98</u>

RESERVE FOR OUTSIDE EMPLOYMENT
OF OFF-DUTY POLICE OFFICERS

B-26

	<u>Ref.</u>	
Balance December 31, 2015	B	\$ 62,419.46
Increased by:		
Billings	B-13	129,028.91
		<u>191,448.37</u>
Decreased by:		
Payroll Expenditures	B-2	\$101,338.90
Administrative Fees	B-15	<u>25,750.00</u>
		<u>127,088.90</u>
Balance December 31, 2016	B	<u>\$ 64,359.47</u>

TOWNSHIP OF FAIRFIELD
TRUST FUND

RESERVE FOR MUNICIPAL ALLIANCE

B-27

	<u>Ref.</u>	
Balance December 31, 2015	B	\$ 29,381.24
Increased by:		
Collections	B-2	<u>22,968.94</u> 52,350.18
Decreased by:		
Expenditures	B-2	<u>21,835.25</u>
Balance December 31, 2016	B	<u>\$ 30,514.93</u>

DEVELOPERS' ESCROW TRUST FUNDS

B-28

	<u>Ref.</u>	
Balance December 31, 2015	B	\$ 460,033.13
Increased by:		
Collections	B-2	<u>341,195.20</u> 801,228.33
Decreased by:		
Expended	B-2	<u>416,054.97</u>
Balance December 31, 2016	B	<u>\$ 385,173.36</u>

TOWNSHIP OF FAIRFIELD
GENERAL CAPITAL FUND

CASH RECEIPTS, DISBURSEMENTS AND RECONCILIATION
TREASURER

C-2

	<u>Ref.</u>		
Balance December 31, 2015	C		\$4,626,308.53
Increased by Receipts:			
Premium on Sale of Notes	C-1	\$ 84,361.00	
Interfunds Receivable	C-6	35,750.00	
Expenditure Refund	C-9	600.94	
Interfunds Payable	C-11	19,039.38	
Reserve for Contributions	C-12	40,000.00	
Bond Anticipation Notes	C-14	<u>677,500.00</u>	
			<u>857,251.32</u>
			5,483,559.85
Decreased by Disbursements:			
Interfunds Receivable	C-6	39,700.00	
Improvement Authorizations	C-9	<u>2,947,797.15</u>	
			<u>2,987,497.15</u>
Balance December 31, 2016	C		<u>\$2,496,062.70</u>
<u>Bank Reconciliation December 31, 2016</u>			
Balance per Statement:			
TD Bank, Fairfield, New Jersey: Account #428-1034458			\$2,614,646.29
Less: Outstanding Checks			<u>118,583.59</u>
			<u>\$2,496,062.70</u>

TOWNSHIP OF FAIRFIELD
GENERAL CAPITAL FUND

CASH - MONEY MARKET ACCOUNT

C-3

	<u>Ref.</u>	
Balance December 31, 2015	C	<u>\$631,929.94</u>
Balance December 31, 2016	C	<u>\$631,929.94</u>
 <u>Bank Reconciliation December 31, 2016</u>		
Balance per Statement:		
Columbia Bank,		
Fairfield, New Jersey:		
Account #024804518		<u>\$631,929.94</u>

TOWNSHIP OF FAIRFIELD
GENERAL CAPITAL FUND

ANALYSIS OF CAPITAL CASH

C-4
Sheet #1

	Ordinance Number	Balance Dec. 31, 2015	Receipts		Disbursements			Transfers		Balance Dec. 31, 2016
			Bond Anticipation Notes	Other	Improvement Authorizations	Other	From	To		
General Accounts										
Fund Balance		\$ 218,078.27	\$	\$ 84,861.00	\$	\$	\$	\$	\$ 34,475.58	\$ 336,914.85
Reserve for Contributions		203,174.78		40,000.00						243,174.78
Capital Improvement Fund		77,150.00						37,500.00		75,400.00
Bond Anticipation Note Cash:										
Ordinance Number #12-12		37,083.25							63.47	37,146.72
Ordinance Number #13-15		156,015.00							52.66	156,015.00
Ordinance Number #12-06									1,520.09	1,520.09
Ordinance Number #13-15									1,102.14	1,102.14
Ordinance Number #14-09									36.93	36.93
Ordinance Number #15-12										(126,543.35)
Interfund Current		(63,467.73)		43,254.38				106,330.00		32,238.05
Interfund Federal and State Grant Fund		32,238.05								(54,145.00)
Interfund Assessment Trust Fund		(54,145.00)					39,700.00			193,876.11
Interfund General Trust Fund		233,576.11								(202,103.09)
Interfund Developers' Escrow Trust Fund		(202,103.09)								110,802.84
Interfund Water Capital Fund		103,702.42								4,096.07
Interfund Sewer Capital Fund		1,584.98								1,923.49
Interfund Pool Capital Fund		(141,160.00)							70,580.00	(70,580.00)
Note Receivable										
General Improvement Authorizations										
Multi-Purpose:	00-18	526.99						526.99		(41,201.00)
a. Acquisitions and Improvements for Administration	02-18	(41,201.00)								
Renovation and Expansion of the Municipal Public Library	03-08									
Multi-Purpose:	04-01	13,504.97						13,504.97		
b. Various Acquisitions for the Tax Collector	04-07	6,720.52						6,720.00		
Acquisition of Fire Truck	04-12	3,509.34						3,253.00		
Multi-Purpose:	04-13	751.67						751.67		
b. Various Acquisitions and Improvements for the Fire Department	05-08	2,103.63						2,103.63		
i. Various Acquisitions of Equipment for the Police Department	05-14	832.94						832.94		
Summit Avenue By-Pass Drainage Improvements	06-13									
Multi-Purpose:										
h. Various Improvements and Acquisitions for the Tax Collector		418.28						418.28		
Multi-Purpose:										
a. Various Acquisitions for the Office of Emergency Management		2,377.41						2,377.41		
e. Various Improvements for the Buildings and Grounds Department		890.12						890.12		
f. Acquisition for the Fleet Maintenance		14,873.65						13,034.65		
h. Various Improvements for the Recreation Department		5,437.63						5,437.63		
i. Various Acquisitions of Equipment for the Police Department		1,033.83						1,033.83		
Architectural Design and Construction Administration Services for the Public Safety Complex										
Multi-Purpose:										
a. Various Acquisitions of Equipment for the Office of Emergency Management		1,774.47						1,774.47		
b. Various Acquisitions and Improvements for the Fire Department		0.20						0.20		
c. Various Acquisitions for the Road Department		319.71						319.71		
d. Various Acquisitions for the Parks Department		5,337.95								5,337.95
e. Various Improvements for the Building and Grounds Department		3,231.18								3,231.18
f. Acquisitions for Fleet Maintenance		722.91						722.91		
g. Various Acquisitions and Improvements for the Engineering Department		(2.85)								(2.85)
i. Various Acquisitions of Equipment for the Police Department		642.93						642.93		
j. Various Acquisitions of Equipment and Improvements for the Municipal Court		3,321.54						3,321.54		

TOWNSHIP OF FAIRFIELD
GENERAL CAPITAL FUND

ANALYSIS OF CAPITAL CASH

C-4
Sheet #2

Ordinance Number	Balance Dec. 31, 2015	Receipts			Disbursements			Transfers		Balance Dec. 31, 2016
		Bond Anticipation Notes	Other	Other	Improvement Authorizations	Other	From	To		
08-10	\$ 1,240.15	\$	\$	\$	\$	\$	\$ 1,240.15	\$	\$	\$
08-11	8,005.75 7,039.05 61,645.24				61,645.24					8,005.75 7,039.05
09-30	175.00						175.00			
11-10	82,543.61				82,543.61					
11-12	107,014.88									107,014.88
11-17	6,011.94 3,717.96 8,083.87 5,337.24									6,011.94 3,717.96 8,083.87 5,337.24
11-24	9,964.23				9,964.23					
12-01	178,931.74									178,931.74
12-06	52.66						52.66			
12-12										
13-15	3,136.47 1,950.50 6,295.33 20,672.40				3,073.00		63.47			1,950.50 6,295.33 20,672.40
14-09	3,626.62 999.13 12,987.83 1,412.04 91.23 3,110.42 41,586.60				3,609.80 999.13		16.82			12,987.83
	1,685.14 7,804.67 62,832.27				9,685.91		1,412.04 91.23			1,685.14 7,804.67 53,136.36
	399,453.33 1,102.14 35,761.65 13,422.21						1,102.14			399,453.33 35,761.65 13,422.21

TOWNSHIP OF FAIRFIELD
GENERAL CAPITAL FUND

ANALYSIS OF CAPITAL CASH

C-4
Sheet #3

Ordinance Number	Balance Dec. 31, 2015	Receipts		Disbursements		Transfers		Balance Dec. 31, 2016
		Bond Anticipation Notes	Other	Improvement Authorizations	Other	From	To	
14-09	\$ 2,430,201.97	\$	\$	\$ 2,342,648.09	\$	\$	\$	\$ 87,553.88
15-05	6,950.00			1,511.00				5,439.00
15-12	1,720.64		600.94	3,908.02				2,321.58
	86,963.65			31,988.79				1,090.98
	22,021.87			14,445.00				54,974.86
	32,400.00			11,768.24				7,576.87
	38,843.76			22,904.85				20,631.76
	16,740.00			16,703.07		36.93		15,938.91
	570,000.00			10,000.64				559,999.36
	150,000.00			145,697.33				4,302.67
	109,211.71			61,060.00				48,151.71
16-08		4,750.00					250.00	5,000.00
		38,000.00					2,000.00	40,000.00
		23,275.00					1,225.00	24,500.00
		28,500.00					1,500.00	30,000.00
		207,767.00					11,847.00	219,614.00
		178,383.00		45,150.97			9,389.00	142,621.03
		38,950.00					2,050.00	41,000.00
		49,875.00		39,584.17			2,625.00	12,905.83
		108,000.00		3,500.00			6,614.00	111,114.00
02-12	46,484.90							46,484.90
05-12	14,629.86							14,629.86
07-14	521.75					521.75		
	\$ 5,258,238.47	\$ 677,500.00	\$ 179,751.32	\$ 2,947,797.15	\$ 39,700.00	\$ 181,080.87	\$ 181,080.87	\$ 3,127,992.64
Reference	C	C-14	Below	C-9	C-5	Contra	Contra	C
Local Improvements								
Curbing - Various Locations								
Curbing - Various Locations								
Curbing - Various Locations								
Multi-Purpose:								
General Improvement Authorizations								
Construction of Recreational Complex								
a. Various Acquisitions for the Municipal Clerk's Office								
b. Various Acquisitions for the Finance Department								
c. Various Acquisitions for the Tax Assessor								
d. Various Acquisitions for the Fire Department								
e. Various Acquisitions for the Recreation Department								
f. Various Acquisitions for Buildings and Grounds								
g. Various Acquisitions for Fleet Maintenance								
h. Various Acquisitions for Road Department								
i. Renovations and Additional Floor for the Police Department								
j. Resurfacing of Various Township Roads Including Kevin Terrace and Portions of Henning Drive and South Hampton Drive								
k. Various Acquisitions for the Police Department								
Multi-Purpose:								
a. Acquisition of a Security System								
b. Various Acquisitions for Fleet Maintenance								
c. Various Acquisitions for Buildings and Grounds								
d. Acquisition of a Blacktop Hot Box for the Road Department								
e. Acquisition of a Copier for Maps for the Engineering Department and the Resurfacing of Various Township Roads and Crosswalks								
f. Various Acquisitions for the Police Department								
g. Various Acquisitions for the Recreation Department								
h. Various Acquisitions for Fire Protection								
i. Various Acquisitions for the Fire Department								
Fund Balance			\$ 84,361.00					
Interfunds Receivable			35,750.00					
Refund			600.94					
Interfunds Payable			19,039.38					
Reserve for Contributions			40,000.00					
		Above	\$ 179,751.32					

TOWNSHIP OF FAIRFIELD
GENERAL CAPITAL FUND

NOTE RECEIVABLE

C-5

	<u>Ref.</u>	
Balance December 31, 2015	C	\$141,160.00
Decreased by:		
Budget Appropriation	C-6	<u>70,580.00</u>
Balance December 31, 2016	C	<u>\$ 70,580.00</u>

TOWNSHIP OF FAIRFIELD
GENERAL CAPITAL FUND

C-6

INTERFUNDS RECEIVABLE

	<u>Ref.</u>	<u>Total</u>	<u>Current Fund</u>	<u>Assessment Trust Fund</u>	<u>General Trust Fund</u>	<u>Developers' Escrow Trust Fund</u>
Balance December 31, 2015	C	\$ 319,715.82	\$ 63,467.73	\$ 54,145.00	\$ -	\$ 202,103.09
Increased by:						
General Trust Expenditure Paid by						
General Capital Fund	C-2	39,700.00			39,700.00	
Budget Appropriation:						
Note Receivable	C-5	70,580.00	70,580.00			
Capital Improvement Fund	C-10	35,750.00	35,750.00			
		<u>465,745.82</u>	<u>169,797.73</u>	<u>54,145.00</u>	<u>39,700.00</u>	<u>202,103.09</u>
Decreased by:						
Collections	C-2	35,750.00	35,750.00			
Transfer to Interfunds Payable	C-11	47,204.38	7,504.38		39,700.00	
		<u>82,954.38</u>	<u>43,254.38</u>		<u>39,700.00</u>	
Balance December 31, 2016	C	<u>\$ 382,791.44</u>	<u>\$ 126,543.35</u>	<u>\$ 54,145.00</u>	<u>\$ -</u>	<u>\$ 202,103.09</u>

TOWNSHIP OF FAIRFIELD
GENERAL CAPITAL FUND

DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

C-7

	<u>Ref.</u>	
Balance December 31, 2015	C	\$ 5,259,000.00
Decreased by:		
Serial Bonds Redeemed	C-15	<u>623,000.00</u>
Balance December 31, 2016	C	<u>\$ 4,636,000.00</u>

