

**NEW ISSUE
BOOK-ENTRY ONLY**

Rating (Bonds): S&P “AA/stable outlook”
Rating (Notes): NOT RATED
 (See “RATINGS” herein)

In the opinion of GluckWalrath LLP, Bond Counsel assuming continuing compliance with the provisions of the Internal Revenue Code of 1986, as amended (the “Code”), applicable to the Bonds and the Tax-Exempt Notes and subject to certain provisions of the Code which are described herein, under laws, regulations, rulings and judicial decisions existing on the date of original delivery of the Bonds and the Tax-Exempt Notes, interest received by holders of the Bonds and the Tax-Exempt Notes will be excludable from gross income for federal income tax purposes and will not be treated as a tax preference item for purposes under Section 57 of the Code for individuals or corporations. Interest on the Bonds and Tax-Exempt Notes is included in the adjusted current earnings of certain corporations for the purposes of computing the alternative minimum tax on such corporations. Interest received by a holder of the Taxable Notes is not excludable from gross income for federal income tax purposes. Under the laws of the State of New Jersey, as enacted and construed on the date of original delivery of the Bonds and the Notes, interest on the Bonds and the Notes and any gain from the sale thereof are excludable from gross income under the New Jersey Gross Income Tax Act. See “TAX MATTERS” herein for a description of certain other provisions of the Code that may affect the federal tax treatment of interest on the Bonds and the Notes.

\$4,500,000
TOWNSHIP OF LITTLE EGG HARBOR
IN THE COUNTY OF OCEAN, NEW JERSEY
GENERAL IMPROVEMENT BONDS, SERIES 2017A
(Bank Qualified); (Non-Callable)

\$4,354,000
TOWNSHIP OF LITTLE EGG HARBOR
IN THE COUNTY OF OCEAN, NEW JERSEY
BOND ANTICIPATION NOTES
consisting of:
\$3,025,000 Bond Anticipation Notes, Series 2017A (Tax-Exempt), and
\$1,329,000 Bond Anticipation Notes, Series 2017B (Federally Taxable)

Dated: Date of Delivery
Due: February 1, as shown on the inside front cover

Dated: Date of Delivery
Due: February 2, 2018

The \$4,500,000 aggregate principal amount of General Improvement Bonds, Series 2017A (the “Bonds”) are general obligations of the Township of Little Egg Harbor, in the County of Ocean, State of New Jersey (the “Township”) for which the full faith and credit of the Township are pledged. The Bonds constitute general obligations of the Township and the full faith and credit and unlimited ad valorem taxing power of the Township are pledged to the payment of the principal thereof and the interest thereon.

The \$4,354,000 Bond Anticipation Notes of the Township consisting of \$3,025,000 Bond Anticipation Notes, Series 2017A (Tax-Exempt) (the “Tax-Exempt Notes”) and \$1,329,000 Bond Anticipation Notes, Series 2017B (Federally Taxable) (the “Taxable Notes”, and together with the Tax-Exempt Notes, the “Notes”), dated the date of delivery, are also general obligations of the Township, payable from ad valorem taxes levied upon all the taxable property within the Township for the payment of the Notes and the interest thereon without limitation as to rate or amount.

The Bonds and the Notes will be issued in fully registered book-entry only form and, when issued, the Bonds will, and the Notes may, be registered in the name of and held by Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”). DTC, an automated depository for securities and clearing house for securities transactions, will act as securities depository for the Bonds and the Notes. Individual purchases of the Bonds will, and the Notes may, be made in book-entry only form in the principal amount of \$5,000 or any integral multiple thereof, except that any amount of Bonds and Notes maturing in any one year in excess of the largest principal amount thereof equaling a multiple of \$5,000 will be in denominations of \$1,000 or any integral multiple thereof.

The Bonds shall bear interest from the date of delivery thereof, payable semi-annually on February 1 and August 1 of each year, commencing August 1, 2017, at such rates of interest, as shown on the inside front cover page hereof, until maturity. The Bonds will be payable as to principal upon presentation and surrender thereof at the offices of the Township or a duly designated paying agent. Interest on the Bonds will be paid by check, draft or wire transfer mailed, delivered or transmitted by the Township to the registered owner thereof as of the Record Dates (as defined herein).

The Notes will bear interest at the rates per annum and reoffering yields, as shown on the inside front cover page, commencing from their date of delivery. Interest on the Notes will be payable at maturity on February 2, 2018. Principal of and interest on the Notes will be payable by the Township or a duly designated paying agent at the date of maturity.

While DTC is acting as securities depository for the Bonds and the Notes, the principal of and interest on the Bonds and the Notes will be payable by wire transfer to DTC or its nominee, which is obligated to remit such principal and interest payments to DTC Participants. DTC Participants and Indirect Participants will be responsible for remitting such principal and interest payments to the Beneficial Owners of the Bonds or the Notes. See “BOOK-ENTRY ONLY SYSTEM” herein.

The Bonds are authorized by, and are issued pursuant to, the provisions of the Local Bond Law, N.J.S.A. 40A:2-1 et seq., as amended and supplemented (the “Local Bond Law”), various bond ordinances duly adopted by the Township Committee on the dates set forth herein and by a resolution adopted by the Township on January 12, 2017. The Notes, are authorized by, and are issued pursuant to, the provisions of the Local Bond Law, and various bond ordinances duly adopted by the Township Committee as set forth herein.

The Bonds are being issued to: (i) permanently finance \$4,500,000 of the outstanding bond anticipation notes of the Township issued in the aggregate principal amount of \$7,944,214, dated February 2, 2016 and maturing February 2, 2017 (the “Tax-Exempt Prior Notes”); and (ii) pay the costs associated with the issuance of the Bonds.

The Tax-Exempt Notes, along with other available funds of the Township in the amount of \$419,214, are being issued to: (i) refund, on a current basis, \$3,444,214 of the Tax-Exempt Prior Notes; and (ii) pay the costs associated with the issuance of the Tax-Exempt Notes.

The Taxable Notes, along with other available funds of the Township in the amount of \$81,231, are being issued to: (i) refund, on a current basis, \$1,410,231 outstanding taxable bond anticipation notes of the Township, dated February 2, 2016 and maturing February 2, 2017; and (ii) pay the costs associated with the issuance of the Taxable Notes.

The Bonds and Notes are not subject to optional redemption prior to their stated maturities.

The Bonds and the Notes are not debt or obligations, legal, moral or otherwise of the State of New Jersey, or any county, municipality or political subdivision thereof other than the Township.

This cover page and inside front cover page contains certain information for quick reference only. It is not a summary of the issue. Investors must read the entire Official Statement, including all appendices, to obtain information essential to making an informed investment decision.

The Bonds and Notes are offered when, as and if issued and delivered subject to the approval of the legality thereof by GluckWalrath, LLP, Trenton, New Jersey, Bond Counsel, and certain other conditions. Phoenix Advisors, LLC, Bordentown, New Jersey has served as Financial Advisor to the Township in connection with the issuance of the Bonds and the Notes. Certain legal matters will be passed upon for the Township by the Township Attorney, Jean Cipriani, Esq., Toms River, New Jersey. It is anticipated that the Bonds and the Notes will be available for delivery through DTC on or about February 2, 2017.

All bids for the Bonds must be submitted in their entirety via the BiDCOMP/PARITY Competitive Bidding System (“PARITY”) on January 24, 2017, prior to 11:00 a.m., prevailing New Jersey time. All Bids for the Bonds must be in conformance with the Notice of

Sale for the Bonds which can be viewed in electronic format, along with this Preliminary Official Statement, on the website located at www.prospectushub.com.

Bids for the Tax-Exempt Notes, in accordance with the Notice of Sale for the Notes, will be received via facsimile or email by the Township on January 24, 2017, prior to 11:15 a.m., prevailing New Jersey time, telecopier: (609) 291-9940, email: ainverso@muniadvisors.com.

Bids for the Taxable Notes, in accordance with the Notice of Sale for the Notes, will be received via facsimile or email by the Township on January 24, 2017, prior to 11:15 a.m., prevailing New Jersey time, telecopier: (609) 291-9940, email: ainverso@muniadvisors.com.

**TOWNSHIP OF LITTLE EGG HARBOR
IN THE COUNTY OF OCEAN, NEW JERSEY**

\$4,500,000 GENERAL IMPROVEMENT BONDS, SERIES 2017A

MATURITIES, AMOUNTS, INTEREST RATES, YIELDS AND CUSIPS*

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP*</u>
2018	\$275,000	%	%	537089__
2019	325,000			537089__
2020	325,000			537089__
2021	275,000			537089__
2022	550,000			537089__
2023	550,000			537089__
2024	550,000			537089__
2025	550,000			537089__
2026	550,000			537089__
2027	550,000			537089__

BOND ANTICIPATION NOTES

consisting of:

**\$3,025,000 Bond Anticipation Notes, Series 2017A (Tax-Exempt), and
\$1,329,000 Bond Anticipation Notes, Series 2017B (Federally Taxable)**

MATURITIES, AMOUNTS, INTEREST RATES, YIELDS AND CUSIPS*

<u>Note Series</u>	<u>Par Amount</u>	<u>Coupon</u>	<u>Yield</u>	<u>CUSIP*</u>
2017A	\$3,025,000	%	%	537089__
2017B	1,329,000			537089__

* CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein are provided by Standard & Poor's CUSIP Service Bureau, a division of The McGraw-Hill Companies, Inc. The CUSIP numbers listed above are being provided solely for the convenience of Bondholders and Noteholders only at the time of issuance of the Bonds and Notes and the Township does not make any representation with respect to such numbers or undertake any responsibility for their accuracy now or at any time in the future. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds and Notes as a result of procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds and Notes.

**TOWNSHIP OF LITTLE EGG HARBOR
IN THE COUNTY OF OCEAN, NEW JERSEY
665 RADIO ROAD
LITTLE EGG HARBOR, NEW JERSEY 08087
(609) 296-7241**

MAYOR
Ray Gormley

TOWNSHIP COMMITTEE
Barbara Jo Crea – Deputy Mayor
John Kehm, Jr.
David Schlick
Lisa Stevens

TOWNSHIP ADMINISTRATOR/CHIEF FINANCIAL OFFICER
Garrett Loesch

TAX COLLECTOR
Dayna Wilson

TOWNSHIP CLERK
Diana McCracken

TOWNSHIP ATTORNEY
Jean Cipriani, Esq.
Toms River, New Jersey

AUDITOR
Holman Frenia Allison, P.C.
Toms River, New Jersey

BOND COUNSEL
GluckWalrath LLP
Trenton, New Jersey

FINANCIAL ADVISOR
Phoenix Advisors, LLC
Bordentown, New Jersey

No broker, dealer, salesperson or other person has been authorized by the Township to give any information or to make any representations with respect to the Bonds and the Notes other than those contained in this document, and, if given or made, such information or representations must not be relied upon as having been authorized by the foregoing. The information contained herein has been provided by the Township and other sources deemed reliable; however, no representation or warranty is made as to its accuracy or completeness and such information is not to be construed as a representation of accuracy or completeness and such information is not to be construed as a representation of warranty by the Underwriters or, as to information from sources other than itself, by the Township. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this document nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in any of the information herein since the date hereof, or the date as of which such information is given, if earlier.

References in this document to laws, rules, regulations, resolutions, agreements, reports and documents do not purport to be comprehensive or definitive. All references to such documents are qualified in their entirety by reference to the particular document, the full text of which may contain qualifications of and exceptions to statements made herein.

This document does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds or the Notes in any jurisdiction in which it is unlawful for any person to make such an offer, solicitation or sale. No dealer, broker, salesman or other person has been authorized to give any information or to make any representations other than as contained in this document. If given or made, such other information or representations must not be relied upon as having been authorized by the Township or the Underwriters.

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**OFFICIAL STATEMENT
OF THE
TOWNSHIP OF LITTLE EGG HARBOR
IN THE COUNTY OF OCEAN, STATE OF NEW JERSEY
RELATING TO
\$4,500,000
GENERAL IMPROVEMENT BONDS, SERIES 2017A
(Non-Callable)
and
\$4,354,000
BOND ANTICIPATION NOTES
consisting of:
\$3,025,000 Bond Anticipation Notes, Series 2017A (Tax-Exempt), and
\$1,329,000 Bond Anticipation Notes, Series 2017B (Federally Taxable)
(Non-Callable)**

INTRODUCTION

This Official Statement, which includes the cover page, inside front cover page and the appendices attached hereto, has been prepared by the Township of Little Egg Harbor (the “Township”), in the County of Ocean (the “County”), New Jersey (the “State”) in connection with the sale and issuance of \$4,500,000 aggregate principal amount of General Improvement Bonds, Series 2017A (the “Bonds”) and \$4,354,000 Bond Anticipation Notes of the Township, consisting of \$3,025,000 Bond Anticipation Notes, Series 2017A (Tax-Exempt) (the “Tax-Exempt Notes”); and \$1,329,000 Bond Anticipation Notes, Series 2017B (Federally Taxable) (the “Taxable Notes”, and together with the Tax-Exempt Notes, the “Notes”) of the Township.

THE BONDS

General Description

The Bonds will be dated the date of delivery and will mature on February 1 in each of the years and in the principal amounts as shown on the inside front cover page hereof. The interest on the Bonds will be payable semi-annually beginning August 1, 2017 and on each February 1 and August 1 thereafter. The record dates for the Bonds is each preceding January 15 and July 15, respectively (the “Record Dates”). The Bonds will be issued in book-entry form only.

The Bonds are general obligations of the Township and are secured by a pledge of the full faith and credit of the Township for the payment of the principal thereof and interest thereon. The Township is obligated to levy *ad valorem* taxes upon all of the taxable property within the Township for the payment of principal of and interest on the Bonds without limitation as to rate or amount.

Optional Redemption

The Bonds are not subject to redemption prior to their stated maturities.

Authorization for the Issuance of the Bonds

The Bonds are authorized by, and are issued pursuant to, the provisions of the Local Bond Law, N.J.S.A. 40A:2-1 et seq., as amended and supplemented (the “Local Bond Law”), and are authorized by various bond ordinances duly adopted by the Township Committee on the dates set forth in the chart on the following page and published and approved as required by law, and by a resolution duly adopted by the Township Committee on January 12, 2017 (the “Resolution”).

The bond ordinances authorizing the Bonds were published in full or in summary after their final adoption along with the statement that the twenty (20) day period of limitation within which a suit, action or proceeding questioning the validity of such bond ordinances could be commenced began to run from the date of the first publication of such statement. The Local Bond Law provides, that after issuance, all obligations shall be conclusively presumed to be fully authorized and issued by all laws of the State, and all persons shall be estopped from questioning their sale, execution or delivery by the Township. Such estoppel period has concluded as of the date of this Official Statement.

Purpose of the Bonds

The Bonds are being issued to: (i) permanently finance \$4,500,000 of the outstanding bond anticipation notes of the Township issued in the aggregate principal amount of \$7,944,214, dated February 2, 2016 and maturing February 2, 2017 (the “Tax-Exempt Prior Notes”); and (ii) pay the costs associated with the issuance of the Bonds.

The purposes for which the Bonds are to be issued have been authorized by duly adopted, approved and published bond ordinances of the Township, which bond ordinances are described in the following table by ordinance number, description and the amount of the Tax-Exempt Prior Notes being refunded with the Bonds. The bond ordinances are:

<u>Ordinance Number</u>	<u>Description</u>	<u>Amount of Tax-Exempt Prior Notes Being Refunded With the Bonds</u>
2006-07	Various Road Improvements	\$576,797
2006-15	Construction of Softball Field and Tot Lot	225,853
2009-13	Various Capital Improvements	1,037,490
2010-20	Various Capital Improvements	1,115,200
2012-12	Various Capital Improvements	1,540,292
2013-14	Various Capital Improvements	<u>4,368</u>
TOTAL FOR BONDS:		<u>\$4,500,000</u>

Payment of Bonds

The Bonds are general obligations of the Township for which the full faith and credit of the Township will be pledged. The Township is authorized and required by law to levy *ad valorem* taxes on all taxable property within the Township for the payment of principal of and interest on Bonds without limitation as to rate or amount. See “SECURITY FOR THE BONDS AND NOTES.”

Denominations and Place of Payment

The Bonds are issuable only as fully registered bonds without coupons, and when issued will be in the form of one certificate per maturity and will be registered in the name of Cede & Co., as registered owner and nominee for the Depository Trust Company (“DTC”), New York, New York. DTC will act as Securities Depository for the Bonds. Purchase of the Bonds will be made in book entry form, in the denomination of \$5,000 each or any integral multiple thereof. Purchasers will not receive certificates representing their interest in Bonds purchased. So long as Cede & Co. is the registered owner, as nominee of DTC, references herein to the registered owners shall mean Cede & Co. and shall not mean the Beneficial Owners of the Bonds. See “Book-Entry-Only System” herein.

THE NOTES

General Description

The Notes shall be dated and shall bear interest from their date of delivery and shall mature as shown on the inside front cover of this Official Statement. The Notes shall bear interest at the rates as indicated on the inside front cover of this Official Statement, payable upon maturity. Interest on the Notes is calculated on the basis of twelve (12) thirty (30) day months in a three hundred sixty (360) day year.

The Notes may be issued as fully registered notes in book-entry only form, and when issued, may be registered in the name of and held by Cede & Co., as nominee of DTC. DTC will act as securities depository for the Notes. Principal of and interest on the Notes will be payable by the Township or a duly designated paying agent on the date of maturity by wire transfer of immediately available funds to DTC or its nominee. Purchases of beneficial interests in the Notes will be made in book-entry only form, without certificates, in denominations of \$5,000 or any integral multiple thereof, except that those Notes in excess of the largest principal amount thereof not equaling a multiple of \$5,000 shall be in denominations of \$1,000 or any integral multiple thereof, through book entries made on the books and records of DTC and its participants. Under certain circumstances, such beneficial interests in the Notes are exchangeable for one or more fully registered Note certificates in authorized denominations.

Optional Redemption

The Notes are not subject to redemption prior to maturity.

Authorization for the Issuance of the Notes

Tax-Exempt Notes

The Tax-Exempt Notes, along with other available funds of the Township in the amount of \$419,214, are being issued to refund, on a current basis, \$3,444,214 of the outstanding bond anticipation notes of the Township issued in the aggregate principal amount of \$7,944,214 dated February 2, 2016 and maturing February 2, 2017 (the “Prior Tax-Exempt Notes”). The Tax-Exempt Notes and the improvements or purposes for which the Tax-Exempt Notes are to be issued have been authorized by

bond ordinances or ordinance (as the case may be) duly adopted by the Township, which ordinances are described in the following tables by ordinance number, description and amount of Prior Tax-Exempt Notes being refunded with the Tax-Exempt Notes and Township funds:

Bond Anticipation Notes, Series 2017A (Tax-Exempt)

<u>Ordinance No.</u>	<u>Purpose</u>	<u>Amount of Prior Tax-Exempt Notes Being Refunded with the Tax-Exempt Notes</u>	<u>Amount of Prior Tax-Exempt Notes Being Refunded With Township Funds</u>
2011-15	Various Capital Improvements	\$1,100,171	\$306,051
2013-14	Various Capital Improvements	<u>1,924,829</u>	<u>113,163</u>
Sub-Total for Tax-Exempt Notes:		<u>\$3,025,000</u>	<u>\$419,214</u>

Taxable Notes

The Taxable Notes, along with other available funds of the Township in the amount of \$81,231, are being issued to refund, on a current basis, the \$1,410,231 outstanding bond anticipation notes of the Township, dated February 2, 2016 and maturing February 2, 2017 (the "Prior Taxable Notes"). The Taxable Notes and the improvements or purposes for which the Taxable Notes are to be issued have been authorized by various bond ordinances duly adopted by the Township, which bond ordinances are described in the following table:

Bond Anticipation Notes, Series 2017B (Federally Taxable)

<u>Ordinance No.</u>	<u>Purpose</u>	<u>Amount of Prior Taxable Notes Being Refunded with the Taxable Notes</u>	<u>Amount of Prior Taxable Notes Being Refunded With Township Funds</u>
2002-08	Improvements to Cherrywood Drive	\$29,052	\$1,614
2002-14/36	Construction of Recreation Facilities	39,325	1,405
2002-23	Acquisition of Land – Parker Run	45,960	590
2003-07	Acquisition of Sport Utility Vehicles	649	81
2005-19	Road Improvements – Various	111,315	6,185
2007-04	Road and Drainage Improvements – North Burgee Drive	161,052	8,948
2007-10	Acquisition of Garbage Truck	152,000	19,000
2008-03	Acquisition and Installation of Automatic Doors for Handicap Access	23,297	833
2008-04	Improvements to Lexington Drive	374,850	20,825
2009-05	Improvements to Forest Edge Drive	193,500	10,750
2009-06	Improvements to Frog Pond Road	<u>198,000</u>	<u>11,000</u>
Sub-Total for Taxable Notes:		<u>\$1,329,000</u>	<u>\$81,231</u>
GRAND TOTAL FOR NOTES:		<u>\$4,354,000</u>	<u>\$500,445</u>

Payment of Notes

As hereinafter stated, the Notes are general obligations of the Township for which the full faith and credit of the Township will be pledged. The Township is authorized and required by law to levy *ad valorem* taxes on all taxable property within the Township for the payment of principal of and interest on Notes without limitation as to rate or amount.

SECURITY FOR THE BONDS AND NOTES

The Bonds and Notes are general obligations of the Township, and the Township has pledged its full faith and credit for the payment of the principal, redemption premium, if any, and the interest on the Bonds and Notes. The Township is required by law to levy *ad valorem* taxes on all taxable real property in the Township for the payment of the principal, redemption premium, if any, of and the interest on the Bonds and Notes, without limitation as to rate or amount.

The Township

The Township is located in Ocean County, New Jersey. See Appendix "A" for demographic and statistical information concerning the Township.

BOOK-ENTRY-ONLY SYSTEM

The description which follows of the procedures and record keeping with respect to beneficial ownership interests in the Bonds and Notes, payment of principal and interest, and other payments on the Bonds and Notes to DTC Participants or Beneficial Owners (as each such term is hereinafter defined), confirmation and transfer of beneficial ownership interests in the Bonds and Notes and other related transactions by and between DTC, DTC Participants and Beneficial Owners, is based on certain information furnished by DTC to the Township. Accordingly, the Township does not make any representations as to the completeness or accuracy of such information.

DTC will act as securities depository for the Bonds and Notes. The Bonds and Notes will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued in the aggregate principal amount of each maturity of the Bonds, and will be deposited with DTC. One fully registered certificate will be issued in the aggregate principal amount of the Notes deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the

DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of the Bonds and Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds and Notes on DTC's records. The ownership interest of each actual purchaser of the Bonds and Notes ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds and Notes are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds and Notes, except in the event that use of the book-entry system for the Bonds and Notes is discontinued.

To facilitate subsequent transfers, all Bonds and Notes deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Bonds and Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds and Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds and Notes are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices, if any, shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds and Notes unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Township or its designated Paying Agent as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds and Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds and distributions on the Bonds and Notes, if any, will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Township or its designated Paying Agent on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Township, or the Township's designated Paying Agent, subject to any

statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds and distributions to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Township or its designated Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds and Notes at any time by giving reasonable notice to the Township or its designated Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Bond and Note certificates are required to be printed and delivered.

The Township may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond and Note certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Township believes to be reliable, but the Township takes no responsibility for the accuracy thereof.

NEITHER THE TOWNSHIP NOR ITS DESIGNATED PAYING AGENT WILL HAVE THE RESPONSIBILITY OR OBLIGATION TO THE DIRECT PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES WITH RESPECT TO THE PAYMENTS TO OR PROVIDING OF NOTICE FOR THE DIRECT PARTICIPANTS, OR THE INDIRECT PARTICIPANTS OR BENEFICIAL OWNERS.

SO LONG AS CEDE & CO. IS THE REGISTERED OWNER OF THE BONDS AND NOTES, AS NOMINEE OF DTC, REFERENCES HEREIN TO THE BONDHOLDERS AND NOTEHOLDERS OR REGISTERED OWNERS OF THE BONDS AND NOTES (OTHER THAN UNDER THE CAPTION "TAX MATTERS") SHALL MEAN CEDE & CO. AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE BONDS AND NOTES.

Discontinuance of Book-Entry Only System

In the event that the book-entry only system is discontinued and the Beneficial Owners become registered owners of the Bonds and Notes, the following provisions apply: (i) the Bonds and Notes may be exchanged for an equal aggregate principal amount of Bonds and Notes in other authorized denominations and of the same maturity, upon surrender thereof at the office of the Township or its designated paying agent; (ii) the transfer of any Bonds and Notes may be registered on the books maintained by the paying agent for such purposes only upon the surrender thereof to the Township, or its designated paying agent, together with the duly executed assignment in form satisfactory to the Township, or its designated paying agent; and (iii) for every exchange or registration of transfer of Bonds and Notes, the Township or its designated paying agent, may make a charge sufficient to reimburse for any tax or other governmental charge required to be paid with respect to such exchange or registration of transfer of the Bonds and Notes. Interest on the Bonds will be payable by check or draft, mailed on each Interest Payment Date to the registered owners thereof as of the close of business on the Record Dates.

MUNICIPAL FINANCE – FINANCIAL REGULATION OF COUNTIES AND MUNICIPALITIES

Local Bond Law (N.J.S.A. 40A:2-1 et seq.)

The Local Bond Law generally governs the issuance of bonds to finance certain general municipal and utility capital expenditures. Among its provisions are requirements that bonds must mature within the statutory period of usefulness of the projects bonded and that bonds be retired in serial installments, with no annual principal payment greater than 100% of the smallest amount of any prior year's principal amount. A 5% cash down payment is generally required toward the financing of expenditures for municipal purposes, except for the issuance of refunding bonds. All bonds issued by the Township are general full faith and credit obligations.

Debt Limits

The authorized bonded indebtedness of the Township is limited by statute, subject to the exceptions noted below, to an amount equal to 3½% of its average equalized valuation basis over the past three years. The equalized valuation basis of a municipality is set by statute as the average for the last three preceding years of the equalized value of all taxable real property and improvements and certain Class II railroad property within its boundaries, as determined annually by the State Director of Taxation. Certain categories of debt, which include the portion of school debt within a school district's debt limitation and the self-liquidating portion of a utility's debt, are permitted by statute to be deducted for purposes of computing the statutory debt limit. As indicated in Appendix "A", the Township has not exceeded its statutory debt limit.

Exceptions to Debt Limits - Extensions of Credit

The Township may exceed its debt limit with the approval of the Local Finance Board, a State regulatory agency, and as permitted by other statutory exceptions. If all or any part of a proposed debt authorization would exceed its debt limit, the Township may apply to the Local Finance Board for an extension of credit. If the Local Finance Board determines that a proposed debt authorization would not materially impair the credit of the Township or substantially reduce the ability of the Township to meet its obligations or to provide essential public improvements and services, or makes certain other statutory determinations, approval is granted. In addition, debt in excess of the statutory limit may be issued by the Township, without approval of the Local Finance Board, to fund certain notes, to provide for self-liquidating purposes, and, in each fiscal year, to provide for purposes in an amount not exceeding 2/3 of the amount budgeted in such fiscal year for the retirement of outstanding obligations (exclusive of utility and assessment obligations).

Short Term Financing

The Township may sell short-term "bond anticipation notes" to temporarily finance a capital improvement or project in anticipation of the issuance of bonds, if the bond ordinance or subsequent resolution so provides. Bond anticipation notes for capital improvements may be issued in an aggregate amount not exceeding the amount specified in the ordinance, as may be amended and supplemented, creating such capital expenditure. A local unit's bond anticipation notes may be issued for one year periods, with the last date of issuance not to exceed ten years and four months from the original issuance date. Beginning in the third year, the amount of notes that may be issued is decreased by the minimum amount required for the first year's principal payment for a bond issue.

The Local Budget Law (N.J.S.A. 40A:4-1 et seq.)

The foundation of the New Jersey local finance system is the annual cash basis budget. Every local unit must adopt a budget in the form required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"). Certain items of revenue and appropriation are regulated by law and the proposed budget must be certified by the Director of the Division ("Director") prior to final adoption. The Local Budget Law requires each local unit to appropriate sufficient funds for payment of current debt service, and the Director is required to review the adequacy of such appropriations.

Tax Anticipation Notes are limited in amount by law and must be paid off in full within 120 days of the close of the fiscal year.

The Director has no authority over individual operating appropriations, unless a specific amount is required by law, but the review functions focusing on anticipated revenues serve to protect the solvency of all local units.