TOWNSHIP OF FAIRFIELD
GENERAL CAPITAL FUND

DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

C-8

Improvements	Ordinance Number	Balance Dec. 31, 2015	2016 Authorizations	Authorizations Cancelled	Notes Paid by Budget Appropriations	Balance Dec. 31, 2016	Analysis of Balance			
							Bond Anticipation Notes	Expenditures	Unexpended Improvement Authorizations	
General Improvements										
Renovation and Expansion of the Municipal Library	02-18	\$ 41,201.00	\$	\$ 0.28	\$	\$ 41,201.00	\$	\$ 41,201.00	\$	
Multi-Purpose	06-13	0.28								
Multi-Purpose	07-15	2.85				2.85		2.85		
Tax Appeals	11-10	145,000.00			140,000.00	5,000.00			5,000.00	
Multi-Purpose	11-17	840.00				840.00			840.00	
Tax Appeals	11-24	150,000.00			150,000.00					
Flood Mitigation Acquisition Report	12-01	63,546.35				63,546.35			63,546.35	
Tax Appeals	12-06	384,000.00		52.66	192,000.00	191,947.34		191,947.34		
Multi-Purpose	12-12	649,166.75		63.47	50,000.00	599,103.28		599,103.28		
Multi-Purpose	13-15	417,785.00		1,520.09	35,000.00	381,264.91		381,264.91		
Multi-Purpose	14-09	712,500.00		1,102.14		711,397.86		711,397.86		
Construction of Recreation Complex	15-05	5,700,000.00				5,700,000.00		5,700,000.00		
Multi-Purpose	15-10	1,251,102.00		36.93		1,251,065.07		1,251,065.07		
Multi-Purpose	16-08		677,500.00			677,500.00		677,500.00		
		<u>\$9,515,144.23</u>	<u>\$ 677,500.00</u>	<u>\$ 2,775.57</u>	<u>\$567,000.00</u>	<u>\$9,622,868.66</u>	<u>\$9,512,278.46</u>	<u>\$41,203.85</u>	<u>\$69,386.35</u>	
Reference		C	C-9	C-9	Below	C	Below	C-4	C-10	
				Ref.						
		Bond Anticipation Notes		C-14	\$ 85,000.00		\$9,516,152.00			
		Less: Cash on Hand		C-4			195,873.54			
					85,000.00		9,320,278.46			
		Tax Appeal Refunding Notes		C-13	482,000.00		192,000.00			
				Above	\$567,000.00		\$9,512,278.46			

TOWNSHIP OF FARFIELD
GENERAL CAPITAL FUND

C-9
Sheet #1

IMPROVEMENT AUTHORIZATIONS

Number	Ordinance Date	Amount	Balance Dec. 31, 2015		2016 Authorizations	Expended	Expenditure Refund	Authorizations Cancelled	Balance Dec. 31, 2016	
			Funded	Unfunded					Funded	Unfunded
		\$	\$	\$	\$	\$	\$	\$	\$	\$
00-18	8-14-00	65,339.00	526.99					526.99		
General Improvements										
Multi-Purpose:										
a. Various Acquisitions and Improvements for Administration Department										
03-08	4-28-03	20,000.00	13,504.97					13,504.97		
Multi-Purpose:										
b. Various Acquisitions for the Tax Collector										
04-01	1-26-04	835,000.00	6,720.52		6,720.00		0.52			
Acquisition of Fire Truck										
04-12	9-27-04	172,000.00	3,509.34		3,253.00		256.34			
Multi-Purpose:										
b. Various Acquisitions and Improvements for the Fire Department										
i. Various Acquisitions of Equipment for the Police Department										
04-13	11-08-04	90,000.00	2,103.63					2,103.63		
Summit Avenue By-Pass Drainage Improvements										
05-08	6-09-05	20,000.00	832.94					832.94		
05-14	6-27-05	20,000.00								
Multi-Purpose:										
h. Various Improvements and Acquisitions for the Tax Collector										
06-13	5-08-06	31,000.00	418.28	0.28				418.56		
Multi-Purpose:										
a. Various Acquisitions of Equipment for the Office of Emergency Management										
e. Various Acquisitions and Improvements for the Buildings and Grounds Department										
06-21	10-16-06	4,500.00	2,377.41		2,377.41					
Acquisitions for Fleet Maintenance										
07-15	7-31-07	6,000.00	890.12					890.12		
Acquisitions for Fleet Maintenance										
06-21	10-16-06	16,400.00	14,873.85		13,034.65			5,437.63		1,638.00
Department										
06-21	10-16-06	71,000.00	5,437.63					5,437.63		
Various Acquisitions of Equipment for the Police Department										
06-21	10-16-06	535,000.00	1,033.83					1,033.83		
Architectural Design and Construction Administration Services for the Public Safety Complex										
07-15	7-31-07	30,000.00	1,774.47					1,774.47		
Multi-Purpose:										
a. Various Acquisitions of Equipment for the Office of Emergency Management										
07-15	7-31-07	76,060.00	0.20					0.20		
Various Acquisitions and Improvements for the Fire Department										
07-15	7-31-07	113,000.00	319.71					319.71		
Various Acquisitions for the Road Department										
07-15	7-31-07	46,940.00	5,337.85					5,337.85		5,337.85
Various Acquisitions for the Parks Department										
07-15	7-31-07	50,000.00	3,231.18					3,231.18		3,231.18
Various Improvements for the Building and Grounds Department										
07-15	7-31-07	8,000.00	722.91					722.91		
Acquisitions for Fleet Maintenance										
07-15	7-31-07	105,000.00	642.83					642.83		
Various Acquisitions of Equipment for the Police Department										
07-15	7-31-07	20,000.00	3,321.54					3,321.54		
Various Acquisitions for the Municipal Clerk										
08-10	9-08-08	48,000.00	1,240.15					1,240.15		
Multi-Purpose:										
b. Various Acquisitions for the Roads Department										
08-10	9-08-08	9,000.00	8,005.75					8,005.75		8,005.75
Various Acquisitions for Fire Prevention										
08-10	9-08-08	105,000.00	7,039.05					7,039.05		7,039.05
Various Acquisitions of Equipment for the Police Department										
08-11	10-20-08	540,000.00	61,645.24		61,645.24					
Tax Appeals										
08-34	12-28-09	40,000.00	175.00					175.00		
Acquisition of Accounting Software System										

TOWNSHIP OF FAIRFIELD
GENERAL CAPITAL FUND

IMPROVEMENT AUTHORIZATIONS

C-9
Sheet #2

Number	Ordinance Date	Amount	Balance Dec. 31, 2015		2016 Authorizations	Expended	Expenditure Refund	Authorizations Cancelled	Balance Dec. 31, 2016	
			Funded	Unfunded					Funded	Unfunded
11-12	3-28-11	\$ 525,000.00	\$ 107,014.88	\$	\$	\$	\$	\$	\$ 107,014.88	\$
11-17	6-13-11	63,000.00	6,011.94	840.00					6,011.94	840.00
		8,000.00	3,717.96						3,717.96	
		64,000.00	8,083.87						8,083.87	
		45,000.00	5,337.24						5,337.24	
11-24	11-14-11	750,000.00	9,964.23			9,964.23			178,931.74	63,546.35
12-01	2-28-12	1,040,375.00	178,931.74	63,546.35						
12-06	4-23-12	960,000.00	52.66					52.66		
12-12	8-13-12					3,073.00		63.47		
		125,000.00	3,136.47							1,950.50
		8,500.00	1,950.50							6,285.33
		264,000.00	20,672.40							20,672.40
13-15	8-12-13	85,000.00	3,626.62			3,609.80		16.82		
		1,000.00	49.13	950.00		999.13				
		14,000.00	12,867.83						1,412.04	12,987.83
		15,000.00	1,412.04							
		95,000.00	91.23						91.23	
		12,000.00	3,110.42							3,110.42
		52,000.00	41,566.60							41,566.60
14-09	7-08-14	13,000.00	1,685.14							1,685.14
		120,000.00	7,804.67							7,804.67
		75,000.00	62,832.27			9,695.81				53,136.36
		400,000.00	19,453.33						19,453.33	380,000.00
		8,000.00	1,182.14							
		65,000.00	35,761.65							35,761.65
		28,000.00	13,422.21							13,422.21
15-05	4-27-15	6,000,000.00	2,430,201.97			2,342,648.09		1,102.14		87,553.88
		6,950.00	6,602.00			1,511.00				5,439.00
		6,000.00	348.00							2,321.58
		5,000.00	250.00							1,090.98
		96,000.00	86,963.65			3,909.02				54,974.86
		33,500.00	22,021.87							7,576.87
		38,500.00	32,400.00			11,768.24				20,631.76
		56,500.00	36,843.76			22,904.85				15,938.91

TOWNSHIP OF FAIRFIELD
GENERAL CAPITAL FUND

IMPROVEMENT AUTHORIZATIONS

C-9
Sheet #3

Number	Ordinance Date	Amount	Balance Dec. 31, 2015		2016 Authorizations	Expended	Expenditure Refund	Authorizations Cancelled	Balance Dec. 31, 2016	
			Funded	Unfunded					Funded	Unfunded
15-12	8-18-15	\$ 37,500.00 570,000.00	\$ 28,500.00	\$ 16,740.00 541,500.00	\$ -	\$ 16,703.07 10,000.64	\$ -	\$ 36.93	\$ 18,499.36	\$ - 541,500.00
		150,000.00 315,000.00	7,500.00	142,500.00 109,211.71		145,687.33 61,080.00				4,302.67 48,151.71
16-08	9-26-16	5,000.00 40,000.00 24,500.00 30,000.00			5,000.00 40,000.00 24,500.00 30,000.00					5,000.00 40,000.00 24,500.00 30,000.00
		219,614.00 187,772.00 41,000.00 52,500.00 114,614.00			219,614.00 187,772.00 41,000.00 52,500.00 114,614.00	45,150.97 38,584.17 3,500.00				142,621.03 41,000.00 12,905.83 111,114.00
02-12	8-26-02	375,000.00	46,484.90						46,484.90	
05-12	6-27-05	134,000.00	14,629.86						14,629.86	
07-14	7-31-07	37,000.00	521.75					521.75		
			\$ 573,271.66	\$ 4,183,930.25	\$ 715,000.00	\$ 2,947,797.15	\$ 600.94	\$ 37,251.15	\$ 433,618.01	\$ 2,064,035.54
		Reference	C	C	Below	C-2	C-2	Below	C	C
		Fund Balance		Ref.						
		Deferred Charges to Future Taxation		C-1	\$ -			\$ 34,475.58		
		Unfunded		C-8	677,500.00			2,775.57		
		Capital Improvement Fund		C-10	37,500.00					
				Above	\$ 715,000.00			\$ 37,251.15		

TOWNSHIP OF FAIRFIELD
GENERAL CAPITAL FUND

CAPITAL IMPROVEMENT FUND

C-10

	<u>Ref.</u>	
Balance December 31, 2015	C	\$ 77,150.00
Increased by:		
Budget Appropriations	C-6	<u>35,750.00</u>
		112,900.00
Decreased by:		
Appropriated to Finance Improvement		
Authorizations:		
Ordinance Number:		
#16-08	C-10	<u>37,500.00</u>
Balance December 31, 2016	C	<u><u>\$ 75,400.00</u></u>

TOWNSHIP OF FAIRFIELD
GENERAL CAPITAL FUND

C-11

INTERFUNDS PAYABLE

Ref.	Total	Current Fund	Federal and State Grant Fund	General Trust Fund	Water Capital Fund	Sewer Capital Fund	Swimming Pool Capital Fund
Balance December 31, 2015	C \$371,101.56	\$	\$32,238.05	\$233,576.11	\$103,702.42	\$	\$1,584.98
Increased by:							
Interest on Deposits	C-2 7,504.38	7,504.38					
Premium on Sale of Notes Deposited to General Capital Fund in Error	C-2 11,535.00	7,504.38	32,238.05	233,576.11	7,100.42	4,096.07	338.51
	<u>390,140.94</u>	<u>7,504.38</u>	<u>32,238.05</u>	<u>233,576.11</u>	<u>110,802.84</u>	<u>4,096.07</u>	<u>1,923.49</u>
Decreased by:							
Transfer from Interfunds Receivable	C-6 47,204.38	7,504.38		39,700.00			
Balance December 31, 2016	C \$342,936.56	\$ -	\$32,238.05	\$193,876.11	\$110,802.84	\$ 4,096.07	\$1,923.49

TOWNSHIP OF FAIRFIELD
GENERAL CAPITAL FUND

RESERVE FOR CONTRIBUTIONS

C-12

	<u>Ref.</u>	
Balance December 31, 2015	C	\$ 203,174.78
Increased by:		
Developer's Contribution	C-2	<u>40,000.00</u>
Balance December 31, 2016	C	<u>\$ 243,174.78</u>
<u>Analysis of Balance</u>		
Skyline Auto Exchange		<u>\$ 243,174.78</u>

TOWNSHIP OF FAIRFIELD
GENERAL CAPITAL FUND

C-14

BOND ANTICIPATION NOTES

	<u>Ordinance Number</u>	<u>Date of Original Issue</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2015</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance Dec. 31, 2016</u>
<u>General Improvements</u>									
Various Capital Improvements	12-12	12-13-12	12-09-15 12-09-16	12-08-16 12-06-17	0.63 % 2.00	\$ 686,250.00	\$ 636,250.00	\$ 686,250.00	\$ 636,250.00
Multi-Purpose	13-15	12-12-13	12-09-15 12-09-16	12-08-16 12-06-17	0.63 2.00	573,800.00	538,800.00	573,800.00	538,800.00
Various Capital Improvements	14-09	12-11-14	12-09-15 12-09-16	12-08-16 12-06-17	0.63 2.00	712,500.00	712,500.00	712,500.00	712,500.00
Construction of Recreational Complex	15-05	06-19-15	06-19-15 06-17-16	06-17-16 06-16-17	0.47 2.00	5,700,000.00	5,700,000.00	5,700,000.00	5,700,000.00
Various Capital Improvements	15-10	12-09-15	12-09-15 12-08-16	12-08-16 12-06-17	0.63 2.00	1,251,102.00	1,251,102.00	1,251,102.00	1,251,102.00
Various Capital Improvements	15-12	12-07-16	12-07-16	12-06-17	2.00	677,500.00	677,500.00	677,500.00	677,500.00
						<u>\$ 8,923,652.00</u>	<u>\$ 9,516,152.00</u>	<u>\$ 8,923,652.00</u>	<u>\$ 9,516,152.00</u>
					<u>Reference</u>	<u>C</u>	<u>Below</u>	<u>Below</u>	<u>C</u>
					<u>Ref.</u>				
					Issued for Cash		\$ 677,500.00	\$ 85,000.00	
					Paid by Budget Appropriation			8,838,652.00	
					Contra Renewals				
					Above		<u>\$ 9,516,152.00</u>	<u>\$ 8,923,652.00</u>	

TOWNSHIP OF FAIRFIELD
GENERAL CAPITAL FUND

C-15

SERIAL BONDS

<u>Purpose</u>	<u>Date</u>	<u>Original Issue</u> <u>Amount</u>	<u>Date</u>	<u>Maturities of</u> <u>Bonds Outstanding</u> <u>Dec. 31, 2016</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Balance</u> <u>Dec. 31, 2015</u>	<u>Paid</u>	<u>Balance</u> <u>Dec. 31, 2016</u>
General Improvements	07-15-04	\$ 3,808,000.00				\$ 388,000.00	\$ 388,000.00	\$
General Improvements	08-15-13	5,316,000.00			2.00 %			
			8-15-17	\$ 385,000.00	2.00			
			8-15-18	385,000.00	2.00			
			8-15-19	385,000.00	2.00			
			8-15-20	385,000.00	2.50			
			8-15-21	385,000.00	3.00			
			8-15-22	385,000.00	3.00			
			8-15-23	385,000.00	3.00			
			8-15-24	385,000.00	3.00			
			8-15-25	410,000.00	3.50			
			8-15-26	410,000.00	4.00			
			8-15-27	410,000.00	4.00			
			8-15-28	326,000.00	4.00			
						<u>4,871,000.00</u>	<u>235,000.00</u>	<u>4,636,000.00</u>
						<u>\$ 5,259,000.00</u>	<u>\$ 623,000.00</u>	<u>\$ 4,636,000.00</u>
					<u>Reference</u>	<u>C</u>	<u>C-7</u>	<u>C</u>