The cash basis budgets of local units must be in balance, i.e., the total of anticipated revenues must equal the total of appropriations (N.J.S.A. 40A:4-22). If in any year a local unit's expenditures exceed its realized revenues for that year, then such excess must be raised in the succeeding year's budget.

The Local Budget Law (N.J.S.A. 40A:4-26) provides that no miscellaneous revenues from any source may be included as an anticipated revenue in the budget in an amount in excess of the amount actually realized in cash from the same source during the next preceding fiscal year, unless the Director determines that the facts clearly warrant the expectation that such excess amount will actually be realized in cash during the fiscal year and certifies that determination to the local unit.

No budget or budget amendment may be adopted unless the Director shall have previously certified his approval of such anticipated revenues except that categorical grants-in-aid contracts may be included for their face amount with an offsetting appropriation. The fiscal years for such grants rarely coincide with the municipality's calendar year. However, grant revenue is generally not realized until received in cash.

The same general principle that revenue cannot be anticipated in a budget in excess of that realized in the preceding year applies to property taxes. The maximum amount of delinquent taxes that may be anticipated is limited by a statutory formula, which allows the unit to anticipate collection at the same rate realized for the collection of delinquent taxes in the previous year. Also the local unit is required to make an appropriation for a "reserve for uncollected taxes" in accordance with a statutory formula to provide for a tax collection in an amount that does not exceed the percentage of taxes levied and payable in the preceding fiscal year that was received in cash by December 31 of that year. The budget also must provide for any cash deficits of the prior year.

Emergency appropriations (those made after the adoption of the budget and the determination of the tax rate) may be authorized by the governing body of a local unit. However, with minor exceptions, such appropriations must be included in full in the following year's budget.

The exceptions are certain enumerated quasi-capital projects ("special emergencies") such as ice, snow and flood damage to streets, roads and bridges, which may be amortized over three years, and tax map preparation, re-evaluation programs, revision and codification of ordinances, master plan preparation and drainage map preparation for flood control purposes which may be amortized over five years. Of

course, emergency appropriations for capital projects may be financed through the adoption of a bond ordinance and amortized over the useful life of the project.

Budget transfers provide a degree of flexibility and afford a control mechanism. Transfers between major appropriation accounts are prohibited, except for: (i) during the first three (3) months of a current fiscal year, appropriation reserves may be transferred to the immediately preceding fiscal year's budget; and (ii) transfers between major appropriation accounts are permitted during the last two (2) months of a current fiscal year. Such transfers must be approved by two-thirds of the full membership of the governing body of a local governmental unit. Although sub-accounts within an appropriation account are not subject to the same year-end transfer restriction, they are subject to internal review and approval.

Municipal public utilities are supported by the revenues generated by the respective operations of the utilities in addition to the general taxing power upon real property. For each utility, there is established a separate budget. The anticipated revenues and appropriations for each utility are set forth in the separate budget. The budget is required to be balanced and to provide fully for debt service. The regulations regarding anticipation of revenues and deferral of charges apply equally to the budgets of the utilities. Deficits or anticipated deficits in utility operations which cannot be provided for from utility surplus, if any, are required to be raised in the "Current" or operating budget.

Appropriation "CAP"

A provision of law known as the New Jersey "Cap Law" (N.J.S.A. 40A:4-45.1 et seq.) imposes limitations on increases in municipal appropriations subject to various exceptions. The payment of debt service is an exception from this limitation. The Cap formula is somewhat complex, but basically, it permits a municipality to increase its overall appropriations by the lesser of 2.5% or the "Index Rate" if the index rate is greater than 2.5%. The "Index Rate" is the rate of annual percentage increase, rounded to the nearest one-half percent, in the Implicit Price Deflator for State and Local Government purchases of goods and services computed by the U.S. Department of Commerce. Exceptions to the limitations imposed by the Cap Law also exist for other things including capital expenditures; extraordinary expenses approved by the Local Finance Board for implementation of an interlocal services agreement; expenditures mandated as a result of certain emergencies; and certain expenditures for services mandated by law. Counties are also prohibited from increasing their tax levies by more than the lesser of 2.5% or the Index Rate subject to certain exceptions. Municipalities by ordinance approved by a majority of the full membership of the governing body may increase appropriations up to 3.5% over the prior year's appropriation and counties by resolution approved by a majority of the full membership of the governing body may increase the tax levy up to 3.5% over the prior years' tax levy in years when the Index Rate is 2.4% or less.

Additionally, new legislation constituting P.L. 2010, c. 44, effective July 13, 2010, imposes a two percent (2%) cap on the tax levy of a municipality, county, fire district or solid waste collection district, with certain exceptions and subject to a number of adjustments. The exclusions from the limit include increases required to be raised for capital expenditures, including debt service, increases in pension contributions in excess of 2%, certain increases in health care over 2%, and extraordinary costs incurred by a local unit directly related to a declared emergency. The governing body of a local unit may request approval, through a public question submitted to the legal voters residing in its territory, to increase the amount to be raised by taxation, and voters may approve increases above 2% not otherwise permitted under the law by an affirmative vote of 50%.

The Division has advised that counties and municipalities must comply with both budget "CAP" and the tax levy limitation. Neither the tax levy limitation nor the "CAP" law, however, limits the

obligation of the Township to levy ad valorem taxes upon all taxable property within the boundaries of the Township to pay debt service on bonds and notes.

In accordance with the Local Budget Law, each local unit must adopt and may from time to time amend rules and regulations for capital budgets, which rules and regulations must require a statement of capital undertakings underway or projected for a period not greater than over the next ensuing six years as a general improvement program. The capital budget, when adopted, does not constitute the approval or appropriation of funds, but sets forth a plan of the possible capital expenditures which the local unit may contemplate over the next six years. Expenditures for capital purposes may be made either by ordinances adopted by the governing body setting forth the items and the method of financing or from the annual operating budget if the terms were detailed.

Tax Appeals

The New Jersey Statutes provide a taxpayer with remedial procedures for appealing an assessment deemed excessive. Prior to February 1 in each year, the Township must mail to each property owner a notice of the current assessment and taxes on the property. The taxpayer has a right to petition the County Tax Board on or before the April 1 for review. The County Board of Taxation has the authority after a hearing to decrease or reject the appeal petition. These adjustments are usually concluded within the current tax year and reductions are shown as canceled or remitted taxes for that year. If the taxpayer feels his petition was unsatisfactorily reviewed by the County Board of Taxation, appeal may be made to the Tax Court of New Jersey for further hearing. Some State Tax Court appeals may take several years prior to settlement and any losses in tax collections from prior years are charged directly to operations.

The Local Fiscal Affairs Law (N.J.S.A. 40A:5-1 et seq.)

This law regulates the non-budgetary financial activities of local governments. The chief financial officer of every local unit must file annually, with the Director, a verified statement of the financial condition of the local unit and all constituent boards, agencies or commissions.

An independent examination of each local unit accounts must be performed annually by a licensed registered municipal accountant. The audit, conforming to the Division of Local Government Services' "Requirements of Audit", includes recommendations for improvement of the local units financial procedures and must be filed with the report, together with all recommendations made, and must be published in a local newspaper within 30 days of its submission. The entire annual audit report for each local unit is on file with the Clerk and is available for review during business hours.

School Debt Subject to Voter Approval

State law permits local school districts, upon approval of the voters in a Type II school district, to authorize school district debt, including debt in excess of its independent debt limitation by using the available borrowing capacity of the Township. If such debt is in excess of the school district's debt limit and the remaining borrowing capacity of the Township, the State Commissioner of Education and the Local Finance Board must approve the proposed debt authorization before it is submitted to the voters for approval.

TAX MATTERS

Federal Taxation

Bonds and Tax-Exempt Notes

In the opinion of GluckWalrath,LLP, Trenton, New Jersey ("Bond Counsel"), assuming continuing compliance with the provisions of the Internal Revenue Code of 1986, as amended (the "Code") applicable to the Bonds and Tax-Exempt Notes and subject to certain provisions of the Code which are described below, under laws, regulations, rulings and judicial decisions existing on the date of the original delivery of the Bonds and Tax-Exempt Notes, interest received by a holder of the Bonds and Tax-Exempt Notes will be excludable from gross income for federal income tax purposes, and will not be treated as a tax preference item for purposes under Section 57 of the Code for individuals or corporations. Interest on the Bonds and Tax-Exempt Notes is included in the adjusted current earnings of certain corporations for the purposes of computing the alternative minimum alternative tax on such corporations.

The Code contains a number of provisions that apply to the Bonds and Tax-Exempt Notes, including restrictions relating to the use or investment of the proceeds of the Bonds and Tax-Exempt Notes (or facilities financed by such proceeds) and the payment of certain arbitrage earnings in excess of the "yield" on the Bonds and Tax-Exempt Notes to the Treasury of the United States. Non-compliance with such provisions may result in interest on the Bonds and Tax-Exempt Notes not being excludable from gross income for federal income tax purposes retroactive to the date of issuance of the Bonds and Tax-Exempt Notes. The Township has covenanted to comply with these requirements.

Section 55 of the Code provides that an alternative minimum tax is imposed on corporations. For purposes of the corporate alternative minimum tax, the Code includes an increase adjustment for computation of the alternative minimum tax consisting generally of 75% of the amount by which "adjusted current earnings" exceeds alternative minimum taxable income (computed without regard to this adjustment and the alternative tax net operating loss deduction). Thus, to the extent that interest on the Bonds and Tax-Exempt Notes is a component of a corporate holder's "adjusted current earnings", such interest may be subject to an alternative minimum tax.

[The Bonds maturing February 1, ___ to ___ (the "Premium Bonds") have been sold to the public at a premium. Section 171 of the Code provides rules under which a bond premium may be amortized and a deduction allowed for the amount of the amortizable bond premium for a taxable year. Under, Section 171(a)(2) of the Code, however, no deduction is allowable for the amortizable bond premium in the case of bonds, like the Premium Bonds, the interest on which is excludable from gross income. Under Section 1016(a)(5) of the Code, the purchaser's basis in a Premium Bond will be reduced by the amount of the amortizable bond premium disallowable as a deduction under Section 171(2) of the Code. Proceeds received from the sale, exchange, redemption or payment of a Premium Bond in excess of the owner's adjusted basis (as reduced pursuant to Section 1016(a)(5) of the Code), will be treated as a gain from the sale or exchange of such Premium Bonds and not as interest.]

[The Tax-Exempt Notes have been sold to the public at a premium. Section 171 of the Code provides rules under which a note premium may be amortized and a deduction allowed for the amount of the amortizable note premium for a taxable year. Under, Section 171(a)(2) of the Code, however, no deduction is allowable for the amortizable note premium in the case of notes, like the Tax-Exempt Notes, the interest on which is excludable from gross income. Under Section 1016(a)(5) of the Code, the purchaser's basis in a Tax-Exempt Note will be reduced by the amount of the amortizable note premium disallowable as a deduction under Section 171(2) of the Code. Proceeds received from the sale, exchange, redemption or payment of a Tax-Exempt Note in excess of the owner's adjusted basis (as

reduced pursuant to Section 1016(a)(5) of the Code), will be treated as a gain from the sale or exchange of such Tax-Exempt Notes and not as interest.]

Section 265(b) of the Code generally denies to institutions any deduction for that portion of interest expense incurred to purchase or carry tax-exempt obligations. An exception is provided certain small issuers who designate the obligations as "qualified tax-exempt obligations" under Section 265(b)(3) of the Code and, provided certain conditions are met, for obligations the proceeds of which refund obligations which were designated as qualified tax-exempt obligations. Such obligations will be subject to a reduced disallowance rule. The Bonds and the Tax-Exempt Notes will be designated by the Township as qualified tax exempt obligations under Section 265(b) of the Code.

In addition, prospective purchasers should be aware that Section 6049 of the Code provides that interest paid on tax-exempt obligations will be subject to information reporting in a manner similar to interest paid on taxable obligations. The provision is effective for interest paid on tax-exempt obligations after December 31, 2005, regardless of when the tax-exempt obligations were issued. Pursuant to Notice 2006-93, backup withholding will be required if the bondholder fails to provide a tax identification number. The new reporting requirement does not in and of itself affect or alter the excludability of such interest from gross income for federal tax purposes or any other federal tax consequence of purchasing, holding or selling tax-exempt obligations.

Ownership of tax-exempt obligations may also result in collateral federal income tax consequences to certain taxpayers including, without limitation, certain foreign corporations doing business in the United States, certain S corporations with excess passive income, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations.

From time to time, there are legislative proposals in Congress that, if enacted, could alter or amend the federal tax matters referred to above or adversely affect the market value of the Bonds and Tax-Exempt Notes, which if enacted, would limit for certain individual taxpayers the value of certain deductions and exclusions, including the exclusion for tax-exempt interest. If enacted into law, such proposals may cause interest on the Bonds and Tax-Exempt Notes to be subject, directly or indirectly, to federal income taxation or otherwise prevent owners of the Bonds and Tax-Exempt Notes from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals may also affect the market price for, or marketability of, the Bonds and Tax-Exempt Notes. No prediction is made whether these provisions will be enacted as proposed or concerning other future legislation which if passed might have the effect on the tax treatment of interest on the Bonds and Tax-Exempt Notes. Bond Counsel expresses no opinion regarding any pending or proposed federal tax legislation. Bond Counsel will render its opinion as of the issue date, and will assume no obligation to update its opinions after the issue date to reflect any future facts or circumstances, or any future changes in law or interpretation, or otherwise. Moreover, the opinions of Bond Counsel are only opinions and not a warranty or guaranty of the matters discussed. Bond Counsel has no obligation to provide updated information concerning pending or future legislation. Each purchaser of the Bonds and Tax-Exempt Notes should consult his or her own tax advisor regarding any pending or proposed federal tax legislation.

In addition, the Internal Revenue Service ("IRS") has established an expanded audit program for tax-exempt bonds. There can be no assurance that legislation enacted or proposed or an audit initiated or concluded by the IRS after the issue date of the Bonds and Tax-Exempt Notes involving either the Bonds or Tax-Exempt Notes or other tax-exempt bonds will not have an adverse effect on the tax-exempt status or market price of the Bonds or Tax-Exempt Notes. Each purchaser of the Bonds or Tax-Exempt Notes

should consult his or her own tax advisor regarding any pending or proposed federal tax legislation. Bond Counsel expresses no opinion regarding any pending or proposed federal tax legislation.

In addition, prospective purchasers of the Bonds and Tax-Exempt Notes should be aware that Section 6049 of the Code provides that interest paid on tax-exempt obligations will be subject to information reporting in a manner similar to interest paid on taxable obligations. Pursuant to Notice 2006-93, backup withholding will be required if the bondholder fails to provide a tax identification number. This reporting requirement does not in and of itself affect or alter the excludability of such interest from gross income for federal tax purposes or any other federal tax consequence of purchasing, holding or selling tax-exempt obligations.

Taxable Notes

The following is a general discussion of certain of the anticipated federal tax consequences of the purchase, ownership and disposition of the Taxable Notes by the original purchasers of the Taxable Notes. Investors should consult their own tax advisors in determining the federal, state, local or other tax consequences to them of purchase, ownership and disposition of the Taxable Notes. This discussion is based upon the Code, regulations, rulings and decisions now in effect, all of which are subject to change at any time, possibly with retroactive effect, and does not purport to deal with federal income tax consequences applicable to all categories of investors, some of which will be subject to special rules. This discussion assumes that the Taxable Notes will be held as "capital assets" under the Code and that the Taxable Notes are owned by U.S. Holders (as defined below). Investors should consult their own tax advisors in determining the federal, state, local or other tax consequences to them of purchase, ownership and disposition of the Taxable Notes.

As used herein, the term "U.S. Holder" means a beneficial owner of a Taxable Note that is for United States federal income tax purposes (i) a citizen or resident of the United States, (ii) a corporation, partnership or other entity created or organized in or under the laws of the United States or any State or any political subdivision thereof, (iii) an estate the income of which is subject to United States federal income taxation regardless of its source or (iv) a trust whose administration is subject to the primary jurisdiction of a court within the United States and which has one or more United States fiduciaries who have the authority to control all substantial decisions of the trust.

INTEREST ON THE TAXABLE NOTES IS NOT EXCLUDED FROM GROSS INCOME FOR FEDERAL INCOME TAX PURPOSES. The Township will report annually (or more frequently if required) to owners of record and to the Internal Revenue Service in respect of interest paid on the Taxable Notes.

Under the Code, payments on the Taxable Notes may under certain circumstances, be subject to "backup withholding" at a rate equal to the fourth lowest rate of tax applicable under Section 1(c) of the Code. This withholding generally applies if the owner (i) fails to furnish such owner's social security number or other taxpayer identification number ("TIN"), (ii) furnishes an incorrect TIN, (iii) fails to properly report interest, dividends or other "reportable payments" as defined in the Code, or (iv) under certain circumstances, fails to provide such owner's securities broker with a certified statement, signed under penalties of perjury, that the TIN is correct and that such Taxable Noteholder is not subject to backup withholding. Owners of the Taxable Notes should consult their own tax advisors as to their qualification for exemption for backup withholding and the procedures for obtaining the exemption.

Generally, upon the sale, exchange, redemption, or other disposition (which would include a legal defeasance) of a Taxable Note, a holder generally will recognize taxable gain or loss in an amount equal

to the difference between the amount realized (other than amounts attributable to accrued interest not previously includable in income) and such holder's adjusted tax basis in the Taxable Notes.

The Township may cause the deposit of moneys or securities in escrow in such amount and manner as to cause the Taxable Notes to be deemed to be no longer outstanding (a "defeasance"). For Federal income tax purposes, such defeasance could result in a deemed exchange under Section 1001 of the Code and a recognition by such owner of taxable income or loss, without any corresponding receipt of moneys. In addition, the character and timing of receipt of payments on the Taxable Notes subsequent to any such defeasance could also be affected.

IRS CIRCULAR 230 DISCLAIMER REGARDING THE TAXABLE NOTES: TO ENSURE COMPLIANCE WITH REQUIREMENTS IMPOSED BY THE INTERNAL REVENUE SERVICE, ANY TAX OPINIONS CONTAINED HEREIN WITH RESPECT TO THE TAXABLE NOTES ARE NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED, FOR THE PURPOSE OF AVOIDING TAX-RELATED PENALTIES UNDER THE INTERNAL REVENUE CODE.

State Taxation

Bond Counsel is of the opinion, based upon existing statutes and judicial decisions, that interest on the Bonds and Notes and net gains from the sale of the Bonds and Notes are not included as gross income under the New Jersey Gross Income Tax Act. Potential purchasers of the Bonds and Notes should consult with their tax advisors in order to understand the tax consequences of ownership of the Bonds and Notes under the laws of other states.

General

Tax legislation, administrative action taken by tax authorities, and court decisions, whether at the federal or state level, may adversely affect the exclusion from gross income of interest on the Bonds and Notes for federal income tax purposes, or the exclusion of interest on and any gain realized on the sale of the Bonds and Notes under the existing New Jersey Gross Income Tax Act, and any such legislation, administrative action or court decisions could adversely affect the market price or marketability of the bonds.

THE FOREGOING IS NOT INTENDED AS AN EXHAUSTIVE RECITAL OF THE POTENTIAL TAX CONSEQUENCES OF HOLDING THE BONDS AND NOTES. PROSPECTIVE PURCHASERS OF THE BONDS OR NOTES SHOULD CONSULT THEIR TAX ADVISORS WITH RESPECT TO THE FEDERAL, STATE AND LOCAL TAX CONSEQUENCES OF OWNERSHIP OF THE BONDS OR NOTES.

LEGALITY FOR INVESTMENT

The State and all public officers, municipalities, counties, political subdivisions and public bodies, and agencies thereof, all banks, bankers, trust companies, savings and loan associations, savings banks and institutional building and loan associations, investment companies, and other persons carrying on banking business, all insurance companies, and all executors, administrators, guardians, trustees, and other fiduciaries may legally invest any sinking funds, moneys or other funds belonging to them or within their control in any bonds of the Township including the Bonds and Notes, and such Bonds and Notes are authorized security for any and all public deposits.

CONTINUING DISCLOSURE

The Township has covenanted for the benefit of the holders of the Bonds and the beneficial owners of the Bonds to provide certain financial information and operating data of the Township and notice of the occurrence of certain enumerated events with respect to the Bonds, in order to comply with the provisions of Rule 15c2-12 (the "Rule") promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended and supplemented, and as detailed in a Continuing Disclosure Certificate to be executed on behalf of the Township by its Chief Financial Officer, in substantially the form appearing in Appendix "C" (the "Continuing Disclosure Certificate for the Bonds") attached hereto. Such Continuing Disclosure Certificate for the Bonds shall be delivered concurrently with the delivery of the Bonds. Annual financial information, including operating data, and notices of events specified in the Rule, shall be filed with the Municipal Securities Rulemaking Board (the "MSRB").

The Township has covenanted for the benefit of the holders of the Notes to provide notices of the occurrence of certain enumerated events with respect to the Notes, as set forth in section (b)(5)(i)(C) of the Rule. Such notices will be filed with the MSRB. The specific nature of such Notices will be detailed in a Continuing Disclosure Certificate to be executed on behalf of the Township by its Chief Financial Officer, in substantially the form appearing in Appendix "D" (the "Continuing Disclosure Certificate for the Notes") hereto, such Continuing Disclosure Certificate for the Notes to be delivered concurrently with the delivery of the Notes.

The Township has previously entered into continuing disclosure undertakings under the Rule in respect of its own obligations and obligations of the Little Egg Harbor Municipal Utilities Authority for which the Township is an obligated person. Within the five years immediately preceding the date of this Official Statement, the Township previously failed to file, in accordance with the Rule, in a timely manner, under previous filing requirements: (i) audited financial information for the fiscal year ending December 31, 2011; and (ii) operating data for the fiscal year ending December 31, 2011. Additionally, the Township previously failed to file late filing notices in connection with its untimely filings of: (i) audited financial information; and (ii) operating data, all as described above. Such notices of events and late filings have since been filed with the MSRB's Electronic Municipal Market Access Dataport. The Township appointed Phoenix Advisors, LLC in January of 2013 to serve as continuing disclosure agent.

LITIGATION

Upon delivery of the Bonds and the Notes, the Township shall furnish certificates of Gilmore & Monahan, P.A., Toms River, New Jersey (the "Township Attorney"), dated the date of delivery of the Bonds and Notes, to the effect that there is no litigation of any nature pending or, to the Township Attorney's knowledge, threatened to restrain or enjoin the issuance, sale, execution or delivery of the Bonds and Notes, or in any way contesting or affecting the validity of the Bonds and Notes or any of the proceedings taken with respect to the issuance and sale thereof or the application of moneys to the payment of the Bonds or Notes. In addition, such certificate shall state that there is no litigation of any nature now pending or threatened by or against the Township wherein an adverse judgment or ruling could have a material adverse impact on the financial condition of the Township or adversely affect the power of the Township to levy, collect and enforce the collection of taxes or other revenues for the payment of its bonds or notes, which has not been disclosed in this Official Statement.

MUNICIPAL BANKRUPTCY

The undertakings of the Township should be considered with reference to Chapter IX of the Bankruptcy Act, 11 U.S.C. Section 401, et seq., as amended by Public Law 95-598, approved November 6, 1978, and as further amended on November 3, 1988, by an Act to Amend the Bankruptcy Law to

Provide for Special Revenue Bonds, and for Other Purposes, and on October 22, 1994, by the Bankruptcy Reform Act of 1994, and by other bankruptcy laws affecting creditors' rights and municipalities in general. Chapter IX permits a state or any political subdivision, public agency or instrumentality that is insolvent or unable to meet its debts to file a petition in a bankruptcy court for the ultimate purpose of effecting a plan to adjust its debts. Chapter IX directs such a petitioner to file with the Bankruptcy Court a list of the petitioner's creditors; provides that a petition filed under this chapter shall operate as a stay of the commencement or continuation of any judicial or other proceeding against the petitioner, with the exception that such petition does not operate as a stay of application of pledged special revenues to the payment of indebtedness secured by such revenues; grants priority to administrative and operational expenses and to debts owed for services or material, up to \$4,000 per individual or corporation, actually provided within ninety (90) days of the filing of the petition; directs a petitioner to file a plan for the adjustment of its debts; provides that any securities issued under a reorganization plan will be exempt from the securities laws and, therefore, exempt from registration requirements; permits the petitioner, during bankruptcy proceedings, to continue to pay pre-petition debt without prior court approval; and provides that the plan must be accepted by a class of creditors, in writing, by or on behalf of creditors holding at least two-thirds in amount and more than one-half in number of the allowed claims of such class held by creditors. A plan shall not be approved by the Bankruptcy Court unless it is in the best interests of creditors and is feasible.

Reference should also be made to N.J.S.A. 52:27-40 through 52:27-45.11, which provides that any county, municipality, or other political subdivision of this State has the power to file a petition with any Bankruptcy Court, provided the approval of the municipal finance commission has been obtained, and such petition has been authorized by ordinance of the governing body of the political subdivision. The powers of the municipal finance commission have been vested in the Local Finance Board. The Bankruptcy Act specifically provides that Chapter IX does not limit or impair the power of a state to control, by legislation or otherwise, the procedures that a municipality must follow in order to take advantage of the provisions of the Bankruptcy Act. However, the Bankruptcy Act does provide that a municipality must obtain any regulatory or electoral approval necessary under constitutional, statutory, or charter provisions, for actions taken under the reorganization plan.

CERTAIN REFERENCES

The foregoing statements and descriptions of provisions of the New Jersey Constitution, the Local Bond Law and other laws of the State of New Jersey, the Federal Bankruptcy Code, the bond ordinances and the Resolution of the Township and the Bonds and Notes and all references to other material not purported to be quoted in full are only brief, generalized descriptions thereof, do not purport to be complete, and are in all respects subject to and qualified in their entireties by express reference to the complete provisions thereof. Copies of the bond ordinances and the Resolution will be furnished by the Township on request.

All estimates and assumptions herein are believed to be reasonable, but no warranty, guaranty or other representation is made that such estimates or assumptions will be realized or are correct. So far as any statements herein involve matters of opinion, whether or not expressly so stated, they are intended merely as such and not as representations of fact.

CERTIFICATION OF OFFICIAL STATEMENT

The Township hereby states that the descriptions and statements herein relating to the Township are true and correct in all material respects and, upon request, it will confirm to the purchasers of the Bonds and Notes, by certificates signed by the Township Administrator, that to his knowledge such descriptions and statements, as of the date hereof, and as of Closing, are true and correct in all material respects and do not contain any untrue statement of a material fact or omit to state a material fact

necessary to make the statements herein, in light of the circumstances under which they were made, not misleading.

All other information has been obtained from sources which the Township considers to be reliable and it makes no warranty, guaranty or other representation which respect to the accuracy and completeness of such information.

GluckWalrath LLP has not participated in the preparation of the financial or statistical information contained in this Official Statement, nor has it verified the accuracy, completeness or fairness thereof and, accordingly, expresses no opinion with respect thereto.

RATINGS

S&P Global Ratings, acting through Standard & Poor's Financial Services LLC (the "Rating Agency"), has assigned a rating of "AA/stable outlook" to the Bonds. Any desired explanation of the significance of such rating should be obtained from the Rating Agency. There is no assurance that the rating will pertain for any given period of time or that it will not be lowered or withdrawn entirely if, in the judgment of the Rating Agency, circumstances so warrant. Any downward revision or withdrawal of the rating could have an adverse effect on the market price of the Bonds. The Notes have not been rated.

The inclusion of the Rating Agency's "Outlook" (the "Outlook") has been provided herein for informational purposes only and is not a part of the "Rating" described in the preceding paragraph. The Outlook is only the Rating Agency's forward-looking view of the Township.

UNDERWRITING

Bonds

The Bonds have been purchased from the Township at a public sale by _____ (the "Bonds Underwriter") at a price of \$_____. The Bonds Underwriter has purchased the Bonds in accordance with the Notice of Sale. The Bonds are being offered for sale at the yields set forth on the inside front cover page of this Official Statement.

The Bonds Underwriter may offer and sell the Bonds to certain dealers (including dealers depositing the Bonds into investment trusts) at a yield higher than the public offering yield stated on the inside front cover page hereof.

Tax-Exempt Notes

The Tax-Exempt Notes have been purchased from the Township at a public sale by _____ (the "Tax-Exempt Notes Underwriter") at a price of \$_____.