TOWNSHIP OF FAIRFIELD
GENERAL CAPITAL FUND

BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

C-16

<u>Improvement Description</u>	<u>Ordinance Number</u>	<u>Balance Dec. 31, 2015</u>	<u>2016 Authorizations</u>	<u>Bond Anticipation Notes Issued</u>	<u>Cancelled</u>	<u>Balance Dec. 31, 2016</u>
<u>General Improvements</u>						
Renovation and Expansion of the Municipal Library	02-18	\$ 41,201.00	\$	\$	\$	\$ 41,201.00
Multi-Purpose	06-13	0.28			0.28	
Multi-Purpose	07-15	2.85				2.85
Tax Appeals	11-10	5,000.00				5,000.00
Multi-Purpose	11-17	840.00				840.00
Flood Mitigation Acquisition Project	12-01	63,546.35				63,546.35
Multi-Purpose	16-08		<u>677,500.00</u>	<u>677,500.00</u>		
		<u>\$ 110,590.48</u>	<u>\$ 677,500.00</u>	<u>\$ 677,500.00</u>	<u>\$ 0.28</u>	<u>\$ 110,590.20</u>
	<u>Reference</u>	<u>C</u>	<u>C-8</u>	<u>C-15</u>	<u>C-8</u>	<u>C</u>

TOWNSHIP OF FAIRFIELD
WATER UTILITY

CASH RECEIPTS, DISBURSEMENTS AND RECONCILIATIONS
TREASURER

D-5

	<u>Ref.</u>	<u>Operating Fund</u>	<u>Capital Fund</u>
Balance December 31, 2015	D	\$ 1,396,884.75	\$ 209,910.10
Increased by Receipts:			
Interest on Investments and Deposits	D-3	\$ 5,065.69	\$
Collector	D-6	2,285,527.79	
Interfunds Payable	D-21	543.96	498.56
Bond Anticipate Note	D-24		25,000.00
		2,291,137.44	25,498.56
		3,688,022.19	235,408.66
Decreased by Disbursements:			
Prior Year Revenue Refunds	D-1	600.00	
Budget Appropriations	D-4	1,689,525.80	
Note Receivable	D-12	25,000.00	
Appropriation Reserves	D-16	157,255.54	
Accrued Interest on Notes	D-18	6,840.07	
Water Rent Overpayments	D-19	10,584.10	
Improvement Authorizations	D-20		7,570.00
Interfunds Payable	D-21	38,657.16	
Bond Anticipation Note	D-24		25,000.00
		1,928,462.67	32,570.00
Balance December 31, 2016	D	\$ 1,759,559.52	\$ 202,838.66
<u>Bank Reconciliation December 31, 2016</u>			
Balance per Statements:			
TD Bank, Fairfield, New Jersey:			
Account #3453103661		\$ 2,164,905.94	\$
Account #3453103688			202,838.66
		2,164,905.94	202,838.66
Plus: Transfer-in-Transit		2,218.46	
Due from Bank		200.96	
		2,167,325.36	
Less: Outstanding Checks (Per List on File)		95,683.57	
Transfer-in-Transit		312,082.27	
		407,765.84	
		\$ 1,759,559.52	\$ 202,838.66

TOWNSHIP OF FAIRFIELD
WATER UTILITY

CASH RECEIPTS AND DISBURSEMENTS
WATER COLLECTOR

D-6

	<u>Ref.</u>	
Increased by:		
Miscellaneous Revenue	D-3	\$ 52,337.80
Consumer Accounts Receivable	D-3	2,218,155.83
Water Rent Overpayments	D-19	15,034.16
		<u>2,285,527.79</u>
Decreased by:		
Turnovers to Treasurer	D-5	<u>2,285,527.79</u>
		<u>\$ -</u>

TOWNSHIP OF FAIRFIELD
WATER UTILITY

CASH - MONEY MARKET ACCOUNT

D-7

	<u>Ref.</u>	<u>Operating Fund</u>	<u>Capital Fund</u>
Balance December 31, 2015	D	\$ 149,383.46	\$ 92,144.23
Increased by:			
Accrued Interest	D-3	241.64	
Balance December 31, 2016	D	\$ 149,625.10	\$ 92,144.23
 <u>Bank Reconciliation December 31, 2016</u>			
Balance per Statements:			
Columbia Bank,			
Fairfield, New Jersey:			
Account #024803407		\$ 149,625.10	\$ 92,144.23

TOWNSHIP OF FAIRFIELD
WATER UTILITY

D-8

ANALYSIS OF WATER UTILITY CAPITAL CASH AND INVESTMENTS

<u>Ordinance Number</u>	<u>Balance</u> <u>Dec. 31, 2015</u>	<u>Receipts</u> <u>Other</u>	<u>Disbursements</u> <u>Improvement</u> <u>Authorizations</u>	<u>Transfers</u>		<u>Balance</u> <u>Dec. 31, 2016</u>
				<u>From</u>	<u>To</u>	
<u>General Accounts</u>						
Fund Balance	\$182,381.48	\$	\$	350.00	\$127,183.16	\$309,214.64
Due from General Capital Fund	(103,702.42)			7,100.42		(110,802.84)
Due from Water Utility Operating Fund	(45,852.65)	498.56				(45,354.09)
<u>General Improvement Authorizations</u>						
Various Improvements to the Water System	11,318.32			11,318.32		
Various Improvements to the Water System	263.45			263.45		
Various Improvements to the Water System	24,987.82			24,987.82		
Various Improvements to the Water System	8,095.80			8,095.80		
Various Improvements to the Water System	219.90			219.90		
Various Improvements to the Water System	59,710.74			59,710.74		
Acquisition of Equipment for the Water System	5,960.98			5,960.98		
Acquisition of Equipment for the Water System	611.77			611.77	350.00	350.00
Acquisition of Equipment for the Water System	8,913.96			8,913.96		
Acquisition of Equipment for the Water System	11,691.45					11,691.45
Various Capital Improvements for the Water Utility System	137,453.73		7,570.00			129,883.73
	<u>\$302,054.33</u>	<u>\$ 498.56</u>	<u>\$ 7,570.00</u>	<u>\$127,533.16</u>	<u>\$127,533.16</u>	<u>\$294,982.89</u>
<u>Reference</u>	<u>D</u>	<u>D-21</u>	<u>D-20</u>	<u>Contra</u>	<u>Contra</u>	<u>D</u>

TOWNSHIP OF FAIRFIELD
WATER UTILITY

D-9

INTERFUNDS RECEIVABLE

Ref.	Water Operating Fund			Swimming Pool		Water Capital Fund	
	Total	Current Fund	Water Capital Fund	Operating Fund	Total	General Capital Fund	Water Operating Fund
Balance December 31, 2015	\$ 126.00	\$	\$	\$ 126.00	\$ 149,555.07	\$ 103,702.42	\$ 45,852.65
Increased by:							
Premium on Sale of Notes							
Interest on Deposits	498.56		498.56		7,100.42	7,100.42	
Water Utility Fund Revenue Deposited in Current Fund in Error	1,633.84	1,633.84					
Consumer Accounts Receivable Deposited in Current Fund in Error	7,543.12	7,543.12					
	<u>9,801.52</u>	<u>9,176.96</u>	<u>498.56</u>	<u>126.00</u>	<u>156,655.49</u>	<u>110,802.84</u>	<u>45,852.65</u>
Decreased by:							
Transfer to Interfunds Payable	9,675.52	9,176.96	498.56		498.56		498.56
Balance December 31, 2016	<u>\$ 126.00</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 126.00</u>	<u>\$ 156,156.93</u>	<u>\$ 110,802.84</u>	<u>\$ 45,354.09</u>

TOWNSHIP OF FAIRFIELD
WATER UTILITY

CONSUMER ACCOUNTS RECEIVABLE

D-10

	<u>Ref.</u>		
Balance December 31, 2015	D		\$ 99,949.96
Increased by:			
Water Rent Billings	Reserve		<u>2,247,095.21</u>
			2,347,045.17
Decreased by:			
Collections	D-6	\$ 2,218,155.83	
Interfunds Receivable	D-9	7,543.12	
Transfers to Water Liens	D-11	735.25	
Overpayments Applied	D-19	<u>6,014.17</u>	
			<u>2,232,448.37</u>
Balance December 31, 2016	D		<u>\$ 114,596.80</u>

TOWNSHIP OF FAIRFIELD
WATER UTILITY

WATER UTILITY LIENS RECEIVABLE

D-11

	<u>Ref.</u>	
Increased by:		
Transfers from Consumer Accounts Receivable	D-10	\$ 735.25
Interest and Costs on Tax Sale of December 6, 2016	Reserve	5.21
Prior Year Adjustment	Reserve	<u>484.50</u>
Balance December 31, 2016	D	<u><u>\$ 1,224.96</u></u>

TOWNSHIP OF FAIRFIELD
WATER UTILITY

NOTE RECEIVABLE

D-12

	<u>Ref.</u>	
Increased by: Note Issued	D-5	<u>\$ 25,000.00</u>
Balance December 31, 2016	D	<u>\$ 25,000.00</u>

	<u>Ordinance Number</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>
Renovations to Water Tank for the Water Utility System	14-12	12-07-16	12-06-17	0.00%

TOWNSHIP OF FAIRFIELD
WATER UTILITY

FIXED CAPITAL

D-13

	<u>Balance</u> <u>Dec. 31, 2015</u>	<u>Ordinance</u>	<u>Balance</u> <u>Dec. 31, 2016</u>
Pumping Stations and Structures	\$ 913,838.98	\$	\$ 913,838.98
Wells and Appurtenances	558,314.29		558,314.29
Distribution Mains, Hydrants and Accessories	1,648,506.68		1,648,506.68
Meters	797,653.70		797,653.70
Engineering Services	80,764.67		80,764.67
Underground Storage Tanks	27,120.10	700,000.00	727,120.10
General Equipment	470,889.14	61,125.06	532,014.20
General Improvements to Water System	455,573.39	868,403.97	1,323,977.36
Refunding Bond Issuance Costs	<u>32,000.00</u>		<u>32,000.00</u>
	<u>\$4,984,660.95</u>	<u>\$1,629,529.03</u>	<u>\$6,614,189.98</u>
<u>Reference</u>	<u>D</u>	<u>D-14</u>	<u>D</u>

TOWNSHIP OF FAIRFIELD
WATER UTILITY

FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

D-14

	<u>Number</u>	<u>Ordinance Date</u>	<u>Amount</u>	<u>Balance Dec. 31, 2015</u>	<u>Costs to Fixed Capital</u>	<u>Authorizations Cancelled</u>	<u>Balance Dec. 31, 2016</u>
Various Improvements to the Water System	00-16	8-14-00	\$ 57,500.00	\$ 57,500.00	\$ 46,181.68	\$ 11,318.32	\$
Various Improvements to the Water System	02-10	7-22-02	21,500.00	21,500.00	21,236.55	263.45	
Various Improvements to the Water System	04-08	7-26-04	91,000.00	91,000.00	66,012.18	24,987.82	
Various Improvements to the Water System	05-09	4-09-05	63,000.00	63,000.00	54,904.20	8,095.80	
Various Improvements to the Water System	06-04	2-13-06	30,000.00	30,000.00	29,780.10	219.90	
Various Improvements to the Water System	06-17	7-24-06	710,000.00	710,000.00	650,289.26	59,710.74	
Acquisition of Equipment for the Water System	07-16	7-31-07	36,000.00	36,000.00	30,039.02	5,960.98	
Acquisition of Equipment for the Water System	08-16	12-29-08	33,000.00	33,000.00		611.77	32,388.23
Acquisition of Equipment for the Water System	11-16	6-13-11	40,000.00	40,000.00	31,086.04	8,913.96	
Acquisition of Equipment for the Water System	12-11	8-13-12	195,000.00	195,000.00			195,000.00
Renovations to the Water Tank	14-07	6-24-14	700,000.00	700,000.00	700,000.00		
Various Capital Improvements for the Water Utility System	15-10	8-18-15	230,000.00	230,000.00			230,000.00
				<u>\$2,207,000.00</u>	<u>\$ 1,629,529.03</u>	<u>\$ 120,082.74</u>	<u>\$ 457,388.23</u>
		<u>Reference</u>	<u>D</u>		<u>D-13</u>	<u>D-20</u>	<u>D</u>

TOWNSHIP OF FAIRFIELD
WATER UTILITY

DEFERRED CHARGES

D-15

	<u>Ref.</u>	
Balance December 31, 2015	D	\$10,948.00
Decreased by:		
Appropriated in Budget	D-4	<u>10,948.00</u>
		<u>\$ -</u>

TOWNSHIP OF FAIRFIELD
WATER UTILITY

APPROPRIATION RESERVES

D-16

	Balance Dec. 31, 2015		<u>Expended</u>	Balance <u>Lapsed</u>
	<u>Encumbered</u>	<u>Unencumbered</u>		
<u>Operating</u>				
Salaries and Wages	\$	\$ 24,136.79	\$	\$ 24,136.79
Other Expenses	11,254.88	231,651.78	157,255.54	85,651.12
<u>Statutory Expenditures</u>				
Contribution to:				
Social Security System (OASI)		2,448.46		2,448.46
Unemployment Compensation Insurance		5,000.00		5,000.00
	<u>\$ 11,254.88</u>	<u>\$ 263,237.03</u>	<u>\$ 157,255.54</u>	<u>\$ 117,236.37</u>
<u>Reference</u>	<u>D</u>	<u>D</u>	<u>D-5</u>	<u>D-1</u>

TOWNSHIP OF FAIRFIELD
WATER UTILITY

ACCRUED INTEREST ON BONDS

D-17

	<u>Ref.</u>	
Balance December 31, 2015	D	\$ 8,946.75
Increased by:		
Budget Appropriations	D-4	<u>23,558.00</u>
		32,504.75
Decreased by:		
Payments	D-21	<u>23,858.00</u>
Balance December 31, 2016	D	<u><u>\$ 8,646.75</u></u>

Analysis of Balance

<u>Principal Outstanding Dec. 31, 2016</u>	<u>Interest Rate</u>	<u>From</u>	<u>To</u>	<u>Period</u>	<u>Amount</u>
<u>Serial Bonds</u>					
\$ 678,000.00	Various	8-15-16	12-31-16	4 1/2 Months	<u><u>\$ 8,646.75</u></u>

TOWNSHIP OF FAIRFIELD
WATER UTILITY

ACCRUED INTEREST ON NOTES

D-18

	<u>Ref.</u>	
Balance December 31, 2015	D	\$ 174.32
Increased by:		
Budget Appropriations	D-4	<u>7,200.00</u>
		<u>7,374.32</u>
Decreased by:		
Payments	D-5	<u>6,840.07</u>
Balance December 31, 2016	D	<u><u>\$ 534.25</u></u>

TOWNSHIP OF FAIRFIELD
WATER UTILITY

WATER RENT OVERPAYMENTS

D-19

	<u>Ref.</u>		
Balance December 31, 2015	D		\$ 6,014.17
Increased by:			
Collections	D-6		<u>15,034.16</u>
			21,048.33
Decreased by:			
Refunds	D-5	\$10,584.10	
Overpayments Applied	D-10	<u>6,014.17</u>	
			<u>16,598.27</u>
Balance December 31, 2016	D		<u>\$ 4,450.06</u>

TOWNSHIP OF FAIRFIELD
WATER UTILITY

IMPROVEMENT AUTHORIZATIONS

D-20

	Ordinance Date	Amount	Balance Dec. 31, 2015		Paid or Charged	Authorizations Cancelled	Balance Dec. 31, 2016	
			Funded	Unfunded			Funded	Unfunded
General Improvements								
Various Improvements to the Water System	00-16	\$ 57,500.00	\$ 11,318.32	\$	\$	\$ 11,318.32	\$	
Various Improvements to the Water System	02-10	21,500.00	263.45			263.45		
Various Improvements to the Water System	04-08	91,000.00	24,987.82			24,987.82		
Various Improvements to the Water System	05-09	63,000.00	8,095.80			8,095.80		
Various Improvements to the Water System	06-04	30,000.00	219.90			219.90		
Various Improvements to the Water System	06-17	710,000.00	59,710.74			59,710.74		
Acquisition of Equipment for the Water System	07-16	36,000.00	5,960.98			5,960.98		
Acquisition of Equipment for the Water System	08-17	33,000.00	611.77			611.77		
Acquisition of Equipment for the Water System	11-16	40,000.00	8,913.96			8,913.96		
Acquisition of Equipment for the Water System	12-11	195,000.00	21,441.45				21,441.45	
Various Capital Improvements for the Water Utility System	15-10	230,000.00	137,453.73		7,570.00			129,883.73
			<u>\$120,082.74</u>	<u>\$159,245.18</u>	<u>\$7,570.00</u>	<u>\$120,082.74</u>	<u>\$350.00</u>	<u>\$151,325.18</u>
		Reference	D	D	D-5	D-14, Below	D	D
					Ref.			
					D-2	\$119,732.74		
					D-26	<u>350.00</u>		
					Above	<u>\$120,082.74</u>		

TOWNSHIP OF FAIRFIELD
WATER UTILITY

INTERFUNDS PAYABLE

D-21

Ref.	Total	Water Operating Fund			Water Capital Fund	Water Operating Fund
		Current Fund	Water Capital Fund	Sewer Operating Fund		
Balance December 31, 2015	\$ 296,908.20	\$ 113,955.46	\$ 45,852.65	\$ 137,100.09	\$	
Increased by:						
Water Operating Pension Payment						
Paid by Current Fund	38,500.00	38,500.00				498.56
Interest on Deposits	543.96	543.96				
Advances	39,043.96	39,043.96				498.56
Water Operating Debt Service Paid						
by Current Fund:						
Accrued Interest on Bonds	23,858.00	23,858.00				
	62,901.96	62,901.96				498.56
	359,810.16	176,857.42	45,852.65	137,100.09		498.56
Decreased by:						
Settlement	38,657.16	38,500.00		157.16		
Transfer from Interfunds Receivable	9,675.52	9,176.96	498.56			498.56
	48,332.68	47,676.96	498.56	157.16		498.56
Balance December 31, 2016	\$ 311,477.48	\$ 129,180.46	\$ 45,354.09	\$ 136,942.93	\$	-

TOWNSHIP OF FAIRFIELD
WATER UTILITY

RESERVE FOR AMORTIZATION

D-22

	<u>Ref.</u>		
Balance December 31, 2015	D		\$ 5,024,660.95
Increased by:			
Transfer from Deferred Reserve for Amortization	D-23	\$ 213,603.97	
Bonds Paid from Operating Budget: Serial Bonds	D-25	<u>40,000.00</u>	
			<u>253,603.97</u>
			5,278,264.92
Decreased by:			
Prior Year Adjustment	D-23		<u>11,074.94</u>
Balance December 31, 2016	D		<u><u>\$ 5,267,189.98</u></u>

TOWNSHIP OF FAIRFIELD
WATER UTILITY

DEFERRED RESERVE FOR AMORTIZATION

D-23

	<u>Ordinance</u>		<u>Balance</u>	<u>Notes</u>	<u>Prior</u>	<u>To Reserve</u>	<u>Authorization</u>	<u>Balance</u>
	<u>Number</u>	<u>Date</u>	<u>Dec. 31, 2015</u>	<u>Paid from</u>	<u>Year</u>	<u>for Amortization</u>	<u>Cancelled</u>	<u>Dec. 31, 2016</u>
				<u>Operating</u>	<u>Adjustment</u>	<u>Fixed Capital</u>		
				<u>Budget</u>				
Various Improvements to the Water System	00-16	8-14-00	\$ 57,500.00	\$		\$ 46,181.68	\$ 11,318.32	\$
Various Improvements to the Water System	02-10	7-22-02	21,500.00			21,236.55	263.45	
Various Improvements to the Water System	04-08	7-26-04	33,000.00			8,012.18	24,987.82	
Various Improvements to the Water System	05-09	9-25-05	26,200.00			18,104.20	8,095.80	
Various Improvements to the Water System	06-04	2-13-06	10,000.00			9,780.10	219.90	
Various Improvements to the Water System	06-17	7-24-06	170,000.00			110,289.26	59,710.74	
Acquisition of Equipment for the Water System	07-16	7-31-07	1,800.00		4,160.98		5,960.98	
Acquisition of Equipment for the Water System	08-17	12-29-08	1,650.00				261.77	1,388.23
Acquisition of Equipment for the Water System	11-16	6-13-11	2,000.00		6,913.96		8,913.96	
Acquisition of Various Items of Equipment for the Water System	12-11	8-13-12	15,000.00	15,000.00				30,000.00
Various Capital Improvements for the Water Utility System	15-10	8-18-15	<u>11,500.00</u>					<u>11,500.00</u>
			<u>\$350,150.00</u>	<u>\$ 15,000.00</u>	<u>\$ 11,074.94</u>	<u>\$213,603.97</u>	<u>\$ 119,732.74</u>	<u>\$ 42,888.23</u>
	<u>Reference</u>		<u>D</u>	<u>D-24</u>	<u>D-22</u>	<u>D-22</u>	<u>D-2</u>	<u>D</u>

TOWNSHIP OF FAIRFIELD
WATER UTILITY

D-24

BOND ANTICIPATION NOTES

	<u>Ordinance Number</u>	<u>Date of Original Issue</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2015</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance Dec. 31, 2016</u>
Acquisition of Various Items of Equipment for the Water System	12-11	12-13-12	12-09-15	12-08-16	0.63 %	\$ 170,250.00	\$ 155,250.00	\$ 170,250.00	\$ 155,250.00
			12-07-16	12-06-17	2.00				
Renovations to Water Tank for the Water Utility System	14-12	12-11-14	12-09-15	12-08-16	0.63	700,000.00	675,000.00	700,000.00	675,000.00
			12-07-16	12-06-17	2.00				
Renovations to Water Tank for the Water Utility System	14-12	12-11-14	12-07-16	12-06-17	0.00		25,000.00		25,000.00
Various Capital Improvements for the Water Utility System	15-10	12-09-15	12-09-15	12-08-16	0.63	218,500.00	218,500.00	218,500.00	218,500.00
			12-07-16	12-06-17	2.00				
						<u>\$ 1,088,750.00</u>	<u>\$ 1,073,750.00</u>	<u>\$ 1,088,750.00</u>	<u>\$ 1,073,750.00</u>
					<u>Reference</u>	<u>D</u>	<u>Below</u>	<u>Below</u>	<u>D</u>
					<u>Ref.</u>				
			Issued for Cash				\$ 25,000.00	\$	
			Redeemed					25,000.00	
			Budget Appropriations					15,000.00	
			Renewals					1,048,750.00	
			Contra						
			Above				<u>\$ 1,073,750.00</u>	<u>\$ 1,088,750.00</u>	

TOWNSHIP OF FAIRFIELD
WATER UTILITY

SERIAL BONDS

D-25

Purpose	Original Issue		Maturities of Bonds Outstanding Dec. 31, 2016		Interest Rate	Balance Dec. 31, 2015	Decrease	Balance Dec. 31, 2016
	Date	Amount	Date	Amount				
Water Improvement Bonds	8-20-13	\$ 758,000.00	8-15-17/19	\$ 40,000.00	2.000 %			
			8-15-20	40,000.00	2.500			
			8-15-21/24	40,000.00	3.000			
			8-15-25	40,000.00	3.500			
			8-15-26/28	40,000.00	4.000			
			8-15-29	40,000.00	4.125			
			8-15-30	40,000.00	4.250			
			8-15-31	40,000.00	4.400			
			8-15-32	40,000.00	4.500			
		8-15-33	38,000.00	4.600				
						\$ 718,000.00	\$ 40,000.00	\$ 678,000.00
					Reference	D	D-22	D

TOWNSHIP OF FAIRFIELD
WATER UTILITY

BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

D-26

<u>Improvements</u>	<u>Ordinance Number</u>	<u>Balance Dec. 31, 2015</u>	<u>Authorization Cancelled</u>	<u>Balance Dec. 31, 2016</u>
Acquisition of Equipment for the Water System	08-17	\$ 350.00	\$ 350.00	\$
Acquisition of Equipment for the Water System	12-11	<u>9,750.00</u>	<u> </u>	<u>9,750.00</u>
		<u>\$ 10,100.00</u>	<u>\$ 350.00</u>	<u>\$ 9,750.00</u>
	<u>Reference</u>	<u>D</u>	<u>D-20</u>	<u>D</u>

TOWNSHIP OF FAIRFIELD
SEWER UTILITY

E-6
Sheet #1

CASH RECEIPTS, DISBURSEMENTS AND RECONCILIATIONS
TREASURER

	<u>Ref.</u>	<u>Operating Fund</u>	<u>Assessment Trust Fund</u>	<u>Capital Fund</u>
Balance December 31, 2015	E	\$2,735,642.11	\$ 63,427.88	\$379,473.63
Increased by Receipts:				
Miscellaneous Revenue Not Anticipated	E-1	\$ 6,500.00	\$	
Interest on Investments and Deposits	E-4	14,132.25		
Collector	E-7	5,075,125.15		
Interfunds Payable	E-25	157.16	30.56	766.03
Contra Items:				
Petty Cash	Contra	<u>200.00</u>		<u>766.03</u>
		<u>5,096,114.56</u>	<u>30.56</u>	<u>766.03</u>
		<u>7,831,756.67</u>	<u>63,458.44</u>	<u>380,239.66</u>
Decreased by Disbursements:				
Budget Appropriations	E-5	4,457,270.14		
Appropriation Reserves	E-19	3,303.82		
Accrued Interest on Notes	E-21	3,957.98		
Sewer User Overpayments	E-22	33,436.50		
Improvement Authorizations	E-23			111,708.00
Interfunds Payable	E-25	38,500.00		
Contra Items:				
Treasurer	Contra	<u>200.00</u>		<u>111,708.00</u>
		<u>4,536,668.44</u>		<u>111,708.00</u>
Balance December 31, 2016	E	<u>\$3,295,088.23</u>	<u>\$ 63,458.44</u>	<u>\$268,531.66</u>

TOWNSHIP OF FAIRFIELD
SEWER UTILITY

CASH RECEIPTS, DISBURSEMENTS AND RECONCILIATIONS
TREASURER

E-6
Sheet #2

	<u>Operating Fund</u>	<u>Assessment Trust Fund</u>	<u>Capital Fund</u>
<u>Bank Reconciliation December 31, 2016</u>			
Balance per Statements:			
BCB Community Bank:			
Account #2822900037	\$ 1,514,196.31	\$	\$
TD Bank, Fairfield, New Jersey:			
Account #3453103696	1,776,950.47		
Account #3453103718			268,531.66
Account #3453103726		10,645.09	
PNC Bank, Fairfield, New Jersey:			
Account #80-4236-5987		52,813.35	
	3,291,146.78	63,458.44	268,531.66
Plus: Transfer-in-Transit	311,783.98		
	3,602,930.76	63,458.44	268,531.66
Less: Outstanding Checks (Per List on File)	305,710.88		
Transfer-in-Transit	2,131.65		
	307,842.53		
	\$ 3,295,088.23	\$ 63,458.44	\$ 268,531.66

TOWNSHIP OF FAIRFIELD
SEWER UTILITY

CASH RECEIPTS AND DISBURSEMENTS
SEWER COLLECTOR

E-7

	<u>Ref.</u>	<u>Operating Fund</u>
Increased by:		
Miscellaneous Revenue	E-4	\$ 47,692.63
Sewer Rents Receivable	E-4	4,896,628.04
Sewer User Overpayments	E-22	130,804.48
		<u>5,075,125.15</u>
Decreased by:		
Turnovers to Treasurer	E-6	<u>5,075,125.15</u>
		<u>\$ -</u>

TOWNSHIP OF FAIRFIELD
SEWER UTILITY

CASH - MONEY MARKET

E-8

	<u>Ref.</u>	<u>Operating Fund</u>	<u>Capital Fund</u>
Balance December 31, 2015	E	\$1,207.68	\$ 5,213.61
Increased by:			
Accrued Interest	E-4	6.41	
Balance December 31, 2016	E	\$1,214.09	\$5,213.61
 <u>Bank Reconciliation December 31, 2016</u>			
Balance per Statement:			
Columbia Bank,			
Fairfield, New Jersey:			
Account #024804507		\$1,214.09	\$ 5,213.61

TOWNSHIP OF FAIRFIELD
SEWER UTILITY

ANALYSIS OF SEWER UTILITY ASSESSMENT TRUST CASH

E-9

	<u>Balance</u> <u>Dec. 31, 2015</u>	<u>Receipts</u> <u>Other</u>	<u>Balance</u> <u>Dec. 31, 2016</u>
Due from Current Fund	\$ (13,698.00)	\$	\$ (13,698.00)
Due to Assessment Trust Fund	9,698.94		9,698.94
Due to Sewer Operating Fund	15,304.48	30.56	15,335.04
Fund Balance	<u>52,122.46</u>	<u> </u>	<u>52,122.46</u>
	<u>\$ 63,414.11</u>	<u>\$ 30.56</u>	<u>\$ 63,458.44</u>
<u>Reference</u>	<u>E</u>	<u>E-25</u>	<u>E</u>