The Tax-Exempt Notes Underwriter may offer and sell the Tax-Exempt Notes to certain dealers (including dealers depositing the Tax-Exempt Notes into investment trusts) at a yield higher than the public offering yield stated on the inside front cover page hereof.

Taxable Notes

The Taxable Notes have been purchased from the Township at a public sale by _____ (the "Taxable Notes Underwriter" and together with the Bond Underwriter and Tax-Exempt Notes Underwriter, the "Underwriters") at a price of \$_____.

The Taxable Notes Underwriter may offer and sell the Taxable Notes to certain dealers (including dealers depositing the Taxable Notes into investment trusts) at a yield higher than the public offering yield stated on the inside front cover page hereof.

FINANCIAL ADVISOR

Phoenix Advisors, LLC, Bordentown, New Jersey has served as financial advisor to the Township with respect to the issuance of the Bonds and Notes (the "Financial Advisor"). The Financial Advisor is not obligated to undertake and has not undertaken, either to make an independent verification of, or to assume responsibility for the accuracy, completeness, or fairness of the information contained in the Official Statement and the appendices hereto. The Financial Advisor is an independent firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities.

APPROVAL OF LEGAL PROCEEDINGS

All legal matters incident to the authorization, the issuance, the sale and the delivery of the Bonds and Notes are subject to the approval of GluckWalrath LLP, Trenton, New Jersey, Bond Counsel to the Township, whose approving legal opinions will be delivered with the Bonds and Notes substantially in the forms set forth as Appendix "E" and Appendix "F", respectively. Certain legal matters will be passed on for the Township by the Township Attorney.

FINANCIAL STATEMENTS

Appendix "B" contains certain audited financial data of the Township for the Township's fiscal year ending December 31, 2015. The audited financial data were provided by Holman Frenia Allison, P.C., Toms River, New Jersey, to the extent and for the period set forth in their report appearing in Appendix "B", and are included herein in reliance upon the authority of such firm.

ADDITIONAL INFORMATION

Inquiries regarding this Official Statement, including any information additional to that contained herein, may be directed to the Township's Administrator/Chief Financial Officer, 665 Radio Road, Little Egg Harbor, New Jersey 08087, telephone (609) 296-7241, or to its Financial Advisor, Phoenix Advisors, LLC, 4 West Park Street, Bordentown, New Jersey, telephone (609) 291-0130.

MISCELLANEOUS

This Official Statement is not to be construed as a contract or agreement between the Township and the purchasers or holders of any of the Bonds and Notes. Any statements made in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended merely as opinions and not as representations of fact. The information and expressions of opinion contained herein are subject to change without notice and neither the delivery of this Official Statement nor any sale of Bonds and Notes made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Township since the date hereof.

This Official Statement has been duly executed and delivered by the Township.

**TOWNSHIP OF LITTLE EGG HARBOR,
IN THE COUNTY OF OCEAN, NEW JERSEY**

By: _____
Garrett Loesch,
Township Administrator/Chief Financial Officer

Dated: January __, 2017

APPENDIX A
GENERAL INFORMATION REGARDING THE TOWNSHIP

INFORMATION REGARDING THE TOWNSHIP¹

The following material presents certain economic and demographic information of the Township of Little Egg Harbor (the “Township”), in the County of Ocean (the “County”), State of New Jersey (the “State”).

Location and Area

The Township is located along the southeastern border of the County. As reflected in data from the U.S. Department of Commerce, Bureau of Census, the Township is experiencing fairly rapid growth.

A land area of fifty (50) square miles lies within the borders of the Township. The Township lies twenty-five (25) miles north of Atlantic City, one hundred (100) miles south of New York City, approximately sixty (60) miles southeast of Philadelphia and sixty (60) miles east of Trenton, the State Capital.

Form of Government and Administration

The Township is governed by a five (5) member committee. Committee members are elected for three (3) year terms and individually oversee various functions of local government. Ordinances are passed by simple majority vote of the committee.

An Administrator is charged with the responsibility of managing the day-to-day affairs of the Township. The Administrator reports directly to the Committee. The Treasurer’s Office is responsible for the administration of financial affairs and related internal support activities through the Township’s Chief Financial Officer.

Typical of the Boards, Committees and Commissions that make up part of the Township’s government are the following:

- Board of Health
- Community Center Recreation Commission
- Economic Development Commission
- Environmental Commission
- Planning Board
- Natural Land Trust Committee
- Senior Citizen Advisory Committee
- Zoning Board of Adjustment

Utilities and Communication

The Atlantic Electric Company and the New Jersey Natural Gas Company service the Township’s electric and natural gas needs. Water and sewer services are provided by the Little Egg Harbor Municipal Utilities Authority.

¹ Source: Official Statement of the Township.

Police, Fire and First Aid Services

The Township Police Department consists of officers who are trained in modern law enforcement techniques and are equipped to attend to the routine and emergency needs of the community.

The Township's volunteer first aid squad serves the emergency health needs of the Township. The squad has modern equipment vehicles, and well-trained, dedicated volunteers.

Three strategically located volunteer fire companies provide fire protection to Township residents and businesses. The fire companies have modern equipment and vehicles and well-trained, dedicated volunteers.

Transportation

Major highway routes provide primary transportation links with other parts of the State. The Garden State Parkway traverses on a north-south axis connecting all shore points with Northern New Jersey and the metropolitan areas of New York City. Bus transportation is provided by New Jersey Transit between Atlantic City and New York via Route 9 with the local swing through the Mystic Island area. Ocean County Area Transportation provides transportation for local residents to the nearby Townships of Barnegat and Stafford.

Retirement Systems

All full-time permanent or qualified Township employees who began employment after 1944 must enroll in one of two retirement systems depending upon their employment status. These systems were established by acts of the State Legislature. Benefits, contributions, means of funding and the manner of administration are set by State law. The Division of Pensions within the New Jersey Department of Treasury (the "Division"), is the administrator of the funds with the benefit and contribution levels set by the State. The Township is enrolled in the Public Employees' Retirement System ("PERS") and the Police and Firemen's Retirement System ("PFRS").

Pension Information²

Employees who are eligible to participate in a pension plan are enrolled in PERS or PFRS, administered by the Division. The Division annually charges municipalities and other participating governmental units for their respective contributions to the plans based upon actuarial calculations. The employees contribute a portion of the cost. The Township's share of pension costs in 2016, which is based upon the annual billings received from the State, amounted to \$432,361 for PERS and \$1,036,175 for PFRS.

² Source: State of New Jersey Department of Treasury, Division of Pensions and Benefits

Hurricane Sandy

On October 29, 2012, Superstorm Sandy, then a Category 1 post-tropical cyclone, struck the southern Atlantic coast of New Jersey (the “Storm”). The resulting Storm surge and winds caused catastrophic damage to many coastal and riverfront communities, as well as widespread physical damage (including loss of electrical power and other utilities) throughout the State. In the days following the Storm, most schools and businesses – and many roads, bridges and public transportation systems – were closed.

On December 19, 2012 and January 4, 2013, the Township issued \$3,000,000 of Special Emergency Notes and \$9,000,000 of Special Emergency Notes (collectively, the “Storm-Related Special Emergency Notes”), respectively, to meet expenses related to the extraordinary expense for the repair, reconstruction of streets, road or bridges, or other public property in the Township damaged by the Storm. Under the provisions of the Local Budget Law, special emergency notes must be fully paid within five (5) years after issuance. The Storm-Related Special Emergency Notes (including renewals) have been fully retired.

(Remainder of page intentionally left blank)

Employment and Unemployment Comparisons

For the following years, the New Jersey Department of Labor reported the following annual average employment information for the Township, the County, and the State of New Jersey:

	<u>Total Labor Force</u>	<u>Employed Labor Force</u>	<u>Total Unemployed</u>	<u>Unemployment Rate</u>
<u>Township</u>				
2015	9,307	8,576	731	7.9%
2014	9,195	8,379	816	8.9%
2013	9,233	8,208	1,025	11.1%
2012	9,487	8,241	1,246	13.1%
2011	9,542	8,262	1,280	13.4%
<u>County</u>				
2015	268,585	252,465	16,120	6.0%
2014	266,273	246,687	19,586	7.4%
2013	265,783	241,266	24,517	9.2%
2012	268,491	240,035	28,456	10.6%
2011	266,169	238,461	27,708	10.4%
<u>State</u>				
2015	4,543,800	4,288,800	255,000	5.6%
2014	4,513,600	4,209,700	303,900	6.7%
2013	4,528,500	4,157,600	370,800	8.2%
2012	4,585,300	4,158,600	426,800	9.3%
2011	4,565,300	4,138,500	426,800	9.3%

Source: New Jersey Department of Labor, Office of Research and Planning, Division of Labor Market and Demographic Research, Bureau of Labor Force Statistics, Local Area Unemployment Statistics.

Income (as of 2014)

	<u>Township</u>	<u>County</u>	<u>State</u>
Median Household Income	\$60,014	\$61,994	\$72,062
Median Family Income	74,741	76,934	87,999
Per Capita Income	31,037	31,200	36,359

Source: US Bureau of the Census, 2014 American Community Survey 5-Year Estimates

Population

The following tables summarize population increases and the decreases for the Township, the County, and the State.

<u>Year</u>	<u>Township</u>		<u>County</u>		<u>State</u>	
	<u>Population</u>	<u>% Change</u>	<u>Population</u>	<u>% Change</u>	<u>Population</u>	<u>% Change</u>
2015 Estimate	20,383	1.58%	588,721	2.11%	8,958,013	1.89%
2010	20,065	25.84	576,567	12.85	8,791,894	4.49
2000	15,945	19.59	510,916	17.94	8,414,350	8.85
1990	13,333	57.17	433,203	25.19	7,730,188	4.96
1980	8,483	185.43	346,038	65.99	7,365,001	2.75

Source: United States Department of Commerce, Bureau of the Census

Largest Taxpayers

The ten largest taxpayers in the Township and their assessed valuations are listed below:

<u>Taxpayers</u>	<u>2016</u>	<u>% of Total</u>
	<u>Assessed Valuation</u>	<u>Assessed Valuation</u>
TBH LLC.	\$18,862,300	0.84%
Mystic Partners	10,080,000	0.45%
AT&T	10,000,000	0.45%
Healthtech Properties	7,200,000	0.32%
Armstrong Tuckerton, LLC	7,100,000	0.32%
Sea Oaks Golf Club, LLC	6,625,000	0.30%
Andwin Realty Investors, LLC	4,150,000	0.19%
Mystic Investor Association c/o GB Ltd.	3,694,400	0.16%
Wal-Mart Real Estate Business Trust	3,137,800	0.14%
Wawa Inc.	<u>3,137,200</u>	<u>0.14%</u>
Total	<u>\$73,986,700</u>	<u>3.30%</u>

Source: School District Comprehensive Annual Financial Report and Municipal Tax Assessor.

Total Assessed Valuation in the Township (2016): \$2,240,445,490

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Current Year Collection</u>	<u>Current Year % of Collection</u>
2015	\$53,930,406	\$53,756,014	99.68%
2014	52,918,979	51,587,978	97.48%
2013	52,130,022	50,799,566	97.45%
2012	52,166,609	50,574,473	96.95%
2011	51,023,557	49,978,435	97.95%

Source: Annual Audit Reports of the Township

Delinquent Taxes and Tax Title Liens

<u>Year</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Tax</u>	<u>Total Delinquent</u>	<u>% of Tax Levy</u>
2015	\$526,052	\$32,587	\$558,639	1.04%
2014	458,308	27,002	485,310	0.92%
2013	523,085	36,322	559,407	1.07%
2012	567,052	18,512	585,564	1.12%
2011	377,326	42,346	419,672	0.82%

Source: Annual Audit Reports of the Township

Tax Rates per \$100 of Net Valuations Taxable and Allocations

The table below lists the tax rates for the past five (5) years.

<u>Year</u>	<u>Municipal</u>	<u>Local School</u>	<u>Regional School</u>	<u>County</u>	<u>Total</u>
2016	\$0.661	\$0.571	\$0.657	\$0.430	\$2.319
2015R	0.695	0.578	0.656	0.420	2.349
2014	0.560	0.446	0.516	0.340	1.862
2013	0.548	0.420	0.500	0.336	1.804
2012	0.532	0.406	0.473	0.328	1.739

<u>Year</u>	<u>FD #1</u>	<u>FD #2</u>	<u>FD #3</u>
2016	\$0.061	\$0.072	\$0.097
2015R	0.060	0.070	0.079
2014	0.065	0.199	0.044
2013	0.042	0.049	0.063
2012	0.039	0.045	0.062

R: Revaluation

Source: Abstract of Ratables and State of New Jersey – Property Taxes.

Valuation of Property

<u>Year</u>	<u>Aggregate Assessed Valuation of Real Property</u>	<u>Aggregate True Value of Real Property</u>	<u>Ratio of Assessed to True Value</u>	<u>Assessed Value of Personal Property</u>	<u>Equalized Valuation</u>
2016	2,240,455,490	\$2,286,645,734	97.98%	\$0	\$2,286,645,734
2015R	2,206,556,290	2,274,331,365	97.02	0	2,274,331,365
2014	2,742,471,160	2,360,739,571	116.17	4,242,303	2,364,981,874
2013	2,793,943,798	2,380,863,910	117.35	5,251,712	2,386,115,622
2012	2,909,001,734	2,540,391,000	114.51	5,851,082	2,546,242,082

R: Revaluation

Source: Abstract of Ratables and State of New Jersey – Table of Equalized Valuations

Classification of Ratables

The table below lists the comparative assessed valuation for each classification of real property within the Township for the past five (5) years.

<u>Year</u>	<u>Vacant Land</u>	<u>Residential</u>	<u>Farm</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Apartments</u>	<u>Total</u>
2016	\$111,378,200	\$1,972,732,883	\$3,459,292	\$149,458,515	\$542,900	\$2,883,700	\$2,240,455,490
2015R	112,347,900	1,941,283,983	1,740,792	147,741,815	558,100	2,883,700	2,206,556,290
2014	152,049,100	2,425,444,439	2,032,258	159,319,263	566,100	3,060,000	2,742,471,160
2013	111,911,000	2,531,443,939	2,898,296	144,064,463	566,100	3,060,000	2,793,943,798
2012	116,303,400	2,636,568,189	2,898,296	149,605,749	566,100	3,060,000	2,909,001,734

R: Revaluation

Source: Abstract of Ratables and State of New Jersey – Property Value Classification.

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Financial Operations

The following table summarizes the Township's Current Fund budget for the past five (5) fiscal years ending December 31. The following summary should be used in conjunction with the tables in the sourced documents from which it is derived.

Summary of Current Fund Budget

<u>Anticipated Revenues</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Fund Balance Utilized	\$204,000	\$0	\$1,423,476	\$1,719,000	\$2,950,000
Miscellaneous Revenues	3,226,642	6,644,344	5,394,538	6,241,400	5,669,320
Receipts from Delinquent Taxes	250,000	0	268,251	175,494	56,383
Amount to be Raised by Taxation	<u>15,258,824</u>	<u>15,295,327</u>	<u>15,294,083</u>	<u>15,289,051</u>	<u>14,739,069</u>
Total Revenue:	<u>\$18,939,466</u>	<u>\$21,939,671</u>	<u>\$22,380,348</u>	<u>\$23,424,945</u>	<u>\$23,414,772</u>
<u>Appropriations</u>					
General Appropriations	\$16,873,280	\$17,192,367	\$18,048,208	\$18,171,166	\$18,989,392
Operations (Excluded from CAPS)	404,744	428,228	544,153	493,385	666,795
Deferred Charges and Statutory Expenditures	0	1,954,173	994,500	1,846,306	1,737,194
Capital Improvement Fund	0	0	100,000	100,000	0
Municipal Debt Service	1,261,588	1,330,000	1,343,525	1,465,075	1,491,400
Reserve for Uncollected Taxes	<u>399,854</u>	<u>1,034,903</u>	<u>1,349,962</u>	<u>1,349,013</u>	<u>529,991</u>
Total Appropriations:	<u>\$18,939,466</u>	<u>\$21,939,671</u>	<u>\$22,380,348</u>	<u>\$23,424,945</u>	<u>\$23,414,772</u>

Source: Annual Budget Reports of the Township

Fund Balance

Current Fund

The following table lists the Township's fund balance and the amount utilized in the succeeding year's budget for the Current Fund for the past five (5) fiscal years ending December 31.

<u>Fund Balance - Current Fund</u>		
	<u>Balance</u>	<u>Utilized in Budget</u>
<u>Year</u>	<u>12/31</u>	<u>of Succeeding Year</u>
2015	\$5,248,736	\$2,950,000
2014	3,906,106	1,719,000
2013	2,974,576	1,423,476
2012	615,361	0
2011	819,892	204,000

Source: Annual Audit Reports of the Township

Township Indebtedness as of December 31, 2015

General Purpose Debt

Serial Bonds	\$6,040,000
Bond Anticipation Notes	9,674,537
Bonds and Notes Authorized but Not Issued	3,331,629
Other Bonds, Notes and Loans	<u>578,528</u>
Total:	\$19,624,694

Local School District Debt

Serial Bonds	\$22,980,000
Temporary Notes Issued	0
Bonds and Notes Authorized but Not Issued	<u>0</u>
Total:	\$22,980,000

Regional School District Debt

Serial Bonds	\$5,778,729
Temporary Notes Issued	0
Bonds and Notes Authorized but Not Issued	<u>0</u>
Total:	\$5,778,729

Self-Liquidating Debt

Serial Bonds	\$0
Bond Anticipation Notes	0
Bonds and Notes Authorized but Not Issued	0
Other Bonds, Notes and Loans	<u>0</u>
Total:	\$0

TOTAL GROSS DEBT

\$48,383,423

Less: Statutory Deductions	
General Purpose Debt	\$484,913
Local School District Debt	22,980,000
Regional School District Debt	5,778,729
Self-Liquidating Debt	<u>0</u>
Total:	\$29,243,642

TOTAL NET DEBT

\$19,139,781

Source: Annual Debt Statement of the Township

Overlapping Debt (as of December 31, 2015)³

<u>Name of Related Entity</u>	<u>Related Entity Debt Outstanding</u>	<u>Township Percentage</u>	<u>Township Share</u>
Local School District	\$22,980,000	100.00%	\$22,980,000
Regional School District	7,813,000	74.00%	5,778,729
County	451,253,286	2.37%	<u>10,673,714</u>
Net Indirect Debt			\$39,432,443
Net Direct Debt			<u>19,139,781</u>
Total Net Direct and Indirect Debt			<u>\$58,572,223</u>

Debt Limit

Average Equalized Valuation Basis (2013, 2014, 2015)	\$2,338,644,949
Permitted Debt Limitation (3 1/2%)	81,852,573
Less: Net Debt	<u>19,139,781</u>
Remaining Borrowing Power	<u>\$62,712,792</u>
Percentage of Net Debt to Average Equalized Valuation	0.818%
 Gross Debt Per Capita based on 2010 population of 20,065	 \$2,411
Net Debt Per Capita based on 2010 population of 20,065	\$954

Source: Annual Debt Statement of the Township.

³ Township percentage based on the Township's share of total equalized valuation in the County

APPENDIX B
FINANCIAL STATEMENTS OF THE TOWNSHIP

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members
of the Township Committee
Township of Little Egg Harbor
County of Ocean
Little Egg Harbor, New Jersey 08087

Report on the Financial Statements

We have audited the accompanying comparative statements of assets, liabilities, reserves and fund balance--regulatory basis of the various funds and account group of the Little Egg Harbor Township, County of Ocean, State of New Jersey as of December 31, 2015 and 2014, and the related comparative statements of operations and changes in fund balance--regulatory basis for the years then ended, the related statements of revenues--regulatory basis, statement of expenditures--regulatory basis, and the related notes to the financial statements for the year ended December 31, 2015.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

As discussed in Note 1 to the financial statements, the Little Egg Harbor Township prepares its financial statements using accounting practices that demonstrate compliance with regulatory basis of accounting and budget laws of the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the State of New Jersey.

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Little Egg Harbor Township, County of Ocean, State of New Jersey, as of December 31, 2015 and 2014, or the results of its operations and changes in fund balance for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, reserves and fund balance--regulatory basis of the various funds and account group of the Little Egg Harbor Township, County of Ocean, State of New Jersey, as of December 31, 2015 and 2014, and the results of its operations and changes in fund balance of such funds--regulatory basis for the years then ended, and the related statements of revenues--regulatory basis, statements of expenditures--regulatory basis of the various funds, and the related notes to financial statements, for the year ended December 31, 2015 in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Emphasis of Matter

Change in Accounting Principle

As discussed in Note 1 to the financial statements, during the fiscal year ended December 31, 2015 the Little Egg Harbor Township adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No.27*. Our opinion on regulatory basis of accounting is not modified with respect to this matter.

Other Matters

Report on Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements referred to in the first paragraph as a whole. The supplemental financial statements presented for the various funds are presented for purposes of additional analysis as required by the Division of Local Government Services,

Department of Community Affairs, State of New Jersey and is not a required part of the above financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and is also not a required part of the above financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements of each of the respective individual funds and account group taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 9, 2016, on our consideration of the Little Egg Harbor Township's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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 Little Egg Harbor Township's internal control over financial reporting and compliance.

Respectfully submitted,

HOLMAN FRENIA ALLISON, P.C.



Kevin P. Frenia
Certified Public Accountant
Registered Municipal Accountant
No. CR 435

June 9, 2016
Medford, New Jersey

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BASIC FINANCIAL STATEMENTS

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**TOWNSHIP OF LITTLE EGG HARBOR
CURRENT FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2015 AND 2014**

ASSETS	REFERENCE	2015	2014
Operating Fund:			
Cash:			
Treasurer	A-4	\$ 7,225,488	\$ 7,265,900
Change Fund	A	<u>1,325</u>	<u>1,325</u>
Total Cash		<u>7,226,813</u>	<u>7,267,225</u>
Other Receivables:			
Due From/(To) State of New Jersey	A	<u>169,991</u>	<u>150,355</u>
Total Other Receivables		<u>169,991</u>	<u>150,355</u>
Receivables & Other Assets With Full Reserves:			
Delinquent Property Taxes Receivable	A-5	32,587	27,002
Tax Title Liens Receivable	A-6	526,052	458,308
Property Acquired/Assessed Valuation	A-7	5,757,700	5,757,700
Revenue Accounts Receivable	A-8	13,441	12,474
Due from Trust Other	B	-	2,702
Due from Payroll	D	<u>7,445</u>	<u>22,889</u>
Total Receivables		<u>6,337,225</u>	<u>6,281,075</u>
Special Emergency Appropriations:			
Superstorm Sandy	A-15	1,257,194	2,983,500
Reassessment	A	480,000	600,000
Community Disaster Loan	A	<u>4,295,320</u>	<u>3,270,539</u>
Total Deferred Charges		<u>6,032,514</u>	<u>6,854,039</u>
Total Operating Fund Assets		<u>19,766,543</u>	<u>20,552,694</u>
Federal & State Grant Fund:			
Cash - Treasurer	A-4	560,427	368,435
Grants Receivable	A-9	3,318,478	490,701
Due from Current Fund	A	<u>2,597</u>	<u>-</u>
Total Federal & State Grant Fund Assets		<u>3,881,502</u>	<u>859,136</u>
Total Assets		<u>\$ 23,648,045</u>	<u>\$ 21,411,830</u>

**TOWNSHIP OF LITTLE EGG HARBOR
CURRENT FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2015 AND 2014**

LIABILITIES RESERVES & FUND BALANCE	REFERENCE	2015	2014
Operating Fund:			
Appropriation Reserve:			
Encumbered	A-3/A-9	\$ 79,382	\$ 80,730
Unencumbered	A-3	1,766,684	1,965,247
Prepaid Taxes	A-4	544,802	209,552
Tax Overpayments	A	85,077	159,649
Due County for Added & Omitted Taxes	A	106,502	59,025
Due Municipal Open Space Tax Fund	B	52,406	69,189
Local School Taxes Payable	A-13	797,440	432,241
Regional School Taxes Payable	A-14	211,670	219,298
Special District Taxes Payable	A	15,705	10,470
Due Bass River - UCC Fees	A	5,244	902
Reserve for Tax Appeals	A-17	-	215,112
Due to State - DCA Training Fees	A	28,502	34,733
Due General Capital Fund	C	34,913	-
Due to Grant Fund	A	2,597	-
Reserve for Debt Service - Special Emergency Note Premium	A	-	6,800
Reserve for Hurricane Sandy Emergency	A-17	-	1,294,176
Reserve for Sandy Insurance Proceeds	A-17	-	431,630
Reserve for Reassessment	A-17	100,047	236,220
Reserve for Closed Escrow Accounts	A-17	54,291	-
CDL - Loan Payable	A	4,250,000	3,250,000
CDL - Interest Payable	A	45,320	20,539
Special Emergency Notes Payable	A-16	-	1,670,000
Total Operating Liabilities		<u>8,180,582</u>	<u>10,365,513</u>
Reserve for Receivables	A	6,337,225	6,281,075
Fund Balance	A-1	<u>5,248,736</u>	<u>3,906,106</u>
Total Operating Fund		<u>19,766,543</u>	<u>20,552,694</u>
Federal & State Grant Fund:			
Reserve for State Grants:			
Appropriated Reserves	A-11	3,875,014	819,407
Unappropriated Reserves	A-12	6,488	33,650
Encumbrances Payable	A-11	-	6,079
Total Federal & State Grant Fund		<u>3,881,502</u>	<u>859,136</u>
Total Liabilities Reserve & Fund Balance		<u>\$ 23,648,045</u>	<u>\$ 21,411,830</u>

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

**TOWNSHIP OF LITTLE EGG HARBOR
CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES
IN FUND BALANCE - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

	2015	2014
Revenue & Other Income Realized:		
Fund Balance Utilized	\$ 1,719,000	\$ 1,423,476
Miscellaneous Revenues Anticipated	9,818,455	6,908,377
Receipts From Delinquent Taxes	29,004	189,783
Receipts From Current Taxes	53,756,015	51,587,977
Nonbudget Revenues	134,572	198,669
Other Credits to Income:		
Tax Overpayment Adjustment	-	69,737
Prior Year Accounts Payable Cancelled	3,188	-
Unexpended Balance of Appropriation Reserves	<u>1,213,495</u>	<u>1,042,797</u>
Total Revenue & Other Income	<u>66,673,729</u>	<u>61,420,816</u>
Expenditures:		
Budget & Emergency Appropriations:		
Appropriations Within "CAPS":		
Operations:		
Salaries and Wages	8,601,900	8,545,400
Other Expenses	7,564,600	7,563,400
Deferred Charges & Statutory Expenditures	2,004,666	1,939,408
Appropriations Excluded From "CAPS":		
Operations:		
Salaries and Wages	450,000	435,000
Other Expenses	3,492,913	800,973
Capital Improvement Fund	100,000	100,000
Municipal Debt Service	1,464,719	1,342,863
Deferred Charges	1,846,306	1,594,500
County Taxes	9,324,925	9,410,070
Local District School Tax	12,755,011	12,234,233
Regional High School Tax	14,478,340	14,194,726
Special District Taxes	1,473,013	1,434,447
Municipal Open Space	55,706	69,189
Prior Year Refunds	<u>-</u>	<u>1,601</u>
Total Expenditures	<u>63,612,099</u>	<u>59,665,810</u>
Excess/(Deficit) in Revenue	3,061,630	1,755,006
Adjustments to Income before Fund Balance		
Expenditures Included Above Which Are by Statute Deferred Charges to Budget of Succeeding Years	<u>-</u>	<u>600,000</u>
Statutory Excess to Fund Balance	3,061,630	2,355,006
Fund Balance January 1,	<u>3,906,106</u>	<u>2,974,576</u>
Total	6,967,736	5,329,582
Decreased by: Utilized as Anticipated Revenue	<u>1,719,000</u>	<u>1,423,476</u>
Fund Balance December 31, 2015	<u><u>\$ 5,248,736</u></u>	<u><u>\$ 3,906,106</u></u>