TOWNSHIP OF FAIRFIELD
SEWER UTILITY

ANALYSIS OF SEWER UTILITY CAPITAL CASH AND INVESTMENTS

E-10

<u>General Accounts</u>	<u>Ordinance</u> <u>Number</u>	<u>Balance</u> <u>Dec. 31, 2015</u>	<u>Receipts</u> <u>Other</u>	<u>Disbursements</u> <u>Improvement</u> <u>Authorizations</u>	<u>Transfers</u>		<u>Balance</u> <u>Dec. 31, 2016</u>
					<u>From</u>	<u>To</u>	
Fund Balance		\$ 9,193.29	\$	\$	4,096.07	\$20,979.28	\$ 30,172.57
Interfund General Capital Fund		(15,456.42)	766.03				(4,096.07)
Interfund Sewer Utility Operating Fund		38,530.00					(14,690.39)
Capital Improvement Fund							38,530.00
<u>General Improvement Authorizations</u>							
Various Improvements to the Sewer Utility System	99-01	9,045.31			9,045.31		(19,194.40)
Various Improvements to the Sewer Utility System	99-21	4,327.82			4,327.82		(2,149.94)
Various Improvements to the Sewer Utility System	01-13	3,042.42			3,042.42		(20,831.00)
Various Improvements to the Sewer Utility System	02-11	467.66			467.66		266,004.50
Various Improvements to the Sewer Utility System	04-10	(19,194.40)					
Various Improvements to the Sewer Utility System	06-05	(2,149.94)					
Various Improvements to the Sewer Utility System	08-18	(20,831.00)					
Acquisition of Various Items of Equipment	15-11	377,712.50		111,708.00			
		<u>\$ 384,687.24</u>	<u>\$ 766.03</u>	<u>\$ 111,708.00</u>	<u>\$ 20,979.28</u>	<u>\$ 20,979.28</u>	<u>\$ 273,745.27</u>
<u>Reference</u>		<u>E</u>	<u>E-25</u>	<u>E-23</u>	<u>Contra</u>	<u>Contra</u>	<u>E</u>

TOWNSHIP OF FAIRFIELD
SEWER UTILITY

SEWER RENTS RECEIVABLE

E-11

	<u>Ref.</u>		
Balance December 31, 2015	E		\$ 158,168.12
Increased by:			
Sewer Rent Billings	Reserve		<u>4,897,853.60</u>
			<u>5,056,021.72</u>
Decreased by:			
Collections	E-7	\$ 4,896,628.04	
Interfunds Receivable	E-16	12,062.93	
Transfer to Sewer Liens	E-12	1,462.50	
Overpayments Applied	E-22	<u>7,083.62</u>	
			<u>4,917,237.09</u>
Balance December 31, 2016	E		<u><u>\$ 138,784.63</u></u>

TOWNSHIP OF FAIRFIELD
SEWER UTILITY

SEWER LIENS RECEIVABLE

E-12

	<u>Ref.</u>	
Increased by:		
Transfers from Sewer Rents Receivable	E-11	\$ 1,462.50
Interest and Costs on Tax Sale of December 6, 2016	Reserve	164.88
Prior Year Adjustment	Reserve	<u>763.05</u>
Balance December 31, 2016	E	<u>\$2,390.43</u>

TOWNSHIP OF FAIRFIELD
SEWER UTILITY

E-13

ASSESSMENTS RECEIVABLE

<u>Ordinance</u> <u>Number</u>	<u>Improvement</u> <u>Description</u>	<u>Date of</u> <u>Confirmation</u>	<u>Annual</u> <u>Installments</u>	<u>Due Dates</u>	<u>Balance</u> <u>Dec. 31, 2015</u> <u>Unpledged</u>	<u>Balance</u> <u>Dec. 31, 2016</u> <u>Unpledged</u>
453	Sanitary Sewers	6-15-77	10	6-15-86	\$ 3,965.32	\$ 3,965.32
573	Sanitary Sewers	4-10-81	10	10-22-90	13,926.24	13,926.24
97-02	Sanitary Sewers	11-27-00	10	11-27-10	1,839.11	1,839.11
					<u>\$ 19,730.67</u>	<u>\$ 19,730.67</u>
				<u>Reference</u>	<u>E</u>	<u>E</u>

TOWNSHIP OF FAIRFIELD
SEWER UTILITY

ASSESSMENT LIENS

E-14

	<u>Ref.</u>	
Balance December 31, 2015	E	<u>\$ 2,580.60</u>
Balance December 31, 2016	E	<u>\$ 2,580.60</u>

ASSESSMENT LIEN INTEREST AND COSTS

E-15

	<u>Ref.</u>	
Balance December 31, 2015	E	<u>\$ 428.13</u>
Balance December 31, 2016	E	<u>\$ 428.13</u>

TOWNSHIP OF FAIRFIELD
SEWER UTILITY

FIXED CAPITAL

E-17

	<u>Balance</u> <u>Dec. 31, 2015</u>	<u>Addition</u> <u>by</u> <u>Ordinances</u>	<u>Balance</u> <u>Dec. 31, 2016</u>
Sewer Treatment Plant	\$20,391,456.44	\$	\$20,391,456.44
Land Acquisition	29,095.00		29,095.00
Sanitary Sewer Lines and Appurtenances	719,416.86		719,416.86
Legal and Professional Fees	8,894.07		8,894.07
Engineering Services	66,902.60		66,902.60
Underground Storage Tanks	79,759.79		79,759.79
General Equipment	130,458.68		130,458.68
General Improvements to Sewer System	425,167.91	716,216.79	1,141,384.70
Refunding Bond Issuance Costs	22,000.00		22,000.00
Acquisition of Various Items of Equipment	<u>250,000.00</u>		<u>250,000.00</u>
	<u>\$22,123,151.35</u>	<u>\$ 716,216.79</u>	<u>\$22,839,368.14</u>
<u>Reference</u>	<u>E</u>	<u>E-18</u>	<u>E</u>

TOWNSHIP OF FAIRFIELD
SEWER UTILITY

FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

E-18

	<u>Ordinance</u>	<u>Balance</u>	<u>Costs to</u>	<u>Authorizations</u>	<u>Balance</u>
<u>Number</u>	<u>Date</u>	<u>Dec. 31, 2015</u>	<u>Fixed</u>	<u>Cancelled</u>	<u>Dec. 31, 2016</u>
	<u>Amount</u>	<u>Capital</u>	<u>Capital</u>	<u>\$</u>	<u>\$</u>
Various Improvements to the Sewer System	99-01	\$ 250,000.00	\$ 240,954.69	\$ 9,045.31	\$
Various Improvements to the Sewer System	99-21	320,000.00	315,672.18	4,327.82	
Various Improvements to the Sewer System	01-13	13,100.00	10,057.58	3,042.42	
Various Improvements to the Sewer System	02-11	150,000.00	149,532.34	467.66	
Various Improvements to the Sewer System	04-10	26,000.00			26,000.00
Various Improvements to the Sewer System	06-05	35,000.00			35,000.00
Various Improvements to the Sewer System	08-18	90,000.00			90,000.00
Acquisition of Various Items of Equipment for the Sewer System	15-11	380,000.00			380,000.00
		<u>\$ 1,264,100.00</u>	<u>\$ 716,216.79</u>	<u>\$ 16,883.21</u>	<u>\$ 531,000.00</u>
	<u>Reference</u>	<u>E</u>	<u>E-17</u>	<u>E-23</u>	<u>E</u>

TOWNSHIP OF FAIRFIELD
SEWER UTILITY

APPROPRIATION RESERVES

E-19

	Balance Dec. 31, 2015		<u>Expended</u>	Balance <u>Lapsed</u>
	<u>Encumbered</u>	<u>Unencumbered</u>		
Operating:				
Salaries and Wages	\$	\$ 34,588.68	\$	\$ 34,588.68
Other Expenses	887.40	122,095.11	3,303.82	119,678.69
Statutory Expenditures:				
Contribution to:				
Social Security System		3,248.03		3,248.03
	<u>\$ 887.40</u>	<u>\$ 159,931.82</u>	<u>\$ 3,303.82</u>	<u>\$ 157,515.40</u>
<u>Reference</u>	<u>E</u>	<u>E</u>	<u>E-6</u>	<u>E-1</u>

TOWNSHIP OF FAIRFIELD
SEWER UTILITY

ACCRUED INTEREST ON BONDS

E-20

	<u>Ref.</u>	
Balance December 31, 2015	E	\$ 5,932.32
Increased by:		
Budget Appropriations	E-5	10,600.00
		<u>16,532.32</u>
Decreased by:		
Payments	E-25	<u>11,843.26</u>
Balance December 31, 2016	E	<u>\$ 4,689.06</u>

ACCRUED INTEREST ON NOTES

E-21

	<u>Ref.</u>	
Balance December 31, 2015	E	\$ 231.53
Increased by:		
Budget Appropriations	E-5	4,000.00
		<u>4,231.53</u>
Decreased by:		
Payments	E-6	<u>3,957.98</u>
Balance December 31, 2016	E	<u>\$ 273.55</u>

TOWNSHIP OF FAIRFIELD
SEWER UTILITY

SEWER USER OVERPAYMENTS

E-22

	<u>Ref.</u>		
Balance December 31, 2015	E		\$ 7,083.62
Increased by:			
Collections	E-7		<u>130,804.48</u>
			137,888.10
Decreased by:			
Refunds	E-6	\$33,436.50	
Overpayments Applied	E-6,11	<u>7,083.62</u>	
			<u>40,520.12</u>
Balance December 31, 2016	E		<u>\$ 97,367.98</u>

TOWNSHIP OF FAIRFIELD
SEWER UTILITY

IMPROVEMENT AUTHORIZATIONS

E-23

	Number	Ordinance Date	Amount	Balance Dec. 31, 2015		Expended	Authorizations Cancelled	Balance Dec. 31, 2016 Unfunded
				Funded	Unfunded			
General Improvements Various Sewer Utility Improvements	99-01	2-08-99	\$ 250,000.00	\$ 9,045.31	\$	\$	\$ 9,045.31	\$
Various Improvements to the Sewer System	99-21	9-13-99	320,000.00	4,327.82			4,327.82	
Various Sewer Utility Improvements	01-13	9-10-01	13,100.00	3,042.42			3,042.42	
Various Improvements to the Sewer System	02-11	7-22-02	150,000.00	467.66			467.66	
Various Improvements to the Sewer System	04-10	7-26-04	26,000.00					805.60
Various Improvements to the Sewer System	06-05	2-13-06	35,000.00					27,850.06
Various Improvements to the Sewer System	08-18	12-29-08	90,000.00					64,669.00
Acquisition of Various Items of Equipment to the Sewer System	15-11	8-18-15	380,000.00			111,708.00		266,004.50
				\$ 16,883.21	\$ 471,037.16	\$ 111,708.00	\$ 16,883.21	\$ 359,329.16
			Reference	E	E	E-6	E-18	E

TOWNSHIP OF FAIRFIELD
SEWER UTILITY

CAPITAL IMPROVEMENT FUND

E-24

	<u>Ref.</u>	
Balance December 31, 2015	E	<u>\$ 38,530.00</u>
Balance December 31, 2016	E	<u><u>\$ 38,530.00</u></u>

TOWNSHIP OF FAIRFIELD
SEWER UTILITY

INTERFUNDS PAYABLE

E-25

Ref.	Sewer Operating Fund			Sewer Assessment Fund		Sewer Capital Fund
	Total	Current Fund	Water Operating Fund	Total	Sewer Operating Fund	
E	\$ 91,713.19	\$ 76,256.77	\$ -	\$ 25,003.42	\$ 15,304.48	\$ -
E-6						
E-6	157.16		157.16	30.56	30.56	766.03
E-5	38,500.00	38,500.00				
E-20	11,843.26	11,843.26				
	<u>142,213.61</u>	<u>126,600.03</u>	<u>157.16</u>	<u>25,033.98</u>	<u>15,335.04</u>	<u>766.03</u>
E-6	38,500.00	38,500.00				
E-16	15,459.01	14,535.82	157.16			766.03
	<u>53,959.01</u>	<u>53,035.82</u>	<u>157.16</u>			<u>766.03</u>
E	\$ 88,254.60	\$ 73,564.21	\$ -	\$ 25,033.98	\$ 15,335.04	\$ -

Balance December 31, 2015

Increased by:

Interest on Deposits

Advances

Sewer Operating Pension Payment Paid

by Current Fund

Sewer Operating Debt Service Paid by

Current Fund:

Accrued Interest on Bonds

Decreased by:

Settlement

Transfer To/From Interfunds Receivable

Balance December 31, 2016

TOWNSHIP OF FAIRFIELD
SEWER UTILITY

RESERVE FOR ASSESSMENTS AND LIENS

E-26

<u>Improvement Description</u>	<u>Ordinance Number</u>	<u>Balance Dec. 31, 2016</u>	<u>Balance Dec. 31, 2015</u>
Assessments Receivable:			
Sanitary Sewers	453	\$ 3,965.32	\$ 3,965.32
Sanitary Sewers	573	13,926.24	13,926.24
Sanitary Sewers	97-02	1,839.11	1,839.11
		<u>19,730.67</u>	<u>19,730.67</u>
Assessment Liens:			
Sanitary Sewers	573	<u>2,580.60</u>	<u>2,580.60</u>
		<u>\$ 22,311.27</u>	<u>\$ 22,311.27</u>
	<u>Reference</u>	<u>E</u>	<u>E</u>

TOWNSHIP OF FAIRFIELD
SEWER UTILITY

RESERVE FOR AMORTIZATION

E-27

	<u>Ref.</u>		
Balance December 31, 2015	E		\$ 22,179,751.35
Increased by:			
Transfer from Deferred Reserve for Amortization	E-28	\$ 40,126.87	
Bonds Paid from Operating Budget:			
Refunding Bonds	E-30	80,000.00	
Serial Bonds	E-31	<u>10,000.00</u>	
			<u>130,126.87</u>
			<u>22,309,878.22</u>
Decreased by:			
Prior Year Adjustment	E-28		<u>3,510.08</u>
Balance December 31, 2016	E		<u><u>\$ 22,306,368.14</u></u>

TOWNSHIP OF FAIRFIELD
SEWER UTILITY

DEFERRED RESERVE FOR AMORTIZATION

E-28

	<u>Ordinance</u>	<u>Balance</u>	<u>Notes</u>	<u>Prior</u>	<u>To Reserve</u>	<u>Authorization</u>	<u>Balance</u>
	<u>Number</u>	<u>Dec. 31, 2015</u>	<u>Paid from</u>	<u>Year</u>	<u>for</u>	<u>Cancelled</u>	<u>Dec. 31, 2016</u>
	<u>Date</u>		<u>Operating</u>	<u>Adjustment</u>	<u>Amortization</u>		
			<u>Budget</u>		<u>Fixed Capital</u>		
Various Improvements to the Sewer System	99-01	\$ 12,500.00	\$	\$	\$ 3,454.69	\$ 9,045.31	\$
Various Improvements to the Sewer System	99-21	16,000.00			11,672.18	4,327.82	
Various Sewer Utility Improvements	01-13			3,042.42		3,042.42	
Various Improvements to the Sewer System	02-11			467.66		467.66	
Various Improvements to the Sewer System	04-10	6,000.00					6,000.00
Various Improvements to the Sewer System	06-05	5,000.00					5,000.00
Various Improvements to the Sewer System	08-18	4,500.00					4,500.00
Acquisition of Various Items of Equipment for the Sewer System	13-14		25,000.00		25,000.00		
		<u>\$ 44,000.00</u>	<u>\$ 25,000.00</u>	<u>\$ 3,510.08</u>	<u>\$ 40,126.87</u>	<u>\$ 16,883.21</u>	<u>\$ 15,500.00</u>
	<u>Reference</u>	<u>E</u>	<u>E-29</u>	<u>E-27</u>	<u>E-27</u>	<u>E-3</u>	<u>E</u>

TOWNSHIP OF FAIRFIELD
SEWER UTILITY

E-29

BOND ANTICIPATION NOTES

<u>Ordinance Number</u>	<u>Date of Original Issue</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2015</u>	<u>Note Issued</u>	<u>Decrease</u>	<u>Balance Dec. 31, 2016</u>
Acquisition of Various Items of Equipment for the Sewer System	13-14 13-14	12-09-15 12-07-16	12-08-16 12-06-17	0.63% 2.00	\$ 250,000.00	\$ 225,000.00	\$ 250,000.00	\$ 225,000.00
Acquisition of Various Items of Equipment for the Sewer System	15-11	12-09-15 12-07-16	12-08-16 12-06-17	0.63 2.00	\$ 380,000.00	380,000.00	380,000.00	380,000.00
					<u>\$ 630,000.00</u>	<u>\$ 605,000.00</u>	<u>\$ 630,000.00</u>	<u>\$ 605,000.00</u>

Reference

E

Below

E

Ref.