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

**TOWNSHIP OF LITTLE EGG HARBOR
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015**

	ANTICIPATED BUDGET	ADDED BY N.J.S.40A:4-87	REALIZED	EXCESS OR (DEFICIT)
Fund Balance Anticipated	\$ 1,719,000	\$ -	\$ 1,719,000	\$ -
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	10,564	-	10,565	1
Other	75,000	-	96,040	21,040
Municipal Court	195,500	-	205,591	10,091
Interest & Cost on Taxes	90,000	-	101,126	11,126
Payments in Lieu of Taxes	63,005	-	60,896	(2,109)
Energy Receipts Tax	1,299,939	-	1,299,939	-
Uniform Construction Code Fees	1,172,629	-	1,154,157	(18,472)
Garden State Trust	149,117	-	149,117	-
Tower Rental	23,971	-	258,109	234,138
SRO Reimbursement	224,579	-	163,076	(61,503)
CATV Franchise Fees	72,814	-	76,035	3,221
Reserve for Debt Service - General Capital Fund	28,020	-	28,020	-
Reserve for Debt Service - Current Fund SEN Premium	6,800	-	6,800	-
Community Disaster Loan Proceeds	1,069,506	-	1,000,000	(69,506)
FEMA Aid Received - Hurricane Sandy	1,726,306	-	1,725,806	(500)
Additional Revenues Offset With Appropriations:				
Clean Communities Program	-	55,002	55,002	-
Ocean County Recycling Revenue Share	-	9,707	9,707	-
Body Armor Replacement	-	3,952	3,952	-
Recycling Tonnage Grant	33,650	-	33,650	-
Safe and Secure Communities	-	60,000	60,000	-
National Fish & Wildlife	-	2,130,000	2,130,000	-
National Wildlife Refuge	-	2,130	2,130	-
NJDOT Grant	-	288,267	288,267	-
Child Restraint Grant	-	1,250	1,250	-
NJ Office of Emergency Management	-	12,288	12,288	-
Ocean County Recycling Share	-	8,932	8,932	-
CDBG - HUD	-	845,000	845,000	-
CDBG	-	33,000	33,000	-
Total Miscellaneous	6,241,400	3,449,528	9,818,455	127,527
Receipts from Delinquent Taxes	175,494	-	29,004	(146,490)
Subtotal General Revenues	8,135,894	3,449,528	11,566,459	(18,963)
Amount to be Raised by Taxes for Support to Municipal Budget - Local Tax for Municipal Purposes	15,289,051	-	17,018,033	1,728,982
Budget Totals	23,424,945	3,449,528	28,584,492	1,710,019
Nonbudget Revenues	-	-	134,572	134,572
Total	\$ 23,424,945	\$ 3,449,528	\$ 28,719,064	\$ 1,844,591

ANALYSIS OF REALIZED REVENUE

Allocation of Current Tax Collections:	
Revenue From Collections	\$ 53,756,015
Allocated to - School, County & Special District Taxes	38,086,995
Balance for Support of Municipal Budget Revenues	15,669,020
Add: Appropriation - "Reserve for Uncollected Taxes"	1,349,013
Amount for Support of Municipal Budget Appropriations	<u>\$ 17,018,033</u>
Receipts From Delinquent Taxes:	
Delinquent Tax Collections	\$ (9,877)
Tax Title Lien Collections	38,881
Total Receipts From Delinquent Taxes	<u>\$ 29,004</u>
Analysis of Nonbudget Revenue:	
Treasurer:	
Insurance Reimbursements	\$ 49,769
Trash Cans	13,040
Restitution	3,538
Government Deals	54,286
Recycling Receipts	9,660
Other	4,279
Total Analysis of Nonbudget Revenue	<u>\$ 134,572</u>

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

**TOWNSHIP OF LITTLE EGG HARBOR
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015**

OPERATIONS	APPROPRIATIONS		EXPENDED				CANCEL
	BUDGET	BUDGET AFTER MODIFICATION	PAID	ENCUMBERED	RESERVED		
General Government:							
General Administration:							
Salaries and Wages	\$ 108,500	\$ 108,500	\$ 77,945	\$ -	\$ 30,555	\$ -	
Other Expenses	25,000	25,000	10,890	-	14,110	-	
Mayor and Committee:							
Salaries and Wages	83,000	83,000	82,304	-	696	-	
Other Expenses	4,517	4,517	3,720	571	226	-	
Municipal Clerk:							
Salaries and Wages	220,500	220,500	216,976	-	3,524	-	
Other Expenses	63,000	63,000	54,034	624	8,342	-	
Financial Administration (Treasury):							
Salaries and Wages	240,000	240,000	239,515	-	485	-	
Other Expenses	85,000	85,000	68,921	737	15,342	-	
Audit Services:							
Other Expenses	67,500	67,500	51,407	-	16,093	-	
Revenue Administration (Tax Collection)							
Salaries and Wages	170,000	170,000	160,144	-	9,856	-	
Other Expenses:							
Tax Sale Costs	20,000	20,000	5,700	2,437	11,863	-	
Miscellaneous Other Expenses	25,000	25,000	15,982	2,360	6,658	-	
Tax Assessment Administration:							
Salaries and Wages	231,000	231,000	230,048	-	952	-	
Other Expenses	7,500	7,500	3,498	277	3,725	-	
Liquidation of Tax Title Liens & Foreclosec							
Property - Other Expenses	10,000	10,000	60	-	9,940	-	
Legal Services (Legal Department)							
Other Expenses	255,000	255,000	217,409	-	37,591	-	
Engineering Services:							
Other Expenses	170,000	170,000	122,366	-	47,634	-	
Economic Development Agencies							
Salaries and Wages	1,200	1,200	200	-	1,000	-	
Other Expenses	3,500	3,500	1,817	-	1,683	-	
Land Use Administration:							
Planning Board:							
Salaries and Wages	26,000	26,000	20,900	-	5,100	-	
Other Expenses	15,000	15,000	118	-	14,882	-	
Zoning Board of Adjustment:							
Salaries and Wages	13,000	13,000	10,200	-	2,800	-	
Other Expenses	15,000	15,000	3,180	-	11,820	-	
Zoning Officer:							
Salaries and Wages	56,000	56,000	54,777	-	1,223	-	
Other Expenses	5,000	5,000	2,689	600	1,711	-	
Insurance:							
Liability Insurance	485,000	485,000	484,108	-	892	-	
Unemployment Insurance	35,000	35,000	32,920	-	2,080	-	
Group Insurance for Employees	2,283,483	2,283,483	2,070,811	-	212,672	-	
Health Benefit Waiver	160,000	160,000	158,203	-	1,797	-	

**TOWNSHIP OF LITTLE EGG HARBOR
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015**

OPERATIONS	APPROPRIATIONS		PAID	EXPENDED		CANCEL
	BUDGET	BUDGET AFTER MODIFICATION		ENCUMBERED	RESERVED	
Public Safety Functions:						
Police Department:						
Salaries and Wages	4,875,000	4,875,000	4,797,998	-	77,002	-
Other Expenses	200,000	200,000	180,182	8,361	11,457	-
Office of Emergency Management:						
Salaries and Wages	37,500	37,500	35,000	-	2,500	-
Other Expenses	15,000	15,000	-	-	15,000	-
Aid to Volunteer Fire Company in						
Adjoining Municipality	2,400	2,400	2,400	-	-	-
First Aid Squad Contribution	70,000	70,000	-	-	70,000	-
Municipal Prosecutor:						
Other Expenses	52,500	52,500	43,050	-	9,450	-
Supplemental Safe Neighborhood:						
State Share	16,000	16,000	-	-	16,000	-
Local Share	46,000	46,000	-	-	46,000	-
Public Works Functions:						
Streets & Roads Maintenance:						
Salaries and Wages	250,000	250,000	244,138	-	5,862	-
Other Expenses	165,000	165,000	107,395	3,529	54,076	-
Solid Waste Sanitation:						
Salaries and Wages	199,000	199,000	164,341	-	34,659	-
Other Expenses	174,500	174,500	72,009	18,950	83,541	-
Solid Waste Recycling:						
Salaries and Wages	420,000	420,000	374,620	-	45,380	-
Other Expenses	36,000	36,000	19,522	527	15,951	-
Buildings & Grounds:						
Salaries and Wages	310,000	310,000	307,993	-	2,007	-
Other Expenses	101,000	101,000	90,382	8,676	1,942	-
Vehicle Maintenance:						
Salaries and Wages	195,000	195,000	194,777	-	223	-
Other Expenses	135,000	135,000	71,968	6,248	56,784	-
Municipal Services Act:						
Other Expenses	45,000	45,000	42,466	-	2,534	-
County Mosquito Control Agency:						
Salaries and Wages	12,000	12,000	2,365	-	9,635	-
Other Expenses	60,000	60,000	13,755	-	46,245	-
Health & Human Services:						
Public Health Services (Board of Health):						
Salaries and Wages	35,000	35,000	400	-	34,600	-
Other Expenses	10,000	10,000	2,867	-	7,133	-
Environmental Health Services:						
Salaries and Wages	1,200	1,200	800	-	400	-
Other Expenses	200	200	144	-	56	-
Animal Control Services:						
Other Expenses	60,000	60,000	48,662	3,249	8,089	-
Contributions to Social Service Agencies - Statutory:						
Long Beach Island Community Center	1,500	1,500	-	-	1,500	-
Providence House	5,000	5,000	70	-	4,930	-

**TOWNSHIP OF LITTLE EGG HARBOR
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015**

OPERATIONS	APPROPRIATIONS		EXPENDED			CANCEL
	BUDGET	BUDGET AFTER MODIFICATION	PAID	ENCUMBERED	RESERVED	
Park & Recreation Functions:						
Recreation Services & Programs:						
Salaries and Wages	204,000	204,000	141,968	-	62,032	-
Other Expenses	49,000	49,000	44,481	2,120	2,399	-
Senior Center/Community Activities:						
Salaries and Wages	2,500	2,500	-	-	2,500	-
Other Expenses	7,500	7,500	2,770	-	4,730	-
Utility Expenses & Bulk Purchases:						
Electricity	175,000	175,000	174,476	-	524	-
Street Lighting	375,000	375,000	331,989	-	43,011	-
Telephone	185,000	185,000	183,564	195	1,241	-
Fuel Oil/Natural Gas	40,000	40,000	31,901	392	7,707	-
Gasoline	390,000	390,000	209,961	10,912	169,127	-
Landfill/Solid Waste Disposal Costs:						
Sanitary Landfill	850,000	850,000	675,000	-	175,000	-
Uniform Construction Code Enforcement Functions:						
Construction Code Official:						
Salaries and Wages	600,000	600,000	570,253	-	29,747	-
Other Expenses	15,000	15,000	9,776	4,372	852	-
Municipal Court:						
Salaries and Wages	311,500	311,500	295,955	-	15,545	-
Other Expenses	17,500	17,500	11,967	2,938	2,595	-
Public Defender:						
Other Expenses	42,500	42,500	32,225	-	10,275	-
Other Common Operating Functions (Unclassified):						
Purchase of Fleet Vehicles	150,000	150,000	150,000	-	-	-
Municipal Alliance Council	30,000	30,000	15,841	-	14,159	-
Celebration of Public Events:						
Other Expenses	8,000	8,000	6,037	-	1,963	-
Relocation Assistance:						
Other Expenses	500	500	-	-	500	-
Schedule "C":						
Other Expenses	200,000	200,000	168,056	-	31,944	-
Accumulated Sick & Vacation Fund	100,000	100,000	100,000	-	-	-
Total Operations Within "CAPS"	16,166,500	16,166,500	14,374,366	78,075	1,714,059	-
Detail:						
Salaries and Wages	8,663,900	8,601,900	8,381,820	-	378,283	-
Other Expenses	7,502,600	7,564,600	5,992,546	78,075	1,335,776	-
Deferred Charges & Statutory Expenditures - Municipal Within "CAPS":						
Statutory Expenditures:						
Social Security System (O.A.S.I.)	670,000	670,000	670,000	-	-	-
Defined Contribution Retirement Program	3,000	3,000	1,411	-	1,589	-
Consolidated Police & Firemen's						
Pension	939,963	939,963	939,963	-	-	-
Public Employees Retirement System	391,703	391,703	391,703	-	-	-
Total Deferred Charges & Statutory Expenditures Within "CAPS"	2,004,666	2,004,666	2,003,077	-	1,589	-
Total General Appropriations for Municipal Purposes Within "CAPS"	18,171,166	18,171,166	16,377,443	78,075	1,715,648	-

TOWNSHIP OF LITTLE EGG HARBOR
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015

OPERATIONS	APPROPRIATIONS		EXPENDED			CANCEL
	BUDGET	BUDGET AFTER MODIFICATION	PAID	ENCUMBERED	RESERVED	
Operations Excluded From "CAPS":						
Public & Private Programs Offset by Revenues						
Clean Communities Program Grant	-	55,002	55,002	-	-	-
Ocean County Recycling Revenue Share	-	9,707	9,707	-	-	-
Body Armor Replacement	-	3,952	3,952	-	-	-
Recycling Tonnage Grant	33,650	33,650	33,650	-	-	-
Safe & Secure Communities	-	60,000	60,000	-	-	-
National Wildlife Refuge	-	2,130	2,130	-	-	-
National Fish & Wildlife	-	2,130,000	2,130,000	-	-	-
NJDOT Grant	-	288,267	288,267	-	-	-
NJOEM Grant	-	12,288	12,288	-	-	-
Ocean County Recycling Share	-	8,932	8,932	-	-	-
Child Restraint Grant	-	1,250	1,250	-	-	-
CDBG	-	33,000	33,000	-	-	-
CDBG - HUD	-	845,000	845,000	-	-	-
Police Dispatch/911:						
Salaries and Wages	450,000	450,000	400,157	-	49,843	-
Other Expenses	4,500	4,500	2,000	1,307	1,193	-
Supplemental Aid to Fire Districts	5,235	5,235	5,235	-	-	-
Total Operations Excluded from "CAPS"	493,385	3,942,913	3,890,570	1,307	51,036	-
Detail:						
Salaries and Wages	450,000	450,000	400,157	-	49,843	-
Other Expenses	43,385	3,492,913	3,490,413	1,307	1,193	-
Capital Improvements - Excluded from "CAPS":						
Capital Improvement Fund	100,000	100,000	100,000	-	-	-
Total Capital Improvements - Excluded from CAPS	100,000	100,000	100,000	-	-	-
Municipal Debt Service - Excluded From "CAPS"						
Payment of Bond Principal	800,000	800,000	800,000	-	-	-
Payment of Bond Anticipation Notes & Capital Notes	245,000	245,000	245,000	-	-	-
Interest on Bonds	212,075	212,075	212,075	-	-	-
Interest on Notes	103,000	103,000	102,823	-	-	177
Interest on Special Emergency Notes	21,000	21,000	20,875	-	-	125
Green Acres Trust Loan Program: Principal & Interest	84,000	84,000	83,946	-	-	54
Total Municipal Debt Service Excluded From "CAPS"	1,465,075	1,465,075	1,464,719	-	-	356
Deferred Charges - Excluded from "CAPS":						
Reassessment Special Emergency - Appropriations - 5 Years	120,000	120,000	120,000	-	-	-
Special Emergency Authorizations - 5 Years	1,726,306	1,726,306	1,726,306	-	-	-
Total Deferred Charges - Municipal - Excluded from CAPS:	1,846,306	1,846,306	1,846,306	-	-	-
Total General Appropriations Excluded From "CAPS"	3,904,766	7,354,294	7,301,595	1,307	51,036	356
Subtotal General Appropriations	22,075,932	25,525,460	23,679,038	79,382	1,766,684	356
Reserve For Uncollected Taxes	1,349,013	1,349,013	1,349,013	-	-	-
Total General Appropriations	<u>\$ 23,424,945</u>	<u>\$ 26,874,473</u>	<u>\$ 25,028,051</u>	<u>\$ 79,382</u>	<u>\$ 1,766,684</u>	<u>\$ 356</u>
Adopted Budget		\$ 23,424,945				
Added by N.J.S.40A:4-87		<u>3,449,528</u>				
Total		<u>\$ 26,874,473</u>				
Federal & State Grants			\$ 3,483,178			
Reserve for Uncollected Taxes			1,349,013			
Refunds			(411,400)			
Deferred Charges			1,846,306			
Disbursed			<u>18,760,954</u>			
Total			<u>\$ 25,028,051</u>			

The accompanying Notes to the Financial Statements are an integral part of this Statement

**TOWNSHIP OF LITTLE EGG HARBOR
TRUST FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2015 AND 2014**

ASSETS	REFERENCE	2015	2014
Assessment Fund:			
Cash	B-1	\$ 54,096	\$ 54,087
Total Assessment Fund		<u>54,096</u>	<u>54,087</u>
Other Funds:			
Cash - Treasurer	B-1	4,004,284	4,174,135
Cash - Collector	B-2	2,310,241	2,233,771
CDBG Receivable	B	3,600	3,600
Due from Current Fund	A	<u>52,406</u>	<u>69,189</u>
Total Other Funds		<u>6,370,531</u>	<u>6,480,695</u>
Total Assets		<u><u>\$ 6,424,627</u></u>	<u><u>\$ 6,534,782</u></u>
LIABILITIES, RESERVES & FUND BALANCE			
Assessment Fund:			
Due Current Fund	A	\$ -	\$ -
Fund Balance	B	<u>54,096</u>	<u>54,087</u>
Total Assessment Fund		<u>54,096</u>	<u>54,087</u>
Other Funds:			
Reserves for:			
Deposits for Tax Title Redemptions	B-5	2,310,241	2,233,771
Escrow Deposits	B-6	1,357,570	1,739,309
Forfeited Property	B-7	13,048	14,246
Planning Board	B-8	164,081	28,821
Recreation Trust	B-9	2,057	1,954
COAH Funds	B-14	270,400	245,833
Open Space	B-10	2,155,993	2,099,897
Community Center	B-11	3,583	3,580
Federal Forfeiture Law Enforcement Funds	B-12	8,962	20,720
Sick/Vacation Funds	B-13	84,010	89,276
POAA Funds	B	586	586
Due to Current Fund	A	<u>-</u>	<u>2,702</u>
Total Other Funds		<u>6,370,531</u>	<u>6,480,695</u>
Total Liabilities, Reserves & Fund Balance		<u><u>\$ 6,424,627</u></u>	<u><u>\$ 6,534,782</u></u>

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

TOWNSHIP OF LITTLE EGG HARBOR
GENERAL CAPITAL FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2015 AND 2014

ASSETS	REFERENCE	2015	2014
Cash & Cash Equivalents	C-2	\$ 2,209,937	\$ 3,092,385
State Road Aid Allotments Receivable	C-12	170,498	170,498
Interfund Receivable - Current	A	34,913	
Deferred Charges to Future Taxation:			
Funded	C-4	6,618,528	7,489,832
Unfunded	C-5	13,006,166	13,251,550
Total Assets		<u>\$ 22,040,042</u>	<u>\$ 24,004,265</u>
LIABILITIES, RESERVES & FUND BALANCE			
Bond Anticipation Notes Payable	C-8	\$ 9,674,537	9,919,921
General Serial Bond	C-9	6,040,000	6,840,000
Green Trust Loan Payable	C-10	578,528	649,832
Capital Improvement Fund	C-6	192,394	92,394
Encumbrances Payable	C-7	199,793	200,502
Due To Ocean County - CDBG	C	3,722	3,722
Improvement Authorizations:			
Funded	C-7	98,772	254,615
Unfunded	C-7	4,596,357	5,394,233
Reserve for Receivable-State Road Aid Receivable	C	170,498	170,498
Reserve for Debt Service	C	484,913	478,020
Fund Balance	C-1	528	528
Total Liabilities, Reserves & Fund Balance		<u>\$ 22,040,042</u>	<u>\$ 24,004,265</u>

There were bonds and notes authorized but not issued on December 31, 2015 of \$3,331,629 and on December 31, 2014 of \$3,331,629.

The accompanying Notes to the Financial Statement are an integral part of this Statement.

**TOWNSHIP OF LITTLE EGG HARBOR
PAYROLL FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2015 AND 2014**

ASSETS	REFERENCE	2015	2014
Cash - Treasurer	D-1	<u>\$ 192,496</u>	<u>\$ 129,443</u>
Total		<u><u>\$ 192,496</u></u>	<u><u>\$ 129,443</u></u>
LIABILITIES			
Payroll Taxes Payable	D-2	\$ 185,051	\$ 106,554
Due to Current Fund	A	<u>7,445</u>	<u>22,889</u>
Total		<u><u>\$ 192,496</u></u>	<u><u>\$ 129,443</u></u>

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

**TOWNSHIP OF LITTLE EGG HARBOR
GENERAL FIXED ASSETS ACCOUNT GROUP
COMPARATIVE STATEMENT OF FIXED ASSETS AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2015 AND 2014**

ASSETS	2015	2014
Land and Improvements	\$ 7,789,600	\$ 7,789,600
Building	10,473,776	10,443,257
Equipment	<u>11,820,754</u>	<u>10,609,775</u>
Total	<u>\$ 30,084,130</u>	<u>\$ 28,842,632</u>
FUND BALANCE		
Investment in Fixed Assets	<u>\$ 30,084,130</u>	<u>\$ 28,842,632</u>

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

**TOWNSHIP OF LITTLE EGG HARBOR
COUNTY OF OCEAN**

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015**

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TOWNSHIP OF LITTLE EGG HARBOR
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

Note 1. Summary of Significant Accounting Policies

Description of Financial Reporting Entity - The Township of Little Egg Harbor was incorporated in 1798 and is located in the Ocean County, New Jersey. The population according to the 2010 census was 20,065.

The form of Government is known as a Township pursuant to N.J.S.A.40A:63-1 et seq. The government consists of five (5) Committee Members who are elected at large to three (3) year staggered terms. The Mayor is elected from and by the Members of the Committee and serves a one (1) year term. Under the statutes the Mayor is the head of the government and acts as the executive branch. The Committee acts as the legislative branch of government and has executive powers not assigned to the Mayor.

Component Units - The financial statements of the component unit of the Township of Little Egg Harbor are not presented in accordance with Governmental Accounting Standards Board Statement No. 14, as amended by GASB Statements No. 39 and 61. If the provisions of GASBS No. 14, as amended by GASB Statements No. 39 and 61, had been complied with, the financial statements of the following component unit would have been either blended or discretely presented with the financial statements of the Township, the primary government:

Little Egg Harbor Municipal Utilities Authority
823 Radio Road
Post Office Box 660
Little Egg Harbor, New Jersey 08087-0660

Annual financial reports may be inspected directly at the office of this component unit during regular business hours.

Basis of Accounting, Measurement Focus and Basis of Presentation - The financial statements of the Township of Little Egg Harbor contain all funds and account groups in accordance with the "Requirements of Audit" as promulgated by the State of New Jersey, Department of Community Affairs, Division of Local Government Services. The principles and practices established by the Requirements of Audit 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. Generally, the financial statements are presented using the flow of current financial resources measurement focus and modified accrual basis of accounting with minor exceptions as mandated by these "Requirements". In addition, the prescribed accounting principles previously referred to differ in certain respects from accounting principles generally accepted in the United State of America applicable to local government units. The more significant differences are explained in this Note.

In accordance with the "Requirements", the Township of Little Egg Harbor accounts for its financial transactions through the use of separate funds, which are described as follows:

Current Fund – The Current Fund accounts for resources and expenditures for governmental operations of a general nature, including Federal and State grant funds.

Trust Fund – The various Trust Funds account for receipts, custodianship and disbursement of funds in accordance with the purpose for which each reserve was created.

TOWNSHIP OF LITTLE EGG HARBOR

NOTES TO THE FINANCIAL STATEMENTS (continued): FOR THE YEAR ENDED DECEMBER 31, 2015

Note 1. Summary of Significant Accounting Policies (continued):

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

Payroll Fund – is used for the receipt and disbursements of funds used to meet obligations to employees and payroll tax liability.

General Fixed Assets Account Group – used to account for fixed assets used in general government operations.

Budgets and Budgetary Accounting - The Township of Little Egg Harbor must adopt an annual budget for its Current Fund in accordance with *N.J.S.A.40A:4* et seq. *N.J.S.A.40A:4-5* requires the governing body to introduce and approve the annual municipal budget no later than February 10th of each year. At introduction, the governing body must fix the time and place for a public hearing on the budget and must advertise the time and place at least ten days prior to the hearing in a newspaper published and circulating in the municipality. The public hearing must not be held less than twenty-eight days after the date the budget was introduced. After the hearing has been held, the governing body may, by majority vote, adopt the budget or may amend the budget in accordance with *N.J.S.A.40A:4-9*. Amendments to adopted budgets, if any are detailed in the statements of revenues and expenditures.

An extension of the statutory dates for introduction, approval and adoption of the municipal budget may be granted by the Director of Local Government Services, with the permission of the Local Finance Board. Budgets are adopted on the same basis of accounting utilized for the preparation of the Township's financial statements. Once a budget is approved it may be amended after November 1, by a resolution adopted by the governing body.

Interfunds - Interfund receivables and payables that arise from transactions between funds are recorded by all funds affected by such transactions in the period in which the transaction is executed. Interfund receivables in the Current Fund are recorded with offsetting reserves, which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves.

Inventories and Supplies - The cost of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various balance sheets of assets, liabilities, reserves and fund balance.

General Fixed Assets – Property and equipment purchased by the Current and General Capital Fund are recorded as expenditures at the time of purchase and are not capitalized. All interest costs are recorded as expenditures when paid.

Accounting for governmental Fixed Assets, as promulgated by Technical Accounting Directive No. 85-2 as issued by the Division of Local Government Services, differs in certain respects from accounting principles generally accepted in the United States of America. The following is a brief description of the provisions of the Directive:

TOWNSHIP OF LITTLE EGG HARBOR

NOTES TO THE FINANCIAL STATEMENTS (continued): FOR THE YEAR ENDED DECEMBER 31, 2015

Note 1. Summary of Significant Accounting Policies (continued):

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

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available, except for land, which is valued at estimated market value. No depreciation has been provided for in the financial statements. Donated general fixed assets are valued at their estimated fair market value on the date received.

Expenditures for construction in progress are recorded in the General Capital Fund until such time as the construction is completed and put into operation. Fixed assets acquired through grants-in-aid or contributed capital has not been accounted for separately.

	Balance December 31, 2014	Additions	Deletions	Balance December 31, 2015
General Fixed Assets				
Land & Improvements	\$ 7,789,600	\$ -	\$ -	\$ 7,789,600
Buildings	10,443,257	30,519	-	10,473,776
Vehicles & Equipment	10,609,775	1,210,979	-	11,820,754
	<hr/>			<hr/>
Total General Fixed Assets	\$ 28,842,632	\$ 1,241,498	\$ -	\$ 30,084,130
	<hr/>			<hr/>

Foreclosed property - is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved. Ordinarily it is the intention of the municipality to resell foreclosed property in order to recover all or a portion of the delinquent taxes or assessments and to return the property to a taxpaying basis. For this reason the value of foreclosed property has not been included in the General Fixed Assets Account Group. If such property is converted to a municipal use, it will be recorded in the General Fixed Assets Account Group.

Deferred Charges – The recognition of certain expenditures is deferred to future periods. These expenditures or deferred charges are generally overexpenditures of legally adopted budget appropriations or emergency appropriations made in accordance with *N.J.S.A.40A:4-46* et seq. Deferred charges are subsequently raised as items of appropriation in budgets of succeeding years.

Fund Balance – Fund Balance included in the Current Fund represent the amount available for anticipation as revenue in future year's budgets, with certain restrictions.

Revenues – are recorded when received in cash except for certain amounts, which are due from other governmental units. Revenue from Federal and State grants are realized when anticipated as such in the

TOWNSHIP OF LITTLE EGG HARBOR

NOTES TO THE FINANCIAL STATEMENTS (continued): FOR THE YEAR ENDED DECEMBER 31, 2015

Note 1. Summary of Significant Accounting Policies (continued):

Township's budget. Receivables for property taxes are recorded with offsetting reserves on the statement of assets, liabilities, reserves and fund balance of the Township's Current Fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due the Township, which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenues when received.

Property Tax Revenues – are collected in quarterly installments due February 1, May 1, August 1 and November 1. The amount of tax levied includes not only the amount required in support of the Township's annual budget, but also the amounts required in support of the budgets of the County of Ocean, Township of Little Egg Harbor School District and the Pineland's Regional School District. Unpaid property taxes are subject to tax sale in accordance with statutes.

School Taxes – The municipality is responsible for levying, collecting and remitting school taxes for the Township of Little Egg Harbor School District and its share of the Pinelands Regional School District. Operations is charged for the full amount required to be raised from taxation to operate the local school district and the Township's share of the Regional High School District for the period from July 1 to June 30, increased by the amount deferred at December 31, 2014 and decreased by the amount deferred at December 31, 2015.

County Taxes – The municipality is responsible for levying, collecting and remitting County taxes for the County of Ocean. Operations is charged for the amount due the County for the year, based upon the ratables required to be certified to the County Board of Taxation by January 10th of the current year. In addition, operations is charged for the County share of Added and Omitted Taxes certified to the County Board of Taxation by October 10th of the current year and due to be paid to the County by February 15th of the following year.