Budget Appropriations
Renewals

E-28
Contra

\$ 25,000.00
605,000.00

Above
\$ 605,000.00

\$ 630,000.00

TOWNSHIP OF FAIRFIELD
SEWER UTILITY

E-30

REFUNDING BONDS

<u>Purpose</u>	<u>Original Issue</u>		<u>Maturities of Bonds</u>		<u>Interest</u>	<u>Balance</u>	<u>Decrease</u>	<u>Balance</u>
	<u>Date</u>	<u>Amount</u>	<u>Date</u>	<u>Amount</u>				
Sewer Utility Improvements	8-18-09	\$ 760,000.00	1-15-17	\$ 75,000.00	3.000%	\$ 360,000.00	\$ 80,000.00	\$ 280,000.00
			1-15-18	75,000.00	3.000			
			1-15-19	75,000.00	4.000			
			1-15-20	55,000.00	3.375	<u>\$ 360,000.00</u>	<u>\$ 80,000.00</u>	<u>\$ 280,000.00</u>
					<u>Reference</u>	<u>€</u>	<u>E-27</u>	<u>€</u>

TOWNSHIP OF FAIRFIELD
SEWER UTILITY

E-31

SERIAL BONDS

<u>Purpose</u>	<u>Original Issue</u>		<u>Maturities of Bonds Outstanding Dec. 31, 2016</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2015</u>	<u>Decrease</u>	<u>Balance Dec. 31, 2016</u>
	<u>Date</u>	<u>Amount</u>	<u>Date</u>	<u>Amount</u>				
Sewer Utility Improvements	7-15-04	\$163,000.00	7-15-17	\$15,000.00	3.65%	\$38,000.00	\$10,000.00	\$28,000.00
			7-15-18	13,000.00				
					<u>Reference</u>	<u>E</u>	<u>E-27</u>	<u>E</u>

TOWNSHIP OF FAIRFIELD
SEWER UTILITY

BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

E-32

<u>Improvements</u>	<u>Ordinance Number</u>	<u>Balance Dec. 31, 2015</u>	<u>Balance Dec. 31, 2016</u>
Various Sewer Utility Improvements	04-10	\$ 20,000.00	\$ 20,000.00
Various Sewer Utility Improvements	06-05	30,000.00	30,000.00
Various Sewer Utility Acquisitions	08-18	<u>85,500.00</u>	<u>85,500.00</u>
		<u>\$ 135,500.00</u>	<u>\$ 135,500.00</u>
	<u>Reference</u>	<u>E</u>	<u>E</u>

TOWNSHIP OF FAIRFIELD
SWIMMING POOL UTILITY

CASH RECEIPTS, DISBURSEMENTS AND RECONCILIATIONS
TREASURER

F-5
Sheet #1

	<u>Ref.</u>	<u>Operating Fund</u>		<u>Capital Fund</u>
Balance December 31, 2015	F	\$ 97,738.19		\$ 805.08
Increased by Receipts:				
Interest on Investments and Deposits	F-3	\$ 303.47		\$
Collector	F-6	179,828.21		
Interfunds Payable	F-17		35,011.92	
Bond Anticipation Notes	F-21	<u> </u>	<u>50,000.00</u>	
		<u>180,131.68</u>		<u>85,011.92</u>
		277,869.87		85,817.00
Decreased by Disbursements:				
Budget Appropriations	F-4	144,724.82		
Interfunds Receivable	F-9	35,000.00		
Appropriation Reserves	F-12	12.99		
Improvement Authorizations	F-15	<u> </u>	<u>35,000.00</u>	
		<u>179,737.81</u>		<u>35,000.00</u>
Balance December 31, 2016	F	<u>\$ 98,132.06</u>		<u>\$ 50,817.00</u>

TOWNSHIP OF FAIRFIELD
SWIMMING POOL UTILITY

CASH RECEIPTS, DISBURSEMENTS AND RECONCILIATIONS
TREASURER

F-5
Sheet #2

	<u>Operating Fund</u>	<u>Capital Fund</u>
<u>Bank Reconciliation December 31, 2016</u>		
Balance per Statements:		
TD Bank,		
Fairfield, New Jersey:		
Account #3453103734	\$ 95,981.19	\$
Account #3452885542		<u>50,817.00</u>
	<u>95,981.19</u>	50,817.00
Plus: Deposits-in-Transit	<u>2,570.00</u>	
	98,551.19	<u>50,817.00</u>
Less: Outstanding Checks	<u>419.13</u>	
	<u>\$ 98,132.06</u>	<u>\$ 50,817.00</u>

TOWNSHIP OF FAIRFIELD
SWIMMING POOL UTILITY

CASH RECEIPTS AND DISBURSEMENTS
TAX COLLECTOR'S ACCOUNT

F-6

	<u>Ref.</u>		
Increased by Receipts:			
Membership Fees	F-3		\$ 163,190.21
Nonbudget Revenue:			
Guest Passes	F-3	\$ 7,610.00	
Nursery School Fees	F-3	5,700.00	
Concession Rent	F-3	1,328.00	
Swimming Team Fees	F-3	<u>2,000.00</u>	
			<u>16,638.00</u>
			179,828.21
Decreased by Disbursements:			
Turnover to Treasurer	F-5		<u>179,828.21</u>
			<u>\$ -</u>

TOWNSHIP OF FAIRFIELD
SWIMMING POOL UTILITY

CASH - MONEY MARKET ACCOUNT

F-7

	<u>Ref.</u>	<u>Operating Fund</u>	<u>Capital Fund</u>
Balance December 31, 2015	F	\$ 7,783.18	\$ 10,806.00
Increased by:			
Accrued Interest	F-3	18.59	
Balance December 31, 2016	F	\$ 7,801.77	\$ 10,806.00
 <u>Bank Reconciliation December 31, 2016</u>			
Balance per Statement:			
Columbia Bank,			
Fairfield, New Jersey:			
Account #024804493		\$ 7,801.77	\$ 10,806.00

TOWNSHIP OF FAIRFIELD
SWIMMING POOL UTILITY

ANALYSIS OF SWIMMING POOL UTILITY CAPITAL CASH AND INVESTMENTS

F-8

General Accounts	Ordinance Number	Balance Dec. 31, 2015	Receipts			Disbursements Improvement Authorizations	Transfers		Balance Dec. 31, 2016
			Bond Anticipation Notes	Other	From		To		
Fund Balance		\$ 1,584.98	\$		\$		\$49,017.19	\$ 50,602.17	
Capital Improvement Fund		3,350.00						3,350.00	
Reserve for Preliminary Study		7,280.80						7,280.80	
Due from General Capital Fund		(1,584.98)				338.51		(1,923.49)	
Due to Swimming Pool Operating Fund		1,001.63		35,011.92				36,013.55	
<u>Improvement Authorizations</u>									
Various Pool Improvements and Other	01-12	48,678.68				48,678.68			
Related Expenses									
Various Improvements to the Pool	04-09	(35,993.22)			35,000.00			(35,993.22)	
Complex	06-18	(12,706.81)			15,000.00			2,293.19	
Renovation of Main Filter System									
		\$ 11,611.08		\$ 35,011.92		\$ 49,017.19	\$ 49,017.19	\$ 61,623.00	
Reference		F		F-17		F-15	Contra	F	

TOWNSHIP OF FAIRFIELD
SWIMMING POOL UTILITY

INTERFUNDS RECEIVABLE

F-9

	Ref.	<u>Swimming Pool Operating Fund</u>		<u>Swimming Pool Capital Fund</u>	<u>Swimming Pool Capital Fund</u>
		<u>Total</u>	<u>General Trust Fund</u>	<u>Swimming Pool Capital Fund</u>	<u>General Capital Fund</u>
Balance December 31, 2015	F	\$ 1,001.63	\$	\$ 1,001.63	\$ 1,584.98
Increased by:					
Premium on Sale of Note	F-2				338.51
Swimming Pool Operating Fund Revenue Deposited in General Trust Fund in Error:					
Membership Fees	F-3	3,045.00	3,045.00		
Guest Passes	F-3	1,000.00	1,000.00		
Lost Badges	F-3	5.00	5.00		
		<u>4,050.00</u>	<u>4,050.00</u>		<u>338.51</u>
Interest on Deposits	F-3	11.92		11.92	
Advance	F-5	35,000.00		35,000.00	
		<u>35,011.92</u>		<u>35,011.92</u>	
		40,063.55	4,050.00	36,013.55	1,923.49
Decreased by:					
Transfer to Interfunds Payable	F-17	4,050.00	4,050.00		
Balance December 31, 2016	F	<u>\$ 36,013.55</u>	<u>\$ -</u>	<u>\$ 36,013.55</u>	<u>\$ 1,923.49</u>

TOWNSHIP OF FAIRFIELD
SWIMMING POOL UTILITY

FIXED CAPITAL

F-10

	<u>Balance</u> <u>Dec. 31, 2015</u>	<u>Additions</u> <u>by</u> <u>Ordinance</u>	<u>Balance</u> <u>Dec. 31, 2016</u>
Swimming Pool Facility	<u>\$ 1,548,406.45</u>	<u>\$ 126,321.32</u>	<u>\$ 1,674,727.77</u>
<u>Reference</u>	<u>F</u>	<u>F-11</u>	<u>E</u>

TOWNSHIP OF FAIRFIELD
SWIMMING POOL UTILITY

F-11

FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

	<u>Number</u>	<u>Ordinance</u> <u>Date</u>	<u>Amount</u>	<u>Balance</u> <u>Dec. 31, 2015</u>	<u>Costs to</u> <u>Fixed Capital</u>	<u>Authorization</u> <u>Cancelled</u>	<u>Balance</u> <u>Dec. 31, 2016</u>
Various Pool Improvements and Other Related Expenses	01-12	9-10-01	\$175,000.00	\$175,000.00	\$ 126,321.32	\$ 48,678.68	\$
Various Improvements to the Pool Complex	04-09	7-26-04	73,000.00	73,000.00			73,000.00
Renovation of Main Filter System	06-18	8-28-06	126,000.00	126,000.00			126,000.00
				<u>\$374,000.00</u>	<u>\$ 126,321.32</u>	<u>\$48,678.68</u>	<u>\$199,000.00</u>
		<u>Reference</u>		E	F-10	F-15	E

TOWNSHIP OF FAIRFIELD
SWIMMING POOL UTILITY

APPROPRIATION RESERVES

F-12

	Balance Dec. 31, 2015		Balance After Transfers	<u>Expended</u>	Balance <u>Lapsed</u>
	<u>Encumbered</u>	<u>Unencumbered</u>			
<u>Operating</u>					
Salaries and Wages	\$	\$ 303.33	\$ 303.33	\$	\$ 303.33
Other Expenses	12.99	47,574.05	47,587.04	12.99	47,574.05
	<u>\$ 12.99</u>	<u>\$ 47,877.38</u>	<u>\$ 47,890.37</u>	<u>\$ 12.99</u>	<u>\$ 47,877.38</u>
<u>Reference</u>	<u>F</u>	<u>F</u>		<u>F-5</u>	<u>F-1</u>

TOWNSHIP OF FAIRFIELD
SWIMMING POOL UTILITY

ACCRUED INTEREST ON NOTES

F-13

	<u>Ref.</u>	
Increased by:		
Budget Appropriation	F-4	<u>\$ 66.67</u>
Balance December 31, 2016	F	<u><u>\$ 66.67</u></u>

Analysis of Balance

<u>Note</u> <u>Outstanding</u> <u>Dec. 31, 2016</u>	<u>Interest</u> <u>Rate</u>	<u>Accrued</u>		<u>Period</u>	<u>Amount</u>
		<u>From</u>	<u>To</u>		
\$ 35,000.00	2.0%	12/7/2016	12/31/2016	24 Days	\$ 46.67
15,000.00	2.0	12/7/2016	12/31/2016	24 Days	<u>20.00</u>
					<u><u>\$ 66.67</u></u>

TOWNSHIP OF FAIRFIELD
SWIMMING POOL UTILITY

ACCRUED INTEREST ON BONDS

F-14

	<u>Ref.</u>	
Balance December 31, 2015	F	\$ 1,211.73
Increased by:		
Budget Appropriation	F-4	2,457.75
		<u>3,669.48</u>
Decreased by:		
Interfunds Payable	F-17	2,840.50
		<u>2,840.50</u>
Balance December 31, 2016	F	<u>\$ 828.98</u>

Analysis of Balance

Bonds Outstanding Dec. 31, 2016	Interest Rate	Accrued		Period	Amount
		From	To		
\$ 37,000.00	3.65%	7-15-16	12-31-16	5 1/2 Months	\$ 618.98
28,000.00	2.00%	8-15-16	12-31-16	4 1/2 Months	<u>210.00</u>
					<u>\$ 828.98</u>

TOWNSHIP OF FAIRFIELD
SWIMMING POOL UTILITY

IMPROVEMENT AUTHORIZATIONS

F-15

	<u>Number</u>	<u>Ordinance Date</u>	<u>Amount</u>	<u>Balance Dec. 31, 2015</u>		<u>Expended</u>	<u>Authorizations Cancelled</u>	<u>Balance Dec. 31, 2016 Unfunded</u>
				<u>Funded</u>	<u>Unfunded</u>			
General Improvements								
Various Pool Improvements and Other Related Expenses	01-12	9-10-01	\$ 175,000.00	\$ 48,678.68	\$ -	\$ -	\$ 48,678.68	\$ -
Various Improvements to the Pool Complex	04-09	7-26-04	73,000.00		37,006.78	35,000.00		2,006.78
Renovation of Main Filter System	06-18	8-28-06	126,000.00		32,293.19			32,293.19
				<u>\$ 48,678.68</u>	<u>\$ 69,299.97</u>	<u>\$ 35,000.00</u>	<u>\$ 48,678.68</u>	<u>\$ 34,299.97</u>
			<u>Reference</u>	<u>F</u>	<u>F</u>	<u>F-5</u>	<u>F-11</u>	<u>F</u>