Reserve for Uncollected Taxes – The inclusion of the "Reserve for Uncollected Taxes" appropriation in the Township's annual budget protects the Township from taxes not paid currently. The Reserve, the minimum amount of which is determined on the percentage of collections experienced in the immediate preceding year, with certain exceptions, is required to provide assurance that cash collected in the current year will provide sufficient cash flow to meet expected obligations.

Expenditures – are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when an amount is encumbered through the issuance of a numerically controlled purchase order or when a contract is executed as required by Technical Accounting Directive No. 85-1. When an expenditure is paid, the amount encumbered is simultaneously liquidated in its original amount. Encumbrances are offset by an account entitled reserve for encumbrances. The reserve is classified as a cash liability under New Jersey municipal accounting. At December 31, this reserve represents the portion of appropriation reserves that has been encumbered and is subject to the same statutory provisions as appropriation reserves.

Appropriations for principal and interest payments on outstanding general capital bonds and notes are provided on the cash basis.

TOWNSHIP OF LITTLE EGG HARBOR

NOTES TO THE FINANCIAL STATEMENTS (continued): FOR THE YEAR ENDED DECEMBER 31, 2015

Note 1. Summary of Significant Accounting Policies (continued):

Appropriation Reserves – Appropriation reserves covering unexpended appropriation balances are automatically created at year-end and recorded as liabilities, except for amounts, which may be cancelled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income.

Long-Term Debt - Long-Term Debt relative to the acquisition of capital assets, is recorded as a liability in the General Capital Fund. Where an improvement is a “local improvement”, i.e. assessable upon completion, long-term debt associated with that portion of the cost of the improvement to be funded by assessments is transferred to the Trust Fund upon the confirmation of the assessments or when the improvement is fully and permanently funded.

Compensated Absences and Post-Employment Benefits – Compensated absences for vacation, sick leave and other compensated absences are recorded and provided for in the annual budget in the year in which they are paid, on a pay-as-you-go basis. Likewise, no accrual is made for post-employment benefits, if any, which are also funded on a pay-as-you-go basis.

Impact of Recently Issued Accounting Principles – *Adopted Accounting Pronouncements* – For the year ended December 31, 2015, the Township implemented GASB Statement No. 68 *Accounting and Financial Reporting for Pensions* – (Amendment to GASB Statement No. 27). The implementation of the Statement requires the Township to disclose its portion of the collective net pension liability of the New Jersey Public Employees’ Retirement System (PERS) and the New Jersey Police Firemen’s Retirement System (PFRS).

Subsequent Events – The Township has evaluated subsequent events occurring after December 31, 2015 through the date of June 9, 2016, which is the date the financial statements were available to be issued.

Note 2. Cash and Cash Equivalents

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of a bank failure, the Township’s deposits may not be recovered. Although the Township does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA is a supplemental insurance program set forth by the New Jersey Legislature to protect the deposits of local governmental agencies. The program is administered by the Commissioner of the New Jersey Department of Banking and Insurance. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Public funds owned by the Township in excess of FDIC insured amounts are protected by GUDPA.

TOWNSHIP OF LITTLE EGG HARBOR

NOTES TO THE FINANCIAL STATEMENTS (continued): FOR THE YEAR ENDED DECEMBER 31, 2015

Note 2. Cash and Cash Equivalents (continued):

However, GUDPA does not protect intermingled trust funds such as salary withholdings or funds that may pass to the Township relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below. As of December 31, 2015, the Township's bank balance of \$16,739,156 was exposed to custodial credit risk as follows:

Insured	\$ 450,630
Uninsured and uncollateralized	6,564,198
Collateralized in the District's Name Under GUDPA	<u>9,724,328</u>
Total	<u>\$16,739,156</u>

Note 3: Property Taxes

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

Comparison of Tax Rate Information

	2015	2014	2013
Total Tax Rate	<u>\$2.349</u>	<u>\$1.862</u>	<u>\$1.804</u>
Apportionment of Tax Rate:			
Municipal	0.695	0.560	0.548
County	0.420	0.340	0.336
Local School	0.578	0.446	0.420
Regional School	0.656	0.516	0.500

Net Valuation Taxable:

2015	<u>\$ 2,206,556,290</u>
2014	<u>\$ 2,746,713,463</u>
2013	<u>\$ 2,799,195,510</u>

Comparison of Tax Levies and Collection Currently

YEAR	TAX LEVY	CASH COLLECTIONS	PERCENTAGE OF COLLECTION
2015	\$ 53,930,406	\$ 53,756,015	99.68%
2014	52,918,979	51,587,978	97.48%
2013	52,130,022	50,799,566	97.45%

TOWNSHIP OF LITTLE EGG HARBOR

NOTES TO THE FINANCIAL STATEMENTS (continued): FOR THE YEAR ENDED DECEMBER 31, 2015

Note: 3: Property Taxes (continued):

Delinquent Taxes and Tax Title Liens

YEAR ENDED DECEMBER 31	AMOUNT OF TAX TITLE LIENS	AMOUNT OF DELINQUENT TAXES	TOTAL DELINQUENT	PERCENTAGE OF TAX LEVY
2015	\$ 526,052	\$ 32,587	\$ 558,639	1.04%
2014	458,308	27,002	485,310	0.92%
2013	523,085	36,322	559,407	1.07%

Note 4. District School Taxes

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

The Township has elected to defer school taxes as follows:

	BALANCE DECEMBER	
	<u>2015</u>	<u>2014</u>
Local School Taxes:		
Balance of Tax	\$6,033,737	\$5,668,538
Deferred	<u>5,236,297</u>	<u>5,236,297</u>
Tax Payable	<u>\$ 797,440</u>	<u>\$ 432,241</u>
Regional School Taxes:		
Balance of Tax	\$ 211,670	\$ 219,298
Deferred	<u>-0-</u>	<u>-0-</u>
Tax Payable	<u>\$ 211,670</u>	<u>\$ 219,298</u>

Note: 5. Property Acquired By Tax Title Lien Liquidation

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

YEAR	AMOUNT
2015	\$ 5,757,700
2014	5,757,700
2013	5,757,700

TOWNSHIP OF LITTLE EGG HARBOR

NOTES TO THE FINANCIAL STATEMENTS (continued): FOR THE YEAR ENDED DECEMBER 31, 2015

Note 6. Pension Obligations

A. Public Employees' Retirement System (PERS)

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

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

The following represents the membership tiers for PERS:

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

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

Contributions - The contribution policy for PERS is set by *N.J.S.A. 15A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2015, the State's pension contribution was less than the actuarial determined amount. The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be

TOWNSHIP OF LITTLE EGG HARBOR

NOTES TO THE FINANCIAL STATEMENTS (continued): FOR THE YEAR ENDED DECEMBER 31, 2015

Note 6. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS) (continued):

adjusted by the rate of return on the actuarial value of assets. Township contributions to PERS amounted to \$391,703 for 2015.

The employee contribution rate was 6.92% effective July 1, 2014 and increased to 7.06% effective July 1, 2015. Subsequent increases after October 1, 2011 are being phased in over 7 years effective on each July 1st to bring the total pension contribution rate to 7.5% of base salary as of July 1, 2018.

Net Pension Liability and Pension Expense - At December 31, 2015, the Township's proportionate share of the PERS net pension liability is valued to be \$11,289,146. The net pension liability was measured as of June 30, 2015. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2014, to the measurement date of June 30, 2015. The Township's proportion of the net pension liability was based on the Township's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2015. The Township's proportion measured as of June 30, 2015, was .05029%, which was an increase of .00278% from its proportion measured as of June 30, 2014.

Balances at December 31, 2015 and December 31, 2014

	<u>12/31/15</u>	<u>12/31/14</u>
Actuarial valuation date	July 1, 2015	July 1, 2014
Net Pension Liability	11,289,146	8,896,021
Township's portion of the Plan's total net pension Liability	0.05029%	0.04751%

For the year ended December 31, 2015, the Township had an allocated pension expense of \$883,595.

Actuarial Assumptions – The collective total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. This actuarial valuation used the following actuarial assumptions:

	<u>PERS</u>
Measurement date	June 30, 2015
Actuarial valuation date	July 1, 2014
Investment rate of return	7.90%
Salary scale	2012-2021 - 2.15-4.40% Based on Age Thereafter - 3.15-5.40% Based on Age
Inflation rate	3.04%

TOWNSHIP OF LITTLE EGG HARBOR

NOTES TO THE FINANCIAL STATEMENTS (continued): FOR THE YEAR ENDED DECEMBER 31, 2015

Note 6. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS) (continued):

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

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on 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. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2015 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%	1.04%
U.S. Treasuries	1.75%	1.64%
Investment Grade Credit	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation-Indexed Bonds	1.50%	3.25%
Broad US Equities	27.25%	8.52%
Developed Foreign Equities	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds/Absolute Return	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt ex US	3.50%	-0.40%
REIT	4.25%	5.12%
Total	100.00%	

TOWNSHIP OF LITTLE EGG HARBOR

NOTES TO THE FINANCIAL STATEMENTS (continued): FOR THE YEAR ENDED DECEMBER 31, 2015

Note 6. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS) (continued):

Discount Rate - The discount rate used to measure the total pension liability was 4.90% as of June 30, 2015. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.90%, and a municipal bond rate of 3.80% as of June 30, 2015, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of 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 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the Township's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the Township's proportionate share of the net pension liability calculated using the discount rate as disclosed above, as well as what the Township's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.90%) or 1-percentage-point higher (5.90%) than the current rate:

	<u>Decrease</u> <u>(3.90%)</u>	<u>Discount</u> <u>(4.90%)</u>	<u>Increase</u> <u>(5.90%)</u>
Township's proportionate share of the net pension liability	\$ 14,031,027	\$ 11,289,146	\$ 8,990,373

Pension Plan Fiduciary Net Position

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

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

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

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

TOWNSHIP OF LITTLE EGG HARBOR

NOTES TO THE FINANCIAL STATEMENTS (continued): FOR THE YEAR ENDED DECEMBER 31, 2015

Note 6. Pension Obligations (continued):

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

The following represents the membership tiers for PFRS:

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

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

Contributions - The contribution policy for PFRS is set by *N.J.S.A. 43:16A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's contribution amount is based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. For fiscal year 2015, the State contributed an amount less than the actuarially determined amount. The Local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PFRS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. Township contributions to PFRS amounted to \$939,963 for 2015.

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

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

TOWNSHIP OF LITTLE EGG HARBOR

NOTES TO THE FINANCIAL STATEMENTS (continued): FOR THE YEAR ENDED DECEMBER 31, 2015

Note 6. Pension Obligations (continued):

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

Net Pension Liability and Pension Expense - At December 31, 2015, the Township's proportionate share of the PFRS net pension liability is valued to be \$21,232,756. The net pension liability was measured as of June 30, 2015. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2014, to the measurement date of June 30, 2015. The Township's proportion of the net pension liability was based on the Township's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2015. The Township's proportion measured as of June 30, 2015, was .12747%, which was an increase of .00509% from its proportion measured as of June 30, 2014.

Balances at December 31, 2015 and December 31, 2014

	<u>12/31/15</u>	<u>12/31/14</u>
Acturial valuation date	July 1, 2015	July 1, 2014
Net Pension Liability	21,232,756	15,394,270
Township's portion of the Plan's total net pension Liability	0.10480%	0.10628%

For the year ended December 31, 2015, the Township had an allocated pension expense of \$2,127,550.

Additionally, the State's proportionate share of the net pension liability attributable to the Township is \$1,862,041 as of December 31, 2015. The net pension liability was measured as of June 30, 2015. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2014, to the measurement date of June 30, 2015. The State's proportion of the net pension liability associated with the Township was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. The State's proportion measured as of June 30, 2015 was .12747%, which was an increase of .00509% from its proportion measured as of June 30, 2014, which is the same proportion as the Township's.

Township's Proportionate Share of the Net Pension Liability	\$ 21,232,756
State's Proportionate Share of the Net Pension Liability Associated with the Township	<u>1,862,041</u>
Total Net Pension Liability	<u><u>\$ 23,094,797</u></u>

For the year ended December 31, 2015, the Township's total allocated pension expense was \$2,359,813.

Actuarial Assumptions – The collective total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. This actuarial valuation used the following actuarial assumptions:

TOWNSHIP OF LITTLE EGG HARBOR

NOTES TO THE FINANCIAL STATEMENTS (continued): FOR THE YEAR ENDED DECEMBER 31, 2015

Note 6. Pension Obligations (continued):

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

	<u>PFRS</u>
Measurement date	June 30, 2015
Actuarial valuation date	July 1, 2014
Investment rate of return	7.90%
Salary scale	2012-2021 - 2.60-9.48% Based on Age Thereafter - 3.60-10.48% Based on Age
Inflation rate	3.04%

Mortality rates were based on the RP-2000 Combined Healthy Mortality Tables projected one year using Projection Scale AA and one year using Projection Scale BB for male service retirements with adjustments for mortality improvements from the base year based on Projection Scale BB. Mortality rates were based on the RP-2000 Combined Health Mortality Tables projected fourteen years using Projection Scale BB for female service retirements and beneficiaries with adjustments for mortality improvements from the base year of 2014 based on Projection Scale BB.

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2013.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on 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. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2015 are summarized in the following table:

TOWNSHIP OF LITTLE EGG HARBOR

NOTES TO THE FINANCIAL STATEMENTS (continued): FOR THE YEAR ENDED DECEMBER 31, 2015

Note 6. Pension Obligations (continued):

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	1.04%
U.S. Treasuries	1.75%	1.64%
Investment Grade Credit	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation-Indexed Bonds	1.50%	3.25%
Broad US Equities	27.25%	8.52%
Developed Foreign Equities	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds/Absolute Return	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt ex US	3.50%	-0.40%
REIT	4.25%	5.12%
Total	100.00%	

Discount Rate - The discount rate used to measure the total pension liability was 5.79% as of June 30, 2015. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.90%, and a municipal bond rate of 3.80% as of June 30, 2015, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be made on the average of the last five years of contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2045. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2045, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the Township's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the Township's proportionate share of the net pension liability calculated using the discount rate as disclosed above, as well as what the Township's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.79%) or 1-percentage-point higher (6.79%) than the current rate:

	Decrease (4.79%)	Discount Rate (5.79%)	Increase (6.79%)
Township's proportionate share of the Net Pension Liability and the State's proportionate share of the Net Pension Liability associated with the Township	\$ 30,446,275	\$ 23,094,797	\$ 17,100,324

TOWNSHIP OF LITTLE EGG HARBOR

NOTES TO THE FINANCIAL STATEMENTS (continued): FOR THE YEAR ENDED DECEMBER 31, 2015

Note 6. Pension Obligations (continued):

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

Pension Plan Fiduciary Net Position

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

Note 7: Fund Balance Appropriated

The following schedule details the amount of fund balance available at the end of the current year and four previous years and the amounts utilized in the subsequent year's budgets.

YEAR	BALANCE DECEMBER 31,	UTILIZED IN BUDGET OF SUCCEEDING YEAR	PERCENTAGE OF FUND BALANCE USED
CURRENT FUND:			
2015	\$ 5,248,736	\$ 2,950,000	56.20%
2014	3,906,106	1,719,000	44.01%
2013	2,974,576	1,423,476	47.85%
2012	615,361	-	0.00%
2011	819,361	204,000	24.90%

Note 8. Accrued Sick and Vacation Benefits

The Township has permitted employees to accrue unused vacation and sick pay, which may be taken as time off or paid at a later date at an agreed upon rate. The monetary value of these earned and unused employee benefits has not been accrued by either charges to operations or to budgets of prior years, although in some cases they might be material. At December 31, 2015, the Township has estimated this liability to be approximately \$1,758,822. The realization of this liability may be affected by conditions, which could preclude an employee from receiving full payment of the accrual.

Note 9. Deferred Compensation

The Township has contracted with Valic Annuity Life Insurance Company for a deferred compensation program. The Division of Local Government Services has approved the plan and contract. The investment fund balance of the program as of December 31, 2015 is \$2,178,809. The assets of this program have not been included in the financial statements.

TOWNSHIP OF LITTLE EGG HARBOR

NOTES TO THE FINANCIAL STATEMENTS (continued): FOR THE YEAR ENDED DECEMBER 31, 2015

Note 10. Interfund Receivables and Payables

The following interfund balances were recorded on the various balance sheets as of December 31, 2015:

Fund	Interfunds Receivable	Interfunds Payable
Current Fund	\$ 7,445	\$ 89,916
State and Federal Grant Fund	2,597	-
Trust Fund	52,406	-
General Capital Fund	34,913	-
Payroll Fund	-	7,445
Total	<u>\$ 97,361</u>	<u>\$ 97,361</u>

The purpose of these interfunds is short-term borrowings.

Note 11. Long-Term Debt

During the fiscal year ended December 31, 2015 the following changes occurred in long-term debt:

	December 31, 2014	Accrued/ Increases	Retired/ Decreases	December 31, 2015	Due Within One Year
Bond Anticipation Notes	\$ 9,919,921	\$ 9,674,537	\$ (9,919,921)	\$ 9,674,537	\$ 9,919,921
General Capital Serial Bonds	6,840,000	-	(800,000)	6,040,000	830,000
Compensated Absences	1,852,913	-	(94,091)	1,758,822	-
Community Disaster Loan	3,250,000	1,000,000	-	4,250,000	-
Special Emergency Notes	1,670,000	-	(1,670,000)	-	-
Green Trust Loan Payable	649,832	-	(71,304)	578,528	66,815
Net Pension Liability - PFRS	15,394,270	5,838,486	-	21,232,756	-
Net Pension Liability - PERS	8,896,021	2,393,125	-	11,289,146	-
Total	<u>\$ 48,472,957</u>	<u>\$ 18,906,148</u>	<u>\$ (12,555,316)</u>	<u>\$ 54,823,789</u>	<u>\$ 10,816,736</u>

The Local Bond Law governs the issuance of bonds and notes to finance general municipal capital expenditures. Bonds are retired in serial installments with the statutory period of usefulness. Bonds issued by the Township are general obligations bonds backed by the full faith and credit of the Township. Bond anticipation notes are issued to temporarily finance capital projects prior to the issuance of serial bonds. The terms of the notes cannot exceed one year but the notes may be renewed from time to time for a period not exceeding one year. All such notes must be paid no later than the tenth anniversary of the date of the original note. The State of New Jersey also prescribes that on or before the third anniversary date of the original note a payment of at least equal to the first legally payable installment of the bonds in anticipation of which such notes were issued be paid. A second legal installment must be paid if the notes are to be renewed beyond the fourth anniversary date of the original issuance and so on.

TOWNSHIP OF LITTLE EGG HARBOR

NOTES TO THE FINANCIAL STATEMENTS (continued): FOR THE YEAR ENDED DECEMBER 31, 2015

Note 11. Long-Term Debt (continued):

Summary of Municipal Debt	<u>Year 2015</u>	<u>Year 2014</u>	<u>Year 2013</u>
Issued & Outstanding			
General:			
Bonds, Loans & Notes	\$ 16,293,065	\$ 17,409,753	\$ 14,945,431
Authorized But Not Issued			
General - Bonds & Notes	<u>3,331,629</u>	<u>3,331,629</u>	<u>4,742,222</u>
Total Issued & Authorized but Not Issued	19,624,694	20,741,382	19,687,653
Less: Deduction to Pay Bonds & Notes	<u>484,913</u>	<u>28,020</u>	<u>17,784</u>
Total	<u><u>\$ 19,139,781</u></u>	<u><u>\$ 20,713,362</u></u>	<u><u>\$ 19,669,869</u></u>

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 0.818%

	GROSS DEBT	DEDUCTIONS	NET DEBT
Local School District Debt	\$ 22,980,000	\$ 22,980,000	\$ -
Regional School District Debt	5,778,729	5,778,729	-
General Debt	<u>19,624,694</u>	<u>484,913</u>	<u>19,139,781</u>
Total	<u><u>\$ 48,383,423</u></u>	<u><u>\$ 29,243,642</u></u>	<u><u>\$ 19,139,781</u></u>

Net Debt, \$19,139,781 divided by Equalized Valuation Basis per N.J.S.A.40A:2-2, as amended, \$2,338,644,949 equals 0.818%.

Borrowing Power Under 40A:2-6:

3 1/2% of Equalized Valuation Bases (Municipal)	\$ 81,852,573
Net Debt	<u>19,139,781</u>
Remaining Borrowing Power	<u><u>\$ 62,712,792</u></u>

TOWNSHIP OF LITTLE EGG HARBOR

NOTES TO THE FINANCIAL STATEMENTS (continued): FOR THE YEAR ENDED DECEMBER 31, 2015

Note 11. Long-Term Debt (continued):

As of December 31, 2015, the Township's Capital Debt is as follows:

During 2012, the Township of Little Egg Harbor issued \$5,260,000 of General Obligation Refunding Bonds dated November 2, 2012. Bonds were issued to refund the 2003 General Improvement Bonds. Payments are due each November 15th with various interest rates (2.00% to 4.00%). Net present value savings of this issue is \$200,228.97.

Schedule of Annual Debt Service for Principal and Interest for Bonded Debt Issued and Outstanding as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 830,000	\$ 183,888	\$ 1,013,888
2017	840,000	162,638	1,002,638
2018	845,000	140,237	985,237
2019	845,000	107,188	952,188
2020	830,000	84,288	914,288
2021 to 2023	1,850,000	101,150	1,951,150
Total	<u>\$ 6,040,000</u>	<u>\$ 779,389</u>	<u>\$ 6,819,389</u>

Green Acres Assistance Loan

Schedule of loan repayment as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 66,815	\$ 11,239	\$ 78,054
2017	68,158	9,896	78,054
2018	69,528	8,526	78,054
2019	70,925	7,128	78,053
2020	72,352	5,702	78,054
2021 to 2025	215,434	10,627	226,061
2026	15,316	230	15,546
Total	<u>\$ 578,528</u>	<u>\$ 53,348</u>	<u>\$ 631,876</u>

Bond Anticipation Notes (See Exhibit C-8) – Notes mature February 3, 2016 @ 1.25%-1.00%.

<u>December 31,</u> <u>2014</u>	<u>Issued</u>	<u>Retired</u>	<u>December 31,</u> <u>2015</u>
\$ 9,919,921	\$ 9,674,537	\$ 9,919,921	\$ 9,674,537

TOWNSHIP OF LITTLE EGG HARBOR

NOTES TO THE FINANCIAL STATEMENTS (continued): FOR THE YEAR ENDED DECEMBER 31, 2015

Note 12. Risk Management

The Township is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; error and omission, injuries to employees; and natural disaster. It is the policy of the Township to purchase commercial insurance for the risks of loss to which it is exposed.

Note 13. Pending Litigation

The Township is a defendant in several legal proceedings that are in various stages of litigation. No liability has been recorded in these financial statements to cover any potential liability associated with this litigation.

Note 14. Post-Retirement Health Benefits – GASB 45

The Township of Little Egg Harbor provides post-employment medical, prescription drug, dental, and vision benefits to eligible retired employees and their spouses until Medicare age is attained by either the retired employee or the spouse in the case of spousal coverage. The Township of Little Egg Harbor pays 100% of the insurance cost for the retiree.

The Township of Little Egg Harbor's annual Other Post-Employment Benefit cost is calculated based on the Annual Required Contribution. The actuarial cost method used to determine the Plan's funding requirements is the "Unit Credit" method. Under this method, an actuarial accrued liability is determined as the present value of the earned benefits, which is allocated to service before the current plan year. The Plan is currently unfunded. The unfunded actuarial liability is amortized over thirty years. The following table shows the changes in the Township of Little Egg Harbor's annual Other Post-Employment Benefit cost for the year, the amount actually contributed to the Plan and changes in their net Other Post-Employment Benefit obligation to the plan:

Annual Required Contribution	\$ 1,480,000
Interest on Net Other Post-Employment Benefit	340,000
Adjustment to Annual Required Contribution	<u>(450,000)</u>
Annual Other Post-Employment Benefit	1,370,000
Contributions Made	<u>(750,000)</u>
 Increase in Net OPEB Obligation	 620,000
Net OPEB, Beginning of Year	<u>7,710,000</u>
 Net OPEB, End of Year	 <u>\$ 8,330,000</u>

The Township of Little Egg Harbor's annual Other Post-Employment Benefit cost, the percentage of annual Other Post Employment Benefit cost contributed to the Plan, and the net Other Post Employment Benefit obligation (OPEB) for the year ending December 31, 2015 is as follows:

YEAR ENDED	ANNUAL OPEB COST	PERCENTAGE CONTRIBUTED	NET OPEB OBLIGATION
12/31/15	\$1,370,000	54.7%	\$8,330,000

TOWNSHIP OF LITTLE EGG HARBOR

NOTES TO THE FINANCIAL STATEMENTS (continued): FOR THE YEAR ENDED DECEMBER 31, 2015

Note 14. Post-Retirement Health Benefits (continued):

Actuarial assumptions were used to value the post-retirement medical liabilities. Actuarial assumptions were based on the actual experience of the covered group, to the extent that creditable experience data was available, with an emphasis on expected long-term future trends rather than giving undue weight to recent past experience. The reasonableness of each actuarial assumption was considered independently based on its own merits, its consistency with each other assumption, and the combined impact of all assumptions.

Two economic assumptions used in the valuation are the discount rate and the health care cost trend rates. The economic assumptions are used to account for changes in the cost of benefits over time and to discount future benefit payments for the time value of money.

The investment return assumption (discount rate) should be the estimated long-term investment yield on the investments that are expected to be used to finance the payments of benefits. The investments expected to be used to finance the payments of benefits would be plan assets for funded plans, assets of the employer for pay-as-you-go plans, or a proportionate combination of the two for plans that being partially funded. We assumed a discount rate of 4.5 percent for purposes of developing the liabilities and Annual Required Contribution on the basis that the Plan would not be funded. We based medical claims cost for retirees on an annual average claims cost of approximately \$22,700 per covered retiree for family coverage and \$10,500 for single coverage. The average claims cost was based on an equitable blending of the Traditional and Direct Access benefit costs. We assumed health care costs would increase annually at a rate of 9.5% the first year, decrease by 0.5% per year through year 10 to 5% thereafter.

The Township of Little Egg Harbor currently has twelve eligible retired employees receiving retirement benefits. The net Other Post-Employment Benefit obligation to the Township of Little Egg Harbor to provide benefits to the retiree for the year ended December 31, 2015, was \$8,330,000.

Note 15. Hurricane Sandy and FEMA Aid

On October 29th of 2012, Hurricane Sandy made landfall on the New Jersey coast and caused significant damage to coastal towns including Little Egg Harbor Township. The extensive damage caused the Township to issue a Special Emergency in their 2012 budget in the amount of \$12 million in order to pay for all storm related costs. In addition, the Township issued a \$3 million special emergency note on December 19, 2012 and an additional \$9 million special emergency note on January 11, 2013 to provide necessary cash flow related to storm costs. The total cost of the storm is estimated to be \$6 million with the anticipation of seventy-five percent to be reimbursed by the federal government through FEMA aid. As of December 2015, \$4.6 million in FEMA aid has been received by the Township. In addition, during 2013, \$6 million of the \$12 million special emergency was cancelled by the Township.

On March 24, 2014 the Office of Inspector General issued its audit report on the FEMA Debris Removal project. The report identified \$689,138 of costs claimed by the Township that would be disallowed unless the Township provided FEMA with supporting or additional documentation for the costs. The Township expects the majority of these costs to be reimbursed once the additional documentation is reviewed.

TOWNSHIP OF LITTLE EGG HARBOR

NOTES TO THE FINANCIAL STATEMENTS (continued): FOR THE YEAR ENDED DECEMBER 31, 2015

Note 16. Community Disaster Loan

On April 5, 2013, the Township submitted a formal request for a FEMA Community Disaster Loan (CDL) in the amount of \$4,319,506 in relation to Hurricane Sandy losses and expenditures. On March 28, 2013, the Township approved a resolution to amend the 2013 Budget by \$1,750,000, the amount of the CDL that was awarded in 2013. During 2014, an additional \$1,500,000 was received. During 2015, an additional \$1,000,000 was received.

The interest rate on the loan is the U.S. Treasury rate for 5-year maturities on the date the Promissory Note is executed, in this case June 13, 2013 when the interest rate was 0.625%. The term of the loan is usually 5 years, but may be extended. Interest accrues on the funds as they are disbursed. When applicable, the Assistance Administrator of the Disaster Assistance Directorate may cancel repayment of all or part of the loan if the revenues of the applicant in the three fiscal years following the financial year of the disaster are insufficient to meet the operating budget because of disaster related revenue losses and un-reimbursed disaster related operating expenses. As of December 31, 2015 the Current Fund has recorded a loan payable in the amount of \$4,250,000 with \$45,320 of accrued interest. The loan comes to maturity on May 1, 2018.

SUPPLEMENTARY EXHIBITS

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CURRENT FUND

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**TOWNSHIP OF LITTLE EGG HARBOR
CURRENT FUND
SCHEDULE OF CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2015**

	CURRENT FUND	STATE & FEDERAL GRANT FUND
Balance December 31, 2014	\$ 7,265,900	\$ 368,435
Increased by Receipts:		
Taxes Receivable	\$ 52,836,768	
Tax Title Liens Receivable	38,881	
Due From State - Senior Citizen & Veteran Deductions	361,984	
Revenue Accounts Receivable	4,602,671	
Miscellaneous Revenue Not Anticipated	134,572	
Prepaid Taxes	544,802	
Tax Sale - Utility	351,562	
Refunds of Current Year Appropriations	411,400	
Due Bass River	5,604	
Construction Fees Due State of New Jersey	65,209	
Due to Grant Fund	2,597	
Interfund Received	15,660	
Reserve for Closed Escrow	54,291	
Tax Overpayments Received	174,619	\$ -
Federal & State Grants Unappropriated		6,488
Federal & State Grants Receivable		619,155
Total Receipts	<u>59,600,620</u>	<u>625,643</u>
Subtotal	<u>66,866,520</u>	<u>994,078</u>
Decreased by Disbursements:		
2015 Appropriations	18,760,954	
Appropriation Reserves	751,752	
Encumbrances Payable	80,730	
County Taxes Payable	9,342,449	
Due County for Added & Omitted Taxes	59,025	
Local District School Tax	12,389,812	
Regional High School Tax	14,485,968	
Special District Taxes	1,467,778	
Construction Fees Due State of NJ	71,440	
Refund Tax Overpayments	93,031	
Bass River Construction Fees	1,262	
Reserve for Reassessment	40,482	
Reserve for Tax Appeals	5,598	
Due MUA	351,562	
Due to Open Space	69,189	
Special Emergency Notes	1,670,000	
Federal & State Grants - Appropriated		433,651
Total Disbursements	<u>59,641,032</u>	<u>433,651</u>
Balance December 31, 2015	<u>\$ 7,225,488</u>	<u>\$ 560,427</u>

TOWNSHIP OF LITTLE EGG HARBOR
CURRENT FUND
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY
FOR THE YEAR ENDED DECEMBER 31, 2015

YEAR	BALANCE DECEMBER 31, 2014	2015 LEVY	ADDED TAXES	COLLECTED 2014	COLLECTED 2015	SENIOR CITIZENS & VETERANS	OVERPAYMENT APPLIED	OVERPAYMENT CREATED	CANCELED	TRANSFERRED TO TAX TITLE LIENS	BALANCE DECEMBER 31, 2015
2009	\$ 1,626	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,975	\$ 6,975	\$ -	\$ -	\$ 1,626
2010	1,761	-	-	-	-	-	6,975	6,975	-	-	1,761
2011	1,803	-	-	-	250	(250)	6,975	6,975	-	-	1,803
2012	3,124	-	-	-	250	(250)	8,647	15,714	7,067	-	3,124
2013	4,458	-	-	-	606	(606)	14,979	6,330	6,330	-	4,458
2014	14,230	-	-	-	16,396	(7,322)	19,666	25,220	6,553	(1,470)	5,627
Total	27,002	-	-	-	17,502	(8,428)	57,887	76,838	19,950	(1,470)	18,399
2015	-	53,335,794	594,612	546,208	52,819,266	390,049	98,273	97,781	52,108	108,095	14,188
Total	\$ 27,002	\$ 53,335,794	\$ 594,612	\$ 546,208	\$ 52,836,768	\$ 381,621	\$ 156,160	\$ 174,619	\$ 72,058	\$ 106,625	\$ 32,587

ANALYSIS OF 2015 PROPERTY TAX LEVY:

Tax Yield:	
General Property Tax	\$ 51,862,781
Special District	1,473,013
Added Taxes (54:4-63.1 et. seq.)	<u>\$ 53,930,406</u>
Total Tax Yield	<u><u>\$ 53,930,406</u></u>

Tax Levy:	
Local School District Tax (Abstract)	\$ 12,755,011
Regional High School Tax (Abstract)	14,478,340
Municipal Open Space (Abstract)	55,163
Municipal Open Space (Added)	543
County Taxes:	
County Tax (Abstract)	\$ 7,817,249
County Library Tax (Abstract)	845,976
County Health Services (Abstract)	304,455
County Open Space	267,495
Due County for Added Taxes (54:4-63.1 et. seq.)	<u>89,750</u>
Total County Taxes	<u>9,324,925</u>

Fire District #1 (Amount Certified)	570,268
Fire District #2 (Amount Certified)	573,145
Fire District #3 (Amount Certified)	<u>329,600</u>
Total Special District Taxes	<u>1,473,013</u>
Local Tax for Municipal Purposes	
Add: Additional Tax Levied	<u>15,843,411</u>
Total Tax Levy	<u><u>\$ 53,930,406</u></u>

**TOWNSHIP OF LITTLE EGG HARBOR
CURRENT FUND
SCHEDULE OF TAX TITLE LIENS
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014		\$ 458,308
Increased by:		
Transfers from Taxes Receivable	\$ 106,625	
Adjustment to Liens	-	
Interest & Costs Accrued by Sale	-	106,625
		<hr/>
Subtotal		564,933
Decreased by:		
Collections		<hr/> 38,881
Balance December 31, 2015		<hr/> <hr/> \$ 526,052

**SCHEDULE OF PROPERTY ACQUIRED FOR TAXES
(AT ASSESSED VALUATION)
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2015 and 2014	<hr/> <hr/> \$ 5,757,700
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TOWNSHIP OF LITTLE EGG HARBOR
CURRENT FUND
STATEMENT OF REVENUE ACCOUNTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2015

	BALANCE DECEMBER 31, 2014	ACCRUED IN 2015	TREASURER	BALANCE DECEMBER 31, 2015
Miscellaneous Revenue Anticipated:				
Licenses - Alcoholic Beverages	\$ -	\$ 10,565	\$ 10,565	\$ -
Fees & Permits	-	96,040	96,040	-
Municipal Court	12,474	206,558	205,591	13,441
Interest & Costs on Taxes	-	101,126	101,126	-
Payments in Lieu of Taxes	-	60,896	60,896	-
Energy Receipts Tax	-	1,299,939	1,299,939	-
Garden State Trust	-	149,117	149,117	-
Uniform Construction Code Fees	-	1,154,157	1,154,157	-
Tower Rental	-	258,109	258,109	-
SRO Officer	-	163,076	163,076	-
Cable TV	-	76,035	76,035	-
Community Disaster Loan	-	1,000,000	1,000,000	-
Reserve for Debt Service	-	28,020	28,020	-
Total	<u>\$ 12,474</u>	<u>\$ 4,603,638</u>	<u>\$ 4,602,671</u>	<u>\$ 13,441</u>
Cash Receipts			<u>\$ 4,602,671</u>	
Total			<u><u>\$ 4,602,671</u></u>	

**TOWNSHIP OF LITTLE EGG HARBOR
CURRENT FUND
SCHEDULE OF 2014 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2015**

	BALANCE DECEMBER 31, 2014	BALANCE AFTER TRANSFERS	PAID OR CHARGED	BALANCE LAPSED
General Government:				
General Administration:				
Other Expenses	\$ 22,456	\$ 22,456	\$ 1,000	\$ 21,456
Mayor and Committee:				
Other Expenses	1,828	1,828	683	1,145
Municipal Clerk:				
Other Expenses	5,596	5,596	4,553	1,043
Financial Administration (Treasury)				
Other Expenses	18,487	18,487	11,071	7,416
Audit Services:				
Other Expenses	11,000	11,000	10,000	1,000
Revenue Administration (Tax Collection):				
Other Expenses:				
Tax Sale Costs	12,600	12,600	517	12,083
Miscellaneous Other Expenses	6,166	6,166	1,380	4,786
Tax Assessment Administration:				
Other Expenses	5,822	5,822	278	5,544
Liquidation of Tax Title Liens & Foreclosed				
Property - Other Expenses	7,908	7,908	7,000	908
Legal Services (Legal Department):				
Other Expenses	64,939	64,939	15,948	48,991
Engineering Services:				
Other Expenses	25,083	25,083	4,162	20,921
Land Use Administration:				
Zoning Board of Adjustment:				
Other Expenses	8,698	8,698	1,339	7,359
Zoning Officer:				
Other Expenses	3,167	3,167	1,071	2,096
Insurance:				
Group Insurance for Employees	404,054	404,054	198,007	206,047
Health Benefit Waiver	3,041	3,041	3,041	-
Public Safety Functions:				
Police Department:				
Salaries and Wages	293,153	293,153	293,153	-
Other Expenses	20,325	20,325	20,025	300
Municipal Prosecutor:				
Other Expenses	17,500	17,500	3,750	13,750
Public Works Functions:				
Streets & Roads Maintenance:				
Other Expenses	74,086	74,086	46,673	27,413
Solid Waste Sanitation:				
Salaries and Wages	16,865	16,865	10,000	6,865
Other Expenses	21,090	21,090	20,275	815
Solid Waste Recycling:				
Other Expenses	10,773	10,773	5,849	4,924
Buildings & Grounds:				
Other Expenses	13,123	13,123	12,249	874
Vehicle Maintenance:				
Other Expenses	13,961	13,961	9,870	4,091
County Mosquito Control Agency:				
Other Expenses	44,977	44,977	2,475	42,502
Health & Human Services:				
Public Health Services (Board of Health):				
Other Expenses	7,461	7,461	760	6,701
Environmental Health Services:				
Other Expenses	2,000	2,000	290	1,710
Animal Control Services:				
Other Expenses	11,618	11,618	1,529	10,089
Contributions to Social Service Agencies - Statutory				
Providence House	3,670	3,670	210	3,460
Park & Recreation Functions:				
Recreation Services & Programs:				
Other Expenses	3,311	3,311	1,533	1,778
Senior Center/Community Activities				
Other Expenses	6,237	6,237	306	5,931
Utility Expenses & Bulk Purchases:				
Electricity	25,846	25,846	14,908	10,938
Street Lighting	31,533	31,533	31,533	-
Telephone	64,468	64,468	22,696	41,772
Gasoline	104,236	104,236	1,551	102,685
Natural Gas	15,662	15,662	1,979	13,683
Landfill/Solid Waste Disposal Costs:				
Sanitary Landfill	116,809	116,809	50,000	66,809
Uniform Construction Code Enforcement Functions:				
Construction Code Official:				
Other Expenses	4,239	4,239	1,119	3,120
Municipal Court:				
Other Expenses	4,579	4,579	1,945	2,634
Public Defender:				
Other Expenses	2,850	2,850	2,850	-
Other Common Operating Functions (Unclassified):				
Schedule "C":				
Other Expenses	31,100	31,100	7,367	23,733
Deferred Charges & Statutory Expenditures -				
Municipal Within "CAPS":				
Public Employees Retirement				
System	38,780	38,780	7,537	31,243
All Others	444,880	444,880	-	444,880
Total	\$ 2,045,977	\$ 2,045,977	\$ 832,482	\$ 1,213,495
2014 Appropriation Reserves	\$ 1,965,247			
2014 Encumbrances	80,730			
Total	\$ 2,045,977			

TOWNSHIP OF LITTLE EGG HARBOR
CURRENT FUND
SCHEDULE OF STATE AND FEDERAL GRANTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2015

GRANT	BALANCE DECEMBER 31, 2014	ANTICIPATED REVENUE	RECEIVED	TRANSFERRED FROM UNAPPROPRIATED	BALANCE DECEMBER 31, 2015
NJOEM Grant	\$ -	\$ 12,288	\$ 12,267	-	\$ 21
Safe & Secure Communities Program	60,000	-	60,000	-	-
CDBG - 2015	-	33,000	7,151	-	25,849
966 Reimbursement Grant	787	-	-	-	787
Recycling Tonnage Grant	-	33,650	-	33,650	-
Neighborhood Community Revitalization Grant	-	845,000	-	-	845,000
Coastal Zone Management	15,000	-	-	-	15,000
Municipal Recycling Grant	15,875	-	15,875	-	-
Child Restraint Grant	-	1,250	-	-	1,250
Municipal Aid Road Program - Oak Lane	-	288,267	-	-	288,267
National Fish & Wildlife	-	2,130,000	274,620	-	1,855,380
Recycling Revenue Sharing 2015	-	8,933	8,933	-	-
Safe & Secure Communities - 2015	-	60,000	60,000	-	-
Recycling Revenue Share	-	9,707	9,707	-	-
National Wildlife Refuge	-	2,130	2,130	-	-
Clean Communities Program	-	55,002	55,002	-	-
NJ DOT Municipal Aid Program	47,500	-	47,500	-	-
Post Sandy Planning Assistance	267,094	-	-	-	267,094
CDBG	84,445	-	64,615	-	19,830
Body Armor Grant	-	3,952	3,952	-	-
Total	\$ 490,701	\$ 3,483,179	\$ 621,752	\$ 33,650	\$ 3,318,478

Cash Receipts
Due from Current Fund

Total

TOWNSHIP OF LITTLE EGG HARBOR
CURRENT FUND
SCHEDULE OF RESERVES FOR STATE AND FEDERAL GRANTS - APPROPRIATED
FOR THE YEAR ENDED DECEMBER 31, 2015

APPROPRIATION	BALANCE DECEMBER 31, 2014	2015 BUDGET APPROPRIATION	ENCUMBRANCES RECLASSIFIED	EXPENDED	ADJUSTED	BALANCE DECEMBER 31, 2015
State:						
Clean Communities - 2014	\$ 37,467	\$ -	\$ -	\$ 37,467	\$ -	\$ -
Body Armor Replacement Fund - 2015	-	3,952	-	-	-	3,952
Alcohol Education & Rehabilitation	6,455	-	-	-	-	6,455
Safe and Secure Communities	45,000	-	-	-	-	45,000
Bulletproof Vest Program	-	-	18	18	-	-
NJOEM Grant	-	12,288	-	12,267	-	21
Drunk Driving Enforcement Fund	3,000	-	-	-	-	3,000
Clean Communities - 2015	-	55,002	-	14,505	-	40,497
Safe and Secure Communities - 2015	-	60,000	-	-	-	60,000
NJDOT Municipal Aid Program - 2014	188,466	-	-	348	-	188,118
NJDEP - Recycling Tonnage	15,875	-	-	-	-	15,875
Recycling Revenue and Residue	18,600	-	-	-	-	18,600
Body Armor Replacement Fund	7,878	-	6,061	8,427	-	5,512
Child Restraint Grant	-	1,250	-	-	-	1,250
Safe and Secure Communities	120,000	-	-	-	-	120,000
Municipal Road Program - Oak Lane	-	288,267	-	1,810	-	286,457
NJ EDA - Neighborhood Community Revitalization Grant	-	845,000	-	25,853	-	819,147
966 Reimbursement	811	-	-	-	-	811
Costal Zone Management	15,000	-	-	-	-	15,000
Post Sandy Planning Assistance	243,271	-	-	179,267	-	64,004
Total State	701,823	1,265,759	6,079	279,962	-	1,693,699
Federal:						
National Fish & Wildlife	-	2,130,000	-	116,072	-	2,013,928
CDBG 2015	-	33,000	-	-	-	33,000
CDBG 2013	37,000	-	-	37,000	-	-
National Wildlife Refuge	-	2,130	-	-	-	2,130
CDBG 2014	41,254	-	-	617	-	40,637
Total Federal	78,254	2,165,130	-	153,689	-	2,089,695
Local:						
Recycling Tonnage Grant - County	13,498	-	-	-	-	13,498
Recycling Tonnage Grant - 2015	-	33,650	-	-	-	33,650
Ocean County Recycling Revenue	-	-	-	-	-	-
and Residue	-	8,933	-	-	-	8,933
Ocean County Recycling Revenue	-	-	-	-	-	-
Sharing - 2015	-	9,707	-	-	-	9,707
Ocean County Recycling Revenue	-	-	-	-	-	-
Sharing	25,832	-	-	-	-	25,832
Total Local	39,330	52,290	-	-	-	91,620
Total	\$ 819,407	\$ 3,483,179	\$ 6,079	\$ 433,651	\$ -	\$ 3,875,014
Cash Disbursements				\$ 433,651		
Encumbrances				-		
Total				\$ 433,651		

TOWNSHIP OF LITTLE EGG HARBOR
FEDERAL AND STATE GRANT FUND
SCHEDULE OF RESERVES FOR STATE GRANTS - UNAPPROPRIATED
FOR THE YEAR ENDED DECEMBER 31, 2015

GRANT	TRANSFERRED			
	BALANCE DECEMBER 31, 2014	TO 2015 GRANT APPROPRIATED	RECEIVED	BALANCE DECEMBER 31, 2015
State Grants:				
Recycling Tonnage Grant	\$ 33,650	\$ 33,650	\$ -	\$ -
Department of Justice Grant	-	-	1,488	1,488
Safe and Secure Communities	-	-	5,000	5,000
	<hr/>			
Total Grants	\$ 33,650	\$ 33,650	\$ 6,488	\$ 6,488
	<hr/> <hr/>			

**TOWNSHIP OF LITTLE EGG HARBOR
CURRENT FUND
SCHEDULE OF LOCAL DISTRICT TAX
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014:		
School Tax Deferred	\$ 5,236,297	
School Tax Payable	<u>432,241</u>	5,668,538
Increased by Levy:		
School Year July 1, 2015 - June 30, 2016		<u>12,755,011</u>
Subtotal		18,423,549
Decreased by:		
Payments		<u>12,389,812</u>
Subtotal		6,033,737
Balance December 31, 2015:		
School Tax Deferred	5,236,297	
School Tax Payable	<u>797,440</u>	
Balance December 31, 2015		<u><u>\$ 6,033,737</u></u>

ANALYSIS OF AMOUNT CHARGED TO OPERATIONS

2015 Payments	\$ 12,389,812
Less School Taxes Payable at December 31, 2014	432,241
Plus School Taxes Payable at December 31, 2015	<u>797,440</u>
Amount Charged to 2015 Operations	<u><u>\$ 12,755,011</u></u>

**SCHEDULE OF REGIONAL HIGH SCHOOL TAX PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014	\$ 219,298
Increased by:	
Levy - July 1, 2015 to June 30, 2016	<u>14,478,340</u>
Subtotal	14,697,638
Decreased by:	
Payments	<u>14,485,968</u>
Balance December 31, 2015	<u><u>\$ 211,670</u></u>

TOWNSHIP OF LITTLE EGG HARBOR
CURRENT FUND
SCHEDULE OF SPECIAL EMERGENCY APPROPRIATIONS N.J.S. 40A:4-53
FOR THE YEAR ENDED DECEMBER 31, 2015

DATE AUTHORIZED	PURPOSE	NET AMOUNT AUTHORIZED	1/5 OF NET AMOUNT AUTHORIZED	BALANCE DECEMBER 31, 2014	ADDED IN 2015	DECREASED BY RAISED IN BUDGET	BALANCE DECEMBER 31, 2015
11/19/2012	Superstorm Sandy	\$ 12,000,000	\$ 2,400,000	\$ 2,983,500	\$ -	\$ 1,726,306	\$ 1,257,194
	Total			\$ 12,203,480	\$ -	\$ 1,726,306	\$ 1,257,194

TOWNSHIP OF LITTLE EGG HARBOR
CURRENT FUND
SCHEDULE OF SPECIAL EMERGENCY NOTES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2015

<u>Description</u>	<u>DATE OF ISSUE</u>	<u>DATE OF MATURITY</u>	<u>INTEREST RATE</u>	<u>BALANCE</u>		<u>CASH RECEIPTS</u>	<u>CASH DISBURSEMENTS</u>	<u>BALANCE DECEMBER 31, 2015</u>
				<u>DECEMBER 31, 2014</u>				
Special Emergency Note Payable	12/18/14	12/18/15	1.25%	\$ 1,670,000		\$ -	\$ 1,670,000	\$ -
Total				\$ 1,670,000		\$ -	\$ 1,670,000	\$ -

TOWNSHIP OF LITTLE EGG HARBOR
CURRENT FUND
SCHEDULE OF VARIOUS RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2015

	BALANCE DECEMBER 31, <u>2014</u>	<u>INCREASED</u>	<u>DECREASED</u>	BALANCE DECEMBER 31, <u>2015</u>
Reserve for Tax Appeals	\$ 215,112	\$ -	\$ 215,112	\$ -
Reserve for Hurricane Sandy Emergency	1,294,176	-	1,294,176	-
Reserve for Sandy Insurance Proceeds	431,630	-	431,630	-
Reserve for Closed Escrow Accounts	-	54,291	-	54,291
Reserve for Reassessment	<u>236,220</u>	<u>-</u>	<u>136,173</u>	<u>100,047</u>
	<u>\$ 2,177,138</u>	<u>\$ 54,291</u>	<u>\$ 2,077,091</u>	<u>\$ 154,338</u>

TRUST FUND

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**TOWNSHIP OF LITTLE EGG HARBOR
TRUST FUND
SCHEDULE OF CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>TRUST OTHER</u>	<u>TRUST ASSESSMENT</u>
Balance December 31, 2014	\$ 4,174,135	\$ 54,087
Increased by Receipts:		
Escrow Fees	\$ 615,208	\$ -
Planning Board	162,770	-
Open Space	1,275,830	-
Community Center	3	-
Forfeited Funds	4,499	-
COAH Fees	61,996	-
Sick/Vacation Funds	382,991	-
Federal Forfeiture	3,221	-
Interfunds Received	69,890	-
Interest	-	9
	<u>2,576,408</u>	<u>9</u>
Subtotal	<u>6,750,543</u>	<u>54,096</u>
Decreased by Disbursements:		
Escrow Fees	996,947	-
Planning Board	27,510	-
Open Space	1,275,440	-
COAH Fees	37,429	-
Sick/Vacation Funds	388,257	-
Federal Forfeiture	14,979	-
Forfeited Funds	5,697	-
	<u>2,746,259</u>	<u>-</u>
Balance December 31, 2015	<u><u>\$ 4,004,284</u></u>	<u><u>\$ 54,096</u></u>

**SCHEDULE OF CASH - COLLECTOR - TAX TITLE LIEN REDEMPTION
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014	\$ 2,233,771
Increased by Receipts:	
Due from Current Fund	\$ -
Deposits for Redemption of Tax Sale Certificates	<u>3,688,836</u>
Subtotal	5,922,607
Decreased by Disbursements:	
Refunds - Tax Sale Certificates Redeemed	<u>3,612,366</u>
Balance December 31, 2015	<u><u>\$ 2,310,241</u></u>

EXHIBIT B-3

**TOWNSHIP OF LITTLE EGG HARBOR
TRUST FUND
SCHEDULE OF CASH - DOG WARDEN
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014		\$ -
Increased by Receipts:		
Dog License Fees	\$ 1,339	
State Dog License Fees	6,458	7,797
		<hr/>
Subtotal		7,797
Decreased by Disbursements:		
Disbursements to State of New Jersey	1,339	
Disbursements for Dog License Expenses	6,458	7,797
		<hr/>
Balance December 31, 2015		<u><u>\$ -</u></u>

EXHIBIT B-4

**SCHEDULE OF RESERVE FOR DOG FUND EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2015**

LICENSE FEES COLLECTED

YEAR	AMOUNT
2014	\$ 7,145
2013	6,989
	<hr/>
Total	<u><u>\$ 14,134</u></u>

EXHIBIT B-5

**SCHEDULE OF DEPOSITS FOR REDEMPTION OF TAX SALE CERTIFICATES
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014	\$ 2,233,771
Increased by Receipts:	
Deposits Received - Collector	3,688,836
	<hr/>
Subtotal	5,922,607
Decreased by Disbursements:	
Refunds - Tax Sale Certificates	3,612,366
	<hr/>
Balance December 31, 2015	<u><u>\$ 2,310,241</u></u>

**TOWNSHIP OF LITTLE EGG HARBOR
TRUST FUND
SCHEDULE OF RESERVE FOR ESCROW DEPOSITS
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014	\$ 1,739,309
Increased by:	
Escrow Deposits Received	<u>615,208</u>
Subtotal	2,354,517
Decreased by:	
Disbursements	<u>996,947</u>
Balance December 31, 2015	<u><u>\$ 1,357,570</u></u>

**SCHEDULE OF RESERVE FOR FORFEITED PROPERTY
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014	\$ 14,246
Increased by:	
Cash Receipts	<u>4,499</u>
Subtotal	18,745
Decreased by:	
Disbursements	<u>5,697</u>
Balance December 31, 2015	<u><u>\$ 13,048</u></u>

**TOWNSHIP OF LITTLE EGG HARBOR
TRUST FUND
SCHEDULE OF RESERVE FOR PLANNING BOARD
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014	\$ 28,821
Increased by:	
Planning Board Fees	<u>162,770</u>
Subtotal	191,591
Decreased by:	
Escrow Fees	<u>27,510</u>
Balance December 31, 2015	<u><u>\$ 164,081</u></u>

**SCHEDULE OF RESERVE FOR RECREATION
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014	\$ 1,954
Increased by:	
Interest Earnings	<u>103</u>
Balance December 31, 2015	<u><u>\$ 2,057</u></u>

**TOWNSHIP OF LITTLE EGG HARBOR
SCHEDULE OF RESERVE FOR OPEN SPACE
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014		\$	2,099,897
Increased by:			
Tax Levy - Due from Current Fund	\$	55,706	
Cash Receipts		<u>1,275,830</u>	<u>1,331,536</u>
Subtotal			3,431,433
Decreased by:			
Disbursements			<u>1,275,440</u>
Balance December 31, 2015		\$	<u><u>2,155,993</u></u>

**SCHEDULE OF RESERVE FOR COMMUNITY CENTER
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014		\$	3,580
Increased by:			
Donations			<u>3</u>
Balance December 31, 2015		\$	<u><u>3,583</u></u>

TOWNSHIP OF LITTLE EGG HARBOR
SCHEDULE OF RESERVE FOR FEDERAL FORFEITURE LAW ENFORCEMENT FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015

Balance December 31, 2014	\$ 20,720
Increased by:	
Receipts	<u>3,221</u>
Subtotal	23,941
Decreased by:	
Disbursements	<u>14,979</u>
Balance December 31, 2015	<u><u>\$ 8,962</u></u>

SCHEDULE OF RESERVE FOR SICK AND VACATION TIME TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

Balance December 31, 2014	\$ 89,276
Increased by:	
Receipts	<u>382,991</u>
Subtotal	472,267
Decreased by:	
Disbursements	<u>388,257</u>
Balance December 31, 2015	<u><u>\$ 84,010</u></u>

**TOWNSHIP OF LITTLE EGG HARBOR
SCHEDULE OF RESERVE FOR COAH TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014	\$ 245,833
Increased by:	
Receipts	<u>61,996</u>
Subtotal	307,829
Decreased by:	
Disbursements	<u>37,429</u>
Balance December 31, 2015	<u><u>\$ 270,400</u></u>

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GENERAL CAPITAL FUND

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EXHIBIT C-1

**TOWNSHIP OF LITTLE EGG HARBOR
GENERAL CAPITAL FUND
SCHEDULE OF FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2015 & 2014	<u>\$ 528</u>
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EXHIBIT C-2

**SCHEDULE OF CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014		\$ 3,092,385
Increased by Receipts:		
Capital Improvement Fund		<u>100,000</u>
Subtotal		3,192,385
Decreased by Disbursements:		
Improvement Authorizations	954,428	
Reserve to Pay Debt	<u>28,020</u>	<u>982,448</u>
Balance December 31, 2015		<u>\$ 2,209,937</u>