TOWNSHIP OF FAIRFIELD
SWIMMING POOL UTILITY

CAPITAL IMPROVEMENT FUND

F-16

	<u>Ref.</u>	
Balance December 31, 2015	F	<u>\$3,350.00</u>
Balance December 31, 2016	F	<u>\$3,350.00</u>

TOWNSHIP OF FAIRFIELD
SWIMMING POOL UTILITY

F-17

INTERFUNDS PAYABLE

<u>Ref.</u>	Swimming Pool Operating Fund					Swimming Pool Capital Fund
	<u>Total</u>	<u>Current Fund</u>	<u>General Trust Fund</u>	<u>Water Operating Fund</u>	<u>Sewer Operating Fund</u>	<u>Swimming Pool Operating Fund</u>
Balance December 31, 2015	\$ 22,083.33	\$ 13,428.48	\$ 7,759.85	\$ 126.00	\$ 769.00	\$ 1,001.63
Increased by:						
Advance						35,000.00
Interest on Deposits		2,840.50				11.92
Accrued Interest on Bonds Paid by		16,268.98				
Current Fund in Error		24,923.83	7,759.85	126.00	769.00	36,013.55
Decreased by:						
Transfer from Interfunds Receivable	4,050.00		4,050.00			
Balance December 31, 2016	\$ 20,873.83	\$ 16,268.98	\$ 3,709.85	\$ 126.00	\$ 769.00	\$ 36,013.55

TOWNSHIP OF FAIRFIELD
SWIMMING POOL UTILITY

RESERVE FOR PRELIMINARY STUDY

F-18

	<u>Ref.</u>	
Balance December 31, 2015	F	<u>\$ 7,280.80</u>
Balance December 31, 2016	F	<u>\$ 7,280.80</u>

RESERVE FOR AMORTIZATION

F-19

	<u>Ref.</u>	
Balance December 31, 2015	F	\$ 1,686,406.45
Increased by:		
Serial Bonds Paid from Operating Budget	F-22	<u>30,000.00</u> 1,716,406.45
Decreased by:		
Prior Period Adjustment	F-20	<u>48,678.68</u>
Balance December 31, 2016	F	<u>\$ 1,667,727.77</u>

TOWNSHIP OF FAIRFIELD
SWIMMING POOL UTILITY

F-21

BOND ANTICIPATION NOTES

	<u>Ordinance Number</u>	<u>Date of Original Issue</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Increase</u>	<u>Balance Dec. 31, 2016</u>
Various Improvements to the Pool Complex	2004-09	12-7-16	12-7-16	12-6-17	2.0%	\$ 35,000.00	\$ 35,000.00
Main Filter System Renovation	2006-18	12-7-16	12-7-16	12-6-17	2.0	15,000.00	15,000.00
						<u>\$ 50,000.00</u>	<u>\$ 50,000.00</u>

Reference

F-5

F

TOWNSHIP OF FAIRFIELD
SWIMMING POOL UTILITY

F-22

SERIAL BONDS

<u>Purpose</u>	<u>Original Issue</u>		<u>Maturities of Bonds Outstanding</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2015</u>	<u>Decrease</u>	<u>Balance Dec. 31, 2016</u>
	<u>Date</u>	<u>Amount</u>	<u>Date</u>	<u>Amount</u>				
Swimming Pool Bonds	7-15-04	\$ 257,000.00	7-15-17	\$ 20,000.00	3.65%	\$ 57,000.00	\$ 20,000.00	\$ 37,000.00
			7-15-18	17,000.00				
Swimming Pool Bonds	8-20-13	58,000.00	8-15-17/18	10,000.00	4.05 1.75	38,000.00	10,000.00	28,000.00
			8-15-19	8,000.00				
						<u>\$ 95,000.00</u>	<u>\$ 30,000.00</u>	<u>\$ 65,000.00</u>
					<u>Reference</u>	<u>F</u>	<u>F-19</u>	<u>F</u>

TOWNSHIP OF FAIRFIELD
SWIMMING POOL UTILITY

BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

F-23

<u>Improvements</u>	<u>Ordinance Number</u>	<u>Balance Dec. 31, 2015</u>	<u>Notes Issued</u>	<u>Balance Dec. 31, 2016</u>
Various Improvements to the Pool Complex	04-09	\$ 73,000.00	\$ 35,000.00	\$ 38,000.00
Main Filter System Renovation	06-18	<u>45,000.00</u>	<u>15,000.00</u>	<u>30,000.00</u>
		<u>\$ 118,000.00</u>	<u>\$ 50,000.00</u>	<u>\$ 68,000.00</u>
	<u>Reference</u>	<u>F</u>	<u>F-21</u>	<u>F</u>

TOWNSHIP OF FAIRFIELD
PUBLIC ASSISTANCE TRUST FUND

CASH RECEIPTS, DISBURSEMENTS AND RECONCILIATION

G-1

	<u>Ref.</u>	<u>Trust Fund Account #1</u>
Balance December 31, 2015	G	\$ 1,180.30
Increased by:		
Interest on Deposits	G-2	<u>0.12</u>
Balance December 31, 2016	G	<u>\$ 1,180.42</u>
 <u>Bank Reconciliation December 31, 2016</u>		
Balance per Statement:		
PNC Bank,		
Fairfield, New Jersey:		
Account #81-0028-9493		
		<u>\$ 1,180.42</u>

TOWNSHIP OF FAIRFIELD
PUBLIC ASSISTANCE TRUST FUND

RESERVE FOR PUBLIC ASSISTANCE EXPENDITURES

G-2

	<u>Ref.</u>	<u>Trust Fund</u> <u>Account #1</u>
Balance December 31, 2015	G	\$ 1,180.30
Increased by:		
Interest on Deposits	G-1	<u>0.12</u>
Balance December 31, 2016	G	<u>\$ 1,180.42</u>

PART II
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
ROSTER OF OFFICIALS
LETTER OF TRANSMITTAL, COMMENTS AND RECOMMENDATIONS
(MANAGEMENT LETTER)
YEAR ENDED DECEMBER 31, 2016

SAMUEL KLEIN AND COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

550 BROAD STREET, 11TH FLOOR
NEWARK, NJ 07102-9969
PHONE (973) 624-6100
FAX (973) 624-6101

36 WEST MAIN STREET, SUITE 303
FREEHOLD, NJ 07728-2291
PHONE (732) 780-2600
FAX (732) 780-1030

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

The Honorable Mayor and Members
of the Township Council
Township of Fairfield
Fairfield, New Jersey 07004

We have audited the financial statements - regulatory basis of the various funds of the Township of Fairfield, in the County of Essex, as of and for the years ended December 31, 2016 and 2015, and the related notes to the financial statements and have issued our report thereon dated September 28, 2017. These financial statements - regulatory basis have been prepared in conformity with accounting principles 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. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township's 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 matters that we reported to management in the 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 result of that testing, and not to provide an opinion on the effectiveness of the Township's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


SAMUEL KLEIN AND COMPANY
CERTIFIED PUBLIC ACCOUNTANTS


JOSEPH J. FACCONI, RMA, PA

Newark, New Jersey
September 28, 2017

**ROSTER OF OFFICIALS AND CERTAIN EMPLOYEES
AND REPORT ON SURETY BONDS FOR THE YEAR 2016**

<u>Name</u>	<u>Title</u>	<u>Amount of Bonds</u>
James Gasparini	Mayor	\$
Joseph Cifelli	Council President	
John LaForgia	Councilperson	
Michael McGlynn	Councilperson	
Thomas Morgan	Councilperson	
Joseph Catenaro	Business Administrator	
J. John McCluskey	Chief Financial Officer Tax Collector	1,000,000.00 1,000,000.00
Denise D. Cafone	Municipal Clerk	
Dennis M. Galvin	Township Attorney	
Frank Pomaco	Municipal Court Judge	1,000,000.00
Maria Cappa-Foschini	Municipal Court Administrator	
Anthony G. Manna	Chief of Police	
Michael Leposky	Tax Assessor	
Steven Bury	Township Engineer	
Philip Cheff	Construction Code Official	
Anthony Pompei	Recreation Director	

The above surety coverage is provided by the Suburban Essex Joint Insurance Fund and is subject to a \$2,500.00 deductible.

An employee dishonesty and faithful performance bond issued through the Suburban Essex Joint Insurance Fund, in the amount of \$50,000.00 with excess coverage of \$950,000.00, covers all employees except those required to file statutory bonds.

SAMUEL KLEIN AND COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

550 BROAD STREET, 11TH FLOOR
NEWARK, NJ 07102-9969
PHONE (973) 624-6100
FAX (973) 624-6101

36 WEST MAIN STREET, SUITE 303
FREEHOLD, NJ 07728-2291
PHONE (732) 780-2600
FAX (732) 780-1030

The Honorable Mayor and Members
of the Township Council
Township of Fairfield
Fairfield, New Jersey 07004

Gentlemen:

We have audited the regulatory basis financial statements and supplemental schedules and data of the

TOWNSHIP OF FAIRFIELD

COUNTY OF ESSEX

for the years ended December 31, 2016 and December 31, 2015 and have issued our report thereon. As part of our audit, we reviewed and tested the municipality's system of internal accounting control to the extent we considered necessary to evaluate the system as required by auditing standards generally accepted in the United States of America; by the Division of Local Government Services of the Department of Community Affairs, State of New Jersey; by the *Government Auditing Standards* issued by the U.S. General Accounting Office; and by the provisions of the "Single Audit Act of 1984". Compliance requirements were also reviewed in accordance with the requirements of the aforementioned standards and guidelines or, where applicable, the terms and conditions of particular grant agreements and as approved by the Cognizant Audit Agency.

Our comments with respect to the audit, internal control, and any error, omission, irregularity, violation of law, discrepancy or other nonconformity to the law or regulation found during the audit are herewith set forth.

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

N.J.S.A. 40A:11-4a states "Every contract awarded by the contracting agent for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefor, except as is provided otherwise in this act or specifically by any other law. The governing body of a contracting unit may, by resolution approved by a majority of the governing body, 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."

It is pointed out that management has the responsibility of determining whether the expenditures in any category will exceed the threshold set for the fiscal year and, where question arises as to whether any contract or agreement might result in violation of the statute, the opinion of the Township Attorney should be sought before a commitment is made.

The statutory bidding threshold, effective July 1, 2015, decreased from \$26,000.00 to \$17,500.00 based on the appointment of a nonqualified purchasing agent.

P.L. 2005, Chapter 51 and N.J.S.A. 19:44A-20.5, known as the "Pay-to-Play Law", however, provides that a municipality is prohibited from executing any contract in excess of \$17,500.00, on or after January 1, 2006, to a business entity that made certain reportable contributions to any municipal committee of a political party if a member of that party is in office as a member of the governing body of the municipality when the contract is awarded unless proposals or qualifications are solicited through a fair and open process.

It is further noted that contracts between \$17,500.00 and the municipal bidding threshold, known as "window contracts", can be issued by resolution of the governing body without competitive bidding if a non-fair and open process is implemented which prohibits reportable contributions by the business entity.

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

Service and Construction Contracts:

- Reconstruction of Lehigh Drive
- Rehabilitation of the Kiddy Pool
- 2015 Handicapped Ramp Construction - Various Locations

Vehicles and Equipment:

- Natural Gas Generator

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

The minutes indicate that resolutions were adopted and advertised authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S. 19:44A-20.5.

Our examination of the disbursement records noted payments to the following vendors in excess of the statutory bid limit for which no bid award or Council resolution could be located:

Action Data Services, Inc.	\$36,334.54
Kevah Konner, Inc.	41,415.00

It should be noted that payroll services, as provided by Action Data Services, Inc. have been the subject of a Township bid in the 2017 fiscal year. In addition, busing services, which were provided by Kevah Konner, Inc., have been discontinued.

Collection of Interest on Delinquent Taxes, Assessments, Water and Sewer Billings

N.J.S. 53:4-67, as amended, provides the method for authorizing interest and the maximum rate to be charged for the nonpayment of taxes or assessments on or before the date when they would become delinquent.

The Governing Body adopted the following resolution on January 4, 2016, authorizing interest to be charged on delinquent payments:

WHEREAS, N.J.S.A. 54:4-66 provides that taxes are payable in quarterly installments, February 1st, May 1st, August 1st and November 1st in each year, and

WHEREAS, N.J.S.A. 54:4-67 authorizes municipalities to provide a grace period not exceeding ten days without additional charge for interest.

NOW, THEREFORE BE IT RESOLVED, by the Mayor and Council of the Township of Fairfield that no interest shall be charged if any installment of taxes is made within the tenth calendar day following the date on which the same becomes payable, but when an installment is received after the expiration of the grace period, the delinquent balance shall bear interest from the due date at a rate of 8% per annum on that portion of the delinquency which is less than or equal to \$1,500.00 and 18% per annum on that portion of the delinquency which is in excess of \$1,500.00.

It is further noted that on January 4, 2016, the Township of Fairfield adopted the following resolution on delinquent taxes, in accordance with the provisions of Ch. 75, P.L. 1991, establishing certain interest penalties. This resolution reads as follows:

WHEREAS, by virtue of Chapter 75, Laws of 1991 the Township of Fairfield is permitted to charge 6% penalty against delinquent taxes and other municipal charges totaling in excess of \$10,000.00, if the taxpayer fails to pay that delinquency prior to the end of the calendar year.

NOW, THEREFORE BE IT RESOLVED, by the Mayor and Council of the Township of Fairfield, that the Municipal Tax Collector be and is hereby authorized to charge late charges on delinquent taxes and other municipal charges pursuant to Chapter 75, Laws of 1991.

Interest on delinquent assessments was authorized at 8% by resolutions adopted by the Township Council.

Our test of the Collector's records indicated that interest on delinquent taxes was generally collected in accordance with the provisions of the foregoing resolution.

Interest on Delinquent Water and Sewer Charges

The Governing Body on March 11, 2002 adopted Ordinance Number 2002-05 authorizing interest to be charged on delinquent water and sewer charges. This ordinance reads as follows:

In the event that a bill is not paid within thirty (30) days of the date of issuance, interest shall accrue on the unpaid balance, at the maximum rate allowed pursuant to N.J.S.A. 40:14B-41, that being at a rate of one and one half percent (1.5%) per month until the date on which such charge, and the interest thereon, shall be fully paid to the Township.

Our test of the Collector's records indicated that interest on delinquent water and sewer charges were generally collected in accordance with the provisions of the foregoing ordinance.

Delinquent Taxes

Delinquent taxes, in the sum of \$33,920.69, exclusive of 2016, is summarized as follows:

<u>Year</u>	<u>Amount</u>
2013	\$16,270.57
2014	8,371.68
2015	<u>9,278.44</u>
	<u>\$33,920.69</u>

A tax sale was held on December 6, 2016 and was complete.

Tax Title Liens

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

<u>Year</u>	<u>Number</u>	<u>Amount</u>
2016	37	\$1,615,050.42
2015	30	1,443,978.80
2014	31	1,217,231.70

Tax Title Lien Redemption Account

A detailed list supporting the cash balance for the tax title lien redemptions was not available for audit.