**TOWNSHIP OF LITTLE EGG HARBOR
GENERAL CAPITAL FUND
ANALYSIS OF CASH
AT DECEMBER 31, 2015**

	BALANCE (OVERDRAFT) DECEMBER 31, 2014	BOND ANTICIPATION NOTES/BONDS	RECEIPTS			DISBURSEMENTS			TRANSFERS		BALANCE (OVERDRAFT) DECEMBER 31, 2015	
			MISCELLANEOUS			IMPROVEMENT AUTHORIZATIONS			MISCELLANEOUS	FROM		TO
Fund Balance	\$ 528	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 528	
Reserve for Debt Service	478,020	-	-	-	-	-	28,020	-	-	34,913	484,913	
Capital Improvement Fund	92,394	-	100,000	-	-	-	-	-	-	-	192,394	
Due Current Fund	-	-	-	-	-	-	-	-	34,913	-	(34,913)	
Due to County - CDBG	3,722	-	-	-	-	-	-	-	-	-	3,722	
IMPROVEMENT AUTHORIZATIONS:												
ORDINANCE												
NUMBER												
96-10	Satellite Repeaters & Logging Recorders	(250)		-	-	-	-	-	-	-	(250)	
99-23	Municipal Complex	(2,230)		-	-	-	-	-	-	-	(2,230)	
00-05	Sewer Line Extension - Atlantis	(4,571)		-	-	-	-	-	-	-	(4,571)	
00-06	Water Line Extension - Atlantis	5,562		-	-	-	-	-	-	-	5,562	
02-22	Purchase of Street Sweeper	(80)		-	-	-	-	-	-	-	(80)	
02-23	Acquisition of Land - Parker Run	18,566		-	-	-	-	-	-	-	18,566	
02-41	Construction of Municipal Complex	4,594		-	-	-	-	-	-	-	4,594	
03-06	Acquisition of Trash Trucks & Cans	36,475		-	-	35,208	-	-	-	-	1,267	
Subtotal		632,730	-	100,000	-	35,208	28,020	34,913	34,913		669,502	

TOWNSHIP OF LITTLE EGG HARBOR
GENERAL CAPITAL FUND
ANALYSIS OF CASH
AT DECEMBER 31, 2015

ORDINANCE NUMBER	BALANCE (OVERDRAFT) DECEMBER 31, 2014	BOND ANTICIPATION NOTES/BONDS	DISBURSEMENTS				TRANSFERS		BALANCE (OVERDRAFT) DECEMBER 31, 2015
			RECEIPTS MISCELLANEOUS	IMPROVEMENT AUTHORIZATIONS	MISCELLANEOUS	FROM	TO		
04-04	Acquisition of Trash Trucks	13,236	-	10,770	-	-	-	-	2,466
04-15	Acquisition of Fuel Depot	15,805	-	13,539	-	-	-	-	2,266
05-05	Bulkhead Construction at Parkertown Dock	13,837	-	-	-	-	-	-	13,837
05-16	Acquisition of a Tractor	925	-	-	-	-	-	-	925
05-22	Construction of Recreation Trail	1,221	-	-	-	-	-	-	1,221
05-33	Purchase of Motorcycles	5,805	-	5,805	-	-	-	-	-
06-07	Various Road Improvements	243,048	-	-	-	-	-	-	243,048
06-15	Construction of Softball Field & Tot Lot	131	-	-	-	-	-	-	131
07-04	Construction of North Burgee Drive	32,446	-	-	-	-	-	-	32,446
07-10	Acquisition of Garbage Truck	28,000	-	-	-	-	-	-	28,000
07-25	Acquisition of Land	67,500	-	-	-	-	-	-	67,500
08-03	Acquisition & Installation of Automatic Doors	14,890	-	-	-	-	-	-	14,890
08-04	Improvements to Lexington Drive	161,439	-	-	-	-	-	-	161,439
09-05	Improvements to Forest Edge Drive	92,617	-	-	-	-	-	-	92,617
09-06	Improvements to Frog Pond Road	59,026	-	-	-	-	-	-	59,026
09-13	Various Capital Improvements	323,539	-	-	-	-	-	-	323,539
10-20	Various Capital Improvements	-	-	-	-	-	-	-	-
11-15	Various Capital Improvements	175,957	-	-	-	-	-	-	175,957
12-12	Various Capital Improvements	449,422	-	299,723	-	-	-	-	149,699
13-14	Various Capital Improvements	665,461	-	235,618	-	-	-	-	429,843
14-10	Various Capital Improvements	95,350	-	353,765	-	-	-	-	(258,415)
Subtotal		2,459,655	-	919,220	-	-	-	-	1,540,435
Total Analysis of Cash		\$ 3,092,385	\$ -	\$ 100,000	\$ 28,020	\$ 954,428	\$ 34,913	\$ 34,913	\$ 2,209,937

**TOWNSHIP OF LITTLE EGG HARBOR
GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014		\$	7,489,832
Decreased by:			
2015 Budget Appropriation to Pay General Serial Bonds	\$	800,000	
Green Trust Loan Bonds		71,304	871,304
			<hr/>
Balance December 31, 2015		\$	<u><u>6,618,528</u></u>

TOWNSHIP OF LITTLE EGG HARBOR
GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED
FOR THE YEAR ENDED DECEMBER 31, 2015

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2014		2015 AUTHORIZATIONS		REDUCTIONS	BALANCE DECEMBER 31, 2015		ANALYSIS OF BALANCE DECEMBER 31, 2015			BOND ANTICIPATION NOTES	
		\$	250	\$	-		\$	250	\$	250	UNEXPENDED IMPROVEMENT AUTHORIZATION		EXPENDED
96-10/99-09	Satellite Repeaters & Logging Recorders	\$	250	\$	-	\$	-	\$	-	\$	-	\$	-
99-23	Municipal Complex		2,230		-		-		2,230		2,230		-
00-05	Sewer Line Extension - Atlantis		4,571		-		-		4,571		4,571		-
02-08	Improvements to Cherrywood Drive		30,666		-		-		30,666		-		30,666
02-14,36	Construction of Recreation Facilities		40,730		-		-		40,730		-		40,730
02-22	Purchase of Street Sweeper		80		-		-		80		80		-
02-23	Acquisition of Land - Parker Run		46,550		-		-		46,550		-		46,550
03-07	Acquisition of Sport Utility Vehicles		730		-		-		730		-		730
05-19	Road Improvements - Various		117,500		-		-		117,500		-		117,500
06-07	Various Road Improvements		576,797		-		-		576,797		-		576,797
06-15	Construction of Softball Field & Tot Lot		225,853		-		-		225,853		-		225,853
07-04	Construction of North Burgee Drive		170,000		-		-		170,000		-		170,000
07-10	Acquisition of Garbage Truck		171,000		-		-		171,000		-		171,000
07-25	Acquisition of Land		1,282,500		-		-		1,282,500		-		-
08-03	Acquisition & Installation of Automatic Doors		24,130		-		-		24,130		-		24,130
08-04	Improvements to Lexington Drive		395,675		-		-		395,675		-		395,675
09-05	Improvements to Forest Edge Drive		204,250		-		-		204,250		-		204,250
09-06	Improvements to Frog Pond Road		409,458		-		-		409,458		-		209,000
09-13	Various Capital Improvements		1,154,870		-		-		59,026		141,432	(29,960)	1,111,160
10-20	Various Capital Improvements		1,254,600		-		-		1,081,200		-		1,184,900
11-15	Various Capital Improvements		1,610,250		-		-		1,184,900		-		1,508,236
12-12	Various Capital Improvements		1,615,000		-		-		1,508,236		-		1,615,000
13-14	Various Capital Improvements		2,042,360		-		-		1,615,000		-		2,042,360
14-10	Various Capital Improvements		1,871,500		-		-		2,042,360		-		-
			1,871,500		-		-		1,613,085		258,415		-
	Total	\$	13,251,550	\$	-	\$	245,384	\$	13,006,166	\$	406,978	\$	9,674,537
					-		-		2,954,611		(29,960)		-

Improvement Authorizations Unfunded \$ 4,596,357

Less - Unexpended Proceeds of Bond Anticipation

Notes Issued:

Ordinance 2002-23	18,566
Ordinance 2006-07	243,048
Ordinance 2006-15	131
Ordinance 2007-04	32,446
Ordinance 2007-10	28,000
Ordinance 2008-03	14,890
Ordinance 2008-04	161,439
Ordinance 2009-05	92,617
Ordinance 2009-13	494,037
Ordinance 2012-12	126,729
Ordinance 2013-14	429,843
	<u>\$ 2,954,611</u>

**TOWNSHIP OF LITTLE EGG HARBOR
GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014	\$ 92,394
Increased By:	
Transfer from Current Fund Budget	<u>100,000</u>
Balance December 31, 2015	<u><u>\$ 192,394</u></u>

TOWNSHIP OF LITTLE EGG HARBOR
GENERAL CAPITAL FUND
STATEMENT OF IMPROVEMENT AUTHORIZATIONS
FOR THE YEAR ENDED DECEMBER 31, 2015

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	ORDINANCE DATE	AMOUNT	BALANCE DECEMBER 31, 2014		2015 AUTHORIZATIONS	RECLASSIFICATION PRIOR YEAR		CURRENT YEAR ENCUMBRANCES	ADJUSTMENTS	BALANCE DECEMBER 31, 2015	
				FUNDED	UNFUNDED		PAYABLES	EXPENDED			FUNDED	UNFUNDED
00-06	Water Line Extension - Atlantis	5/11/00	\$ 177,800	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,562	\$ -
02-23	Acquisition of Land - Parker Run	5/23/02	49,000	-	18,566	-	-	-	-	-	-	18,566
02-41	Construction of Municipal Complex	11/25/02	6,550,000	4,594	-	-	-	-	-	-	4,594	-
03-06	Acquisition of Trash Trucks & Cans	4/10/03	800,000	36,475	-	-	-	35,208	866	-	-	401
04-04	Acquisition of Trash Trucks			8,241	-	-	4,995	10,770	-	-	-	2,466
04-15	Acquisition of Fuel Depot			15,805	-	-	-	13,539	-	-	-	2,266
05-05	Bulkhead Construction at Parkertown Dock	2/24/05	225,150	13,837	-	-	-	-	-	-	-	13,837
05-16	Acquisition of a Tractor	6/23/05	56,000	925	-	-	-	-	-	-	925	-
05-22	Construction of Recreation Trail	9/22/05	60,000	1,221	-	-	-	-	-	-	1,221	-
05-33	Purchase of Motorcycles	12/8/05	40,000	5,805	-	-	-	-	-	-	-	-
06-07	Various Road Improvements	6/22/06	1,170,000	-	243,048	-	-	5,805	-	-	-	-
06-15	Construction of Softball Field & Tot Lot	8/10/06	470,000	-	131	-	-	-	-	-	-	243,048
07-04	Construction of North Bargee Drive	3/08/07	325,000	-	32,446	-	-	-	-	-	-	131
07-10	Acquisition of Garbage Truck	6/14/07	180,000	-	28,000	-	-	-	-	-	-	32,446
07-25	Acquisition of Land	12/13/07	1,350,000	67,500	1,282,500	-	-	-	-	-	67,500	1,282,500
08-03	Acquisition & Installation of Automatic Doors	3/13/08	60,400	-	14,890	-	-	-	-	-	-	14,890
08-04	Improvements to Lexington Drive	3/13/08	566,500	-	161,439	-	-	-	-	-	-	161,439
09-05	Improvements to Forest Edge Drive	4/9/09	440,000	-	92,617	-	-	-	-	-	-	92,617
09-06	Improvements for Frog Pond Road	4/9/09	520,000	-	59,026	-	-	-	-	-	-	59,026
09-13	Various Capital Improvements	12/10/09	1,730,000	-	494,037	-	-	-	-	-	-	494,037
10-20	Various Capital Improvements	1/13/11	1,394,000	-	-	-	-	-	-	-	-	-
11-15	Various Capital Improvements	12/22/11	1,820,000	-	-	-	175,257	-	175,257	-	-	-
12-12	Various Capital Improvements	12/13/12	1,700,000	-	450,122	-	-	299,723	23,670	-	-	126,729
13-14	Various Capital Improvements	9/12/13	2,149,850	-	645,911	-	19,550	235,618	-	-	-	429,843
14-10	Various Capital Improvements	7/10/14	1,970,000	94,650	1,871,500	-	700	353,765	-	-	-	1,613,085
Total			\$ 254,615	\$ 5,394,233	\$ -	\$ -	\$ 200,502	\$ 954,428	\$ 199,793	\$ -	\$ 98,772	\$ 4,596,357

TOWNSHIP OF LITTLE EGG HARBOR
GENERAL CAPITAL FUND
STATEMENT OF BOND ANTICIPATION NOTES
AT DECEMBER 31, 2015

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	DATE OF ORIGINAL ISSUE	AMOUNT OF ORIGINAL ISSUE	DATE OF ISSUE	DATE OF MATURITY	INTEREST RATE	BALANCE DECEMBER 31,			BALANCE DECEMBER 31, 2015
							2014	INCREASED	DECREASED	
02-08	Improvements to Cherrywood Drive	2/04/14	\$ 30,666	2/04/14 2/04/15	2/03/15 2/03/16	1.25% 1.25%	\$ 30,666 -	\$ - 30,666	\$ 30,666 -	\$ - 30,666
02-14/36	Construction of Recreation Facilities	2/04/14	40,730	2/04/14 2/04/15	2/03/15 2/03/16	1.25% 1.25%	40,730 -	- 40,730	40,730 -	- 40,730
02-23	Acquisition of Land - Parker Run	2/04/14	46,550	2/04/14 2/04/15	2/03/15 2/03/16	1.25% 1.25%	46,550 -	- 46,550	46,550 -	- 46,550
03-07	Acquisition of Sport Utility Vehciles	2/04/14	730	2/04/14 2/04/15	2/03/15 2/03/16	1.25% 1.25%	730 -	- 730	730 -	- 730
05-19	Road Improvements - Various	2/04/14	117,500	2/04/14 2/04/15	2/03/15 2/03/16	1.25% 1.25%	117,500 -	- 117,500	117,500 -	- 117,500
06-07	Various Road Improvements	4/05/07	1,111,500	2/04/14 2/04/15	2/03/15 2/03/16	1.00% 1.00%	576,797 -	- 576,797	576,797 -	- 576,797
06-15	Construction of Softball Field & Tot Lot	4/05/07	446,500	2/04/14 2/04/15	2/03/15 2/03/16	1.00% 1.00%	225,853 -	- 225,853	225,853 -	- 225,853
07-04	Road & Drainage Improvemnts North Burgee Drive	2/04/14	170,000	2/04/14 2/04/15	2/03/15 2/03/16	1.25% 1.25%	170,000 -	- 170,000	170,000 -	- 170,000
07-10	Acquisition of Garbage Truck	2/04/14	171,000	2/04/14 2/04/15	2/03/15 2/03/16	1.25% 1.25%	171,000 -	- 171,000	171,000 -	- 171,000
08-03	Acquisition & Installation of Automatic Doors for Handicap Access	2/04/14	24,130	2/04/14 2/04/15	2/03/15 2/03/16	1.25% 1.25%	24,130 -	- 24,130	24,130 -	- 24,130
08-04	Improvements to Lexington Drive	2/04/14	395,675	2/04/14 2/04/15	2/03/15 2/03/16	1.25% 1.25%	395,675 -	- 395,675	395,675 -	- 395,675
09-05	Improvements to Forest Edge Drive	2/04/14	204,250	2/04/14 2/04/15	2/03/15 2/03/16	1.25% 1.25%	204,250 -	- 204,250	204,250 -	- 204,250
09-06	Improvements to Frog Pond Road	2/04/14	209,000	2/04/14 2/04/15	2/03/15 2/03/16	1.25% 1.25%	209,000 -	- 209,000	209,000 -	- 209,000
09-13	Various Capital Improvements	2/18/10	1,358,500	2/04/14 2/04/15	2/03/15 2/03/16	1.00% 1.00%	1,184,830 -	- 1,111,160	1,184,830 -	- 1,111,160
10-20	Various Capital Improvements	6/14/11	1,324,300	2/04/14 2/04/15	2/03/15 2/03/16	1.00% 1.00%	1,254,600 -	- 1,184,900	1,254,600 -	- 1,184,900
11-15	Various Capital Improvements	2/10/12	1,610,250	2/04/14 2/04/15	2/03/15 2/03/16	1.00% 1.00%	1,610,250 -	- 1,508,236	1,610,250 -	- 1,508,236
12-12	Various Capital Improvements	2/08/13	1,615,000	2/04/14 2/04/15	2/03/15 2/03/16	1.00% 1.00%	1,615,000 -	- 1,615,000	1,615,000 -	- 1,615,000
13-14	Various Capital Improvements	2/04/14	2,042,360	2/04/14 2/04/15	2/03/15 2/03/16	1.00% 1.00%	2,042,360 -	- 2,042,360	2,042,360 -	- 2,042,360
Total							\$ 9,919,921	\$ 9,674,537	\$ 9,919,921	\$ 9,674,537
Bond Anticipation Note Renewal									\$ 9,674,537	
Paid Down by Current Fund									245,384	
									<u>\$ 9,919,921</u>	

**TOWNSHIP OF LITTLE EGG HARBOR
GENERAL CAPITAL FUND
SCHEDULE OF GENERAL SERIAL BONDS
AT DECEMBER 31, 2015**

PURPOSE	DATE OF ISSUE	AMOUNT OF ORIGINAL ISSUE	MATURITIES OF			INTEREST RATE	BALANCE			BALANCE DECEMBER 31, 2015
			BONDS OUTSTANDING		DECEMBER 31, 2014		INCREASED	DECREASED		
			DECEMBER 31, 2015	AMOUNT						
			DATE							
General Obligation Refunding Bonds	2/01/10	3,275,000	08/01/16	310,000	3.500%	\$ 2,110,000	\$ -	\$ 305,000	\$ 1,805,000	
			08/01/17	305,000	3.836%					
			08/01/18	300,000	3.750%					
			08/01/19	300,000	4.000%					
			08/01/20	295,000	5.000%					
			08/01/21	295,000	5.000%					
General Obligation Refunding Bonds	5/02/12	5,260,000	11/15/16	520,000	2.000%	4,730,000	-	495,000	4,235,000	
			11/15/17	535,000	2.000%					
			11/15/18	545,000	4.000%					
			11/15/19	545,000	2.000%					
			11/15/20	535,000	2.250%					
			11/15/21	525,000	2.500%					
			11/15/22	520,000	3.000%					
			11/15/23	510,000	2.750%					
Totals						\$ 6,840,000	\$ -	\$ 800,000	\$ 6,040,000	
Paid from Current Fund								800,000		
Total								\$ 800,000		

TOWNSHIP OF LITTLE EGG HARBOR
GENERAL CAPITAL FUND
SCHEDULE OF GREEN TRUST LOAN PAYABLE
AT DECEMBER 31, 2015

PURPOSE	DATE OF ISSUE	AMOUNT OF ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING DECEMBER 31, 2015		INTEREST RATE	BALANCE DECEMBER 31, 2014	DECREASED	BALANCE DECEMBER 31, 2015
			DATE	AMOUNT				
Mystic Beach Acquisition	02/13/96	\$ 94,760				\$ 5,806	\$ 5,806	\$ -
Open Space Acquisition	10/22/02	255,220	2016	13,876	2.00%	116,791	13,602	103,189
			2017	14,154				
			2018	14,439				
			2019	14,729				
			2020	15,026				
			2021	15,327				
			2022	15,638				
Recreation Complex	7/18/02	500,000	2016	27,455	2.00%	215,543	26,914	188,629
			2017	28,008				
			2018	28,570				
			2019	29,145				
			2020	29,730				
			2021	30,328				
			2022	15,392				
Municipal Complex	9/7/05	250,000	2016	12,932	2.00%	146,571	12,677	133,894
			2017	13,192				
			2018	13,457				
			2019	13,727				
			2020	14,004				
			2021	14,285				
			2022	14,572				
			2023	14,865				
			2024	15,164				
			2025	7,696				
Construction of Softball Field & Tot Lot	11/27/06	250,000	2016	12,552	2.00%	165,121	12,305	152,816
			2017	12,804				
			2018	13,061				
			2019	13,324				
			2020	13,592				
			2021	13,865				
			2022	14,144				
			2023	14,428				
			2024	14,718				
			2025	15,014				
			2026	15,314				
Total					\$ 649,832	\$ 71,304	\$ 578,528	

**TOWNSHIP OF LITTLE EGG HARBOR
GENERAL CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
AT DECEMBER 31, 2015**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2014	2015 AUTHORIZATIONS /INCREASES	2015 REDUCTIONS	NOTES ISSUED	BALANCE DECEMBER 31, 2015
96-10/99-09	Satellite Repeaters & Logging Recorders	\$ 250	\$ -	-	-	250
99-23	Municipal Complex	2,230	-	-	-	2,230
00-06	Water Line Extension - Atlantis	4,571	-	-	-	4,571
02-22	Purchase of Street Sweeper	80	-	-	-	80
07-25	Acquisition of Land	1,282,500	-	-	-	1,282,500
09-06	Improvements to Frog Pond Road	170,498	-	-	-	170,498
14-10	Various Capital Improvements	1,871,500	-	-	-	1,871,500
	Total	\$ 3,331,629	\$ -	-	-	\$ 3,331,629

**TOWNSHIP OF LITTLE EGG HARBOR
GENERAL CAPITAL FUND
SCHEDULE OF STATE ROAD AID ALLOTMENTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014	\$ 170,498
Decreased By:	
Road Aid Received	<u>-</u>
Balance December 31, 2015	<u><u>\$ 170,498</u></u>

ANALYSIS OF BALANCE

2009-13 Various Capital Improvements - Frog Pond Road Phase 1	<u>\$ 170,498</u>
Total	<u><u>\$ 170,498</u></u>

PAYROLL FUND

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EXHIBIT D-1

**TOWNSHIP OF LITTLE EGG HARBOR
PAYROLL FUND
STATEMENT OF PAYROLL FUND CASH
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014		\$	129,443
Increased by:			
Receipts			<u>13,305,680</u>
Subtotal			13,435,123
Decreased by:			
Disbursements:			
Net Pay	\$	5,677,618	
Paid to Current		15,445	
Payment to Agencies		<u>7,549,564</u>	<u>13,242,627</u>
Balance December 31, 2015		\$	<u><u>192,496</u></u>

EXHIBIT D-2

**STATEMENT OF PAYROLL TAXES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014		\$	106,554
Increased by:			
Payroll Deductions			<u>7,628,061</u>
Subtotal			7,734,615
Decreased by:			
Due Current Fund	\$	7,445	
Disbursements		<u>7,542,119</u>	<u>7,549,564</u>
Balance December 31, 2015		\$	<u><u>185,051</u></u>

ANALYSIS OF BALANCE

Federal Tax Liability	\$	98,768
State Tax Liability		12,687
PERS		26,499
PFRS		<u>47,097</u>
Balance December 31, 2015	\$	<u><u>185,051</u></u>

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SINGLE AUDIT SECTION

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HOLMAN | FRENIA
ALLISON, P.C.

Certified Public Accountants & Consultants

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

Honorable Mayor and Members
of the Township Committee
Township of Little Egg Harbor
County of Ocean
Little Egg Harbor, New Jersey 08087

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements- regulatory basis of the Township of Little Harbor as of and for the fiscal year ended December 31, 2015 and the related notes to the financial statements, and have issued our report thereon dated June 9, 2016. Our report on the financial statements-regulatory basis was modified to indicate that the financial statements were not prepared and presented in accordance with accounting principles generally accepted in the United States of America but rather prepared and presented in accordance with the regulatory basis of accounting 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, to meet the requirements of the State of New Jersey for municipal government entities as described in Note 1.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Municipality's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Municipality's internal control. Accordingly, we do not express an opinion on the effectiveness of the Municipality'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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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 Municipality's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

HOLMAN FRENIA ALLISON, P.C.



Kevin P. Frenia
Certified Public Accountant
Registered Municipal Accountant
CR 435

June 9, 2016
Medford, New Jersey

**INDEPENDENT AUDITORS'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY
THE UNIFORM GUIDANCE**

Honorable Mayor and Members
of the Township Committee
Township of Little Egg Harbor
County of Ocean
Little Egg Harbor, New Jersey 08087

Report on Compliance for Each Major Federal Program

We have audited the Township of Little Egg Harbor's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Township of Little Egg Harbor's major federal programs for the year ended December 31, 2015. The Township of Little Egg Harbor's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Township of Little Egg Harbor's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Township of Little Egg Harbor's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Township of Little Egg Harbor's compliance with those requirements.

Opinion on Each Major Federal Program

In our opinion, the Township of Little Egg Harbor complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2015.

Other Matters

The results of our auditing procedures disclosed no instances of noncompliance, which are required to be reported in accordance with Uniform Guidance.

Report on Internal Control Over Compliance

Management of the Township of Little Egg Harbor is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the 's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Township of Little Egg Harbor's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by Uniform Guidance

We have audited the financial statements of the as of and for the year ended December 31, 2015, and have issued our report thereon dated June 9, 2016, which contained a qualified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of

additional analysis as required by Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

Respectfully submitted,

HOLMAN FRENIA ALLISON, P.C.

A handwritten signature in black ink, appearing to read "Kevin P. Frenia". The signature is fluid and cursive, with a large initial "K" and "F".

Kevin P. Frenia
Certified Public Accountant
Registered Municipal Accountant
CR #435

June 9, 2016
Medford, New Jersey

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**TOWNSHIP OF LITTLE EGG HARBOR
SCHEDULE OF FEDERAL AWARDS
FOR YEAR ENDED DECEMBER 31, 2015**

<u>DEPARTMENT/PROGRAM TITLE</u>	<u>CFDA NUMBER</u>	<u>PASS-THROUGH GRANTOR'S NUMBER</u>	<u>AWARD AMOUNT</u>	<u>GRANT PERIOD</u>	<u>CASH RECEIVED</u>	<u>CURRENT YEAR EXPENDITURES</u>	<u>CUMULATIVE EXPENDITURES</u>
U.S. Department of Homeland Security: Community Disaster Loans	97.030	N/A	\$ 4,319,506	Open	\$ 1,000,000	\$ 1,000,000	\$ 4,250,000
Total Department of Homeland Security					1,000,000	1,000,000	10,231,387
U.S. Department of Housing and Urban Development Hurricane Sandy Community Development Block Grant	14.269	022-8022-100-001	Ongoing	Open	71,766	37,617	58,978
Total Department of Housing and Urban Development					71,766	37,617	58,978
U.S. Department of the Interior: Hurricane Sandy Coastal Resiliency Grant	15.153	N/A	2,130,000	Open	274,620	116,072	116,072
Total Department of Justice					274,620	116,072	116,072
Total Federal Financial Assistance					\$ 1,346,386	\$ 1,153,689	\$ 10,406,437

**TOWNSHIP OF LITTLE EGG HARBOR
NOTES TO SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2015**

Note 1. General

The accompanying schedule of expenditures of federal financial assistance presents the activity of federal financial assistance of the Township of Little Egg Harbor, County of Ocean, State of New Jersey. The Township is defined in Note 1 to the Township's financial statements.

Note 2. Basis of Accounting

The accompanying schedule of expenditures of federal financial assistance are presented using the modified accrual basis of accounting as promulgated by the State of New Jersey, Department of Community Affairs, Division of Local Government Services, which is described in the Notes to the Financial Statements, Note 1.

Note 3. Relationship to Financial Statements – Statutory Basis

Amounts reported in the accompanying schedules agree with amounts reported in the Township's general-purpose financial statements. Expenditures from awards are reported in the Township's financial statement as follows:

	Federal
State & Federal Grant Fund	\$ 153,689
Current Fund – CDL Loan	<u>1,000,000</u>
Total	<u>\$1,153,689</u>

Note 4. Relationship to Federal Financial Report

Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial report.

Note 5. Major Programs

The two major programs are identified in the Schedule of Findings and Questioned Costs section.

**TOWNSHIP OF LITTLE EGG HARBOR
SCHEDULE OF FINDINGS & QUESTIONED COSTS
For the Fiscal Year Ended December 31, 2015**

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued: Unmodified – Regulatory Basis

Internal control over financial reporting:

1) Material weakness(es) identified? No

2) Significant deficiencies identified that are not considered to be material weaknesses? No

Noncompliance material to basic financial Statements noted? No

Federal Awards

Dollar threshold used to distinguish between type A programs: \$750,000

Auditee qualified as low-risk auditee? Yes

Internal Control over major programs:

1) Material weakness(es) identified? No

2) Significant deficiencies identified that are not considered to be material weaknesses? None Reported

Type of auditor’s report issued on compliance for major programs Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200 (Uniform Guidance) No

Federal CFDA Number

97.030

Name of Federal Program

Community Disaster Loans

TOWNSHIP OF LITTLE EGG HARBOR
SCHEDULE OF FINDINGS & QUESTIONED COSTS
For the Fiscal Year Ended December 31, 2015

Section II – Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance related to the basic financial statements that are required to be reported in accordance with Chapter 5.18 through 5.20 of *Government Auditing Standards*.

No Current Year Findings

Section III – Federal Financial Assistance Finding & Questioned Costs

This section identifies audit findings required to be reported by Uniform Guidance.

No Current Year Findings

**TOWNSHIP OF LITTLE EGG HARBOR
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
For the Fiscal Year Ended December 31, 2015**

This section identifies the status of prior-year findings related to the basic financial statements and state awards that are required to be reported in accordance with Chapter 6.12 of Government Auditing Standards and Uniform Guidance.

No Prior Year Findings

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**TOWNSHIP OF LITTLE EGG HARBOR
COUNTY OF OCEAN**

PART II

**COMMENTS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2015**

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To the Honorable Mayor and
Members of the Township Committee
Township of Little Egg Harbor
Little Egg Harbor, New Jersey 08087

We have audited the financial statements of the Township of Little Egg Harbor in the County of Ocean on for the year ended December 31, 2015, in accordance with requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the following are the *General Comments* and *Recommendations* for the year then ended.

GENERAL COMMENTS

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

N.J.S.A.40A:11-4 - Every contract or agreement, for the performance of any work or furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only by the governing body of the contracting unit after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other Law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate \$17,500 except by contract or agreement.

It is pointed out that the governing body of the municipality has the responsibility of determining whether the expenditures in any category will exceed the statutory minimum within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the solicitor's opinion should be sought before a commitment is made.

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

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

Contracts and Agreements Requiring Solicitation of Quotations

The examination of expenditures did not reveal any individual payments, contracts or agreements in excess of \$2,625 thereafter "for the performance of any work or the furnishing or hiring of any materials or supplies", other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provision of (*N.J.S.A.40A:11-6.1*).

Collection of Interest on Delinquent Taxes

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

The governing body on January 1, 2015 adopted the following resolution authorizing interest to be charged on delinquent taxes:

“BE IT RESOLVED by the Township Committee of the Township of Little Egg Harbor, County of Ocean, State of New Jersey, the rate of interest charged on delinquent taxes or assessments on any installment made ten (10) days after the date upon which the same became payable, shall not exceed eight (8) percent per annum of the first One Thousand Five Hundred Dollars (\$1,500.00) of the delinquency, and eighteen (18) percent per annum on any amount in excess of One Thousand Five Hundred Dollars (\$1,500.00).

BE IT FURTHER RESOLVED, that where interest on delinquent tax payments is one dollar (\$1.00) or less, payment and collection of said interest is hereby waived.”

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

Delinquent Taxes and Tax Title Liens

The delinquent taxes at December 31, 2015, included 2015, 2014, 2013, 2012, 2011, 2010 and 2009 real estate taxes only.

The last tax sale was held on December 16, 2015 and was complete.

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

YEAR	NUMBER OF LIENS
2015	135
2014	135
2013	159

Examination of Bills

A test check of paid bills was made and each bill, upon proper approval, was considered as a separate and individual contract unless the records disclosed it to be a part payment or estimate.

Municipal Court

The Township of Little Egg Harbor entered into an Interlocal Municipal Court Agreement with the Township of Eagleswood effective January 1, 2009 in accordance with *N.J.S.A.2B:12-1*.

The Township of Little Egg Harbor assumed all administrative responsibility as well the responsibility of obtaining an audit of Eagleswood Township's Municipal Court.

A separate report of the Municipal Court transactions for both Little Egg Harbor and Eagleswood Township was filed in accordance with the requirements of the Local Finance Board.

As part of the test of the Municipal Court records, no attempt was made to differentiate between fines due the Township, County, or State, or to pass upon the authenticity of the preparation and procedures for complaints issued.

Payroll Fund

The examination of the payroll fund included testing the detail computation of various deductions or other credits from the payroll of Township employees; also, the examination ascertained that the accumulated withholdings were distributed to the proper agencies.

Prior Year Findings

In accordance with Government Auditing Standards, our procedures included a review of all prior year findings. There were no prior year findings.

OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office at December 31, 2015:

NAME	TITLE	AMOUNT OF BOND	NAME OF CORPORATE SURETY
Arthur Midgley	Mayor		
Eugene Kobryn	Deputy Mayor		
Edward Nuttall	Committeeman		
John Kehm, Jr.	Committeeman		
Ray Gormley	Committeeman		
Dayna Wilson	Tax Collector, & Tax Search Officer	A	
Joseph Sorrentino	Tax Assessor		
Garrett Loesch	Chief Financial Officer/ Township Administrator	A	
Diana McCracken	Township Clerk	A	
Deborah O'Brien	Court Administrator	A	
Damian Murray	Court Magistrate	A	
Gilmore & Monahan	Solicitor		
Jim Oris of T & M Associates	Engineer		


(A) All employees are covered by a public employee dishonesty bond in the amount of \$1,000,000 by the Ocean County Municipal Joint Insurance Fund.

Acknowledgment

We received the complete cooperation of all the Township Officials and employees and we greatly appreciate the courtesies extended to the members of the audit team.

Respectfully submitted,

HOLMAN FRENIA ALLISON, P. C.

A handwritten signature in black ink, appearing to read "Kevin P. Frenia". The signature is fluid and cursive, with the first name "Kevin" and last name "Frenia" clearly distinguishable.

Kevin P. Frenia
Certified Public Accountant
Registered Municipal Accountant
CR 435

Medford Office
June 9, 2016

APPENDIX C
FORM OF CONTINUING DISCLOSURE CERTIFICATE FOR THE BONDS

FORM OF CONTINUING DISCLOSURE CERTIFICATE FOR THE BONDS

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the Township of Little Egg Harbor, in the County of Ocean, New Jersey (the "Issuer") in connection with the issuance by the Issuer of \$4,500,000 principal amount of its General Improvement Bonds, Series 2017A (the "Bonds"). The Bonds are being issued pursuant to various bond ordinances (the "Ordinances") duly adopted by the Township Committee of the Issuer (the "Committee") and a resolution duly adopted by the Township Committee on January 12, 2017 (the "Resolution"). The Bonds are dated their date of delivery and shall mature on February 1 in the years 2018 through 2027, inclusive. The Issuer covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the Bondholders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with the provisions of Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission ("SEC") under the Securities Exchange Act of 1934, as the same may be amended from time to time ("Exchange Act").

Section 2. Definitions. In addition to the definitions set forth in the Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Beneficial Owner" shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

"Bondholder" shall mean any person who is the registered owner of any Bond, including holders of beneficial interests in the Bonds.

"Continuing Disclosure Information" shall mean: (i) the Annual Report; (ii) any notice required to be filed with the Repositories pursuant to Section 5 hereof; and (iii) any notice of an event required to be filed with the Repositories pursuant to Section 3(c) hereof.

"Dissemination Agent" shall mean the Issuer, or any successor Dissemination Agent designated in writing by the Issuer and which has filed with the Issuer a written acceptance of such designation.

"EMMA" shall mean the Electronic Municipal Market Access System ("EMMA"), an internet based filing system created and maintained by the MSRB in accordance with the SEC Release, pursuant to which issuers of tax-exempt bonds, including the Bonds, and other filers on behalf of the such issuers shall upload Continuing Disclosure Information to assist underwriters

in complying with the Rule and to provide the general public with access to such Continuing Disclosure Information.

"Listed Events" shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

"MSRB" shall mean the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Exchange Act.

"National Repository" shall mean the MSRB, through the internet facilities of EMMA, or any other public or private repository or entity that shall hereafter be designated by the SEC as a repository for purposes of the Rule.

"Official Statement" shall mean the Official Statement of the Township, dated January __, 2017, relating to the Bonds.

"Participating Underwriter" shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"Repository" or "Repositories" shall mean each National Repository and each State Repository, if any.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the SEC under the Exchange Act, as the same may be amended from time to time.

"SEC Release" shall mean Release No. 34-59062, of the SEC, dated December 5, 2008.

"State" shall mean the State of New Jersey.

"State Repository" shall mean any public or private repository or entity designated by the State as a state repository for the purpose of the Rule and recognized as such by the SEC. As of the date of this Disclosure Certificate, there is no State Repository.

Section 3. Provision of Annual Reports.

(a) The Issuer shall, or shall cause the Dissemination Agent to, not later than September 30 of each year, commencing September 30, 2017 for the Annual Report for the fiscal year ending December 31, 2016, provide to the MSRB in an electronic format as prescribed by the MSRB, an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the Issuer's fiscal year changes, it shall give notice of such change to MSRB and the filing deadline shall be

adjusted accordingly. Any and all items that must be included in the Annual Report may be incorporated by reference from other information that is available to the public on the MSRB's Internet Web site, or that has been filed with the SEC.

(b) Not later than fifteen (15) Business Days prior to the date specified in subsection (a) for making available or providing the Annual Report, the Issuer shall provide the Annual Report to the Dissemination Agent (if other than the Issuer). If the Issuer is unable to provide to the MSRB an Annual Report by the date required in subsection (a), the Issuer shall, in a timely manner, send a notice to the MSRB in substantially the form attached as Exhibit A, in an electronic format as prescribed by the MSRB. All documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

(c) The Dissemination Agent shall file a report with the Issuer certifying that the Annual Report has been provided to the MSRB pursuant to this Disclosure Agreement, stating the date it was provided.

Section 4. Content of Annual Reports. The Issuer's Annual Report shall contain or include by reference the following:

1. The audited financial statements of the Issuer for the prior fiscal year, prepared in accordance with generally accepted accounting standards (GAAS) as from time to time in effect, and as prescribed by the Division of Local Government Services in the Department of Community Affairs of the State pursuant to Chapter 5 of Title 40A of the New Jersey Statutes. If the Issuer's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

2. Certain financial information and operating data of the Issuer as contained in Appendix A of the Official Statement under the following headings: Comparison of Tax Levies and Collections; Delinquent Taxes and Tax Title Liens; Tax Rates per \$100 of Net Valuations Taxable and Allocations; Valuation of Property; Classification of Ratables; Financial Operations; Fund Balance; and Township Indebtedness as of December 31, 2015.

Section 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the Issuer shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds:

1. principal and interest payment delinquencies;
2. non-payment related defaults, if material;

3. unscheduled draws on debt service reserves reflecting financial difficulties;
4. unscheduled draws on credit enhancements reflecting financial difficulties;
5. substitution of credit or liquidity providers, or their failure to perform;
6. adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability. Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or others material events affecting the tax status of the Bonds;
7. modifications to rights of Bondholders, if material;
8. Bond Calls, if material and tender offers;
9. defeasances;
10. release, substitution, or sale of property securing repayment of the Bonds, if material;
11. rating changes.
12. bankruptcy, insolvency, receivership or similar events of the Issuer, which shall be considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer;
13. the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

14. appointment of a successor or additional trustee or the change of name of a trustee, if material.

(b) Whenever the Issuer obtains knowledge of the occurrence of a Listed Event described in subsection (a) for which a disclosure obligation is dependent upon materiality, the Issuer shall as soon as possible determine if such event would be material under applicable federal securities laws.

(c) If disclosure of a Listed Event is required, the Issuer shall, in a timely manner not in excess of ten business days after the occurrence of the event, file a notice of such occurrence with the MSRB in an electronic format as prescribed by the MSRB. All documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

Section 6. Termination of Reporting Obligation. The Issuer's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the Issuer shall give notice of such termination in the same manner as for a Listed Event under Section 5(c).

Section 7. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the Issuer pursuant to this Disclosure Certificate. The initial Dissemination Agent shall be the Issuer.

Section 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Issuer may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Section 3(a), 4 or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Bondholders or Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the Issuer shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(c), and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate any Bondholder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default on the Bonds, and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel performance.

Section 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the Issuer agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including reasonable attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's gross negligence or willful misconduct. The obligations of the Issuer under this Section 11 shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

Section 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Dissemination Agent, the Participating Underwriters and the Bondholders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Dated: _____, 2017

TOWNSHIP OF LITTLE EGG HARBOR, IN THE
COUNTY OF OCEAN, NEW JERSEY

By: _____
Chief Financial Officer

EXHIBIT A

NOTICE TO OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: Township of Little Egg Harbor, in the County of Ocean, New Jersey

Name of Bond Issue: \$4,500,000 General Improvement Bonds, Series 2017A

Date of Issuance: _____, 2017

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Bonds as required by Section 3(a) of the Continuing Disclosure Certificate dated February 2, 2017. The Issuer anticipates that the Annual Report will be filed by _____, 20__.

Dated: _____, 20__

TOWNSHIP OF LITTLE EGG HARBOR, IN THE COUNTY OF
OCEAN, NEW JERSEY

By: _____
Name:
Title:

APPENDIX D
FORM OF CONTINUING DISCLOSURE CERTIFICATE FOR THE NOTES

FORM OF CONTINUING DISCLOSURE CERTIFICATE FOR THE NOTES

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the Township of Little Egg Harbor, in the County of Ocean, New Jersey (the "Issuer") in connection with the issuance by the Issuer of its Bond Anticipation Notes, Series 2017A (Tax-Exempt) in the aggregate principal amount of \$3,025,000 (the "Tax-Exempt Notes") and its Bond Anticipation Notes, Series 2017B (Federally Taxable) in the aggregate principal amount of \$1,329,000 (the "Taxable Notes", and together with the Tax-Exempt Notes, the "Notes"). The Notes are being issued pursuant to various bond ordinances duly adopted by the Issuer. The Issuer covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the Noteholders and Beneficial Owners of the Notes and in order to assist the Participating Underwriter in complying with the provisions of Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission ("SEC") under the Securities Exchange Act of 1934, as the same may be amended from time to time ("Exchange Act").

SECTION 2. Definitions. In addition to the definitions set forth in the Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Beneficial Owner" shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Notes (including persons holding Notes through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Notes for federal income tax purposes.

"Continuing Disclosure Information" shall mean: (i) any notice required to be filed with the MSRB pursuant to Section 4 hereof; and (ii) any notice of an event required to be filed with the MSRB pursuant to Section 3(c) hereof.

"Dissemination Agent" shall mean the Issuer, or any successor Dissemination Agent designated in writing by the Issuer and which has filed with the Issuer a written acceptance of such designation.

"Listed Events" shall mean any of the events listed in Section 3(a) of this Disclosure Certificate.

"MSRB" shall mean the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Exchange Act.

"Noteholder" shall mean any person who is the registered owner of any Note, including holders of beneficial interests in the Notes.

"Participating Underwriter" shall mean any of the original underwriters of the Notes required to comply with the Rule in connection with offering of the Notes.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"State" shall mean the State of New Jersey.

SECTION 3. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 3, the Issuer shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Notes, if material:

1. principal and interest payment delinquencies;
2. non-payment related defaults, if material;
3. unscheduled draws on the debt service reserves reflecting financial difficulties;
4. unscheduled draws on the credit enhancements reflecting financial difficulties;
5. substitution of the credit or liquidity providers or their failure to perform;
6. adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Notes, or other material events affecting the tax-exempt status of the Notes;
7. modifications to rights of Noteholders, if material;
8. Note calls, if material, and tender offers;
9. defeasances;
10. release, substitution or sale of property securing repayment of the Notes, if material;
11. rating changes;
12. bankruptcy, insolvency, receivership or similar events of the Issuer, which shall be considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal

law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer;

13. the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
14. appointment of a successor or additional trustee or the change of name of a trustee, if material.

(b) Whenever the Issuer obtains knowledge of the occurrence of a Listed Event described in subsection (a) for which the disclosure obligation is dependent upon materiality, the Issuer shall as soon as possible determine if such event would be material under applicable federal securities laws.

(c) If disclosure of a Listed Event is required, the Issuer shall in a timely manner not in excess of ten business days after the occurrence of the event, file a notice of such occurrence with the MSRB in an electronic format as prescribed by the MSRB. All documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

SECTION 4. Termination of Reporting Obligation. The Issuer's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Notes. If such termination occurs prior to the final maturity of the Notes, the Issuer shall give notice of such termination in the same manner as for a Listed Event under Section 3(c).

SECTION 5. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the Issuer pursuant to this Disclosure Certificate. The initial Dissemination Agent shall be the Issuer.

SECTION 6. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Issuer may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Section 3, it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Notes, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Notes, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Noteholders or Beneficial Owners of the Notes.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the Issuer shall describe such amendment in the same manner as for a Listed Event under Section 3(a), and shall include a narrative explanation of the reason for the amendment or waiver.

SECTION 7. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in any notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Certificate to update such information or include it in any future notice of occurrence of a Listed Event.

SECTION 8. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate any Noteholder or Beneficial Owner of the Notes may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default on the Notes, and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel performance.

SECTION 9. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the Issuer agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of

liability, but excluding liabilities due to the Dissemination Agent's gross negligence or willful misconduct. The obligations of the Issuer under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Notes.

SECTION 10. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Dissemination Agent, the Participating Underwriters and the Noteholders and Beneficial Owners from time to time of the Notes, and shall create no rights in any other person or entity.

Date: _____, 2017

TOWNSHIP OF LITTLE EGG HARBOR, IN THE
COUNTY OF OCEAN, NEW JERSEY

By: _____
Garrett Loesch, Chief Financial Officer

APPENDIX E
FORM OF BOND COUNSEL OPINION FOR THE BONDS

*An opinion in substantially the following form will be
delivered by Bond Counsel at Closing, assuming no
material changes in facts or law.*

_____, 2017

Township Committee of the
Township of Little Egg Harbor, in the
County of Ocean, New Jersey

Re: Township of Little Egg Harbor, in the County of Ocean, New Jersey
\$4,500,000 General Improvement Bonds, Series 2017A

Ladies and Gentlemen:

We have acted as Bond Counsel in connection with the issuance by the Township of Little Egg Harbor, in the County of Ocean, New Jersey (the "Township") of its \$4,500,000 General Improvement Bonds, Series 2017A (the "Bonds"). The Bonds are general obligations of the Township and the full faith, credit and taxing power of the Township is available to pay the principal of and interest on the Bonds. The Bonds are registered as to principal and interest, are issued in fully registered form, are dated their date of delivery, and mature on February 1, in the amounts and in each of the years, and bear interest at the rates set forth in the table below:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2018	\$275,000	
2019	325,000	
2020	325,000	
2021	275,000	
2022	550,000	
2023	550,000	
2024	550,000	
2025	550,000	
2026	550,000	
2027	550,000	

The Bonds are not subject to redemption prior to their stated maturities.

The Bonds will be initially issued in fully registered book-entry form only in the form of one certificate in the aggregate amount of the Bonds of each maturity, registered in the name of and held by Cede & Co., as nominee of The Depository Trust Company (“DTC”), which will act as securities depository for the Bonds. DTC will be responsible for maintaining the book-entry system for recording the interests of its participants and transfers of such interests among such participants. Such participants shall be responsible for maintaining records regarding the beneficial ownership interests in the Bonds on behalf of individual purchasers. Individual purchases may be made in the principal amount of \$5,000 or any integral multiple thereof, through book-entries on the books and records of DTC and its participants.

The Bonds are issued under the provisions of the Local Bond Law, Chapter 169 of the Laws of 1960 of the State of New Jersey, effective January 1, 1962, and the acts amendatory thereof and supplemental thereto (the "Act"), a resolution adopted by the Township Committee on January 12 2017 (the "Resolution") and Bond Ordinances numbered 2006-07, 2006-15, 2009-13, 2010-20, 2012-12 and 2013-14 (the "Ordinances"). The Bonds are issued for the purpose of financing general improvements and purposes as set forth in the Ordinances and to pay a portion of the costs of issuing the Bonds.

In our capacity as Bond Counsel and as a basis for the opinions set forth below, we have examined the proceedings relating to the authorization and issuance of the Bonds, including (a) copies of the Resolution and the Ordinances; (b) such matters of law, including, *inter alia*, the Act and the Internal Revenue Code of 1986, as amended (the “Code”); and (c) such other agreements, proceedings, certificates, records, approvals, resolutions and documents as to various matters with respect to the issuance of the Bonds as we have deemed necessary. We have further assumed and relied upon the genuineness, accuracy and completeness of all of the documents and other instruments which we have examined. As to questions of fact material to our opinion, we have relied upon the proceedings and other certifications of public officials executed and furnished to us without undertaking to verify the same by independent investigation.

In our capacity as Bond Counsel and as a basis for the opinions set forth below, we have examined the proceedings relating to the authorization and issuance of the Bonds, including (a) copies of the Resolution and the Ordinances; (b) such matters of law, including, *inter alia*, the Act and the Code; and (c) such other agreements, proceedings, certificates, records, approvals, resolutions and documents as to various matters with respect to the issuance of the Bonds as we have deemed necessary. We have further assumed and relied upon the genuineness, accuracy and completeness of all of the documents and other instruments which we have examined. As to questions of fact material to our opinion, we have relied upon the proceedings and other certifications of public officials executed and furnished to us without undertaking to verify the same by independent investigation.

Based upon the foregoing, we are of the opinion that:

1. The Bonds have been duly authorized, issued, executed and sold by the Township; the Ordinances and the Resolution have been duly authorized and adopted by the Township; and the Bonds, the Ordinances and the Resolution are legal, valid and binding obligations of the Township enforceable in accordance with their respective terms.

2. Assuming continuing compliance by the Issuer with the provisions of the Code applicable to the Bonds, and subject to certain provisions of the Code, under laws, regulations, rulings and judicial decisions existing on the date of original delivery of the Bonds, interest received by a holder of the Bonds will be excludable from gross income for federal income tax purposes and will not be treated as a tax preference item for purposes of the alternative minimum tax imposed on individuals or corporations. However, interest on the Bonds may become taxable retroactively if certain requirements under the Code are not complied with. Interest on the Bonds is included in the adjusted current earnings of certain corporations for purposes of computing the alternative minimum tax on such corporations.

3. Under the laws of the State of New Jersey as enacted and construed on the date of original delivery of the Bonds, interest on the Bonds and any gain from the sale thereof is excludable from gross income under the New Jersey Gross Income Tax Act.

4. The power and obligation of the Township to pay the Bonds is unlimited, and the Township shall be required to levy *ad valorem* taxes upon all taxable real property within the Township for the payment of the principal of and interest on the Bonds without limitation as to rate or amount.

For purposes of this opinion, the enforceability (but not the validity) of the documents mentioned herein may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other laws now or hereafter enacted by any state or by the federal government affecting the enforcement of creditors' rights generally, and by equitable principles, and the phrase "enforceable in accordance with their respective terms" shall not mean that specific performance would necessarily be available as a remedy in every situation.

Other than as set forth in Paragraphs 2 and 3 hereof, we express no opinion regarding other federal and state tax consequences arising with respect to the Bonds.

We express no opinion herein as to the adequacy or accuracy of any official statement, private placement memorandum or other offering material pertaining to the offering of the Bonds.

GLUCKWALRATH LLP

APPENDIX F
FORM OF BOND COUNSEL OPINION FOR THE NOTES

*An opinion in substantially the following form
will be delivered at Closing, assuming
no material changes of fact or law.*

_____, 2017

Township Committee of the
Township of Little Egg Harbor, in the
County of Ocean, New Jersey

Re: Township of Little Egg Harbor, in the County of Ocean, New Jersey
\$_____ Bond Anticipation Notes, Series 2017A (Tax-Exempt)
\$_____ Bond Anticipation Notes, Series 2017B (Federally Taxable)

Ladies and Gentlemen:

We have acted as Bond Counsel in connection with the issuance by the Township of Little Egg Harbor, in the County of Ocean, New Jersey (the "Issuer") of its Bond Anticipation Notes, Series 2017A (Tax-Exempt) in the aggregate principal amount of \$_____ (the "Tax-Exempt Notes") and its Bond Anticipation Notes, Series 2017B (Federally Taxable) in the aggregate principal amount of \$_____ (the "Taxable Notes", and together with the Tax-Exempt Notes, the "Notes"). The Notes are general obligations of the Issuer and the full faith, credit and taxing power of the Issuer are available to pay the principal of and the interest on the Notes. The Notes are each dated their date of delivery, are issued in registered form, mature on _____, 2018 and are not subject to redemption prior to maturity. The Tax-Exempt Notes bear interest at a rate of ____ percent per annum payable at maturity and the Taxable Notes bear interest at a rate of ____ percent per annum payable at maturity.

The Notes will be initially issued in fully registered form in the form of one certificate for the aggregate amount of Notes of each series. The Notes of each series are registered in the name of and held by Cede & Co., as nominee of The Depository Trust Company, Jersey City, New Jersey ("DTC"), which will act as securities depository for the Notes. DTC will be responsible for maintaining the book-entry system for recording the interests of its participants or the transfers of such interests among such participants. Such participants shall be responsible for maintaining records regarding the beneficial ownership interests in the Notes on behalf of

individual purchasers. Individual purchases may be made in the principal amount of \$5,000 or more through book-entries on the books and records of DTC and its participants.

The Notes are issued under the provisions of the Local Bond Law, Chapter 169 of the Laws of 1960 of the State of New Jersey, effective January 1, 1962 and the acts amendatory thereof and supplemental thereto (the "Act"). The Tax-Exempt Notes are issued pursuant to bond ordinances of the Township numbered 2011-15 and 2013-14 (collectively, the "Tax-Exempt Ordinances") and the Taxable Notes are issued pursuant to bond ordinances of the Township numbered 2002-08, 2002-14, as amended by 2002-36, 2002-23, 2003-07, 2005-19, 2007-04, 2007-10, 2008-03, 2008-04, 2009-05 and 2009-06 (collectively, the "Taxable Ordinances", and together with the Tax-Exempt Ordinances, the "Ordinances"). The Notes are issued for the purpose of providing funds to refinance various capital improvements as described in the Ordinances (collectively, the "Project"). The Project was authorized by the Ordinances.

In our capacity as Bond Counsel and as a basis for the opinions set forth below, we have examined the proceedings relating to the authorization and issuance of the Notes, including (a) a copies of the Ordinances; (b) such matters of law, including inter alia, the Act and the Internal Revenue Code of 1986, as amended (the "Code"); and (c) such other agreements, proceedings, certificates, records, approvals, resolutions and documents as to various matters with respect to the issuance of the Notes as we have deemed necessary. We have further assumed and relied upon the genuineness, accuracy and completeness of all the documents and other instruments which we have examined. As to questions of fact material to our opinion, we have relied upon the forms of the proceedings and other certifications of public officials to be executed and furnished to us without undertaking to verify the same by independent investigation.

Based upon the foregoing, and assuming that the Notes and other documents and certificates are executed and delivered as instructed by us, we are of the opinion that:

1. The Notes have been duly authorized, issued, executed and sold by the Issuer; the Ordinances have been duly authorized and adopted by the Issuer; and the Notes and the Ordinances are legal, valid and binding obligations of the Issuer enforceable in accordance with their respective terms.

2. Assuming continuing compliance by the Issuer with the provisions of the Code applicable to the Tax-Exempt Notes, and subject to certain provisions of the Code, under laws, regulations, rulings and judicial decisions existing on the date of original delivery of the Tax-Exempt Notes, interest received by a holder of the Tax-Exempt Notes will be excludable from gross income for federal income tax purposes and will not be treated as a tax preference item for purposes of the alternative minimum tax imposed on individuals or corporations. Interest on the

Tax-Exempt Notes is included in the adjusted current earnings of certain corporations for purposes of computing the alternative minimum tax on such corporations. However, interest on the Tax-Exempt Notes may become taxable retroactively if certain requirements under the Code are not complied with.

3. Under the laws of the State of New Jersey as enacted and construed on the date of original issuance of the Notes, interest on the Notes and gain from the sale thereof are excludable from gross income under the New Jersey Gross Income Tax Act.

4. Interest on the Taxable Notes is includable in gross income for federal income tax purposes.

5. The power and obligation of the Issuer to pay the Notes is unlimited, and the Issuer shall have the power and be obligated to levy ad valorem taxes upon all the taxable real property within the Township for the payment of the Notes and interest thereon, without limitation of rate or amount.

For purposes of this opinion, the enforceability (but not the validity) of the documents mentioned herein may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other laws now or hereafter enacted by any state or by the federal government affecting the enforcement of creditors' rights generally, and by equitable principles, and the phrase "enforceable in accordance with their terms" shall not mean that specific performance would necessarily be available as a remedy in every situation.

Other than as set forth in Paragraphs 2, 3 and 4 hereof, we express no opinion regarding other federal and state tax consequences arising with respect to the Notes.

We express no opinion herein as to the adequacy or accuracy of any official statement, private placement memorandum or other offering material pertaining to the offering of the Notes.

GLUCKWALRATH LLP