It is recommended that a detailed list supporting the cash balance for the tax title lien redemption account be prepared.

Tax Overpayments

Tax overpayments as reflected on the general ledger control account, in the sum of \$264,089.20, is not in agreement with records maintained by the Office of the Tax Collector, as detailed in the following schedule:

General Ledger	\$ 264,089.20
Tax Collector	<u>114,985.10</u>
Difference	<u>\$ 149,104.10</u>

It is recommended that certain records regarding tax overpayments be reviewed and appropriate action taken.

Verification of Delinquent Taxes and Other Charges

A test verification of unpaid charges and current payments, in accordance with the regulations of the Division of Local Government Services, consisted of notices as follows:

<u>Type</u>	<u>Number of Notices</u>
Payment of 2016 Taxes and 2017 Taxes	100
Payment of Water and Sewer Rents	100
Delinquent Taxes	10
Tax Title Liens	3
Assessments	5
Unpaid Water and Sewer Utility Charges	<u>25</u>
	<u>243</u>

There were no exceptions developed in connection with our examination.

Revenue Collections

Recreation Department:

The cash receipts book contained numerous recording errors, incomplete postings and receipts are recorded as of the day of deposit rather than the day of receipt.

Swimming Pool Utility:

The cash receipts book contained numerous recording errors and incomplete postings and receipts are recorded as of the day of deposit rather than the day of receipt.

The following recommendations are noted:

That more care be exercised in the recording and posting of the Recreation Department and Swimming Pool Utility fees and that Recreation Department receipts be recorded in the cash receipts book the day of receipt rather than the day of deposit.

Assessment Trust Fund

The Assessment Liens Receivable reflected on Exhibit B-8 herein are not supported by a detailed list.

Special Assessment Reports were not in agreement with General Ledger balances.

The following recommendation is noted:

That a detailed list for Assessment Liens Receivable be maintained and that Special Assessment Reports be reconciled with General Ledger balances.

Outside Employment of Off-Duty Police Officers

The following receivables have remained uncollected as of the current date:

	<u>Year</u>	<u>Amount</u>
Drak Excavating	2014	\$ 400.00
Team Equipment	2015	<u>4,120.00</u>
		<u>\$ 4,520.00</u>

It is recommended that certain outside employment of off-duty police officers receivable balances be reviewed and appropriate action taken as to their disposition.

Unfunded Improvement Costs

The following unfunded improvement authorizations, as of December 31, 2016, which are over five years old, have been completed with unfinanced costs:

<u>Ordinance Number</u>	<u>Amount</u>
02-18	\$ 41,201.00
07-15g	2.85

Sewer Assessments

The following sewer assessments receivable appear on the Tax Collector's records as outstanding as of December 31, 2016:

<u>Ordinance Number</u>	<u>Description</u>	<u>Date of Confirmation</u>	<u>Balance Dec. 31, 2016</u>
453	Sanitary Sewers	06-15-77	\$ 3,965.32
573	Sanitary Sewers	04-10-81	13,926.24
97-02	Sanitary Sewers	11-27-00	<u>1,839.11</u>
			<u>\$ 19,730.67</u>

The above amounts have remained unpaid for more than twenty years, and payments on these properties are unlikely.

It is recommended that certain unpaid sewer assessments be reviewed and appropriate action taken as to collection, cancellation or inclusion in the next tax sale.

Other Post-Employment Benefits

Local Finance Notices 2007-15 and 2009-13 require local units that provide non-pension benefits to retired employees, such as health insurance coverage, prescription or other benefits, to disclose the annual payment for currently retired employees and future cost for those employees in the Notes to the Financial Statements.

Those municipalities that are not members of the State Health Benefits Plan or other cost sharing plans must obtain an actuarially calculated post-employment benefit on a periodic basis for inclusion in the Notes to the Financial Statements.

The Township of Fairfield maintains private health coverage and provides certain retired employees with post-employment benefits which require appropriate disclosure in the Notes to the Financial Statements in accordance with regulations promulgated by the Local Finance Board.

To date, the aforementioned post-employment costs for the Township of Fairfield have not been determined, resulting in our inability to include this information in the Notes to the Financial Statements.

It is recommended that an actuarial study be prepared to determine certain post-employment benefits in accordance with regulations promulgated by the Local Finance Board.

Payroll Fund

During 2011, the Township of Fairfield contracted with ADS to be the third party payroll service provider. ADS has the authority to withdraw funds from Township accounts and transfer these funds to their own accounts for the purpose of the payment to certain agencies with regard to payroll deductions.

An audit of the service provider's payroll account was not provided to the Township nor did our staff prepare such an audit. We did review certain records provided to the Township. It should be noted however, that we could not verify required payments of Federal and State agencies made by the service provider.

The Local Finance Board has adopted rules and regulations regarding third-party payroll vendors which are summarized in N.J.A.C. 5:30-17 and further provides authority for local governments to hire payroll service vendors to disburse funds to payroll agencies on behalf of the local unit.

In addition, Local Finance Notice 2009-18 has offered additional safeguards with respect to third-party payroll services.

Other payroll comments are as follows:

The Payroll Account bank reconciliation, as prepared by ADS, reflects an unidentified balance of \$29,381.64 as of December 31, 2016.

There remains an unidentified balance in the sum of \$13,763.92 in the Payroll Agency bank account as of December 31, 2016.

Additionally, cash reconciliations have not been prepared for the Payroll Agency bank account as of December 31, 2016.

The following recommendations are noted:

That the balance in the Net Payroll Account and the Payroll Agency Account be reviewed for proper disposition and that cash reconciliations be prepared for the Payroll Agency bank account.

Municipal Court

The following summary of receipts and disbursements, comprising a segment of the "Report of the Municipal Court for 2016", which is filed under a separate cover with the New Jersey Administrative Office of the Courts, the Division of Local Government Services, the Municipal Court and the Township Clerk, is presented herewith for information purposes:

	<u>Balance</u> <u>Dec. 31, 2015</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance</u> <u>Dec. 31, 2016</u>
Municipal Treasurer	\$ 15,379.65	\$ 235,013.63	\$ 233,169.01	\$ 17,224.27
County Treasurer	38,356.10	95,284.55	94,372.05	39,268.60
State Treasurer	13,238.95	278,425.23	271,553.44	20,110.74
Cash Bail	663.93	92,520.07	88,969.01	4,214.99
Miscellaneous	(22,018.92)	66,544.00	66,188.36	(21,663.28)
	<u>\$ 45,619.71</u>	<u>\$ 767,787.48</u>	<u>\$ 754,251.87</u>	<u>\$ 59,155.32</u>

Comments and resultant recommendations relating to the Municipal Court are detailed as follows:

The following checks have been outstanding in excess of one year:

<u>General Account</u>		<u>Bail Account</u>	
<u>Check Number</u>	<u>Amount</u>	<u>Check Number</u>	<u>Amount</u>
1314	\$ 76.00	2165	\$ 7.00
1315	1.00	2268	30.00
1316	1.00	2171	200.00
1317	1.00	2307	354.00
1318	5.00	2336	250.00
1319	2.00	2340	11.00
1322	20.00	2427	349.00
1327	54.00	2453	60.00
1329	5.00		
1331	40.00		
1332	2.00		
1333	1.00		
1334	1.00		
1336	1.00		
1341	33.00		
1345	96.09		
1348	100.00		
1374	1.00		
1415	11.00		
1416	10.00		
1419	7.00		
1420	33.00		
1421	100.00		
1432	1.00		
	<u> </u>		<u> </u>
Total O/S	<u>\$ 602.09</u>	Total O/S Checks	<u>\$ 1,261.00</u>

A listing of outstanding bail was not in agreement with the cash balance as of December 31, 2016, detailed as follows:

Balance per Listing	\$ 16,989.00
Cash Book	<u>4,216.30</u>
Deficit	<u>\$ 12,772.70</u>

Fees collected for motor vehicle fines due to the County of Essex in the amount of \$29,206.60 were inadvertently deposited to the General Trust Fund. As of the date of this report, these funds have not been paid to the County of Essex.

The General and Bail revenue collections were not deposited within 48 hours of receipt in accordance with the provisions of N.J.S.A. 40A:5-15.

In the General Account disbursements payments are not made before the 15th of the month.

Our examination of the payments indicated the following:

Four time payment agreements were not available for audit.

Two time payments did not reflect the Judge's signature.

Police ticket books are not assigned in numerical order.

Bail revenue received by the Police Department is not remitted to the Municipal Court within 48 hours of receipt.

The December 2016 Monthly Management Report was examined and the following items were noted:

All tickets that have been assigned must be issued within six months. The Tickets Assigned Not Issued Report indicated that 217 tickets were not issued within six months.

The Tickets Issued but Not Assigned Report indicated that 11 tickets were issued but not assigned.

The following recommendations with respect to the Municipal Court are noted as follows:

That certain outstanding checks be reviewed and appropriate action taken.

That the listing of cash bail on hand be reconciled to the amount of cash on deposit and more care be exercised in the recording and handling of the cash bail collections.

That certain monies due to the County of Essex be reviewed and appropriate action taken.

That General and Bail revenue collections be deposited within 48 hours in accordance with the provisions of N.J.S.A. 40A:5-15.

That General Account payments be made before the 15th of the month following collections.

That Police ticket books be assigned in numerical order.

That bail revenue received by the Police Department be remitted to the Municipal Court within 48 hours of receipt.

That more care be exercised in maintaining the cash receipts book and distribution of funds to the appropriate agencies.

That all time payments be made available for audit and reflect the Judge's signature.

That tickets assigned but not issued in excess of six months be reviewed for proper disposition.

That follow-up procedures be implemented for tickets whether issued or assigned.

Capital Fixed Assets

The Division of Local Government Services in the Department of Community Affairs of the State of New Jersey requires all municipalities in the State to establish and maintain sets of accounts and inventories reflecting costs or other valuations of all of its fixed assets, including land, buildings, improvements, machinery, furniture and equipment. Such accounts, to be included under "Capital Fixed Assets", would insure complete fiscal reliability of records, establish a basis for claims of losses and other insurance purposes, augment protective measures against the misuse or theft of property and furnish data on aging, anticipated life and other information on assets. Failure to maintain capital fixed asset records could jeopardize the Township's eligibility for future Federal and State Grants.

Although an inventory of movable fixed assets was prepared, it has not been updated for certain items of equipment.

It is recommended that the records of the Capital Fixed Assets be updated and maintained on a current basis.

Corrective Action Plan

In accordance with regulations promulgated by the Single Audit Act and the Division of Local Government Services, all municipalities are required to prepare and submit to the Division of Local Government Services, a Corrective Action Plan with regard to audit deficiencies. This plan must be approved by resolution of the Governing Body and submitted within 60 days from the date the audit is received.

A Corrective Action Plan was prepared by the Chief Financial Officer, approved by resolution of the Governing Body and submitted to the Division of Local Government Services.

Status of Prior Years' Audit Recommendations

A review was performed on all prior years' audit recommendations and corrective action was taken on all with the exception of those recommendations marked with an asterisk.

Miscellaneous

A report summarizing collections of Dog License Fees and remittances of State Registration Fees has been prepared and filed with the New Jersey Department of Health and the Division of Local Government Services.

Revenue and receipts were established and verified as to source and amount only insofar as the local records permitted.

In verifying expenditures, computations were tested on claims approved and paid. No attempt was made in this connection to establish proof of rendition, character or extent of services, nor quantities, nature, propriety of prices or receipt of materials, these elements being left necessarily to internal review in connection with approval of claims.

Individual payments of the Local School District and Regional High School taxes for the year 2016 were confirmed as received by the Secretaries of the respective Boards of Education.

Change Funds were verified by physical counts during the course of audit.

All sums of outstanding checks shown in cash reconciliations herein are in agreement with the records of the Treasurer.

An exit conference was held with the Township Administrator and Chief Financial Officer.

A summary or synopsis of this report was prepared for publication and filed with the Township Clerk.

One copy of this report was filed with the New Jersey Division of Local Government Services.

RECOMMENDATIONS

	<u>Page Number</u>
<u>General</u>	
*That a detailed list supporting the cash balance for the tax title lien redemption account be prepared.	221
That certain records regarding tax overpayments be reviewed and appropriate action taken.	221
*That more care be exercised in the recording and posting of the Recreation Department and Swimming Pool Utility fees and that Recreation Department receipts be recorded in the cash receipts book the day of receipt rather than the day of deposit.	222
That a detailed list for Assessment Liens Receivable be maintained and that Special Assessment Reports be reconciled with General Ledger balances.	222
That certain outside employment of off-duty police officers receivable balances be reviewed and appropriate action taken as to their disposition.	223
That certain unpaid sewer assessments be reviewed and appropriate action taken as to collection, cancellation or inclusion in the next tax sale.	223
*That an actuarial study be prepared to determine certain post-employment benefits in accordance with regulations promulgated by the Local Finance Board.	224
That the balance in the Net Payroll Account and the Payroll Agency Account be reviewed for proper disposition and that cash reconciliations be prepared for the Payroll Agency bank account.	224
<u>Municipal Court</u>	
*That certain outstanding checks be reviewed and appropriate action taken.	226
*That the listing of cash bail on hand be reconciled to the amount of cash on deposit and more care be exercised in the recording and handling of the cash bail collections.	226
*That certain monies due to the County of Essex be reviewed and appropriate action taken.	226
*That General and Bail revenue collections be deposited within 48 hours in accordance with the provisions of N.J.S.A. 40A-15.	226
*That General Account payments be made before the 15 th of the month following collections.	226
That Police ticket books be assigned in numerical order.	226
That bail revenue received by the Police Department be remitted to the Municipal Court within 48 hours of receipt.	226
*That more care be exercised in maintaining the cash receipts book and distribution of funds to the appropriate agencies.	226

RECOMMENDATIONS
(Continued)

Page
Number

Municipal Court (Continued)

- | | |
|--|-----|
| *That all time payments be made available for audit and reflect the Judge's signature. | 226 |
| That tickets assigned but not issued in excess of six months be reviewed for proper disposition. | 226 |
| *That follow-up procedures be implemented for tickets whether issued or assigned. | 226 |

Capital Fixed Assets

- | | |
|---|-----|
| *That the records of the Capital Fixed Assets be updated and maintained on a current basis. | 226 |
|---|-----|

* * *

*Repeated from the previous year.

The foregoing comments and resulting recommendations are not of sufficient materiality whereby they would affect our ability to express an opinion on the financial statements taken as a whole.

We shall be pleased to confer on any questions that might arise with respect to any matters in this report and to assist in the implementation of recommendations.

We desire to express our appreciation for the assistance and courtesies rendered by the Township officials and employees during the course of the audit.

Respectfully submitted,

A handwritten signature in black ink that reads "Samuel Klein and Company". The signature is written in a cursive, flowing style.

SAMUEL KLEIN AND COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

A handwritten signature in blue ink that reads "Joseph J. Faccione". The signature is written in a cursive, flowing style.

JOSEPH J. FACCONI, RMA, PA

Newark, New Jersey
September 28, 2017

